



Audit Approach and Methodology

2.1 Audit approach

2.1.1 Audit Objectives

The main objectives of this Performance Audit were to ascertain whether:

- i. The Scheme met the principal aim of universal accessibility of services provided under it;
- ii. The infrastructure facilities were adequately provided for in Anganwadi Centres for effective delivery of services;
- iii. The deployment and training of the manpower under the scheme were adequate for effective delivery of the package of services both in respect of quality and coverage;
- iv. The service of supplementary nutrition was being implemented effectively so as to achieve its objective of improving the nutritional and health status of children in the age group of zero to six years and pregnant and lactating women;
- v. The services of pre-school non-formal education were being implemented effectively so as to reduce the incidence of school dropout;
- vi. The Information Education and Communication (IEC) and the Nutrition and Health Education (NHED) were effective and resulted in community mobilisation on the services of ICDS;
- vii. The funds allocated and released for the projects have been used economically and efficiently; and
- viii. The performance indicators and targets fixed under the scheme were monitored effectively to secure timely and corrective remedial measures.

2.1.2 Scope of Audit

The performance audit covered three components of ICDS viz, Supplementary Nutrition, Non-formal Pre-school Education and Nutrition and Health Education for the period 2006-07 to 2010-11. It involved scrutiny of records of the five programme divisions in the Ministry¹, Food

¹ *Relating to policy, release, monitoring and evaluation, training and capacity building and World Bank*

and Nutrition Board (FNB), National Institute of Public Co-operation and Child Development (NIPCCD)² and the implementing agencies in the 13 selected states (Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Meghalaya, Odisha, Rajasthan, Uttar Pradesh and West Bengal). The States were selected on the basis of their population, funds released to them during the period of audit and nutrition indicators as mentioned in the National Family Health Survey - 3, 2005³.

2.1.3 Audit Sampling

The following statistical framework was used for selection of sample:

- Each selected State was divided into various regions on the basis of geographical contiguity.
- Districts were chosen using Probability Proportional to Size with Replacement (PPSWR) method independently from various regions with size measure as the total amount of grants-in-aid released by the State to the respective district during the years 2006-11.
- In each sample district, four Projects were selected using Simple Random Sampling without Replacement (SRSWOR).
- In each sample Project, ten Anganwadi Centres (AWCs) were selected again using SRSWOR.

Thus, in each selected district four projects and 40 AWCs were audited. In all, 67 districts, 273 Projects and 2730 AWCs were selected for audit. Besides, one Anganwadi Training Centre (AWTC) and one Middle Level Training Centre (MLTC) located in the selected districts were also taken up for audit. Details of sample selection are given in **Annex 2.1**.

2.1.4 Sources of Audit criteria

The implementation of various components of ICDS scheme was audited with reference to the criteria derived from the following sources of documents:

- i. Scheme guidelines and instructions issued by the Ministry on ICDS.
- ii. Hon'ble Supreme Court judgements on the Scheme.
- iii. Rapid Facility Survey on ICDS Infrastructure conducted in 2004 by National Council of Applied Economic Research, Three Decades of

² *An autonomous body functioning under the administrative control of the Ministry.*

³ *Conducted by the Ministry of Health and Family Welfare in 2005-06, NFHS-3 provides data on malnourishment among children in 0-5 age group.*

ICDS- An appraisal by National Institute of Public Co-operation and Child Development (NIPCCD) in 2006, Evaluation of ICDS in March 2011 by Programme Evaluation Organisation of Planning Commission.

- iv. Rules and regulations of the Central and the State Governments as applicable.

2.2 Audit methodology

At the commencement of the performance audit, an entry conference was held with the Ministry of Women and Child Development in September 2011 wherein the audit methodology, scope, objectives and criteria were explained. Simultaneously, in each selected State, entry conference was held by the (Principal) Accountant General (Audit) with the nodal department involved in the implementation of the Scheme. Thereafter, records relating to the Scheme were examined in the Ministry and the implementing agencies of the State Governments by the Director General of Audit (Central Expenditure) and the respective (Principal) Accountants General (Audit).

The draft report was issued to the Ministry on 20 July 2012 seeking response on the audit findings. The Ministry submitted their final reply on 23 November 2012 which was considered and incorporated in this Report.

The audit findings were also discussed with the Ministry in an 'exit conference' held on 4 October 2012.

Audit acknowledges the co-operation and assistance extended by the Ministry of Women and Child Development and the State Governments in conducting this performance audit.

2.3 Previous audit findings

The ICDS scheme was earlier audited in 1999-2000 and the findings were reported through the Comptroller and Auditor General's (C & AG) Report No. 3 of 2000 (Union Government – Civil - Performance Appraisals). The main findings contained in the Report, were as follows:

- The Ministry failed to implement the policy of universalisation of the scheme in full. Due to funds constraints the policy of universalisation remained unattained. Only 4200 projects were made operational against the requirement of 5618, to cover the entire country.
- Despite so many inputs in the programme from multifarious agencies, the scheme could not achieve the desired goals, due to the incredible/un-manageable complexity of the programme as is

Chapter – 2
Audit Approach
and
Methodology

evident from the review findings on medicine kits and provision of Vitamin 'A'.

- The Supplementary Nutrition component had failed to improve the health status of beneficiaries due to various reasons like non-identification of beneficiaries, insufficient coverage of beneficiaries, significant interruption in feeding, deficiencies in nutritive value of food, sub-standard food etc.
- The implementation of the component of health check-up and referral services was found to be particularly deficient due to absence of baseline surveys for identification, incomplete/non-maintenance of concerned records/registers and lack of co-ordination with the State Health Department.
- In providing immunization as a component of the scheme, the major bottlenecks were non fixation of targets, absence of monitoring mechanism to ensure full coverage, non-maintenance/incomplete maintenance of records besides numerous cases of shortfall in coverage.
- Provision of medicine kits at Anganwadi Centres (AWCs) as envisaged by the Ministry had failed due to defects in the purchase and delivery system of medicine kits. Reports of shortfall in receipt of kits were noticed in 16 states.
- The Nutrition and Health Education component suffered from lack of clear plan as no serious efforts were undertaken to formulate the norms for such education and the resources for delivery of these components remained largely unused.
- Non-formal pre-school education was found to be mainly dependent on the supplementary nutrition provided at the AWCs.
- The Child Development Project Officers (CDPOs), Supervisors, Anganwadi Workers (AWWs), Anganwadi Helpers (AWHs) are the main functionaries of the scheme. Despite the shortfall ranging from 13 to 38 per cent in the person-in-position against the sanctioned posts during 1992-99, cases of diversion of ICDS staff to non-ICDS work and idle wages amounting to ₹ 5.06 crore were noticed in 10 states. Variations in the figures of sanctioned posts and persons-in-position, between the figures reported by the Ministry and the states were also noticed in all categories of functionaries.
- Training of ICDS functionaries remained largely ineffective as training was not accorded the high priority it deserves.

- The supply of vitamin A solution and iron and folic acid tablets by the Ministry of Health and Family Welfare was far below the satisfactory level.
- The scheme was neither funded judiciously nor was the application of resources appropriate. Ministry released grants arithmetically on the basis of number of projects.
- Non-reconciliation of figures of grant released by the Ministry and those received by the states was one of the major flaws in the financial administration of the scheme which rendered the reliability of the financial figures maintained by the Ministry questionable.
- The system of monitoring of ICDS scheme was largely ineffective due to lack of proper commitment towards ICDS on the part of state governments and due to dependence of the Ministry only on the monthly progress reports and monitoring reports for evaluation.
- Evaluations of the scheme have been conducted by various institutions. Suggestions offered by these institutions have largely remained un-implemented. Benchmark surveys have not been conducted from time to time resulting in non-assessment of the actual impact of the programme.

In the Action Taken Note (ATN) of 20 September 2010 on the findings of the previous Performance Audit Report, the Ministry indicated that it had initiated the following steps:

- The deficiency and inadequacy of the system had been addressed to a large extent through universalisation and revamping of the scheme.
- An effective system of financial control had also been put in place after revamping ICDS. The formats of the Statement of Expenditure had been streamlined for better financial control. Funds were released strictly in accordance with the guidelines issued by the Ministry of Finance from time to time. Reconciliation process was carried out with Budget section/Pay and Accounts Office regularly.
- The grant released by the Government of India and actually received by the State was being monitored regularly. The grant released by the GOI directly goes to States and therefore there can be no discrepancy in that.

Chapter – 2
Audit Approach
and
Methodology

- Funds were released in four or more instalments in a year. The excess/unspent balances in a particular year are adjusted in the subsequent financial year.
- The Ministry reviews the implementation of ICDS including vacancy position of ICDS functionaries from time to time. Chief Ministers of all States have been addressed in the matter wherein the Ministry had expressed concern. States had assured to fill up vacancies at the earliest.
- The Ministry regularly monitored the progress of the implementation of ICDS scheme. States/UTs had been directed from time to time, to operationalise the sanctioned AWCs in a time bound manner.
- The Nutrition and feeding norms had been revised by the GOI. States were required to provide Supplementary Nutrition in accordance with these guidelines.
- The Ministry had revised records and registers at AWCs. The prescribed supplementary feeding and PSE register at AWCs captured details of number of days of Supplementary Nutrition (SN) and Pre-school Education (PSE).
- Recently the Ministry had adopted World Health Organisation (WHO) growth standards which were based on breastfed infants as the normative model for growth and development. The implication of newly introduced growth standard is correct assessment of under nutrition for national and international references as well as timely interventions.
- To streamline the process of procurement and make available the medicine kits to AWCs regularly, the procurement and supply of medicine kits was decentralised at the state level.
- A Central Monitoring Unit had been set up in National Institute of Public Cooperation and Child Development (NIPCCD), New Delhi by involving independent professional organisations/institutions for quality monitoring of ICDS scheme. The monitoring was thus being strengthened.

During the last two years, Performance Audits on implementation of the ICDS were conducted in Arunachal Pradesh and Jammu and Kashmir by the C & AG. The gist of audit findings is given in **Annex 2.2**.