

CHAPTER - I
SOCIAL SECTOR

CHAPTER I: SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2014 deals with Audit findings on State Government units under the Social Sector.

During 2013-14, total budget allocation of the State Government in major Departments under Social Sector was ₹ 2,945.83 crore, against which the actual expenditure was ₹ 2,532.69 crore. Details of Department-wise budget allocation and expenditure are given in Table 1.1.1 below:

Table-1.1.1

(₹ in crore)

| Sl. No. | Department | Total Budget Allocation | Expenditure |
|--------------|---------------------------|-------------------------|----------------|
| 1. | Education | 823.38 | 794.20 |
| 2. | Sports & Youth Affairs | 46.79 | 34.21 |
| 3. | Library | 10.14 | 10.35 |
| 4. | Social Welfare | 152.13 | 141.29 |
| 5. | Relief & Rehabilitation | 164.81 | 165.49 |
| 6. | Food & Civil Supplies | 135.75 | 129.33 |
| 7. | Labour | 5.59 | 5.73 |
| 8. | Social & Cultural Affairs | 38.52 | 31.07 |
| 9. | Health & Family Welfare | 390.97 | 340.17 |
| 10. | Public Health Engineering | 296.48 | 296.38 |
| 11. | Urban Development | 428.74 | 278.28 |
| 12. | Housing | 42.22 | 38.37 |
| 13. | Rural Works | 248.13 | 196.06 |
| 14. | Panchayat Raj | 162.18 | 71.76 |
| Total | | 2945.83 | 2532.69 |

Source: Appropriation Accounts 2013-14

Besides this the Central Government transferred a sizeable amount of funds directly to Implementing Agencies under the Social Sector to different Departments of the State Government. Major transfers for implementation of flagship programmes of the Central Government are detailed in Table-1.1.2:

Table-1.1.2

(₹ in crore)

| Scheme/Programme | Implementing Agency | Amount of fund transferred during the year |
|---|---|--|
| Adult Education & Skill Development Scheme | Arunachal Pradesh State literacy Mission Authority | 14.18 |
| MPs Local Area Development Scheme MPLADS | Deputy Commissioners- Lower Dibang valley, Lohit & West Siang Districts | 15.00 |
| Sarva Shiksha Abhyan | SSA, Rajya Mission | 192.62 |
| Forward Linkages to NRHM (new initiatives in NE) | A. P. State Health Society | 16.89 |
| National Aids Control Programme, incl. STD Control | A.P. State Aids Control Society | 9.80 |
| National Rural Health Mission (Centrally Sponsored) | A. P. State Health Society | 64.95 |
| Rajiv Gandhi Panchayat Sashaktikaran Abhyan (RGPSA) | State Institute of Rural Development (SIRD) | 10.07 |
| SwarnaJayantiSahariRojgarYojana (SJSRY) | State Urban Development Agency | 2.42 |
| Rural Housing – IAY | DRDAs | 57.07 |
| National Rural Drinking Water Programme | SWSM, A.P., Agency | 237.31 |

Source: Central Plan Scheme Monitoring System (CPSMS)

1.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various Departments of the Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of Departments. Audits were conducted involving expenditure of the State Government amounting to ₹ 588.04 crore under the Social Sector. The report contains two Performance Audit of Total Sanitation Campaign (TSC) and Mid-Day Meal (MDM) and one Compliance Audit Paragraph.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the Heads of Departments. The Departments are requested to furnish replies to the audit findings within one month of receipt of Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Important audit observations arising out of Inspection Reports are processed for inclusion in the Audit Report, which is submitted to the Governor of the State under Article 151 of the Constitution of India.

Major observations noticed in Audit pertaining to the Social Sector during 2013-14 are discussed in subsequent paragraphs of this Chapter.

PERFORMANCE AUDIT

Public Health Engineering & Water Supply

1.3 Implementation of Total Sanitation Campaign (TSC)/Nirmal Bharat Abhiyan (NBA) in Arunachal Pradesh

The Government of India started the Central Rural Sanitation Programme (CRSP) in 1986 with the objective of improving the quality of life of rural people through proper sanitation facilities and to provide privacy and dignity to women. The Government modified the CRSP in 1999 by changing the ‘high subsidy supply driven approach’ to ‘incentive based demand driven approach’ and renamed the programme as **Total Sanitation Campaign (TSC)**. TSC was renamed as **Nirmal Bharat Abhiyan (NBA)** with effect from 01 April 2012. In Arunachal Pradesh, each District was taken as one project where the EE, (PHE & WS) was designated as Member Secretary, District Water & Sanitation Mission, under whom the implementation of various components of the scheme was undertaken. The Performance Review covered three years of TSC (2009 to 2012) and two years of NBA (2012 to 2014). The Performance Review on the implementation of TSC/NBA revealed that a good number of IHHLs constructed became defunct by 2012-13 and components like construction of Rural Sanitary Marts (RSMs), Production Centres (PCs), Solid & Liquid Waste Management (SLWM) were not taken up so far except in Lohit District, where the constructed RSM was not satisfactory and construction of SLWMs was in the initial stages.

Highlights

Some important audit findings are highlighted below:

- **Based on the baseline surveys conducted by the Implementing agencies, Project Implementation Plan was revised in 2012-13, which was yet to be approved by the National Scheme Sanctioning Committee. Inconsistencies in the number of BPL/APL households were noticed, which needed rectification, a fact agreed by the department**

(Para 1.3.9.1)

- **There were consistent shortfalls in achievement of target in each component of the scheme every year during the period covered under performance audit (i.e., 2009-14).**

(Para 1.3.11.1)

- **There was persistent underutilisation of funds. Instances of financial mismanagement such as diversion of funds, delay in transfer of funds to**

implementing agencies, non-existence of revolving fund, diversion of interest earned, loss interest, etc. were noticed.

(Para 1.3.10.1 to 1.3.10.13)

➤ A number of IHHLs constructed prior to March 2012 have become defunct
(Para 1.3.11.3.3)

➤ Failure to achieve target in time imposed extra financial burden of ₹ 293.13 lakh on the government.

(Para 1.3.11.3.4)

➤ In three sample districts, sanitary material valued at ₹ 183.76 lakh was lying unused/idle for prolonged periods.

(Para 1.3.11.3.6)

➤ 12 Community Sanitary Complexes were constructed at a cost of ₹ 20.46 lakh in public places like Community halls, Markets, near Police Station, etc. contrary to the spirit of the Scheme Guidelines which envisaged that toilets were to be made for residential purposes. Besides two more CSCs were constructed at a cost of ₹ 0.61 lakh in two educational institutions.

(Para 1.3.11.4.1)

➤ In Changlang district, 384 schools toilets constructed at total cost of ₹ 76.80 lakh had only two rooms (one each for girls and boys) against the approved design of four rooms (two each for boys and girls). Such instances were also noticed in West Siang district.

(Para 1.3.11.5.1)

➤ None of the *Anganwadi* toilets constructed during period were infant friendly.

(Para 1.3.11.6)

➤ Solid and Liquid Waste Management in the State was still at a nascent stage and no concrete work had been done in this sphere.

(Para 1.3.11.9)

➤ No IEC campaign was undertaken at the State level. IEC activities were confined to the district level with no funds being allotted to blocks and PRIs.

(Para 1.3.12.1 and 1.3.12.7)

➤ No regular inspections by State and District level officers were made to monitor the progress of implementation at grass root level.

(Para 1.3.15.2)

1.3.1 Introduction

Nirmal Bharat Abhiyan (NBA) earlier known as Central Rural Sanitation Programme (CRSP) or Total Sanitation Campaign (TSC) is a community-led total sanitation programme which aimed at improving the quality of life of rural people through proper sanitation facilities and to provide privacy and dignity to women. It focused on changing cultural norms to prevent open defecation. The objective of the scheme *inter alia* was to motivate communities and Panchayati Raj Institutions to promote sustainable sanitation facilities through awareness and education and to accelerate sanitation coverage in rural areas to achieve the vision of Nirmal Bharat by 2022 with all Gram Panchayats in the country attaining *Nirmal* status. Villages that achieve this status receive monetary rewards and high publicity under a program called Nirmal Gram.

1.3.2 Objectives of the Programme

The objectives of the Projects/Schemes are to -

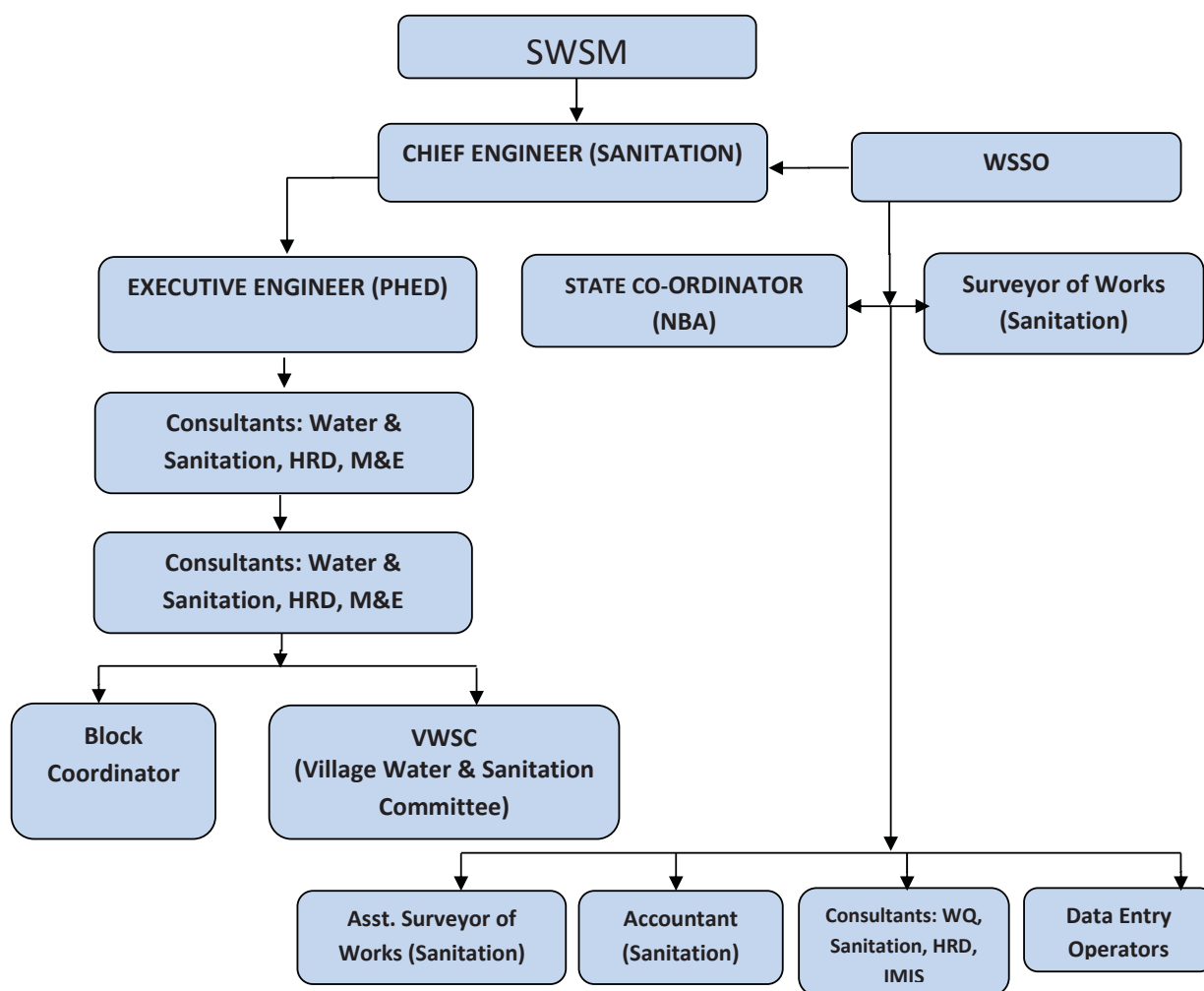
- Bring about an improvement in the general quality of life in rural areas.
- Accelerate sanitation coverage in rural areas to achieve the vision of Nirmal Bharat by 2022 with all Gram Panchayats in the country attaining *Nirmal* status. *(Under TSC Guidelines 2007 and 2010, access to toilets to all in rural areas was to be achieved by 2012 and in the Guidelines of 2011, the same was to be achieved by 2017).*
- Motivate communities and Panchayati Raj Institutions to promote sustainable sanitation facilities through awareness and education.
- To cover remaining schools not covered under Sarva Shiksha Abhiyan (SSA) and Anganwadi Centres in rural areas with proper sanitation facilities and undertake proactive promotion of hygiene and sanitary habits among students. *(In the 2007 Guidelines, schools were to be covered by 2008 and Anganwadis by 2009; in the 2010 Guidelines, both were to be covered by 2012; and in the 2011 Guidelines, by 2013).*
- Encourage cost effective and appropriate technologies for ecologically safe and sustainable sanitation.
- Develop community managed environmental sanitation systems focusing on solid and liquid waste management for overall cleanliness in rural areas.

1.3.3 Organizational Set-up

The State Water & Sanitation Mission (SWSM) is responsible for planning and implementation of the Scheme at the State Level. The Chief Engineer, PHE & WS (Sanitation) is the Member Secretary, SWSM, whose Department functions as the State

Nodal Department, assisted by the Water & Sanitation Supporting Organization (WSSO). Executive Engineers (PHE & WS) in each District function as Member Secretaries, District Water & Sanitation Mission (DWSM), under whom the scheme is implemented in the District. The Organizational Chart of TSC/NBA, is shown below:

Chart-1.3.1



1.3.4 Scope of Audit

The Performance Review on implementation of TSC/NBA covering the period from 2009-10 to 2013-14 was conducted from May to the 1st week of September 2014 through-

- Scrutiny of records of the CE (Sanitation), Itanagar, (Nodal Agency),
- Scrutiny of records of Member Secretaries, DWSMs,

- Physical Verification, and
- Beneficiary Surveys in the 7 selected Districts.

Out of 17 District, (one District was recently created), eight districts were selected through Probability proportional to size without replacement (PPSWR) Sampling Method. The Districts selected for the State Report were West Kameng, Changlang, East Siang, West Siang, Lower Dibang Valley, Lohit, Tirap and Papum Pare.



Further, in each selected District 20 per cent rural Blocks (16 blocks of eight sample district) were selected and from each selected Block 25 per cent of GPs (subject to a maximum of 10) (in all 67 GPs of 16 selected blocks) were selected through the simple random sampling without replacement (SRSWOR) Sampling Method.

As most beneficiaries were away in the fields due to their agricultural pre-occupations, only beneficiaries (limited to 10) found in the villages were selected within selected GPs for physical verification and beneficiary survey. Besides, sanitation facilities/structures in schools and *Anganwadi* Centres in the selected GPs were also physically verified.

1.3.5 Audit Objectives

The audit objectives were to assess whether:

- Planning of implementation of the Scheme at different levels was adequate and effective and aimed towards achievement of objectives of the Scheme;
- Funds were released, accounted for and utilized by the Central and State Governments in compliance with the Guidelines issued under the Scheme;

- iii. Construction/up-gradation of infrastructure under various components of the Scheme was in compliance with the financial and quality parameters set out in the scheme Guidelines;
- iv. Information, education and communication strategies under the Scheme were effective in generation of demand for TSC/NBA services through community mobilization;
- v. Convergence of NBA activities with other programmes/stakeholders, as envisaged, was effectively achieved; and
- vi. The mechanism in place for monitoring and evaluation of the outcomes of the programme was adequate and effective.

1.3.6 Audit Criteria

Audit findings were benchmarked against criteria contained in following sources:

- TSC Guidelines 2007, 2010 and 2011 and NBA Guidelines 2012; Notifications and Circulars issued by the Ministry of Drinking Water & Sanitation;
- IEC Guidelines, 2010, issued by the Ministry;
- State Government Orders relating to implementation of the TSC/NBA;
- Guidelines for engagement of *Swachchhata Doots/Prerak*;
- Guidelines for engagement of skilled and unskilled workers from MGNREGS;
- Guidelines for the *Nirmal Gram Puraskar*;
- Provisions of Financial Hand Books; and
- Physical and financial progress reported under the Management Information System available in the website of the Scheme.

1.3.7 Audit Methodology

The Performance Audit commenced with an Entry Conference on 20th May 2014 with Departmental Officers, where the Audit Objectives, Scope, Criteria, processes adopted for selection of sample units for detailed checking, etc., were explained. Audit findings were discussed with the Commissioner, Public Health Engineering Department and the Chief Engineer (Sanitation) in the Exit Conference held on 27th November 2014. Replies and views of the Department were considered for incorporation in the Review, wherever relevant and appropriate.

1.3.8 Acknowledgement

We place on record our sincere appreciation for co-operation of the Chief Engineer (Sanitation) -cum-Member Secretary, SWSM, Itanagar, and Executive Engineers

(PHE & WS) –cum-Member Secretaries, DWSMs, of the sample Districts for facilitating our audit. However, the CE (Sanitation), in spite of audit requisition dated 21.05.2014 and reminder dated 18.06.2014, could not provide replies to the Audit Questionnaire and Data Table till date.

Audit Findings

The Performance Audit on implementation of Total Sanitation Campaign (TSC)/ Nirmal Bharat Abhiyan (NBA) in the State revealed that deficiencies in the planning process, failure in achieving annual physical targets, non-execution of some components of the Scheme, etc;. Major audit findings are discussed in the succeeding paragraphs.

1.3.9 Planning

Audit Objective: *To assess whether planning of implementation of the Scheme at different levels was adequate and effective and aimed towards achievement of objectives of the Scheme.*

Implementation of TSC/NBA is proposed by Gram Panchayat at grassroots level and District is treated as the project. A Project Implementation Plan (PIP) that emanates from a District is scrutinized and consolidated by the State Government and transmitted to the Government of India (Ministry of Drinking Water and Sanitation) as a State Plan.

1.3.9.1 Project Implementation Plan

A preliminary survey to assess the status of sanitation and hygiene practices, attitude of the people and demand for improved sanitation, etc, was to be conducted with the aim to prepare District TSC/NBA project proposals for seeking Government of India assistance. The Project Implementation Plan (PIP) should be prepared on the basis of a Baseline Survey (BLS). The cost of the preliminary survey, baseline survey and preparation of PIP would be met from funds under Start-up Activities, which should not exceed five percent of the total project cost.

PIP is a long term plan where in implementation planned for about five year period is documented. In the sample Districts, PIPs was revised in 2012-13 based on the baseline surveys conducted by the implementing agencies. The revised PIPs were not yet approved by the NSSC. Targets as per earlier PIPs (approved between 2002-03 and 2005-06) and proposals made in the revised PIPs, which is yet to be approved are shown in **Appendix-1.3.1**.

Scrutiny of records revealed the following facts.

1.3.9.1.1 Inconsistency in the approved PIPs/proposal in revised PIP

Number of BPL and APL households as per baseline survey 2012-13 in the sample districts and the targeted number of BPL/APL households in the approved PIP and the addition proposed in the revised PIPs are shown in the following Table:

Table-1.3.1

| Sl. No. | District | Category of Household | Number of BPL/APL Households | | | |
|--|---------------------|-----------------------|--------------------------------|------------------------------|---------------|-----------------------------|
| | | | As per Baseline Survey 2012-13 | Targeted in the approved PIP | Difference | Proposed in the revised PIP |
| 1. | West Kameng | BPL | 5,619 | 5,664 | -45 | 4,243 |
| | | APL | 5,670 | 252 | 5,418 | 3,666 |
| 2. | Changlang | BPL | 7,948 | 15,716 | -7768 | 653 |
| | | APL | 9,356 | 2,799 | 6557 | 349 |
| 3. | East Siang | BPL | 7,407 | 8,222 | -1,841 | 7,407 |
| | | APL | 2,972 | 4,723 | -2,170 | 2,972 |
| 4. | West Siang | BPL | 9,857 | 11,472 | -1,615 | 5,462 |
| | | APL | 4,126 | 1,395 | 2,731 | 2,929 |
| 5. | Lohit | BPL | 13,052 | 8,800 | 4,252 | 8,426 |
| | | APL | 8,294 | - | 8,294 | 1,131 |
| 6. | Lower Dibang Valley | BPL | 2,787 | 2,366 | 421 | 4,252 |
| | | APL | 1,674 | 1,200 | 474 | 8,294 |
| 7. | Tirap | BPL | 12,377 | 5,780 | 4,970 | 7,569 |
| | | APL | 2,250 | 470 | 1,895 | 2,250 |
| 8. | Papum Pare | BPL | 11,536 | 1,268 | 10,268 | 11,536 |
| | | APL | 2,709 | 3,778 | -1,069 | 2,709 |
| Total of eight sample districts | | BPL | 70,583 | 59,288 | 8,642 | 49,548 |
| | | APL | 37,051 | 14,617 | 22,130 | 24,300 |

Source: Departmental records

As could be seen from the above table:

- As per Baseline Survey 2012-13 total number of BPL households in eight sample districts were 70,583 where as 59,288 BPL households were targeted for coverage in the approved PIP and thus, 8,642 BPL house households were not covered. However, in the revised PIP total number of BPL households proposed for coverage was 49,548. Some of the addition was due to IHHL constructed earlier becoming defunct.
- the number BPL households targeted for coverage was more than number of BPL households as per baseline survey 2012-13 in three districts of Changlang (7,768), East Siang (1,841) and West Siang (1,615). Number of household targeted in PIP being more than number of households as per baseline survey is intriguing. This is

indicative of the fact that the target fixed in PIP was not based on the fact. It appears to have been inflated to get more funds from Central Government. Inclusion of ineligible households in the PIP may lead to probable fictitious expenditure.

- Number of BPL household targeted for coverage in the approved PIP was less than the number of BPL households as per baseline as per 2012-13 in four districts of Lower Dibang Vally (421), Lohit (4,252), Tirap (4,970) and Papum Pare (10,268). Therefore, all the households in these district would not be covered under PIP period due to this mismatch.

However, the Department replied that there was a need for correction in number of APL/BPL households in all districts, but was silent about a plan of action for arriving at credible numbers.

1.3.9.1.2 Inflated proposal for execution of BPL/APL IHHLs

Number of BPL/APL households as per baseline survey 2012-13 in the sample districts, and the number of BPL households provided with IHHLs as of 31 March 2012, number of households to be provided with IHHLs and addition proposed in the revised PIPs are tabulated below.

Table-1.3.2

| Sl. No. | District | Category | Number of BPL/APL Households | | | | |
|--|-----------------|------------|--------------------------------|-------------------------|------------------------------------|--------------------------|-----------------------------|
| | | | As per Baseline Survey 2012-13 | Approved Project Target | Provided with IHHLs as of 31.03.12 | Remaining to be provided | Proposed in the revised PIP |
| 1. | West Kameng | BPL | 5619 | 5,664 | 3,744 | 1,920 | 4,243 |
| | | APL | 5,670 | 252 | 252 | 0 | 3,666 |
| 2. | Changlang | BPL | 7,948 | 15,716 | 7,295 | 8,421 | 653 |
| | | APL | 9,356 | 2799 | 2,450 | 349 | 349 |
| 3. | East Siang | BPL | 7,407 | 8,222 | 4,271 | 3,951 | 5,106 |
| | | APL | 2,972 | 4,723 | 803 | 3,920 | 2,972 |
| 4. | West Siang | BPL | 9,857 | 11472 | 6,686 | 4,786 | 5,462 |
| | | APL | 4,126 | 1,395 | 1,395 | 0 | 2,929 |
| 5. | L/Dibang Valley | BPL | 2,787 | 2,366 | 1,437 | 929 | 1,960 |
| | | APL | 1,674 | 1,200 | 1,200 | 0 | 1,131 |
| 6. | Lohit | BPL | 13,052 | 8,800 | 8,410 | 390 | 8,426 |
| | | APL | 8,294 | 0 | 1,129 | -1,129 | 8,294 |
| 7. | Tirap | BPL | 12,377 | 5,780 | 4,808 | 972 | 7,569 |
| | | APL | 2,250 | 470 | 0 | 470 | 2,250 |
| 8. | Papum Pare | BPL | 11,536 | 1268 | 267 | 1,001 | 11,536 |
| | | APL | 2,709 | 3778 | 0 | 3,778 | 2,709 |
| Total of eight sample districts | | BPL | 70,583 | 59,288 | 36,918 | 22,370 | 44,955 |
| | | APL | 37,051 | 14,617 | 7,229 | 7,388 | 24,300 |

Source: Departmental record

As could be seen from the table:

- In eight sample districts, the total number of BPL households as per baseline survey 2012-13 was 70,583. Out of which 36,918 household were provided with IHHLs up to 31 March 2012, leaving a balance of 33,665 households to be covered. The sample districts in their revised proposal, which is yet to be approved by NSSC, projected a target of 47256 IHHLs against the balance of 33,665 left uncovered as of 31 March 2012. Thus, the proposed IHHLs - BPL households were inflated by 13,591(47,256 – 33,665).
- Prior to NBA Guidelines 2012, APL households were not eligible for incentives; they were covered through awareness campaigns. As could be seen from the table not much effort was made to motivate the APL households to construct IHHLs through awareness campaign and as result even the target set in the approved PIP was not achieved in four out of eight sample districts. It was also noticed that respective DWSCs of the sample districts proposed in their revised PIP proposal 24,300 households.

One of the major implications of not covering the targeted APL households before the NBA Guidelines 2012 became effective would entail additional financial burden as majority population in the State are STs and each of such household without IHHLs would be eligible for financial assistance.

1.3.9.2 Annual Implementation Plan

AIPs were to be prepared by identification of Gram Panchayats which could be saturated through 100 *per cent* coverage for attaining the project objectives (Nirmal Grams). These GP Plans were to be consolidated into Block Implementation Plans and further into District Implementation Plans. The State Water and Sanitation Mission had to suitably consolidate the District Implementation Plans as the State Implementation Plan.

Changlang District could not produce AIPs except for 2012-13 and Tirap District could not produce any AIPs from 2011-12 to 2013-14. Further scrutiny of records revealed the following:

1.3.9.2.1 Non-achievement of AIP Targets

Annual Implementation Plans became operative since 2011-12, where annual targets to be covered for each component were set for each district. Though annual targets were set in seven of the sample districts, the targets were not achieved.

In the State during the period 2009-14, there were constant shortfalls in achievement of each component every year against targets fixed as discussed in the subsequent paragraphs. No steps were taken to mitigate the shortfalls in achieving the target in the sample districts and the State as a whole.

Further, a bottom-up approach was not adopted for preparation of Annual Implementation Plans (AIPs) in the sample districts.

1.3.9.3 IEC Annual Action Plan

No IEC Annual Action Plan was prepared in the sample Districts.

To sum up, with shortcoming in the planning process as discussed in the preceding paragraphs and non-achievement of the target set for accomplishment by the State for achieving the Nirmal status were not adequate to meet India's commitment towards Millennium Development goals to achieve the vision of *Nirmal Bharat* by 2022 (*which has been advanced to 01 October 2019 under "Swachha Bharat Abhiyan"*) with all Gram Panchayats in the State attaining *Nirmal* status.

1.3.10 Financial Management

Audit Objective: *To assess whether funds were released, accounted for and utilized by the Central and State Governments in compliance with the Guidelines issued under the Scheme.*

TSC/NBA is a centrally sponsored programme. Funding is shared between the GoI, State Government and the beneficiary/community. Funds under TSC/NBA are released to the State Water and Sanitation Missions. The SWSM had to operate a single Savings Bank account, through which State Government funds would be operated for all transactions relating to TSC/NBA, including Central share, State share, beneficiary contributions or any other receipt.

Up to 2010-11, funds were to be released to SWSMs in four instalments in the ratio of 30:30:30:10 and thereafter funds were to be released in two equal instalments.

Scrutiny of records revealed the following:

1.3.10.1 Utilisation of Funds

Details of funds received and expenditure incurred at the State Level is indicated in the following Table:

Table-1.3.3

(₹ in lakh)

| Year | Opening Balance | Fund received | | Interest | Total | Expenditure | Closing Balance | %Fund Utilization |
|---------|-----------------|---------------|-------------|----------|---------|-------------|-----------------|-------------------|
| | | Central Share | State Share | | | | | |
| 2009-10 | 99.63 | 1621.36 | 10.00 | 25.24 | 1756.23 | 721.75 | 1034.48 | 41.10 |
| 2010-11 | 1034.48 | 258.23 | 164.02 | 37.22 | 1493.95 | 715.13 | 778.82 | 47.87 |
| 2011-12 | 778.82 | 139.80 | 350.00 | 26.38 | 1295.00 | 548.48 | 746.16 | 42.35 |
| 2012-13 | 746.16 | 382.89 | 350.00 | 22.12 | 1501.17 | 413.55 | 1087.82 | 27.54 |
| 2013-14 | 1084.66 | 761.81 | 228.88 | 42.99 | 2118.34 | 1232.92 | 885.42 | 58.20 |

Source: CA Audit Report; CA Audit from 2009-10 to 2012-13 & Departmental records for 2013-14

There was a huge closing balance every year and under-utilisation of funds by the implementing agencies resulted in non-achievement of annual targets. This indicated improper planning and in-effective/insufficient awareness campaigns under IEC.

1.3.10.2 Improper/Irregular accounting of TSC/NBA Funds

Information on the fund position provided by the Department was as indicated in the following Table:

Table-1.3.4

| Year | Opening Balance | Fund Received | | Interest | Total | Expenditure | | Total | Closing Balance |
|---------|-----------------|---------------|-------------|----------|---------|---------------|-------------|---------|-----------------|
| | | Central Share | State Share | | | Central Share | State Share | | |
| 2009-10 | 99.63 | 1621.36 | 10.00 | 25.24 | 1756.23 | 658.54 | 63.21 | 721.75 | 1034.48 |
| 2010-11 | 1034.48 | 258.00 | 164.02 | 36.72 | 1493.22 | 612.73 | 102.40 | 715.13 | 778.09 |
| 2011-12 | 778.32 | 139.88 | 350.00 | 37.97 | 1306.17 | 400.22 | 4.59 | 404.81 | 901.36 |
| 2012-13 | 745.66 | 373.10 | 350.00 | 22.13 | 1490.89 | 258.41 | 148.62 | 407.03 | 1083.86 |
| 2013-14 | 1084.66 | 761.81 | 228.88 | 42.99 | 2118.34 | 912.574 | 320.35 | 1232.92 | 885.42 |

Source: Departmental records

As could be seen from the above table the fund position made available by the CE (Sanitation), Itanagar and fund position reflected in the Chartered Accountant's Audit Report as shown in Table 1.3.3 do not tally. This reflected improper accounting of funds.

1.3.10.3 Diversion of Funds

Though records of the CE, PHE & WS (Sanitation), Itanagar as well as Chartered Accountant's Audit Report showed that State share of ₹ 10 lakh and ₹ 164.02 lakh during 2009-10 and 2010-11 respectively had been released, copies of Sanction Orders of the State Government as proof of Finance Department concurrence and LOC copies could not be made available. The possibility of diversion of funds from other schemes/heads by the CE, PHE & WS (Sanitation) in order to avail Central Share could not be ruled out in audit.

1.3.10.4 Non-release of Funds in instalment basis

The guidelines envisaged that funds should be released in three instalments till 2011-12 and two instalments thereafter. It was notice in audit that the sample districts received funds only once in a year in most cases.

1.3.10.5 Delay in Transfer of funds to District Implementing Agencies

The SWSM delayed release of funds to District implementing agencies, ranging from one to 30 months.

1.3.10.6 Delay in release of State Matching Share

State matching share was not released to districts during 2009-10 and there were delays in release of State matching share, ranging from one to 20 months during the years 2010-11 to 2013-14.

1.3.10.7 Funds at SWSM not accounted in CA's Audit Report till 2011-12

During the period 2009-10 to 2013-14, funds ranging from ₹ 38.73 to ₹ 195.29 lakh were not projected in the statement of Receipt & Payment Accounts of TSC/NBA.

It was also observed that during 2011-12, the actual unspent balance amount in SWSM account was ₹ 80.44 lakh. However, this amount was not disclosed in the Chartered Accountant's audited account of TSC/NBA for the year. In the following year, out of the said amount, an amount of ₹ 77.80 lakh was shown as funds received during 2012-13 in the Chartered Accountant's Audit Report, 2012-13. Thus, an amount of ₹ 2.64 lakh was still not taken into TSC/NBA account.

1.3.10.8 Closing Balance of Districts and State did not tally

In West Siang and East Siang Districts, the closing balance projected in the CA's Audited Report of DWSCs was ₹ 83.38 lakh (2012-13) and ₹ 46.14 lakh (2011-12) respectively, which did not match with the closing balance of the consolidated CA's Audited Report of SWSM (₹ 83.26 and ₹ 48.90 lakh respectively) for the mentioned years. Besides, funds shown as received under Central share, State share and interest figures of the CA's Audit Report of East Siang District for 2012-13 did not match with the closing balance of consolidated CA's Audit Report of SWSM for the same year.

The matter was reported (September 2014) to CE (Sanitation), Itanagar but reply is still awaited.

1.3.10.9 Unsettled Advances

Advances at three DWSC level were lying unadjusted for a long period as indicated in the following Table:

Table-1.3.5

| Sl. No. | DWSC | Advance Paid | Year of Payment |
|---------|---|--------------|----------------------------|
| 1. | DWSC, Yupia (Papum Pare District) | 4,00,000/- | 2006 – 07 |
| | | 13,00,000/- | 2008 – 09 |
| | | 5,00,000/- | 2009 – 10 |
| | | 28,26,871/- | 2010 – 11 |
| 2. | DWSC, Bomdila (West Kameng District) | 767/- | 2006 – 07 |
| | | 6,00,000/- | 2009 – 10 |
| | | 50,203/- | 2010 – 11 |
| | | 455/- | 2011 – 12 |
| 3. | DWSC, Changlang (Changlang District) | 3,62,178/- | 2008 – 09 |
| | | 5,909/- | 2009 – 10 (Swajaldhara) |

Source: Departmental records

Thus, an amount of ₹60.46 lakh advanced during 2006-07 to 2009-10 remained unadjusted till date.

1.3.10.10 No Revolving Fund was created

As per TSC/NBA Guidelines, a sum of up to ₹ 50 lakh, subject to the restriction of 5 per cent earmarked for alternate delivery mechanism (which included the cost for setting up RSMs and PCs), which may be granted to each TSC/NBA project as Revolving Fund. This fund may be further granted by the Project Implementing Agency to Co-operative Societies or Self Help Groups, whose creditworthiness is established, for providing cheap finance to their members. Loans from this fund should be recovered in 12-18 instalments. This revolving fund can be accessed by APL households also. The sharing pattern of this fund between the Centre and State was in the ratio of 80:20.

Scrutiny of records revealed that no fund was earmarked for the Revolving Fund. The provision for revolving fund was incorporated since inception of the TSC Guidelines. Lack of interest on the part of implementing agencies could be one of the reasons why the Revolving Fund was still not created till date. Non-creation of revolving funds, which APL household could have accessed, may be one of the reasons for large number of APL household not having IHHLs.

1.3.10.11 Non-release of Funds to VWSCs

Guidelines envisaged that States/UTs shall release Central grants received along with the matching State share to District implementing agencies within 15 days of receipt of the grants. District Implementing Agencies were required to transfer the funds for works to Gram Panchayats (Village Water and Sanitation Committees (VWSCs) in States where GPs do not exist) within 15 days of receipt of the funds.

In the sample districts, funds were not transferred to VWSCs by District Implementing Agencies for implementation of the scheme. The scheme was implemented by the Executive Engineer, Public Health Engineering & Water Supply-cum-Member Secretaries, DWSCs, of districts.

Beneficiary contributions were not taken into TSC/NBA accounts in the sample Districts.

1.3.10.12 Central and State Shares not apportioned

The Nodal Department transferred the Central share to District Implementing Agencies through RTGS and State matching Share through LOC till 2012-13. From 2013-14, the SWSM transferred both the Central and State share through Real Time Gross Settlement (RTGS) without any formal document/letter/order mentioning the amount against each share. So, though District Implementing Agencies received funds in the TSC/NBA

account, component-wise Central and State shares could not be determined. Coupled with delays in receipt of the State matching share, component-wise apportionment of the final expenditure between the Central and State share was not made in the sample districts.

1.3.10.13 Interest

The TSC/NBA funds (Central and State) were to be kept in a bank account. Interest accrued thereon was to be treated as part of scheme resources. Scrutiny of records revealed the following irregularities.

1.3.10.13.1 Diversion of Interest earned

Interest of ₹ 8 lakh which accrued on TSC/NBA funds was kept out of TSC/NBA account of the SWSM. Thus, diversion/ misappropriation/mis-utilization of Scheme funds could not be ruled out.

1.3.10.13.2 Loss of Interest as State's share was not deposited in TSC/NBA Account

State matching share was released to District Implementing Agencies through LOC. In West Kameng District, till 2012-13, the State matching share was not reflected in the TSC/NBA Bank account or in the TSC/NBA Cash Book. During 2010-11 and 2011-12, State matching share of ₹ 22.81 and ₹ 16.20 lakh respectively, was received through LOC was not taken into TSC/NBA Bank account. Hence, no interest was earned from the State matching share. Besides, the unspent balance of ₹ 58,658 was still lying outside the TSC/NBA account.

1.3.10.13.3 Loss of interest due to maintenance of TSC/NBA Funds in Current Account

TSC/NBA funds of West Kameng were maintained in a Savings Bank Account till 14 September 2011. Thereafter, the Executive Engineer, PHE & WS-cum-Member Secretary, DWSC, Bomdila, transferred the fund to a Current Bank Account hence no interest was earned from TSC/NBA Funds. Reasons for transfer of funds to a Current Bank Account were not record or stated. Had the funds been maintained in a Savings Bank account, interest of ₹ 3.12 lakh could have been earned.

1.3.11 Components of the Scheme and their Execution

Audit Objective *To assess whether the construction/up-gradation of infrastructure under various components of the Scheme was in compliance with the financial and quality parameters set out in the scheme Guidelines*

1.3.11.1 Physical Targets and Achievements

Physical targets and achievements of the State from 2009-10 to 2013-14 are shown below:

Table-1.3.6

| Year | | TSC Component | | | | | |
|---------|--------|---------------|------------|---------------|--------|----------------------------|-------------------------------|
| | | IHHL (BPL) | IHHL (APL) | School Toilet | Toilet | Community Sanitary Complex | Solid Liquid Waste Management |
| 2009-10 | Target | 33,941 | 10,256 | 510 | 722 | - | - |
| | Ach. | 13,412 | 3,270 | 111 | 201 | 21 | - |
| | % Ach. | 39.51 | 31.88 | 21.76 | 27.84 | - | - |
| 2010-11 | Target | 51,266 | 7,357 | 401 | 303 | 175 | - |
| | Ach. | 13,412 | 3,270 | 111 | 201 | 21 | - |
| | % Ach. | 26.16 | 44.45 | 27.68 | 66.33 | 12 | - |
| 2011-12 | Target | 24,514 | 8,461 | 66 | 192 | 60 | - |
| | Ach. | 23,659 | 4,122 | 4 | 76 | 39 | - |
| | % Ach. | 96.51 | 48.72 | 6.06 | 39.58 | 65 | - |
| 2012-13 | Target | 12,345 | 1,048 | - | - | 63 | 39 |
| | Ach. | 4,775 | 985 | - | - | 35 | - |
| | % Ach. | 38.68 | 93.98 | - | - | 55.56 | - |
| 2013-14 | Target | 11647 | 633 | - | 108 | 81 | 58 |
| | Ach. | 14653 | 644 | - | 154 | 45 | - |
| | % Ach. | 125.81 | 101.74 | - | 142.59 | 55.56 | 0 |

Source: Departmental records

As could be seen from the above table, except 2013-14, there were consistent shortfalls in achievement of target every year in each component of the programme.

1.3.11.2 Start-up Activities

Start-up activities contemplated conducting preliminary surveys to assess the status of sanitation and hygiene practices, attitude of the people and demand for improved sanitation, conducting a Baseline Survey (BLS), preparation of a Project Implementation Plan (PIP), initial orientation and training of key programme managers at the District level and preparation of a State Plan. The cost of start-up activities should not exceed

5 per cent of the total project cost. Under NBA, the expenditure was to be met from IEC funds with a ceiling of ₹ 10 lakh. Additional fund requirements would be met by the States.

Though implementing agencies conducted baseline survey in all eight sample districts and prepared revised PIPs during 2011-12/2012-13, no expenditure was incurred on this survey.

1.3.11.3 Individual Household Latrines (IHHLs)

The construction of household toilets was to be undertaken by the BPL household itself. Only after completion would the cash incentive be given to the household in recognition of its achievement. A duly completed household sanitary latrine would comprise of a Basic Low Cost Unit with a super structure.

The unit cost of an Individual Household Latrine (IHHL) under TSC, Central and State Government share of incentive during the period 2009-10 to 2013-14 are indicated in the following table.

Table-1.3.7

| Period | Unit cost of IHHL | Central Government share of incentive | State Government Share of incentive |
|--------------------|-------------------|---------------------------------------|-------------------------------------|
| 2009-10 to 2010-11 | 3000 | 2000 | 700 |
| 2011-12 | 4000 | 2700 | 1000 |
| 2012-13 onwards | 10,500 | 3700 + 4500 | 1400 |

Further, State Governments were allowed the flexibility to provide higher incentives for household toilets of the same or higher unit costs from their own funds. BPL households could also contribute to value addition to the basic unit at its own expense. APL households would take up construction of household latrines on their own till 2011-12 through motivation, but from 2012-13 onwards they also became eligible for incentives.

Scrutiny of records in the sample districts revealed the following:

1.3.11.3.1 Failure to adhere to Guidelines

The Guidelines envisaged construction of IHHL units to be undertaken by beneficiaries themselves and incentives to be given on completion of functional toilets.

It was noticed in audit that in all eight sample districts material for construction was procured by implementing agencies from suppliers and distributed to beneficiaries or contractors as the case may be.

It was also noticed that in five sample districts (*viz.*, Lohit, Tirap, Changlang, East Siang and West Kameng Districts) implementing agencies executed works by issue of work

orders to local contractors and also supplied construction materials, which were later adjusted against the incentive amount. Total 12,827 IHHL units were shown as constructed at a cost of ₹ 284.90 lakh in these districts. Since beneficiaries were not being involved in the construction of toilets, advocacy was obviously compromised and involvement of stakeholders in achieving Swachh Bharat objective was diluted.

In the remaining two sample districts (*viz.*, Lower Dibang Valley and West Siang districts) the IHHLs were constructed by the beneficiaries themselves. The material need for construction was issued to beneficiaries and after the completion of construction the balance amount of incentive after deduction the cost material supplied was paid to the beneficiaries in Cash.

In Papum Pare district, no IHHL units for BPL households were constructed from 2009-10 to 2013-14.

1.3.11.3.2 Unauthorised Execution/Expenditure

In Tirap District, as per the approved PIP 5,780 IHHL units were to be constructed. However, 5,928 IHHL units were shown as covered by the end of March 2013, which exceeded the approved PIP target by 148 units. The financial implication works out to ₹ 4.00 lakh. Further, it was noticed that during 2013-14, another 1,477 units were shown as constructed at a cost of ₹ 44.31 lakh. Thus, total excess construction over and above the number of IHHLs approved in PIP was 1,625 IHHL units on which ₹ 48.31 lakh.

Hence, there was unauthorized expenditure of ₹ 48.31 lakh made by Member Secretary, DWSC, Khonsa, on construction of IHHL units in Tirap District. Possibilities of either benefits going to ineligible households or the entire expenditure was fictitious in nature cannot be ruled out.

1.3.11.3.3 Defunct IHHL Units

Scrutiny of records revealed that during baseline survey in 2012-13, number of IHHL units constructed till March 2012 had become defunct, which are detailed below:

Table-1.3.8

| Sl. No. | District | No. of IHHL Units constructed till 2012-13 | No. of IHHL Units became Defunct |
|---------|---------------------|--|----------------------------------|
| 1. | West Kameng | 3744 | 2357 |
| 2. | Changlang | 7295 | 363 |
| 3. | East Siang | 4271 | 1256 |
| 4. | West Siang | 6686 | 1828 |
| 5. | Lower Dibang Valley | 1437 | 610 |
| 6. | Lohit | 8410 | 3784 |
| 7. | Tirap | 4808 | 4808 |
| 8. | Papum Pare | 267 | 267 |

Source: Departmental records

Thus, assets created worth ₹ 65.41 lakh became defunct (₹ 625/- per unit taken assuming that IHHLs constructed first became defunct first). On this being pointed out, the Department replied that IHHLs were constructed prior to 2008 at very low cost of ₹ 625/- and ₹ 2500/- with split bamboo walling, and it was found that these units had outlived their life span. Moreover, it may be mentioned that except in Changlang and Tirap districts, the defunct toilets were included in yet to be approved revised PIP of other sample districts for coverage afresh.

1.3.11.3.4 Avoidable Expenditure

Scrutiny of records revealed that though annual targets were set in seven out of the eight sample Districts, they were not achieved, as detailed in **Appendix-1.3.2**. It may be mentioned that the incentive extended to beneficiaries per IHHL unit during 2011-12 was ₹ 3700/- and was enhanced to ₹ 5100/- from 2012-13 onwards. Construction of IHHLs for APL households was done through motivation till 2011-12. From 2012-13 APL households also became eligible for incentives for IHHL units

Scrutiny of records pertaining to achievement of target and construction of IHHLs in the sample districts revealed following.

- Against the annual physical target of construction of 6,413 BPL-IHHL units to be achieved by West Siang (2289 units), East Siang (2431 units) and West Kameng (1693 units) districts during 2011-12, actual physical achievement in the three districts during year was only 2,285 IHHL units, West Siang (1350 units), East Siang (582 units) and West Kameng (353 units). Had the annual physical target of 6,413 units been achieved in the same year, the financial assistance payable would have been only ₹ 237.32 lakh (₹ 3700 x 6413). As these districts could physically achieve only 2,285 IHHL units during 2011-12, balance 4,128 units had to be covered during 2012-13. For construction of remaining units, financial assistance at enhanced rate of ₹ 5100/- per unit had to be extended. Thus, there was extra avoidable expenditure of ₹ 57.79 lakh (₹ 1400 x 4128 units).
- In Lohit District, being normal area the financial assistance admissible was ₹ 2500, ₹ 3200 and ₹4600/-from during 2010-11, 2011-12 and 2012-13 respectively. Against the annual targets of construction of 1929 BPL-IHHL units in 2010-11, only 632 units were constructed during the year. The balance 1297 units had to be covered during next year i.e. 2011-12, at higher cost involving extra avoidable expenditure of ₹9.08 lakh. Similarly, during 2011-12 against the target of construction of 1297 BPL-IHHL units, the achievement was only 907 IHHL units. The remaining 390 IHHL units had to be covered during subsequent year, i.e. 2012-13. Since the unit cost of construction has gone up from ₹ 3200/- in 2011-12 to ₹ 4600/- in 2012-13, to cover unachieved target of 390 units, the extra

expenditure involved would be ₹ 5.46 lakh, which could have been avoided had the entire physical target fixed been achieved during the same year. Thus, total avoidable expenditure was ₹ 14.54 lakh

- In Lower Dibang Valley district, against the physical targets of coverage of 400 units and 907 units of BPL-IHHL the actual achievement was 56 units and 217 units during 2010-11 and 2011-12 respectively. The shortfall in achievement was 344 units and 690 units in respective years. To cover the shortfall in achievement of 1034 units, extra expenditure of ₹ 17.92¹ lakh had to be incurred due to increase financial assistance admissible in the year 2012-13.
- Avoidable expenditure due to non-achievement of target (BPL-IHHLs) could not be worked out in respect remaining three sample district (viz., Changlang, Tirap and Papum Pare) due non furnishing of required data.
- Annual target for APL households for West Kameng and East Siang Districts in 2011-12 was 4769 units. However, only 784 units were physically achieved. Almost entire remaining 3978 APL households would be entitled for financial assistance @ ₹ 5100/- per unit, as almost all households belong to SC/ST category who entitled to financial incentive as per revised NBA guidelines. Thus, there would be extra expenditure of ₹ 202.88 lakh, which could have been avoided had the annual target been achieved.

Thus total probable extra avoidable expenditure owing to inability to meet annual physical targets comes to ₹ 293.13 lakh.

1.3.11.3.5 Non-convergence with MGNREGS

Though NBA Guidelines envisaged for convergence of construction of IHHLs with MGNREGS, convergence was still not effective in any of the sample Districts.

1.3.11.3.6 Stock remaining idle

DWSC, Papum Pare District procured material for implementation of TSC/NBA scheme as detailed below:

Table-1.3.9

| I. No. | Year of Purchase | Item | Amount |
|--------------|------------------|------------------------|------------------|
| 1. | 2006 – 07 | Fibre Glass Pan & Trap | 10,19,955 |
| 2. | 2009 - 10 | Fibre Glass Pan & Trap | 11,00,000 |
| Total | | - | 21,19,955 |

¹ $\{[344 \times (\text{₹ } 5100 - \text{₹ } 2700)] = \text{₹ } 8,25,600\} + \{[690 \times (\text{₹ } 5100 - \text{₹ } 3700)] = \text{₹ } 9,66,000\} = \text{₹ } 17,91,600$ (say ₹ 17.92 lakh)

It may be mentioned here that till March 2009, 267 IHHLs units were completed. Even after considering ₹ 2.64 lakh as the cost of material adjusted, materials worth ₹ 18.56 lakh was still lying idle in the Division till date.

Notwithstanding the availability of stock, the Division procured sanitary material (Roto Squatting Plates & Traps) valued ₹ 90.69 lakh during 2013-14. Further, it was observed that from February to April 2014, 316 IHHL units were shown to be physically achieved by engaging contractors and payment of which was made during June/July 2014. The cost of squatting plates and traps valued at ₹ 4.74 lakh was deducted from the contractors bill. Balance stock valuing ₹ 85.95 lakh were remaining idle.

Thus, in Papum Pare district, the material (Fibre Glass Pans & Traps) worth ₹ 18.56 lakh and Roto Squatting Plates and Traps worth ₹ 85.95 lakh were lying idle. The possibilities of the items getting damaged due to prolonged storage could not be ruled out.

Similarly, in West Kameng and Tirap Districts, sanitary material worth ₹ 23.67 lakh and ₹ 55.54 lakh respectively, were lying idle.

To sum up, in three sample districts viz. Papum Pare, West Kameng and Tirap Districts stock worth ₹ 183.76 lakh remained idle and unused till the date of audit. This was indicative of improper/incorrect assessment of requirement of materials.

1.3.11.4 Community Sanitary Complex

Community Sanitary Complexes (CSCs) are an important component of the TSC. CSCs should be constructed in residential areas where there are space constraints which do not permit household toilets. These Complexes, comprising an appropriate number of toilet seats, bathing cubicles, washing platforms, wash basins, etc. can be set up in a place in the village acceptable and accessible to women/men/landless families. Maintenance of such complexes is very essential for which Gram Panchayats should take the ultimate responsibility or make alternative arrangements at the village level. User families may be asked to contribute reasonable monthly user charges for cleaning and maintenance. The maximum unit cost prescribed for a Community Sanitary Complex is up to ₹ 2 lakh. The sharing pattern between the Central Government, State Government and community was in the ratio of 60:20:20 till 2010 and 60:30:10 from 2010 onwards.

In eight sample Districts, 110 CSCs were constructed through local contractors by issuing work orders and an expenditure of ₹ 187.59 lakh incurred on construction between 2009-10 and 2013-14.

Scrutiny of records pertaining to construction of CSCs revealed the following lapses and shortcomings in the implementation of the programme:

1.3.11.4.1 Non Adherence to Guidelines

- 12 CSCs were found constructed at public congregation places like community halls, markets, near Police Stations, etc. Further, it was noticed that in Tirap District CSCs were constructed in two educational institutions (WRGD College, Deomali and Don Bosco School, Zedua).
- Two CSCs were constructed at a cost of ₹ 61,410.29 per unit against the provision for ₹ 2 lakh per unit. Against the total value of work only ₹ 70,000/- was paid to the contractor (after reduction of ₹ 52,821/-). Hence, the quality/durability of the toilets constructed became questionable.
- The cost sharing pattern for construction of CSCs between the Centre, State and Beneficiary was revised as 60:30:10 from 2010, but the old sharing pattern of 60:20:20 was still followed in three sample Districts (7 units in West Kameng District, 11 units in Tirap District and 11 units in Lohit District). Thus, communities were made to contribute an extra of ₹ 5.80 lakh.

1.3.11.4.2 Irregularity in Execution

Scrutiny of records revealed that the estimates were attached with work orders, but without any detailed measurements. There were also no detailed measurement records in the relevant MBs. The recorded measurements shown in the MBs were a copy and paste of the work order estimates. As such, doubt arises whether the work was done as per specifications.

1.3.11.4.3 Maintenance

The maintenance of CSCs is very essential, for which Gram Panchayats/communities should take the ultimate responsibility or make alternative arrangements at the village level. User families may be asked to contribute reasonable monthly user charges for cleaning and maintenance.

There were no records to indicate that either of GPs/Communities taking responsibility for their operation and maintenance or of expenditure made by the Department for their maintenance. Records of alternative arrangements made at the village level could also not be produced. In absence of responsibility for maintenance by communities, durability and sustained usage of the CSCs is remote.

1.3.11.5 School Toilets

Toilets in all Government Schools - Primary, Upper Primary, Secondary and Higher Secondary should be constructed and emphasis should be given to toilets for girls.

Funding for school sanitation in a TSC Project is provided by the Central and State Government in the ratio of 70:30. Accordingly, Central assistance per unit would be restricted to 70 per cent for a unit cost of ₹ 38,500/- in case of hilly and difficult areas.

Separate toilets for girls and boys should be provided in all co-educational schools, which were to be treated as two separate units and each unit was entitled to Central assistance. The number of toilet units to be constructed should be adequate to meet the requirements of the school as per the strength of the students attending the school.

In addition to creation of infrastructure in schools, it was essential that hygiene education be imparted to children on all aspects of hygiene. For this purpose, at least one teacher in each school must be trained in hygiene education, who would train children through interesting activities and community projects that emphasized hygienic behaviour. Expenditure for this purpose may be met from IEC funds earmarked for the project. District and Panchayat implementing agencies should ensure good co-ordination with the Department of Education, Health and others to fulfil the objective of SSHE, *i.e.* to provide a safe, healthy learning environment to all children.

As per scheme Guidelines, a toilet unit consisting of a toilet and minimum of two urinals should be constructed in all Government Schools. Separate toilet units for girls and boys should be provided in all co-educational schools, which were to be treated as separate units and each unit was entitled to Central assistance. The SWSM, Arunachal Pradesh, Itanagar, notified the design and drawing of school toilets at an estimated cost of ₹ 40,000/-for Arunachal Pradesh. As per the design and drawing, four room toilets (two toilets and two urinals) for girls and boys were to be constructed for each school.

Scrutiny of records made available during the performance audit revealed following irregularities/lapses in the execution of the construction school toilets.

1.3.11.5.1 Execution of work not according to specifications

In Changlang District, construction of 384 school toilets at ₹ 76.80 lakh (@ ₹ 20,000/- per unit) was sanctioned during 2004-2005 and physically achieved prior to 2009-10. The DWSC, Changlang, also prepared a drawing and design of four-room school toilets two rooms for girls and two rooms for boys. But it was noticed that the DWSC, Changlang, constructed only two room school toilets (one for girls and one for boys). As such, 384 school toilets were constructed without following the model drawing & design. Thus, ₹ 76.80 lakh incurred on the construction of 384 school toilets were inflated by 50 *per cent*, needs to be investigated. Also, concerned school children were deprived of facilities as envisaged.

In West Siang District, in some cases, only one room school toilets were constructed, depriving school children of required sanitary facilities. On this being pointed out, the DWSC, West Siang District, stated that in remote places where there was no motorable road, the rate for school toilets, as provided in the Guidelines, was not sufficient.

1.3.11.5.2 Unauthorized Execution/Expenditure

- In West Siang District, construction of the approved 378 units of school toilets was completed during 2008-09. However, scrutiny of records revealed that between 2009-10 and 2013-14, another 38 units were constructed at a cost of ₹ 12.97 lakh (9 units @ ₹ 20,000/- per unit and 29 units @ ₹ 38,500/- per unit), which was beyond the approved number of units. Thus, expenditure of ₹ 12.97 lakh on construction of 38 units was unauthorized.

On this being pointed out, the Member Secretary stated that the 38 school toilets were constructed as funds were available. Further, it was noticed from photos submitted by contractors along with their bills, that in some schools one room toilets instead of the approved four room toilets were constructed.

- In Lohit District, physical and financial targets of approved PIPs pertaining to construction of 240 school toilets, were achieved during 2009-10. However, it was noticed that during October 2009, the DWSC, Namsai, constructed two school toilets at a cost of ₹ 70,000/- @ ₹ 35,000/- per unit.

Since the revised PIP was yet to be approved by the NSSC, GoI, construction of the above school toilets was unauthorized. Thus, expenditure of ₹ 13.67 lakh on construction of the school toilets was unauthorized and reflected deviation from norms.

1.3.11.5.3 Inflated reporting of School Toilets

In Tirap District, as per the approved PIP of 2008-09, the target for construction of school toilets was 304 at ₹ 60.80 lakh (@ ₹ 20,000/- per unit), which was completed (as per Monthly Progress Report) by the end of March 2009, showing financial progress of ₹ 41.72 lakh. Further, Scrutiny of the records showed that out of the remaining amount of ₹ 19 lakh, 95 school toilets in 48 schools were constructed during 2009-10.

Thus, 304 school toilets were constructed by utilising about 69 *per cent* of total admissible amount, which raises the question about the quality of construction of schools toilets constructed or whether the number of toilets claimed to have constructed were actually constructed in the first place. The physical achievement of 304 school toilets stated to have been completed by incurring ₹ 41.72 lakh and also reported by the Member Secretary, DWSC, Khonsa, to the higher authorities, was questionable.

1.3.11.5.4 Irregular deduction from Contractors' Bills

As per Guidelines, there would be no community contribution for construction of school toilets. However, scrutiny of records in respect of the Member Secretary, DWSC, Papum Pare revealed that a Clause was inserted in the terms & conditions of the work order that 10 *per cent* of the total bill amount as community contribution would be deducted from Contractors' Bills. Accordingly, payments were made after deducting 10 *per cent* as

community contribution from Bills by the Member Secretary, DWSC, Papum Pare as detailed below:

Table-1.3.10

| Year | No. of Units | Rate per Unit | Total Value of Work Done | 10 per cent Deduction | Net Amount Paid |
|--------------|-------------------------|-----------------|--------------------------|-----------------------|-------------------|
| 2009-10 | 28 (withheld amount) | 20,000/- | 5,60,000/- | 56,000/- | 5,04,000/- |
| | 15 (new) | 20,000/- | 3,00,000/- | 30,000/- | 2,70,000/- |
| 2010-11 | 08 | 20,000/- | 1,60,000/- | 16,000/- | 1,44,000/- |
| 2011-12 | 02 | 20,000/- | 40,000/- | 4,000/- | 36,000/- |
| TOTAL | 53 | 20,000/- | 12,80,000/- | 1,28,000/- | 9,50,000/- |

As no community contribution would be forthcoming,, chances of compromise in the quality of construction to keep the construction cost within the net amount admissible, cannot be ruled out.

1.3.11.6 Anganwadi Toilets

In order to change the behaviour of the children from the early stages of life, it is essential that *Anganwadis* are used as a platform of behavioural change of the children and mothers attending the *Anganwadis*. For this purpose each *Anganwadi* should be provided with an infant friendly toilet. The cost of construction of one unit could up to ₹10,000/- in case of hilly and difficult areas, where incentives given by the Central Government would be restricted to ₹7,000/-. Additional expenses may be met by the State Government, Panchayats or funds from the 12th/13th Finance Commissions, MPLADS, MLALADS, Revolving Fund, etc.

Scrutiny of records revealed that in eight sample Districts, toilets were constructed at several *Anganwadis* during the period covered under performance audit but none of them were infant friendly.

Further, the following irregularities were noticed during the scrutiny of records made available during the performance audit.

1.3.11.6.1 Unauthorized execution/expenditure

- In West Siang District, against the approved two *Anganwadi* toilets, the implementing Agency constructed 44 units (20 units during 2008-09 @ ₹ 5000/- per unit and 24 units during 2009-10 to 2013-14 @ ₹ 10,000/- per unit). Thus, there was unauthorized expenditure of ₹ 3.30 lakh (18 units @ ₹ 5000/- and 24 units @ ₹10,000/-).
- In Tirap District, construction of 150 *Anganwadi* toilets approved/targeted was shown as physically and financially completed during 2009-10. It was also noticed that during 2010-11, without any approval from the competent authority,

the EE-cum-Member Secretary, DWSC, Khonsa, constructed 44 units at ₹ 2.11 lakh in 32 *Anganwadi* Centres. Thus, there was expenditure of ₹ 2.11 lakh incurred on its construction was unauthorised.

- In Lohit District, the DWSC, Namsai, constructed 07 units in excess of approved target of 180 *Anganwadi* toilets. The cost of construction of these seven toilets was ₹ 0.56 lakh, which was unauthorised.

Since the revised PIP was not yet approved by the competent authority, construction of toilets beyond the approved number was unauthorised. Thus, the total unauthorised expenditure incurred on *Anganwadi* toilets was ₹ 5.97 lakh.

1.3.11.6.2 Lack of Co-ordination with other line Departments

Physical targets of *Anganwadi* and schools toilets were shown to have been achieved before 2009-10 in West Kameng District. From 2009-10 to 2013-14, only payments were released to contractors, without obtaining Sub-vouchers for procurement of raw material, as shown in theoretical consumption. None of the bills were countersigned/recommended by school or ICDS authorities.

In Changlang District, construction of 250 *Anganwadi* toilets, valued at ₹ 13.05 lakh, was shown as completed during 2013-14 against the 239 units which were actually completed up to March 2014. The Dy. Director, ICDS, Changlang, replied to the audit requisition that 55 *Anganwadi* Toilets were constructed under TSC funds till March 2014. Thus an excess of 195 *Anganwadi* toilets were shown as constructed by implementing agencies. The cost incurred on construction of 195 *Anganwadi* amounting to ₹ 9.75 lakh (@ ₹ 5000/- each) was doubtful.

The DWSM did not contact any organization/institution for seeking expertise and information on innovative technologies, materials, designs and methods to help beneficiaries in the construction of durable, cost effective IHHLs/CSCs/ Institutional toilets.

1.3.11.7 Maintenance of facilities created under TSC/NBA

Maintenance of facilities created under TSC/NBA was also a new component introduced under NBA, which was to be undertaken through motivation in case of IHHLs. PRIs would be responsible for maintenance of Community Sanitary Complexes and concerned Departments for Institutional Toilets. No cost was involved in this component.

Records of steps taken to assure that the structure created under TSC/NBA would be maintained by concerned stakeholders, as stated above, could not be produced.

1.3.11.8 Rural Sanitary Marts (RSMs)/ Production Centres (PCs)

Rural Sanitary Mart (RSM) is an outlet dealing with the material, hardware and design required for construction of sanitary latrines and other sanitation/hygiene accessories. It is a commercial venture with a social objective. Production Centres (PCs) are the means to improve production of cost effective affordable sanitary materials. PC/RSM could be opened and operated by SHGs/Women's Organizations/Panchayats/NGOs, etc. Financial assistance may be provided in the form of interest free loans up to ₹ 3.50 lakh from the Revolving Fund, recoverable after attaining a level of sustainability (TSC Guidelines). Under NBA Guidelines, loans were recoverable in 12-18 instalments after one year from the date of receipt of the loan. Funding for this component would be in the ratio of 80:20 between the Centre and the State.

Scrutiny of records revealed that between 2009-10 and 2013-14, none of the sample Districts, except Lohit District, executed this component. One RSM was constructed in Lohit District during 2010-11 at a cost of only ₹ 80,655/-.

1.3.11.9 Solid and Liquid Waste Management

Under Solid Liquid and Waste Management (SLWM), activities like compost pits, vermi-composting, common and individual bio-gas plants, low cost drainage, soakage channels/ pits, re-use of waste water and a system for collection, segregation and disposal of household garbage, etc. were to be undertaken. Under TSC, up to 10 per cent of the project cost could be utilised for meeting capital costs incurred under this component. The fund sharing pattern between the Centre, State and Panchayats/Communities would be in the ratio of 60:20:20. Under NBA, up to ₹ 7 lakh per GP having up to 150 households, ₹ 12 lakh up to 300 households, ₹ 15 lakh up to 500 households and ₹ 20 lakh for more than 500 households, could be utilized under this component and the cost-sharing ratio between the Centre and State was 70:30.

Scrutiny of records revealed that this component was not executed in any of the sample Districts from 2009-10 to 2013-14. Construction relating to SLWM began during the last quarter of 2013-14 and was in the initial stages and under progress.

1.3.12 IEC Activities

Audit Objective: *To assess whether Information, education and communication strategies under the Scheme were effective in generation of demand for TSC/NBA services through community mobilization.*

Information, Education & Communication (IEC) is an important component of the Programme. These intended to trigger the demand for sanitary facilities in rural areas

through behavioural changes. IEC activities were to be conducted at all tiers - Centre, State, District, Block and Gram Panchayats. Emphasis was to be given on inter-personal communication by engaging village level motivators (*Swachchhata Doots*). IEC costs, including cost of start-up activities, would be limited to 15 per cent of the total project cost. The fund sharing pattern between Centre and State was in the ratio of 80:20.

1.3.12.1 IEC Annual Action Plan

No IEC Annual Action Plan for the period 2009-10 to 2013-14 could also be produced by the SWSM. However, it was noticed in audit that no IEC campaign was undertaken at State level. Year-wise expenditure on IEC activities in the sample Districts were as under:

Table-1.3.11

(₹ in lakh)

| District | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | Total |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| West Kameng District Bomdila | 2.00 | 26.06 | 5.95 | - | - | 34.00 |
| Changlang District, Changlang | - | 27.50 | 27.19 | 10.70 | 18.02 | 83.41 |
| East Siang District, Pasighat | 5.29 | 0.85 | 2.60 | 14.23 | 9.97 | 33.06 |
| West Siang District, Along | 19.43 | 3.53 | 0.05 | 22.98 | 0.03 | 46.02 |
| Lower Dibang Valley, Roing | 1.80 | - | 1.66 | 0.31 | 1.58 | 5.35 |
| Papum Pare District, Yupia | - | 15.30 | 16.46 | 7.05 | - | 38.81 |
| Lohit District, Namsai | 2.72 | 8.10 | 7.30 | 5.19 | 6.07 | 29.38 |
| Tirap District, Khonsa | 0.41 | - | 4.07 | 4.72 | 28.18 | 37.39 |
| Total | 31.65 | 81.34 | 65.28 | 65.18 | 63.85 | 307.40 |

Scrutiny of records revealed further irregularities as discussed in the following paragraphs.

1.3.12.2 Infertuous Expenditure on production of a documentary

A documentary on sanitation was made at an expenditure of ₹ 8.90 lakh out of Communication and Capacity Development Unit (CCDU) funds during 2009-10 by the Nodal Department. But records of the said documentary being telecast or aired in any media could not be made available.

1.3.12.3 Irregular outsourcing to NGOs for IEC Activities

Scrutiny of records of the EE, PHE-cum-Member Secretary, DWSC, West Kameng District revealed that an agreement was drawn between the Tukpen Welfare Society, Rupa and the DWSC on 12th April 2008 for campaigning of IEC Programmes in Kalaktang Block, West Kameng District, at an agreed amount of ₹ 5.96 lakh. Work was stipulated to be completed on 30.04.09. But, the Deputy Commissioner-cum-Chairman, DWSC, extended the date of completion to 27.10.09. The EE-cum-Member Secretary,

DWSC, made partial payment of ₹ 2 lakh to the society, without obtaining any Actual Payee Receipt (APR). EE-cum-Member Secretary, DWSC, in December 2008, requested the Society to furnish (a) Cash Book (b) Voucher File and (c) Expenditure Statement, for the above sanctioned amount. Though the Society did not furnish the supporting records for ₹ 2 lakh previously paid to it, another ₹ 2 lakh was paid to the Society, in July 2009, through a hand-written receipt.

Further, scrutiny of records revealed that till date of audit (June 2014), the Society had still not furnished any Progress Report, Expenditure Statement or Completion Report to the EE-cum-Member Secretary, DWSC. There was no record of the EE-cum-Member Secretary insisting for the records mentioned. Thus, in absence of such records, mis-utilisation of ₹ 4 lakh could not be ruled out.

Similarly, during 2009-10 to 2013-14, ₹ 14.58 lakh was paid to Women's Welfare Society, Bomdila for awareness campaign under IEC activities. But supporting vouchers or other evidence for the activities undertaken were not produced. In absence of vouchers in support mis-utilisation of ₹ 14.58 lakh could not be ruled out.

1.3.12.3 CA's Audit Report on Women's Welfare Centre, Bomdila

Scrutiny of records revealed that Member Secretary, DWSC, Bomdila, paid ₹ 2.81 lakh to Women's Welfare Centre (WVC), Bomdila, for campaigning of IEC Programmes in West Kameng District. However, the Receipt & Payment Accounts of CA's Audit Report for 2009-10 revealed that ₹ 2.81 lakh was shown as repayment of loan. There was also nothing available on record to show that ₹ 2.81 lakh was utilised on implementation of IEC Campaign Programmes. Thus, in absence of any evidence for expenditure of ₹ 2.81 lakh, mis-utilisation of the TSC funds could not be ruled out.

1.3.12.4 NGOs & IEC Activities in Papum Pare District

In Papum Pare District a total of ₹ 38.81 lakh was incurred in IEC activities from 2009-10 to 2013-14. Scrutiny of vouchers revealed that ₹ 26.73 lakh from a total of ₹ 38.81 lakh was paid to three Societies for conducting TSC/NBA Sanitation Campaigns in the District. Details of payments are tabulated below:

Table-1.3.12

| Sl. No. | Voucher No. & Date | Amount | Firm/ Society |
|---------|--------------------|-------------|--|
| 1. | 210 of. 08/02/10 | 14,00,000/- | M/s CCRD Sommanoy Co-operative Society |
| 2. | 216 of. 26/01/12 | 73,500/- | N. N. Charitable Society |
| 3. | 217 of. 29/02/12 | 3,00,000/- | -do- |
| 4. | 224 of. 23/03/12 | 6,00,000/- | -do- |
| 5. | 226 of. 09/05/14 | 2,00,000/- | -do- |
| 6. | 229 of. 18/06/12 | 1,00,000/- | M/s Sun Land Society |

The above payments were made without executing any Deed of Agreement with the NGOs. Reasons for release of payment to the NGOs without executing Deeds of Agreement were not on record. Any document maintained by the NGOs showing the number of people who attended the awareness campaigns were neither found on record nor produced, though called for through audit requisitions. Moreover, no Impact Assessment Report was on record. In absence of the above mentioned documents, the campaigning of IEC by the NGOs could not be ascertained.

1.3.12.5 *Doubtful procurement of Books, Banners & Maps*

Scrutiny of vouchers of the Executive Engineer, PHE & WS, Bomdila, West Kameng District, related to TSC/NBA funds revealed that the Division incurred ₹ 10,21 lakh on procurement of Books, Banners and Maps from local suppliers. However, the material procured was neither entered in the MAS Account nor Cash Memos/ Sub-Vouchers in support were on record.

1.3.12.6 *Other irregularities in execution of IEC Activities*

- IEC Annual Action Plans were not formulated in the sample Districts. IEC activities were implemented only at DWSC level, and no funds for IEC were released to Blocks and PRIs.
- No sanitation day/week/fortnight was observed in the sample Districts.
- *Swachhhata Doots* were not engaged in GPs in the sample Districts, except in Lohit District. Though the implementing agency in East Siang District furnished a list of motivators employed in each GP, records of surveys or works executed by them; payments made to the motivators was not be made available to audit.
- In the sample Districts, no field functionaries were engaged as motivators.
- Training of VWSC/PRI members, Block/District functionaries and grass root functionaries was stated to have been conducted at State level, but supporting records could not be made available either at District or State level.

1.3.12.7 *Nirmal Gram Puraskar (NGP)*

It is a separate sub-scheme under TSC/NBA, which aimed to incentivize PRIs to make villages Open Defecation Free (ODF) and to adopt Solid and Liquid Waste Management (SLWM). Following aspects were noticed during the scrutiny of records.

- No annual targets were made to attain NGP in the sample Districts.

- The GoI had awarded NGP to 16 Gram Panchayats between 2009 and 2011. The award money was handed over to the concerned Gram Panchayat authorities but with delays.
- Kaimai GP of Tirap District was awarded the NGP award in 2009, but the prize money was released only in 2012-13, after a delay of more than 2 years. Likewise, four PRIs in West Siang district received the NGP award in 2009-10 but the award money was released in 2010-11.
- Two GPs in East Siang District were selected during 2012-13 but had not received the award money till date of audit.

As per NGP Guidelines, award money should be utilised in sanitation works by Gram Panchayat authorities only and Utilisation Certificates for the same should be submitted to the EE-cum-Member Secretary, DWSM for onward submission to the SWSM.

However, there was no record or Utilisation Certificates in support for expenditure of the award money being submitted by concerned Gram Panchayats. In the absence of vouchers or Utilisation Certificates, utilisation of the award money for intended purposes could not be verified.

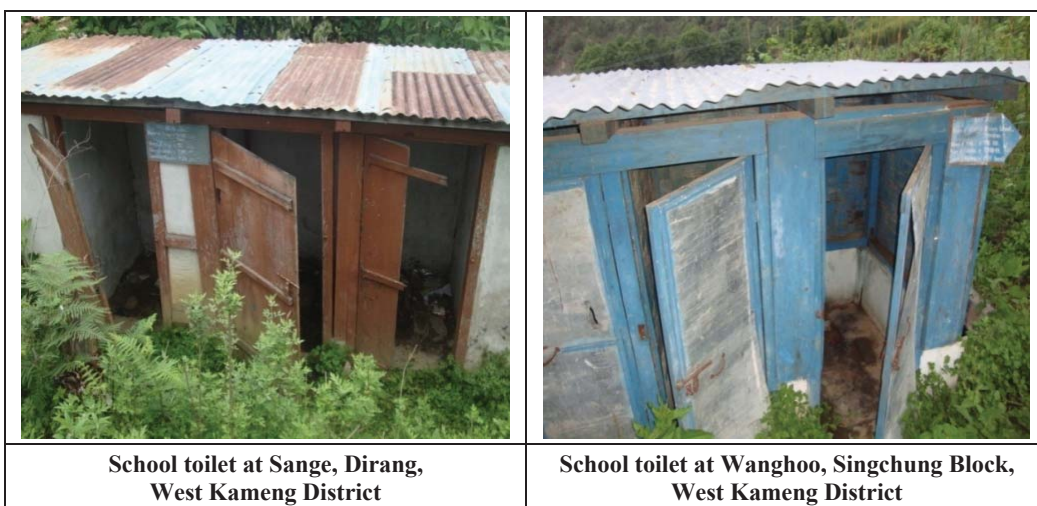
1.3.12.8 Capacity Building

Capacity building was a new component introduced under NBA, which focused on training of VWSC/PRI members, Block/District functionaries, grass root level health and education functionaries and self-help groups. The cost on capacity building will be limited to 2 per cent of the IEC budget. The cost-sharing pattern between Centre and State was in the ratio of 80:20.

Though implementing Agencies in the sample Districts and Nodal Office stated to have conducted training for VWSC/PRI members, Block/District functionaries, grass root level health and education functionaries and self-help groups, related records on such expenditure could not be produced.

1.3.13 Results of physical verification

- (i) CSCs:** Out of 15 CSCs inspected, two were non-functional.
- (ii) School & Anganwadi Toilets:** During joint physical verification 54 school toilets physically inspected. Of which 47 units which were constructed prior to 2009-10, had become defunct/non-functional. Following are photos of some defunct School toilets.



(iii) Similarly, out of 25 Anganwadi toilets physically inspected, 19 units had become defunct. Following photo describe the sorry state of them.



1.3.14 Convergence with other programmes

Audit Objective: *To assess whether convergence of NBA activities with other programmes/stakeholders, as envisaged, was effectively achieved.*

1.3.14.1 Co-ordination with other State Departments

The SWSM at State level should ensure co-ordination and convergence with State Departments. Similarly, DWSMs at the District Level should ensure co-ordination and convergence with line departments.

Implementing agencies in the sample Districts claimed that co-ordination with other line Departments in implementing the TSC/NBA scheme was maintained. But records of such co-ordination could not be produced neither at State nor at District Level. Cross verification with Dy. Directors of School Education(DDSEs) and Dy. Directors, Integrated Child Development Scheme(ICDS) of line departments in some sample Districts revealed they either could not provide or had no knowledge of details of School and Anganwadi toilets constructed under TSC/NBA.

1.3.14.2 Non-convergence with other Schemes

As there was no effective co-ordination with other line Departments, convergence with other schemes like MGNREGA, MPLAD, etc. was not effective till date.

1.3.15 Monitoring and Evaluation

Audit objective: *To assess whether the mechanism in place for monitoring and evaluation of the outcomes of the programme was adequate and effective.*

1.3.15.1 Credibility of IMIS data

All TSC/NBA project Districts were required to submit Physical and Financial Progress Reports on-line.

Table-1.3.14: Financial Achievement

(₹. in lakh)

| Sl. No. | Components | MIS Figures | MPR Figures | Actual Figures as per Vouchers |
|--------------|----------------------------|----------------|----------------|--------------------------------|
| 1. | IHHLs | 1147.37 | 882.61 | 681.04 |
| 2. | Sanitary Complex | 167.60 | 142.43 | 176.65 |
| 3. | School Toilet | 174.61 | 152.57 | 120.93 |
| 4. | Anganwadi Toilet | 62.62 | 44.29 | 19.00 |
| 5. | Rural Sanitary Mart | - | - | - |
| 6. | Production Center | - | - | - |
| 7. | IEC Activities | 275.53 | 258.48 | 274.36 |
| 8. | Capacity Building/Training | - | - | - |
| Total | | 1827.73 | 1480.38 | 1271.98 |

(data excluding East Siang District)

Table-1.3.15: Physical Achievement

| Sl. No | Components | MIS Figures | MPR Figures | Actual Figures as per Vouchers |
|--------|---------------------|-------------|-------------|--------------------------------|
| 1. | IHHLs for BPL | 31,294 | 26,407 | 22,245 |
| 2. | IHHLs for APL | 8478 | 5,990 | - |
| 3. | Sanitary Complex | 107 | 101 | 102 |
| 4. | School Toilet | 40 | 10 | 513 |
| 5. | Anganwadi Toilet | 304 | 253 | 323 |
| 6. | Rural Sanitary Mart | - | - | - |
| 7. | Production Centre | - | - | - |

(data excluding East Siang District)

Scrutiny of records revealed that the data uploaded in IMIS did not tally with Monthly Progress Reports (MPRs). IMIS and MPRs information did not tally with actual execution data. Discrepancies and anomalies on Financial and Physical Achievement can be seen from the Tables above.

It was observed that no periodical field data validation was conducted. Credibility of MIS data was not ensured by cross-checking data received through Monthly Progress Reports. Though implementing agencies in East Siang and West Siang Districts stated to have ensured this, scrutiny of records revealed that IMIS and actual execution figures did not tally.

MPRs were not maintained in East Siang District. On this being pointed out, the implementing agency stated that the Guidelines did not encourage maintenance of MPRs in hard copy. The reply is not tenable, as uploading of data in IMIS first requires the data in hard copy.

1.3.15.2 Inspection by State Level Officers and District level officers

Periodical Inspection by State level officers, though provided in the Guidelines, was not defined. Inspections were to be conducted to check that construction work was done as per norms, the community was involved in construction, that latrines were not polluting water sources, whether there was correct selection of beneficiaries, proper use of latrines after construction and to ensure that TSC/NBA information was displayed transparently in Gram Panchayats.

No regular inspections by State and District level officers were made to verify the progress of implementation at grass root level and to ensure that the execution of works was in accordance with prescribed procedures and specifications. Though implementing agencies in West Siang District stated to have conducted regular inspections, Inspection Reports could not be produced.

Besides, against the mandatory 10 State Water Sanitation Mission (SWSM) Meetings required to be held from 2009-10 to 2013-14, only 7 meetings were held.

From 2009-10 to 2013-14, District Water Sanitation Committees (DWSCs) met only once (June 2009) in West Kameng District, eight times in Tirap District, six times in Lohit District, five times in Changlang District, two times in Papum Pare District and once in East Siang District. In West Siang and Lower Dibang Valley Districts, though implementing agencies stated to have conducted DWSM Meetings at least once in a year, minutes of such Meetings were not maintained.

1.3.15.3 Periodical review by expert panel

Periodical review of projects by a panel of experts available in the State was provided in the Guidelines.

However, there was no record of constitution of a panel of experts or any periodical review by such panel.

1.3.15.4 State review mission

A State Review Mission, headed by a Joint Secretary level officer of the Nodal Department with three members from other linked Departments and representatives from reputed organizations in the field of sanitation, was required to be constituted to assess the release of second and subsequent instalments of funds. However, records of constitution of such Review Mission could not be produced to audit.

Also, as per Guidelines, the Secretary (Rural Sanitation) was required to conduct a quarterly review of the progress with the District Officials. But no record of such review was made available.

1.3.15.5 Panel of experts for review not constituted

District Project authorities had to constitute a team of experts to conduct a quarterly review of the implementation in different Blocks. CEOs of District Panchayats/Secretaries of DWSCs were to review the progress of the project with Block Officials on a monthly basis. PRI/Block level officials also had to review progress in Gram Panchayats.

However, it was noticed that no reviews on progress of work were conducted by Block/PRI level officials or CEOs of District Panchayats/ Secretaries of DWSCs.

1.3.15.6 Shortfall in Observance of Sanitation Day/Week/Month

Gram Panchayats had to earmark a particular day of the month 'Swachchhata Diwas' (Sanitation Day) to record monthly progress, identification of individual demands, projection of monthly plans, identification of slip-back cases and verification of expenditure made on various activities in the previous month, including disbursement of incentive amounts, construction and other works/activities.

In the sample Districts, it was noticed that no particular day was earmarked to be observed as Sanitation Day as envisaged in the Guidelines. Sanitation Day was observed once or twice a year on Public Holidays/Events.

1.3.15.7 Gram Swachchhata Sabha (GSS)

Gram Swachchhata Sabhas (GSSs) were to be convened by Gram Sabhas every six months to review the progress made under various Monthly Plans.

No Monthly Plan was made by GPs and no GSSs were conducted in the GPs. Moreover, no grievance redressal mechanism was in place at District/Block/GP levels.

1.3.16 Conclusion

The revised PIP (2012-13) was still not approved by the NSSC till date. The State Water Sanitation Mission (SWSM) failed to utilise available funds, depriving people of sanitation facilities. There were shortfalls in achievement of targets in all eight sample Districts. As a result, the overall objective of *Nirmal Bharat* by 2022 (now October 2019 as per *Swachh Bharat Abhiyan*) seemed remote.

Many assets created under the scheme were defunct in the absence of maintenance.

1.3.17 Recommendations

- PIPs and AIPs should invariably be prepared and approved timely to ensure timely completion of projects;
- Central and State shares should be released component-wise to facilitate proper implementation of planned projects. Scheme Guidelines on maintenance of TSC/NBA funds, interest, its utilisation, *etc.* need to be strictly adhered to;
- IEC activities on user awareness to take responsibility for maintenance of assets created should be strengthened;
- The system of supervision and monitoring through physical visits, timely conduct of review meetings and timely submission of MPRs need to be strengthened; and
- Independent evaluation should be made to ascertain any systematic deficiencies in implementation of the scheme.

Department of Education

1.4 Implementation of Mid-Day Meal Scheme

The 'National Programme of Nutritional Support to Primary Education', a Centrally Sponsored Scheme, commonly known as 'Mid-Day Meal' (MDM) Scheme, was launched in August 1995 with the primary objective of boosting the universalisation of primary education by increasing enrolment, retention & attendance and simultaneously improving nutritional status of primary school children, country wide in a phased manner by 1997-98. Performance Audit of the scheme revealed that the Department covered all Government Primary/Upper Primary Schools (3116), Government-aided Primary/Upper Primary Schools (68) and EGS/AIE Centres (155) in the State under the scheme. However, there were deficiencies like inadequate financial management, short-lifting of food grains, delay in release of funds to schools for meeting cooking costs, inadequate infrastructural facilities in schools and lack of monitoring by the Department.

Highlights

Some major audit findings are highlighted below:

- **No household surveys were conducted to identify the total number of children not enrolled at the Primary stage. No attempt was also made to encourage high level of enrolment through publicity, etc.**

(Para 1.4.9.2)

- **In 2010-11, against GoI total allocation of 6,687.66 MT of food grains for Primary/Upper Primary level, the Department lifted only 5,928.37 MT and during 2013-14, against the allocation of 6,625.01 MT of food grains for Primary/Upper Primary levels, only 6,598.95 MT were lifted, leading to short-lifting of 785.35 MT of food grains.**

(Para 1.4.11.1)

- **There was a shortfall in provision of 47,360 meals due to short receipt of food grains in 137 schools.**

(Para 1.4.15.8)

- **In six schools of West Kameng and Lohit District, 46.61 quintals (23 per cent) of the allotted rice was issued as dry rations instead of cooked meals, violating directives of the Hon'ble Supreme Court of India.**

(Para 1.4.11.9)

- **In 150 test-checked schools, *pucca* kitchen sheds were not available in 130 (87 per cent) schools; drinking water facilities in 35 (23 per cent) schools;**

gas-based *chullahs* in 148 (99 per cent) schools; and cooking utensils in 9 (6 per cent) schools.

(Para 1.4.12.1 and 1.4.12.2)

- During the period 2009-14, there were persistent savings ranging from 1 per cent to 32 per cent.

(Para 1.4.15.3)

- From 2009 to 2014, there were delays ranging upto 21 months in release of Central assistance by the State Government to the Nodal Department.

(Para 1.4.15.4)

- The State Government did not contribute its share, aggregating to ₹ 12.93 crore (63.69 per cent), towards Conversion Costs, Honorarium to cooks-cum-helpers and MME costs.

(Para 1.4.15.6)

- There were deficiencies in meetings of the State, District and Block Level Monitoring Cells to monitor implementation of the scheme.

(Para 1.4.16.2)

- Findings of evaluation studies conducted by an Independent Agency to assess the impact of the scheme were not discussed by the State SMC to address the deficiencies pointed out in the Evaluation Reports.

(Para 1.4.16.3)

1.4.1 Introduction

The Government of India launched the '*National Programme of Nutritional Support to Primary Education (NPNSPE)*,' commonly known as the Mid-Day Meal (MDM) Scheme on 15th August 1995, as a Centrally Sponsored Scheme for primary school children (Classes I to V) in Government, Local Body and Government-aided schools. The scheme was renamed as '*National Programme of Mid-Day Meals in Schools*' from September 2007. It was also extended (October 2002) to children studying in Education Guarantee Scheme (EGS) and in Alternative & Innovative Education (AIE) Centres.

MDMS was further extended (April 2008) to recognized *Madrasas/Maqtabs* supported under Sarva Shiksha Abhiyan (SSA) as Government-aided Schools and *Madrasas/Maqtabs* which did not have to be registered or recognized. These were, however, supported under SSA as EGS/AIE interventions in co-ordination with State Project Directors of SSA.

The scheme was extended to the Upper Primary Stage in educationally backward Blocks from 2007-08 and across the country from 2008-09.

The scheme was initially implemented in the State by issuing dry rations to each child @ 3 kg. per month for 10 months a year. In December 2004, the Guidelines were revised, wherein it was emphasized that cooked meals with a minimum of 300 calories and 8-12 grams of protein content was to be provided. Assistance for management, monitoring and evaluation was also provided.

The revised Guidelines, with effect from September 2006, made it mandatory that cooked meals be served to eligible children with a calorific content of 450 calories, protein content of 12 grams and adequate quantities of essential micronutrients and de-worming medicines. The calorific value of the mid-day meal for the Upper Primary stage was fixed at 700 calories and 20 grams of protein.

Central support was provided by way of supply of free food grains through the nearest FCI Godown @ 100 grams/150 grams per child per school day in Primary/Upper Primary schools. The GoI also provided funds for cooking costs, financial assistance for construction of kitchen sheds-cum-stores, purchase of kitchen devices, transportation cost of food grains and expenditure on Management, Monitoring and Evaluation (MME).

1.4.2 Objectives of the revised Scheme (September 2006)

The objective of the scheme sought to address two of the most pressing problems for the majority of children in India, namely, hunger and education, by:

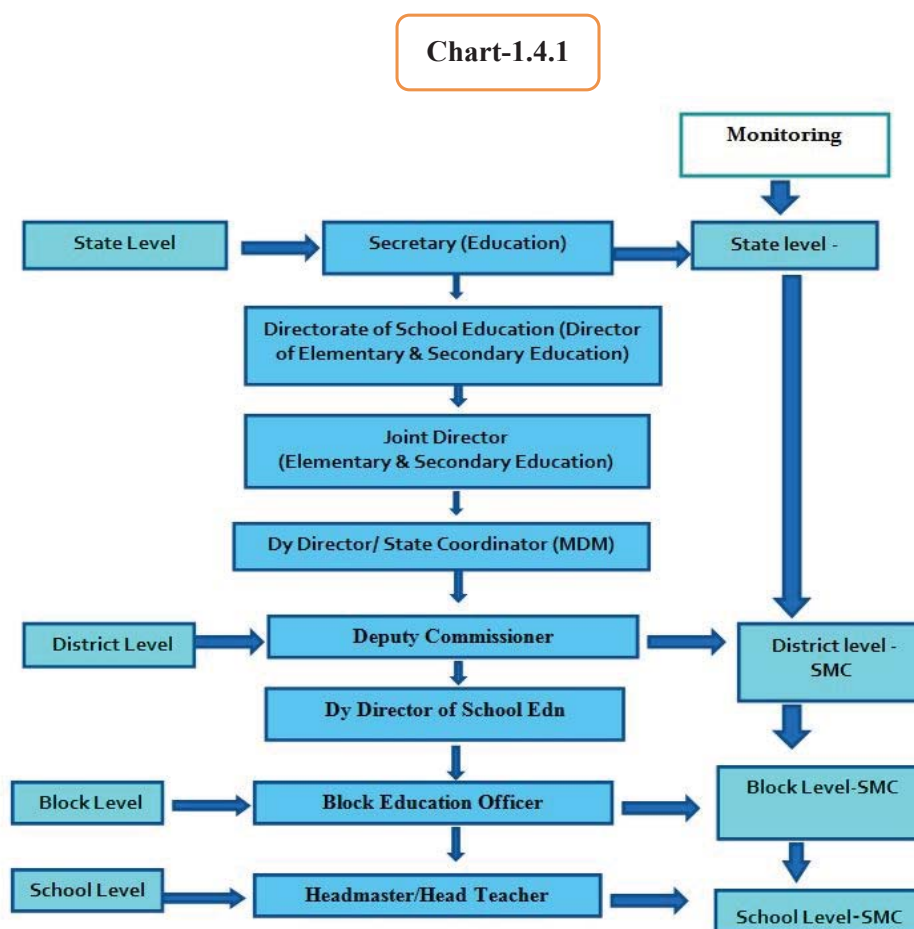
- Improving the nutritional status of children in Classes I to VIII in Government, Local Body and Government-aided schools, EGS and AIE Centres;
- Encouraging poor children belonging to disadvantaged sections to attend school more regularly and helping them to concentrate on classroom activities; and
- Providing nutritional support to Primary school children in drought affected areas during summer vacations.

1.4.3 Organizational Set-up

The Secretary to the Government of Arunachal Pradesh, Education Department, is the head of the MDM Programme in the State. The Director of School Education (DSE) is the State Level Nodal Officer (SNO) responsible for planning, implementation and monitoring of the programme. He is assisted by the Joint Director (Elementary & Secondary Education) and the Deputy Director/State Co-ordinator (MDM). The Deputy Commissioner (DC) of each District acts as the District Nodal Officer (DNO). He is

assisted by the Deputy Director of School Education (DDSE) and Headmasters of respective Schools/EGS/AIE Centres.

The Organizational set-up for implementation of the MDM Programme in the State is depicted in the Flow Chart below:



1.4.4 Scope of Audit

The Performance Audit of the scheme ‘National Programme of Mid-Day Meals in Schools,’ covering the period from 2009-10 to 2013-14 was conducted from August 2014 through test-check of records of the Director of School Education (DSE) and Deputy Directors of School Education (DDSE) of five (30 per cent) out of a total of 17 Districts viz., **Papum Pare, East Siang, West Siang, West Kameng and Lohit**; selected by the *Probability Proportional to Size Without Replacement (PPSWOR) Sampling Method* in the 1st Stage. Besides, records of 150 Schools/Centres {20 Primary and 10 Upper Primary Schools in rural/urban areas of 4 (four) Blocks of each District}

selected by the *Simple Random Sampling Without Replacement (SRSWOR) Sampling Method* in the 2nd Stage were test-checked in audit, involving an expenditure of ₹ 48.18 crore (47.69 *per cent* of the total expenditure of ₹ 101.02 crore). Results of the Performance Audit in respect of the sample Districts are discussed in the succeeding paragraphs.

1.4.5 Audit Objectives

The main audit objectives were to examine and assess whether:

- The scheme was being implemented in a planned manner to cover all eligible Primary and Upper Primary level school children;
- The scheme achieved its objective of enhancing enrolment, retention and attendance in Primary education;
- The scheme achieved its objective of improving the nutritional status of children in Primary/Upper Primary classes;
- Funds allocated were utilized in an economic and efficient manner; and
- Implementation of the scheme was being effectively monitored.

1.4.6 Performance Indicators/Audit Criteria

Audit findings are benchmarked against the criteria contained in the following sources:

- Scheme Guidelines on National Programme of Nutritional Support to Primary Education (MDM) 2006.
- Guidelines for decentralization of payment of cost of food grains to the FCI at District level under MDM (February 2010).
- Guidelines to ensure quality, safety and hygiene under MDMS (dated 22 July 2013).
- Norms framed by respective States for expenditure under MDM.
- Administrative Orders, Notifications, Circulars, instructions issued by the MHRD/State Governments/UTs.
- Annual Work Plans/Budget prepared by various States.
- General Financial Rules.
- Evaluation Reports of the scheme.

1.4.7 Audit Methodology

The Performance Audit of the scheme commenced with an **'Entry Conference'** held on 6th August 2014 with the Management of State Government, where the Audit Methodology, Objectives, Criteria, Scope, etc; of the Performance Audit were explained. Records of the Director of School Education (DSE) were examined and field inspections of Deputy Directors of School Education (DDSE) and 150 schools (100 rural/50 urban) implementing the scheme in the sample Districts were made.

An **'Exit Conference'** with the Management of the State Government was held on 21 January 2015 to discuss findings contained in the Draft Audit Report. The report was finalized incorporating the replies of the Department, wherever relevant.

1.4.8 Acknowledgement

We place on record our sincere appreciation of the Education Department, Government of Arunachal Pradesh, Director of School Education (DSE), Deputy Directors of School Education (DDSEs) and other concerned implementing agencies of the scheme in the sample Districts for the assistance in facilitating our audit.

Audit Objective: Whether the scheme was being implemented in a planned manner to cover all eligible Primary and Upper Primary levels

1.4.9 Planning

Adequate planning based on information maintained at school level and aggregated in Block, District and State levels is the necessary first step to achieve objectives of the scheme as mentioned in the Guidelines. It envisages a bottom-up approach to planning. Hence, it is necessary that there is documentation of the process of plan preparation to ensure that they were prepared at school level through a participatory planning process.

In Arunachal Pradesh, for effective planning, core planning teams at different levels, consisting of different sections of society with proper representation from women groups, were formed as under:

- (i) School/Village Level: School Management Committee (SMC), headed by a Gaon Bura/PRI Member;
- (ii) Block Level: Committee headed by the Administrative Officer of the respective Block;
- (iii) District Level: Planning Committee under the Chairmanship of the Deputy Commissioner of the respective District; and

- (iv) State Level: Planning Team under the Chairmanship of the Secretary/ Commissioner (Education).

For collection of data at various levels, micro-planning processes were taken up in Districts. In this process, Block Education Officers (BEOs), Cluster Resource Centre Coordinators (CRCCs), Block Resource Centre Coordinators (BRCCs) and teachers were engaged in collection of data on school children (Age Group - 6 to 14) enrolled in various educational institutions and the actual number of Government, Local Body and Government-aided schools and EGS/AIE Centres (including Community Schools under State Plan) and *Madrastas/Maqtabs* supported under Sarva Shiksha Abhiyan (SSA) which were availing MDMS benefits.

At the Block level, the information/data collected from schools were compiled manually and were used for preparing the Block Plan. Though the data collection process at Block level was completed by September each year, computerization of the same at the District level was not done due to lack of capacity building. As such, the data required for planning purposes was obtained from the manually compiled data at Block level for preparation of Annual Work Plans and Budget (AWP&B) of concerned Districts. For preparation of AWP&B at State level, the data available in Districts and school-based data available with the Deputy Directors of School Education of each District were taken into account.

Audit also noticed following shortcomings which would impact on achieving in the objectives of MDMS:

- The Department had no data regarding the actual number of schools run by EGS and AIE Centres across the State.
- The Department did not collect or document the year-wise data of children who had attained the age for Primary education but not enrolled by conducting Household/Census/Survey. Consequently the Department did not have a reliable database to capture details of children identified and eligible but not enrolled.
- No criteria were fixed for identification of children of poor and disadvantaged sections. As such, the number of such children was not identified.

1.4.9.1 Awareness campaign

The scheme Guidelines envisaged the formulation of specific plans to create awareness about the scheme among parents of children identified and eligible but not enrolled, by way of TV, Radio, print media, *etc.*

No efforts/initiatives had been made to create awareness among the parents of the children through TV, Radio, print media, *etc.* to ensure enrolment.

This indicated that the State Government/Department had not ensured adequate dissemination of information to parents to ensure enrolment of identified and eligible children, as envisaged in the Guidelines.

1.4.9.2 Coverage of Children

Details (year-wise) of the number of children enrolled and covered under the MDMS in the State from 2009-10 to 2013-14, as per information furnished by the DSE, are shown in the following Table:

Table-1.4.1

| Year | Number of Children Enrolled | | | Number of children covered under MDM | | | Percentage of Coverage | | |
|---------|-----------------------------|---------------|--------|--------------------------------------|---------------|--------|------------------------|---------------|--------|
| | Primary | Upper Primary | Total | Primary | Upper Primary | Total | Primary | Upper Primary | Total |
| 2009-10 | 201463 | 68100 | 269563 | 188418 | 57239 | 245657 | 93.52 | 84.05 | 91.13 |
| 2010-11 | 201855 | 70747 | 272602 | 201855 | 70747 | 272602 | 100.00 | 100.00 | 100.00 |
| 2011-12 | 201755 | 72476 | 274231 | 201755 | 72476 | 274231 | 100.00 | 100.00 | 100.00 |
| 2012-13 | 202620 | 74111 | 276731 | 202620 | 74111 | 276731 | 100.00 | 100.00 | 100.00 |
| 2013-14 | 192846 | 73825 | 266671 | 189060 | 71463 | 260523 | 98.04 | 96.80 | 97.69 |

Source: Departmental records

As could be seen from the above table that coverage of children under the MDMS for both Primary and Upper Primary levels *vis-à-vis* enrolment, ranged from 91.13 to 100 per cent during 2009-14.

However, it was noticed that enrolment of children at Primary and Upper Primary levels had declined from 2,76,731 in 2012-13 to 2,66,671 in 2013-14, *i.e.* a decline of 3.64 per cent in enrolment. This has to be viewed in light of the fact that no household survey was conducted during the period covered under performance audit to identify the number of children who had already reached the age for enrolment in the Primary stage but not enrolled.

During the audit scrutiny it was noticed that there was difference between the enrolment figure furnished by the Department and enrolment figure as per Sarva Siksha Abhiyan Mission (SSA), as detailed below:

Table-1.4.2

| Year | Enrolment figure | | | Percentage of variation <i>w.r.t.</i> to SSA |
|---------|------------------|-------------------|------------|--|
| | As per SSA | Of the Department | Difference | |
| 2009-10 | 2,79,527 | 2,69,563 | (-) 9,964 | 3.56 |
| 2010-11 | 2,80,858 | 2,72,602 | (-) 8,256 | 2.94 |
| 2011-12 | 2,72,050 | 2,74,231 | (+) 2,181 | (-) 0.80 |
| 2012-13 | 2,60,651 | 2,76,731 | (+) 16,080 | (-) 6.17 |
| 2014-15 | 2,48,406 | 2,66,671 | (+) 18,265 | (-) 7.35 |

Source: Enrolment figures furnished by the Department & SSA figures

Scrutiny of records of five sample Districts revealed that the enrolment data in respect of Primary/Upper Primary stages and EGS/AIE Centres available at the District level was at variance with data relating to the concerned District maintained at the State Government level, as can be seen from the details tabulated below:

Table-1.4.3: State-wise & District-wise Enrolment Data

| District | Level at which data provided | Year-wise Enrolment | | | | |
|-------------|------------------------------|---------------------|---------|---------|---------|---------|
| | | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Papum Pare | State Level | 38742 | 38692 | 38577 | 38552 | 35943 |
| | District Level | 38742 | 38692 | 38577 | 38577 | 35943 |
| West Kameng | State Level | 11340 | 11356 | 11170 | 11157 | 10359 |
| | District Level | 11072 | 11356 | 11165 | 11184 | 10359 |
| East Siang | State Level | 20810 | 21513 | 21176 | 21030 | 19414 |
| | District Level | 27365 | 27783 | 28197 | 25110 | 21810 |
| West Siang | State Level | 28353 | 28353 | 28173 | 28173 | 27784 |
| | District Level | 20720 | 28141 | 28173 | 28042 | 27782 |
| Lohit | State Level | 24402 | 24402 | 27578 | 27310 | 26692 |
| | District Level | 23375 | 24402 | 27578 | 27310 | 26691 |

Source: Compilation Sheets of District/State level data collected during field visit

As could be seen from the above table, there was wide variation in the figure of enrolment maintained at district and at State level in respect of East Siang District during entire period 2009-14 covered under performance audit. Such wide variation was also noticed in respect of West Siang and Lohit district during the year 2009-10. Reasons for these discrepancies were not found in the records of the SNO/DNO.

In view of the differences in figures, data furnished by the State Government to the GoI for allocation of funds for various interventions relating to the scheme could not be vouched for.

Scrutiny of records (Annual Work Plan and Budgets) revealed that during 2009-10, the State Government projected 2,52,197 and 78,138 children under Primary and Upper Primary stages respectively, as eligible for availing Mid-Day Meals in its Annual Work Plan and Budget. However, the GoI, curtailed the State Government's proposal and accorded approval for 1,81,349 children, (1,20,699 and 60,650 children under Primary and Upper Primary stages respectively). As the enrolment figure proposed by the State Government was inflated, the GoI was forced to curtail the allocation and allotted food grains based on the enrolment figure of previous years. The fact that enrolment figure proposed by the State Government was inflated gets confirmed by the fact that the enrolment figure projected by the State Government in the subsequent years was never in the vicinity of the enrolment figure projected in 2009-10, which reinforces the fact that the State Government had inflated the figure. Thus, the Annual Work Plan and Budget,

which is the basis for allocation of resources for the implementation of the MDMS was faulty.

During Exit Conference the Department stated that the enrolment data was taken from SSA/RMSA, which was based on cluster level Manual survey. However, no digital survey was made. It was further stated that from 2013-14 the data used for planning was filtered from SSA/RMSA and was more reliable. Regarding EGS/AIE centres, it was stated that these centres had been discontinued from April 2014. It was further stated that the parents of children in Arunachal Pradesh are well aware of MDMS and did not require any awareness campaign.

The reply is not very credible in view poor literacy level of the State at 66.96 (as per 2011 Census) and poor penetration of mobile telephony, reach of rail services, road length per person and other quick methods of communication.

1.4.9.3 Coverage of Schools

The different categories of Government Schools, Government-aided schools, EGS and AIE Centres, etc. targeted by the Programme Approval Board (PAB) and actually covered between 2009-10 and 2013-14 in the State as per information furnished by the DSE are detailed in the following Table:

Table-1.4.4

| Year | Total number of Schools/EGS & AIE Centres/Madrasas/Maktabs | | Percentage of Coverage |
|---------|--|-------------------|------------------------|
| | Operation in the State | Covered under MDM | |
| 2009-10 | 5048 | 4431 | 87.78 |
| 2010-11 | 4431 | 4431 | 100.00 |
| 2011-12 | 4358 | 4358 | 100.00 |
| 2012-13 | 4228 | 4228 | 100.00 |
| 2013-14 | 3344 | 3339 | 99.85 |

Source: Departmental records

From the above table, it can be seen that the overall achievement in coverage of various institutions was between 87.78 and 100 per cent during 2009 to 2014.

Further, 5048 Schools/EGS & AIE Centres/Madrasas/Maktabs stated to be in operation, which were required to be covered under the scheme during the year 2009-10 was *prima facie* inflated. This fact gets confirmed as GoI imposed 50 per cent cut while sanctioning the funds. The number of institutions in operation for coverage under the MDMS has come down in the subsequent years was due to closing down of Education Guarantee Scheme (EGS) and Alternative & Innovative Education (AIE) Centres.

1.4.9.4 Coverage of children in drought affected areas

MDM Guidelines provided for mid-day meals to also be provided in schools during summer vacations in areas formally notified by the State Government as ‘drought affected’.

However, the State Government has not yet notified any area of the State as ‘**drought affected**’ till date of audit (November 2014).

1.4.9.5 Convergence with other Development Programmes

MDMS Guidelines envisaged that the programme should be implemented in close convergence with several other development programmes to ensure that all requirements of the programme are fully met in the shortest possible time-frame.

Various development programmes, *inter alia*, included, Sampurna Grameen Rozgar Yojana (SGRY), Basic Services for Urban Poor (BSUP), Integrated Housing & Slum Development Programme (IHSDP), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Backward Region Grant Fund (BRGF) for construction of Kitchens-cum-Store, Sarva Shiksha Abhiyan (SSA) for new school construction, Accelerated Rural Water Supply Programme (ARWSP), ‘Swajaldhara’ Scheme to meet water supply requirements and National Rural Health Mission (NRHM) for school health programme.

However, in Arunachal Pradesh, it was seen that the Department did not interact with or obtain inputs relating to construction of kitchen sheds, provision of drinking water, school health programmes, etc., from concerned Departmental functionaries leading to disjointed efforts of various agencies towards the same goal.

During Exit Conference the Department stated that MDMS was implemented in close convergence with PHED in respect of water supply and NRHM in respect of Child Health. It was assured that initiatives would be taken to improve convergence with other schemes as well.

To sum up, though the children enrolled in the schools were covered by the MDM Scheme, there was no data to indicate that all eligible children (of the age group 06-14 years) were enrolled, nor were any attempt made to encourage high level of enrolment through publicity, interaction with civil society representatives and take in inputs through convergence with other similar schemes in the State.

1.4.9.6 Community Support

MDMS Guidelines envisaged that school management should be encouraged to draw support of the community. For this, Gram Panchayats and Village Education Committees may be approached for nomination of community members on a rotation

basis to help the school management in ensuring efficient cooking, serving and cleaning operations. The scheme could also provide opportunities for involvement of Self Help Groups (SHGs) in management of the programme, thus ensuring that the teaching-learning process in the classroom was not affected, while SHGs would take responsibility for regular procurement, cooking and distribution.

However, it was seen that community participation was not ensured in any of the 150 test-checked schools in the sample Districts. Due to absence of community participation, teachers bore the brunt of implementing the scheme, *i.e.*, apart from taking classes and other academic activities, they were also responsible for lifting of food grains and other items from Block level stores.

The Department during Exit Conference stated that in rural areas of Arunachal Pradesh, as the women were busy in cultivation/agricultural activities, there is no/less supervision or participation in MDMS.

Audit Objective: *Whether the scheme achieved its objective of enhancing enrolment, retention and attendance in Primary and Upper Primary Education*

1.4.10 Impact on enhancing enrolment, retention and attendance

The MDM Scheme was introduced by the GoI with the prime objective of enhancing enrolment, retention and attendance and simultaneously improving nutritional levels among children.

In Arunachal Pradesh, household surveys were not conducted during the period under performance audit to identify the total number of children not enrolled at the Primary stage, so data relating to children who had already reached the age for enrolment in the Primary stage but not enrolled, was not available with the Department.

It was also seen that the Department did not establish any system to capture data on retention/dropout rate of children in Primary/Upper Primary schools and its consolidation at State and Block levels. Thus, the impact of MDM on the dropout rate could not be analyzed in audit.

However, from information furnished by the Department it was seen that the attendance rate had increased considerably over the last five years (2009-14), which increased from 56.03 *per cent* in 2009-10 to 97.21 *per cent* in 2013-14 in Primary and 91.30 *per cent* in 2009-10 to 93.70 *per cent* in 2013-14 in Upper Primary level. Details of attendance in Primary and Upper Primary stages from 2009 to 2014 are shown in the following Table:

Table-1.4.5

| Year | Number of School/Centres/Madarsas/Maktabas | | | |
|---------|--|--|---------------------|--|
| | Primary Level | Average daily attendance (in per cent) | Upper Primary Level | Average daily attendance (in per cent) |
| 2009-10 | 3479 | 56.03 | 952 | 91.30 |
| 2010-11 | 3479 | 99.44 | 952 | 100.00 |
| 2011-12 | 3338 | 99.00 | 1020 | 97.53 |
| 2012-13 | 3193 | 97.64 | 1035 | 95.20 |
| 2013-14 | 2284 | 97.21 | 1055 | 93.70 |

Source: Departmental records

On the issue of lack of any system of data capturing on retention/drop-out rate, the Department stated that a system for the purpose existed in SSA. It was also stated that the drop-out rate of children reduced from 19 per cent in 2012-13 to 12 per cent in 2013-14. It was assured to furnish the records to substantiate the claim but the data was yet to be produced (March 2015).

1.4.10.2 Adverse impact on teaching

Out of 150 schools test-checked in Papum Pare, East Siang, West Kameng, West Siang and Lohit Districts, information furnished by the schools revealed that sufficient numbers of cooks were appointed in these schools. Except for supervision of cooking of MDM, teachers were not found engaged in cooking mid-day meals. Hence, the education aspect at primary/upper primary level was not found compromised on this account.

To conclude, from available data, it appeared that the MDM scheme did achieve the purpose of improve attendance in the schools where it was implemented. However, there was no reliable data on retention/dropout which could have helped Audit to come to a conclusion regarding these issues also.

Audit Objective: *Whether the scheme achieved its objective of improving the nutritional status of children in the Primary and Upper Primary classes*

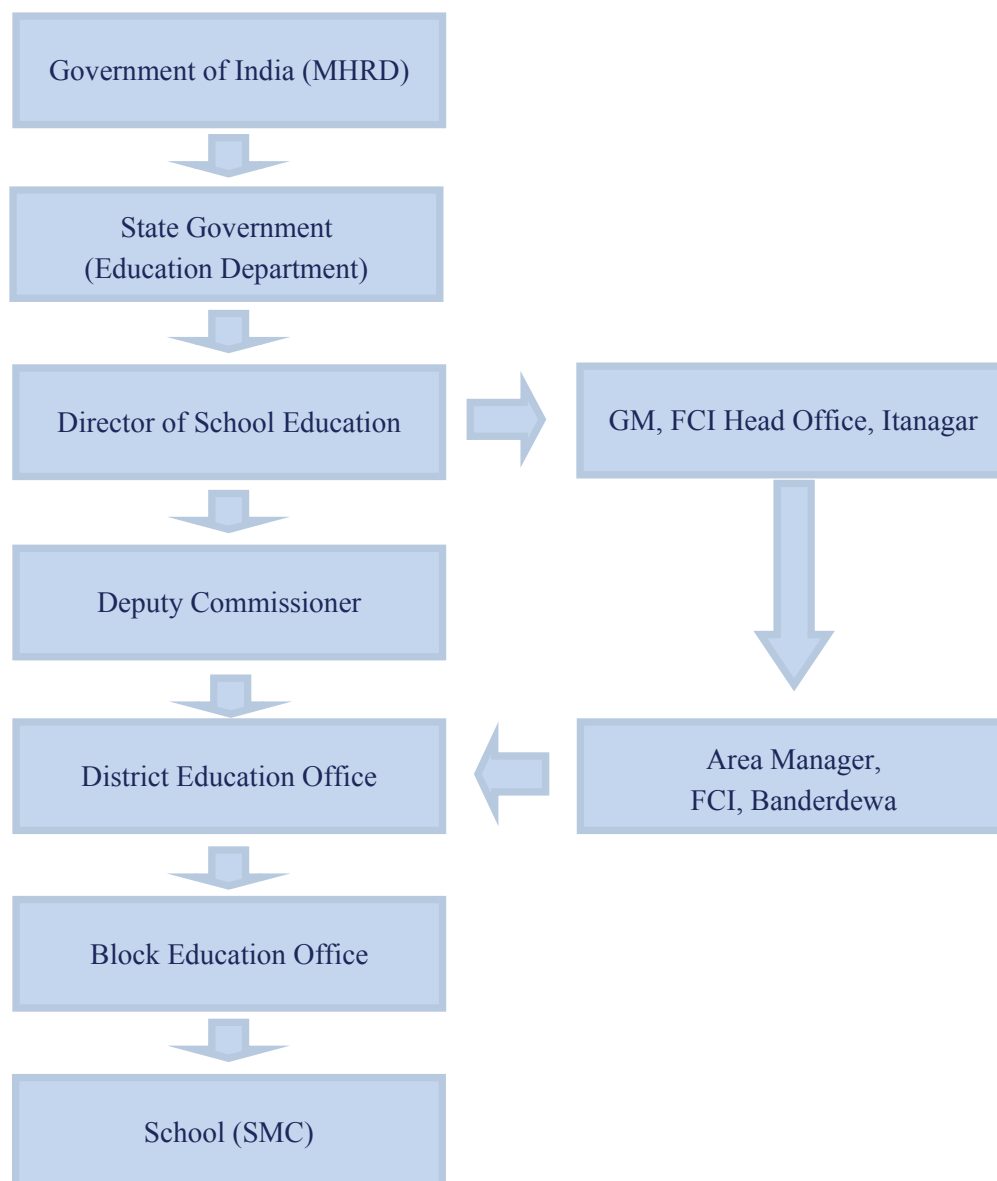
1.4.11 Food Grains Management

1.4.11.1 Allocation of Food Grains

The MDM scheme provided for supply of food grains (Rice/Wheat) free of cost by the GoI at the rate of 100 grams/150 grams per child per school day for Primary/Upper Primary students.

In Arunachal Pradesh, the food grains were allotted by the GoI on the basis of plans approved by Programme Approval Board of Mid-Day Meal (PAB-MDM). Thereafter, food grains were sub-allocated to Districts, Blocks and schools proportionately, according to the number of eligible students and school working days for the year. Allocation and flow of food grains is shown in the Flow Chart below:

Chart-1.4.2



The position of allocation, lifting and utilisation of food grains from 2009-10 to 2013-14 are detailed in the following Table:

Table-1.4.6

| Year | No. of children enrolled | | Food Grains Allocated (in MT) | | Food Grains Lifted (in MT) | | Food Grains Utilised (in MT) | |
|--------------|--------------------------|---------------|-------------------------------|-----------------|----------------------------|-----------------|------------------------------|-----------------|
| | Primary | Upper Primary | Primary | Upper Primary | Primary | Upper Primary | Primary | Upper Primary |
| 2009-10 | 201463 | 68100 | 2413.98 | 1819.50 | 2413.98 | 1819.50 | 2413.98 | 1819.50 |
| 2010-11 | 201855 | 70747 | 4407.55 | 2280.11 | 3836.47 | 2091.90 | 3836.47 | 2091.90 |
| 2011-12 | 201755 | 72476 | 4399.98 | 2276.97 | 4399.97 | 2276.94 | 4399.97 | 2276.94 |
| 2012-13 | 202620 | 74111 | 4334.00 | 2277.00 | 4333.91 | 2276.96 | 4333.91 | 2276.96 |
| 2013-14 | 192846 | 73825 | 4333.27 | 2291.74 | 4311.55 | 2287.40 | 4311.55 | 2287.40 |
| Total | 1000539 | 359259 | 19888.78 | 10945.32 | 19295.88 | 10752.70 | 19295.88 | 10752.70 |

Source: Departmental records

As could be seen from the above table, during the period 2009-14 except in the year 2010-11 and to some extent during the year 2013-14, entire stock of food grains allotted were lifted by the State Government and distributed. During 2010-11 against the total allocation of 6687.66 MT of food grains for Primary/Upper Primary levels, the Department lifted only 5928.37 MT and during 2013-14 against the allocation of 6625.01 MT of food grains for primary/upper primary level, only 6598.95 MT were lifted. Reasons for short-lifting of food grains during the two years 2010-11 and 2013-14 was neither on the records nor stated.

Year-wise detail of number of children enrolled in primary and upper Primary Stages, quantity of food grains required (as per entitlement) *vis-a-vis* quantity of food grains lifted and utilised is shown in the Table below.

Table-1.4.7

| Year | No. of children enrolled | | Food Grains requirement (as per entitlement) (in MT) | | | Food Grains Lifted (in MT) | | | Short lifted (in per cent) |
|--------------|--------------------------|---------------|--|-----------------|-----------------|----------------------------|-----------------|-----------------|----------------------------|
| | Primary | Upper Primary | Primary | Upper Primary | Total | Primary | Upper Primary | Total | |
| 2009-10 | 201463 | 68100 | 4029.26 | 2043.00 | 6072.26 | 2413.98 | 1819.50 | 4233.48 | 30.28 |
| 2010-11 | 201855 | 70747 | 4440.81 | 2334.65 | 6775.46 | 3836.47 | 2091.90 | 5928.37 | 12.50 |
| 2011-12 | 201755 | 72476 | 4438.61 | 2391.71 | 6830.32 | 4399.97 | 2276.94 | 6676.91 | 2.25 |
| 2012-13 | 202620 | 74111 | 4457.64 | 2445.66 | 6903.30 | 4333.91 | 2276.96 | 6610.87 | 4.24 |
| 2013-14 | 192846 | 73825 | 4242.61 | 2436.23 | 6678.84 | 4311.55 | 2287.40 | 6598.95 | 1.20 |
| TOTAL | 1000539 | 359259 | 21608.93 | 11651.25 | 33260.18 | 19295.88 | 10752.70 | 30048.58 | -- |

Source: Departmental records

As could be seen from the table, there was a huge shortfall in quantity of food grains lifted during the years 2009-10 (30.28 per cent) and 2010-11 (12.50 per cent) *vis-a-vis* the quantity required as per entitlement. This was likely to have affected the calorific and

nutritional value of MDM supplied to the children during those years. However, quantity of the short-lifted food grains has come down drastically in the subsequent years.

Scrutiny of records revealed that during 2009-10, 6,727 children of Upper Primary stage of three districts, viz., West Kameng (2,950), Upper Siang (2,964) and Anjaw (813), were not approved by the PAB. However, food grains were allocated to these districts (West Kameng - 764.52 qtls; Upper Siang - 633.40 qtls; and Anjaw - 162.28 qtls.) by the SNO from within the GoI's allocation made up to the 4th Quarter.

Scrutiny of records (at district-level) further revealed that:

- In 2009-10, against the total allocation of 618.484 MT of food grains, 604.604 MT were lifted by the DNO, Papum Pare District, resulting in short-lifting of 13.88 MT (2.24 *per cent*). The short-lifted quantity of food grains would have been sufficient for 107,623 students (75,788 Primary and 31,835 Upper Primary) for almost five days.
- In 2013-14, the total allocation of food grains was 947.70 MT and the entire quantity was lifted by the DNO, Papum Pare District, of which only 821.361 MT was utilized during the year leaving an unutilized balance of 126.33 MT (13.33 *per cent*), which was in excess of 10 *per cent* of the allocated/lifted quantity of food grains during the year. The unutilised balance was due to reduction in enrolment of 2,744 students in both Primary and Upper Primary stages during 2013-14. However, no balance stock was held at any of the Schools in the district and exact location where unutilised stock was held was neither on record nor stated. The possibility of misappropriation or theft of food grains could not be ruled out.
- During 2010-11 to 2013-14, against the total allocation of 1068.01 MT of food grains, the DNO, East Siang District lifted 1063.755 MT, resulting in short-lifting of 4.255 MT of food grains. Records pertaining to lifting of food grains during 2009-10 could not be furnished.

On the issue of short lifting of food grains in some years, in the Exit Conference, the Department attributed the same due to disruption in rail connectivity, non-co-operation of FCI authorities in not allowing lifting after/before the scheduled time. However, there was nothing on record to indicate that the State Government/the department had made efforts with the concerned authorities to overcome the problem.

1.4.11.2 Discrepancy between the Lifting Report of DSE and FCI Off-take Report

The year-wise position of food grains released by FCI and received by the Department as per its records is shown in the following Table:

Table-1.4.8

(in metric tonnes)

| Year | Food grains | | Difference (+) Excess/ (-) Short receipt | Percentage of (+) Excess/ (-) Short receipt |
|--------------|-----------------------------------|------------------------------------|--|---|
| | Delivered (as per FCI records) | Received (as per Dept. records) | | |
| 2009-10 | 3921.150 | 4233.480 | (+) 312.330 | (+) 7.970 |
| 2010-11 | 6041.590 | 5928.370 | (-) 113.220 | (-) 1.870 |
| 2011-12 | 6808.745 | 6676.908 | (-) 131.837 | (-) 1.940 |
| 2012-13 | 6610.958 | 6610.870 | (-) 0.088 | (-) 0.001 |
| 2013-14 | 6600.949 | 6598.950 | (-) 1.999 | (-) 0.030 |
| TOTAL | 29983.392 | 30048.578 | (+) 65.186 | -- |

Source: Information furnished by DSE & FCI Regional Office, Itanagar

It can be seen from the above table that:

- ❖ During 2009-10, FCI delivered 3921.15 MT of food grains against the GoI's allocation of 4233.48 MT. However, as per records of the DSE, the entire quantity of 4233.48 MT of rice allocated by the GoI was shown as lifted from FCI during the year, resulting in a difference of 312.33 MT (7.97 per cent).
- ❖ During 2010-11 to 2013-14 as per FCI records 26062.242 MT of rice was delivered to the State. However, as per records of the DSE, only 25815.098 MT of rice was received from FCI during this period, resulting in a difference of 247.144 MTs (0.95 per cent). The short-receipt of food grains ranged between 0.001 to 1.94 per cent.

This indicated that there was no periodical reconciliation of figures between the Department and FCI regarding lifting of food grains. In absence of reconciliation, the whereabouts of 247.144 MT of food grains lifted from FCI could not be ascertained.

The Department during Exit Conference assured to reconcile the figures with FCI.

1.4.11.3 Procurement, distribution and supply of food grains

As per Paragraph 3.8 of the scheme Guidelines, as the transportation of food grains from the nearest FCI Depot to Primary and Upper Primary Schools/EGS and AIE Centres was a major logistical responsibility, State Governments were expected to make their own arrangements and where appropriate, designate a single Government/Semi-Government agency with State-wide jurisdiction and network, which was responsible for lifting food grains from FCI Godowns and delivering them to designated authorities at the Block level. The State Government also needed to make fool-proof arrangements to ensure that the food grains were delivered from the Block level to Schools/EGS and AIE Centres in

a timely manner. Alternatively, Districts/Panchayats may be assigned the responsibility for different Districts/Blocks or group of Districts/Blocks in the State.

In Arunachal Pradesh, the Food Corporation of India (FCI), Regional Office, Itanagar, and its Area Manager, District Office, Banderdewa, were the primary agencies to release food grains to respective Districts for lifting in time by the District Nodal Agency (District Education Department).

The schedule of lifting of food grains and submission of FCI Bills, which was introduced in the State for timely/efficient release of funds by the SNO, is shown in the Table below:

Table-1.4.9

| Sl. No. | Activity | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|---------|---|--|--|--|--|
| 1. | Drawing & lifting of food grains from FCI Depot | 1 st to 25 th June | 1 st to 25 th July | 1 st to 25 th Oct. | 1 st to 25 th Jan. |
| 2. | Submission of Bills by FCI | 15 th July | 15 th August | 15 th November | 15 th February |

Source: Departmental records

From 2009-10 onwards the Deputy Director of School Education (DDSE) of each District acted as the nodal agency for drawing food grains from FCI Depots and their transportation/distribution to schools through Carriage Contractor(s) against the District-wise allocation made by the State Government/GoI.

Deputy Commissioners (DCs) of respective Districts appointed Carriage Contractors for lifting of food grains from FCI Depots and their transportation to Schools/Blocks of the respective Districts. Appointment of carriage contractors/transporters was made by the District Administration as per financial norms existing in the State.

However, the systems devised had serious lacunae in that it failed to devise a mechanism to make food grains available to schools located in interior rural areas of the districts. It only envisaged supply of food grains up to Block level instead of the door steps of schools by Carriage Contractors. As a result, teachers had to spare time in lifting food grains from the Block, which interfered with the teaching/learning process.

1.4.11.4 Transportation of food grains and cost involved

Arunachal Pradesh, being a State prone to heavy rain, faces many difficulties in transportation of food grains from District Headquarters to Blocks/Schools by road during the monsoon season due to landslides in hilly areas and floods in the foothills. In such situations, food grains are transported by head load up to the schools. The present rate (flat rate of ₹ 2600/- per MT per km) for transportation of food grains, which included incidental head-load charges from roads/transshipment points to schools, was

found to be insufficient. This was the prime reason for carriage contractors to supply the food grains only up to the Block level.

In view of the above, the Department thought of making a proposal to the MHRD, GoI, for enhancement of the cost of transportation to ₹ 5,200/- per MT per km from the financial year 2014-15 onwards. However, action taken by the Department on the issue was not available in records of the SNO.

During Exit Conference the Department stated that the State Government has agreed in principle to make a formal request to GoI to increase the rate of transportation cost from the existing rate.

1.4.11.5 Quality Control of Food Grains

Revised guidelines of the scheme issued by GoI in 2006, emphasised on the quality of food grains. In Arunachal Pradesh the Deputy Commissioners of concerned Districts, assisted by an Officer from the Education Department and an Official from FCI were to ensure that quality food grains (at least Fair Average Quality) were issued from the FCI. For this purpose, prior to each release of food grains by the FCI, there should be a joint inspection by officers of the FCI and State Government. The FCI should also keep samples of such food grains supplied for three months for future verification/analysis in case of any complaint.

However, in the sample Districts, it was seen that no monitoring team was appointed by the District Administration for joint inspection by FCI and State Government officials to ensure that quality food grains were issued to the District. No Certificate was also recorded regarding quality of food grains delivered by FCI in the Consignee's Receipt in respect of the sample Districts.

Further in terms of Ministry Guidelines (July 2013), the State Government was required to engage reputed Institutes with standardized laboratories like the *Council of Scientific & Industrial Research (CSIR)/National Accreditation Board for Laboratories (NABL)* for testing food samples to ensure quality meals served to the children.

In Arunachal Pradesh, the State Government did not engage any laboratory for testing of food samples till date of audit (November 2014).

However, from 2009 to 2014, out of 150 schools test-checked in the sampled Districts, there was not a single instance of a school returning food grains due to sub-standard quality.

The Department stated during Exit conference that the State Health Department had agreed to send samples of food grains to laboratories at Kolkata for testing.

1.4.11.6 Storage of Food Grains

It was seen that there was acute shortage of 'Stores' for storage of food grains at the District/Block levels. Food grains had to be stored in rented buildings before distribution to respective schools. At the school level, in the sample Districts, it was seen that position of storage facilities was very poor. 130 out of 150 (87 per cent) test-checked schools did not have *pucca* kitchens-cum-store. It was seen during joint physical verification that in most schools the food grains were either stored in chambers of the Headmaster/Head Teacher or in class rooms. However, in a few test-checked schools it was seen that school authorities made their own arrangements for storage of food grains by pooling resources from school management funds. Following photographs taken during the joint physical verification depicting the way food grains are stored in the schools.



Food grains stored in the Headmaster's chamber in Govt. Primary School, Nirjuli, Papum Pare District; and in Classroom of Govt. Primary School, Tebo Village, East Siang District.



Own arrangements for storage of food grains in Government Middle School, G-Sector, Naharlagun, Papum Pare District; and Government Middle School, GTC, Pasighat, East Siang

The effort of school authorities making their own arrangements for storage of food grains by pooling resources from school management funds is commendable and needs to be replicated in other schools.

Buffer Stock was not maintained in any of the test-checked schools of the sample Districts due to non-availability of proper storage facilities.

Due to lack of proper storage facilities, the food grains were prone to damage by rodents, insects or moisture during the rainy seasons.

On the issue of storage problem the Department stated that the kitchens-cum-stores were constructed prior to 2009 and were in dilapidated conditions and required immediate repair. The State government was unable to take up repair work due to poor financial health and assistance from GoI is also not forthcoming.

1.4.11.7 Provision of Cooked Meal

The GoI introduced provision of cooked meals from September 2004, replacing the earlier system of issuing dry food grains. The scheme provided for serving of cooked meals on all 6 school days. For this, the State Government was required to notify specific Guidelines to ensure that a daily cooked meal of good quality was available to children without any interruption/delay.

As per the scheme Guidelines, identification of Voluntary Organizations was to be made by nodal implementing agencies to determine their suitability for supply of cooked mid-day meals for a school/group of schools. The assignment of this responsibility to NGOs could either be done by City level SMCs for towns with Municipalities or District level SMCs for all other areas.

In Arunachal Pradesh, the SNO notified (October 2009) specific Guidelines to ensure that a daily cooked meal of good quality was made available to children without any interruption/delay. However, till date of audit (November 2014), contrary to norms/Guidelines, no NGOs were engaged by the Department for supply of meals. Meals were cooked in the schools itself.

It was seen during field visits that in almost all schools of sampled Districts, one teacher was made in-charge of MDM, who was fully involved in ensuring that quality food was served to children. The food was also tasted by the teacher before being served to the children. However, neither mothers were present to ensure that a good quality meal was served every day to children in any of the test-checked schools nor were mothers found involved in supervision of preparation of meals and feeding of children. No nutritional experts were also found involved in evaluation of menus and quality of food served. Though weekly menus were displayed in most of the sampled schools, which included one egg on three days of week, only 'Kitchiri' was found served. Only occasionally egg was served.

1.4.11.8 Shortfall in number of feeding days

Nutritional support envisaged continuity in feeding to maintain the nutritional levels of children. In Arunachal Pradesh meals were cooked in the schools itself so that fresh and hot cooked meals could be served to children. Usually 'kitchiri' was served to children of both Primary and Upper Primary levels.

It was seen from records that the PAB-MDM approved the following feeding days during 2009 to 2014 based on number of school days:

Table-1.4.10

| Year | Number of Days MDMs Served | |
|---------|----------------------------|---------------|
| | Primary | Upper Primary |
| 2009-10 | 200 | 200 |
| 2010-11 | 200 | 220 |
| 2011-12 | 220 | 220 |
| 2012-13 | 220 | 220 |
| 2013-14 | 220 | 220 |

Source: Departmental records

The information provided by the School authorities of 150 test-checked schools revealed that the number of days school was open varied between 52 and 269 days. No reasons why the number of days schools were open varied was either on record or stated.

From the analysis of the information provided it was noticed that only in 10 schools out of 150 Primary/Upper Primary Schools test-checked in the sample Districts' the cooked food was served on all the school days. In 137 schools cooked meals were not served on all school days. No information was furnished by three schools.

It was also seen that during 2009-14 there was a shortfall in provision of 47,360 meals due to short receipt of 5836.72 quintals of food grains in 137 schools. A summarized position is shown in the following Table:

Table-1.4.11

| District | No. of Schools | Food grain requirement | Food grains short received | (in quintals) |
|--------------|----------------|------------------------|----------------------------|--|
| | | | | Shortfall in provision of No. of meals |
| Papum Pare | 27 | 4472.55 | 430.918 | 2829.74 |
| West Kameng | 30 | 1729.352 | 792.135 | 11001.20 |
| East Siang | 27 | 2377.986 | 461.077 | 3563.30 |
| West Siang | 29 | 3604.971 | 2327.63 | 15016.90 |
| Lohit | 24 | 3087.254 | 1824.96 | 14949.10 |
| Total | 137 | 15272.113 | 5836.72 | 47360.24 |

Source: Departmental records

Further analysis of the data pertaining to three years *viz.*, 2010-11, 2012-13 and 2013-14 revealed that during three years period:

- On 105 occasions involving 52 schools, cooked meal was not served for more than 50 *per cent* of school days;
- On 89 occasions involving 55 schools, the percentage of schools days on which cooked meal was not served ranged between 20 *per cent* and 50 *per cent*; and
- On 44 occasion involving 30 schools, the percentage of schools days on which cooked meal was not served ranged between 10 *per cent* and 20 *per cent*.

The Evaluation report of Department of Education, Rajiv Gandhi University, Rono Hills, Doimukh corroborate the above audit finding that cooked meals were not served on all the days the school was functioning.

Admitting the finding the department during the exit conference stated that it was due to short lifting of food grains.

This had to be view in the backdrop of the fact that during these years short lifting of food grains against the requirement as per enrolment was just 2.25 *per cent*, 4.24 *per cent* and 1.20 *per cent*. As such, there was mismanagement in the allotment of food grains to the school and possible pilferage of food grains could not be ruled out.

This showed that the implementation of the Scheme in the State was not total as no cooked meal was served on all schools days in most number of schools in the five sample districts. The scenario may not be different and could be much worse as most of the remaining districts are even more remote in nature.

1.4.11.9 Issue of Dry Rations

Scrutiny of the records revealed that in 6 out of 150 test-checked schools, out of 201.24 quintals of rice issued during 2009-2014 to schools, 154.57 quintals was utilised for preparing cooked meals and the remaining 46.61 quintals was stated to have been issued as dry rations, as shown in the following Table:

Table-1.4.12

| District | Schools | Year | Total quantity of rice (in qtls.) | | | Percentage issued as dry ration |
|--------------|--|----------------------------|-----------------------------------|---------------------------|-----------------------|---------------------------------|
| | | | Received | Utilised for Cooked Meals | Issued as Dry Rations | |
| West Kameng | Government Secondary School, Kakaling, Bomdila | 2011-12 to 2013-14 | 132.81 | 125.75 | 7.00 | 5.27 |
| | Government Middle School, Tippi | 2009-10 | 7.50 | - | 7.50 | 100.00 |
| Lohit | Government Middle School, Mekaliang | 2009-10, 2010-11 & 2013-14 | 29.88 | 10.05 | 19.83 | 66.37 |
| | Government Primary School, Chongkham | 2011-12 to 2013-14 | 17.60 | 10.10 | 7.50 | 42.61 |
| | Government Primary School, Enterpathar | 2011-12 & 2013-14 | 10.37 | 7.07 | 3.30 | 31.82 |
| | Government Primary School, Thowang | 2011-12 & 2013-14 | 3.08 | 1.60 | 1.48 | 48.05 |
| Total | | | 201.24 | 154.57 | 46.61 | - |

Source: Audit findings from School records

As could be seen from the above table, in 5 schools, 31.82 per cent to 100 per cent of the allotted rice was claimed have been issued as dry rations instead of serving cooked meals, in violation of the directives of the Hon'ble Supreme Court of India.

Admitting the fact, concerned School authorities stated that serving of cooked meals was disrupted due to delayed receipt of funds for cooking and hence, dry rations were issued to avoid spoilage of rice. However, they were silent on how the cooking cost which was received delayed was spent and possible misappropriation of the food grains and cooking costs could not be ruled out. Further, in absence of proof/documentary evidence of distribution of rice to children, pilferage cannot be ruled out.

Viewing the matter seriously the department stated during the Exit Conference that appropriate action would be taken against the school disregarding directives of the Hon'ble Supreme Court of India.

1.4.11.10 Kitchen Gardens to supplement MDM

During joint physical verification of schools in West Kameng District, it was noticed that school authorities of Government Middle School, Tenga, West Kameng District, had taken up a good initiative of kitchen gardens in school premises to grow vegetables and supplement the mid-day meals, as seen from the following photographs:



Kitchen Garden in Government Middle School, Tenga, West Kameng

Therefore, it is recommended that this good practice be encouraged by the SNO/DNOs and replicated in other schools wherever possible, so schools may become at least partially self-sufficient in meeting their vegetable needs, instead of solely depending on the Government for support in implementation of the programme.

The Department appreciated the recommendation of audit during the Exit Conference for highlighting the point and assured to instruct all the schools to replicate the practice.

1.4.11.11 Safety and Hygiene Specifications

MDM Guidelines stipulated that safety and hygiene standards must be set and practiced with rigour. Guidelines envisaged that special attention must be paid to the following:

- (i) Provision of kitchen-cum-store should be made in each school covered under the MDMS, as absence of this facility may expose children to food poisoning, fire accidents and other health hazards. The kitchen-cum-store should be separate from classrooms, preferably located at a safe but accessible distance.
- (ii) Smokeless *chullahs* should be used to the extent possible.
- (iii) All cooks, helpers and other functionaries should be trained in hygienic habits, such as regular trimming of nails, washing hands/feet with soap before commencement of cooking/serving, *etc.*;
- (iv) Ingredients used for cooking, food grains, pulses, vegetables, cooking oil and condiments should be stored in proper containers and should be free from adulteration/pest infestation. They should be used only after proper cleaning and washing.
- (v) Cooking and serving utensils should be properly cleaned and dried daily after use.

In the 150 test-checked schools of the sample Districts, it was seen that 130 schools (87 per cent) had no *pucca* kitchens-cum-store. In most schools, cooking was done in spare

classrooms or in makeshift kitchen sheds using firewood/ dried bamboo as fuel, exposing children to the risk of food poisoning, fire accidents and other health hazards.

While training in hygienic habits was given to all cooks, helpers and other functionaries in Papum Pare District, but the same was not done in the remaining four sample districts. Ingredients used for cooking such as pulses, vegetables, cooking oil and condiments were found stored in proper containers and free from adulteration/pest infestation in almost all the schools. However, the problem of storage of food grains (rice) was seen in most of the test-checked schools. Cooking materials were used after proper cleaning and washing under supervision of the teacher in charge of MDMS in all the test-checked schools.

Cooking and serving utensils, wherever provided, were also found properly cleaned and dried daily after use.

1.4.12 Status of infrastructural back-up

Infrastructural back up like construction of *pucca* kitchen-cum-store, gas-based *chullahs*, safe drinking water facilities, kitchen equipment/utensils, *etc.*, are vital components for smooth implementation of the scheme.

1.4.12.1 Status of construction of Kitchens-cum-Store

Scheme Guidelines envisaged that kitchen sheds/kitchens-cum-store should be constructed in all schools to facilitate cooking within the schools to ensure that fresh and hot cooked meals are served to the children.

Kitchens-cum-store constructed should be able to cater to the entire strength of school children. Further, they should be well ventilated and lit with raised platforms for cooking, along with arrangements for drainage and waste disposal.

Up to 2008-09, the cost of construction of kitchen sheds @ ₹ 60,000/- per unit was totally borne by the GoI. Norms for construction of kitchen sheds were revised by the GoI in December 2009. It was decided to construct kitchen sheds on the basis of State Schedule of Rates (SOR) and the plinth area norm prescribed by the GoI, depending on the number of students. In case of NER States, cost of construction was to be shared between Centre and States in 90:10 ratios.

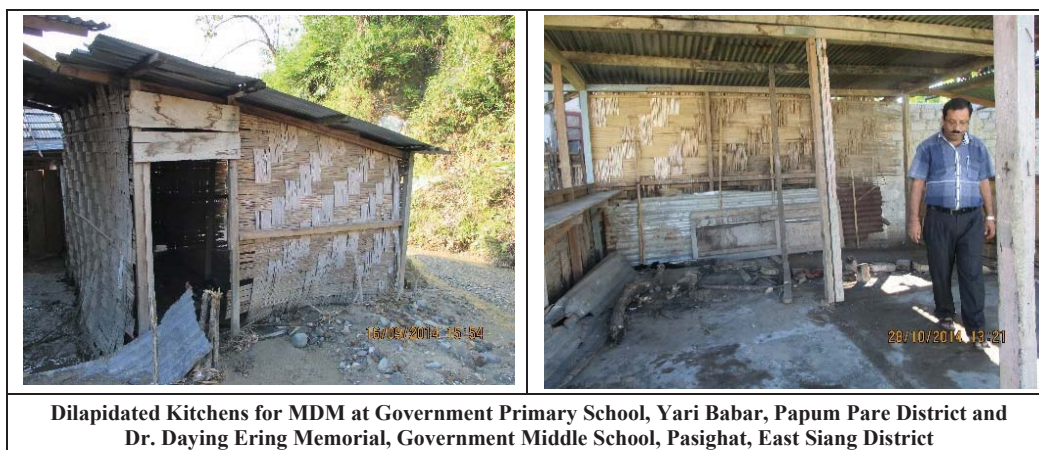
In Arunachal Pradesh, no construction of kitchen-cum-store was undertaken during the period covered under audit (2009 to 2014).

However, it was revealed from records that prior to 2009-10, Kitchen Sheds were constructed according to local terrain and weather conditions. Against the physical target for construction of 4,085 kitchen sheds in eligible Schools/EGS and AIE Centres, the physical progress of completion of construction was reported as 4,084 (99.97 per cent),

after incurring expenditure of ₹ 2,450.40 lakh (99.98 per cent) out of ₹ 2,450.87 lakh, sanctioned during 2006-07 to 2008-09.

In 2010-11 the GoI accorded sanction of ₹ 44 lakh for construction of 46 kitchens-cum-store. However, as the number schools came down, the requirement of kitchens-cum-store also reached saturation point. With approval from MoHRD, the sanctioned amount was then re-appropriated for replacement of kitchen devices during financial year 2012-13. The proposal for re-appropriation was flawed as a number of schools in the State either did not have a kitchen-cum-store or the kitchen-cum-store constructed earlier had deteriorated and was in urgent need of renovation. This was evident from joint physical verification exercise conducted by Audit in the sampled district.

In the 150 test-checked schools in five sample districts, it was seen during joint physical verification that *Pucca* Kitchen Sheds were available in only 20 test-checked schools (13 per cent) and in 63 schools (42 per cent) Kitchen Sheds were not constructed. The remaining 67 schools (45 per cent) had *kutchha* kitchens-cum-store - bamboo structures with CGI Sheet roofing, which had deteriorated and required immediate repairs, as can be seen from the photographs below:



Further, the existing Kitchen Sheds did not have any provision for ventilation, lighting, drainage or waste disposal. It was also seen during joint physical verification that in most schools, cooking was done in spare classrooms, in the open or in makeshift Kitchen Sheds, as seen below:



Meals cooked in spare classrooms in Government Middle School, G-Sector, Naharlagun and Government Middle School, Lekhi, Papum Pare District



Meals cooked in open space in Government Middle School, Mobuk and Government Upper Primary School, Oyan, East Siang District



Meals cooked in makeshift Kitchen Sheds in Government Primary School, Tippi, West Kameng District and Government Upper Primary School, Tigdo, Papum Pare District

Thus the report that kitchen sheds had been constructed in all schools except one school was incorrect. State Government needs to investigate as to how just wrong reports could be generated. Moreover, in spite of availability of funds, deteriorated kitchens-cum-store were not renovated and MDM Scheme suffered due to lack of infrastructure facilities.

1.4.12.2 Availability of kitchen devices and clean drinking water

Out of 150 Primary/Upper Primary schools in the sample Districts joint physical verification with the Departmental officials revealed that 35 Primary/Upper Primary schools representing 23 *per cent*, did not have clean drinking water facilities. In one school in Papum Pare District, it was noticed that water for MDM was used from an unhygienic spring water source. However, some schools did use hygienic water. Following photographs depict the dichotomy as it exists on the ground:



Only 02 schools (mere 1 *per cent*) out of the 150 test-checked schools, used gas-based (LPG) stoves for cooking meals. The remaining 148 (99 *per cent*) used fire wood. Fire extinguishers were not provided in 91 (61 *per cent*) schools. Cooking utensils were not provided in 09 (6 *per cent*) test-checked schools. As such these schools made their own arrangements of cooking utensils. In 104 (69 *per cent*) out of 150 test checked schools, eating plates were not provided. So children had to bring their own plates/lunch boxes or meals were served on leaves/paper, as seen from the photographs below:



Availability of infrastructural facilities in schools was very poor and inadequate.

Accepting the audit findings the Department during the Exit Conference stated that corrective measures would be taken to provide all basic infrastructures to schools.

1.4.13 Nutritional Support

MHRD GoI issued instructions that children in Primary classes were to be provided with *Pulse-20 gms, Vegetables-50 gms, Oil-5 gms* and children in Upper Primary classes were to be provided with *Pulse-30 gms, Vegetables-75 gms and Oil-7.5 gms*.

1.4.13.1 Provision of vegetables and other nutrients

A uniform menu was introduced for the State, which included rice, dal, green vegetables and one egg thrice a week, fruit twice a week and *kitchiri* with leafy vegetables twice a week, with a calorific value of 450 KCL and 750 KCL and protein content of 12 grams and 20 grams in Primary and Upper Primary stages respectively. Weekly menu are also displayed in some of the Schools as seen in the photograph below:



Weekly Menu under MDM displayed in Government Middle School, Jollang, Papum Pare District

However, audit of sampled schools revealed that usually only '*kitchiri*' - prepared by mixing rice, some pulse (*moong/masur dal*), some edible oil and occasionally some leafy vegetables, potato, soyabean chunk or gram (*chana*) - was served to children of both Primary and Upper Primary levels. No nutritional expert was found involved in implementing and evaluation of quality of food served. It was also noticed that none of the test-checked schools maintained any register to record the calorie content of cooked meals served. Hence, the required calorie and protein content of meals served to children availing mid-day meals could not be ascertained.

Audit of records of DNO, West Kameng and Lohit District, revealed that instead of providing conversion cost directly to schools, District authorities directly supplied 'nutritional items' such as *dal*, oil, turmeric, dry chillies and salt to schools through

suppliers who were selected based on tendering process. For vegetables and firewood, schools were provided 15 and 20 *per cent* of the cooking cost respectively. Records relating to purchase and distribution of pulses, oil, *etc.* centrally purchased during the years 2012-13 and 2013-14 were produced to audit and records of earlier three years covered under performance audit were not produced.

Scrutiny of the records produced for audit revealed that:

- Against the required quantity of 20 and 30 grams of pulses/*dal* in Primary and Upper Primary levels respectively, only 0.18 to 0.20 grams and 0.19 to 0.30 grams were provided in meals during 2012-13 and 2013-14 respectively.
- Similarly, against the required quantity of 5 and 7.5 grams per day of oil/fat in Primary and Upper Primary levels respectively, 1.91 to 4.13 grams and 1.71 to 5.91 grams respectively were provided during 2012-13 and 2013-14.

Audit of the records of the DNO, *Lohit* District (for the years 2010-11, 2012-13 and 2013-14 that were produced to audit) revealed that:

- in primary and upper primary levels, only 2.14 to 17.36 grams and 5.04 to 17.36 grams of *Dal* respectively were provided in Mid day meal.
- Likewise, in primary and upper primary levels, only 0.34 to 0.90 grams and 0.46 to 0.88 grams Oil/Fat respectively were provided.

Thus, the quality of food was compromised by way of providing items with less nutrient value. Reasons for depriving children of quality food was neither found on record nor stated.

During the Exit Conference the Department stated that the amount allocated per child per day under the scheme was very low, and was not sufficient to provide all the nutrients prescribed under the scheme. This was also stated to be the reason that only '*Kitchiri*' was served under the scheme.

The State Government was, however, silent about remedial measures against this inadequate provisioning and also how it sought to overcome the funding gap.

1.4.13.2 Assessment of Nutritional Status

Guidelines envisaged that mid-day meals should also be complemented with appropriate interventions relating to provision of micro-nutrient supplements and de-worming, through administration of:

- (a) 6-monthly doses for de-worming and Vitamin-A supplements;
- (b) weekly Iron, Zinc and Folic Acid supplements; and

(c) other appropriate supplements, depending on common local deficiencies.

Further, only iodized/double fortified (iron and iodine) salt should be used for cooking.

Scrutiny of records in audit of the 150 test-checked schools in the sampled Districts it was noticed that iodized salt was used for cooking,. However, de-worming and other specific medication were not administered as a preventive measure to check the spread of area specific diseases among children. Moreover, no exercise was undertaken by the State Government to identify common local deficiencies that were to be addressed. Health monitoring of children by periodical weighing was also not conducted as most of the weighing equipment supplied to schools during 2006-07 were out of order.

Proper health Check-Up Registers was not maintained. As a result, it could not be ensured if there was gradual increase in / maintenance of proper body weight of children and if they were anaemic or not.

The status of under-nutrition and underweight children remained un-assessed, defeating the very objective of providing micro-nutrient supplements to children under the scheme.

The Department during the Exit Conference stated that since 2013-14 steps were taken to address the issue.

1.4.14 Dissemination of information under RTI Act

Paragraph 6.3 of the Schemes guideline envisaged display of information under the RTI Act in all schools in respect on a weekly/monthly basis regarding quantity/quality of food grains received, *etc.* Out of 150 test-checked schools in the sample Districts, the above Guidelines were not adhered to by any school.

This indicated that the implementing schools did not ensure adequate dissemination of information to the general public and also failed to ensure transparency, as envisaged in the Guidelines.

It was assured by the Department during the Exit Conference that necessary instructions would be issued to all the schools to display the required information as pointed out by audit.

Audit Objective: *Whether funds allocated were utilized in an economic and efficient manner*

1.4.15 Financial Management

1.4.15.1 Funding Pattern

In terms of scheme Guidelines, funds released by the GoI to the State were to be released to the State Nodal Officer, who then released them to the District Nodal Officer (DNO). The DNO subsequently disbursed funds to schools, based on actual enrolment of children. Central assistance was provided to States as indicated below:

- **Food Grains**

Supply of free food grains (wheat/rice) by the GoI @ 100 grams/150 grams per child per school day in Primary/Upper Primary levels from the nearest Food Corporation of India (FCI) Godown.

- **Transportation cost of food grains from the nearest FCI Godown to Schools**

Reimbursement of the actual cost incurred in transportation of food grains from the nearest FCI Godown to schools, subject to the following ceiling:

- ₹ 100/- per quintal (revised to ₹ 125 per quintal *w.e.f.* 01/12/2009) for 11 Special Category States - Arunachal Pradesh, Assam, Meghalaya, Mizoram, Manipur, Nagaland, Tripura, Sikkim, J&K, Himachal Pradesh and Uttaranchal.
- ₹ 75/- per quintal for all other States and UTs.

- **Cost of Cooking, i.e., Conversion Cost**

Cooking cost would be shared between the Centre and the NER States on a 90:10 basis. Assistance for cooking cost per child per school day was given at the following rates:

Table-1.3.13

(amount in ₹)

| Period | Primary Level | | Upper Primary Level | |
|---------------------|---------------|-------|---------------------|-------|
| | NER States | | NER States | |
| | Centre | State | Centre | State |
| from September 2006 | 1.80 | 0.20 | 2.30 | 0.20 |
| from December 2009 | 2.25 | 0.25 | 3.38 | 0.37 |
| from April 2010 | 2.39 | 0.27 | 3.63 | 0.40 |
| from April 2011 | 2.54 | 0.29 | 3.90 | 0.43 |
| from July 2012 | 2.80 | 0.31 | 4.19 | 0.46 |
| from July 2013 | 3.01 | 0.33 | 4.50 | 0.50 |

Source: Departmental records

Cooking Cost was enhanced from time to time as shown in the Table above, which was inclusive of the cost of pulses, vegetables, oil & fats, salt & condiments and fuel, but exclusive of labour and administrative charges.

- **Infrastructure**

Assistance for construction of kitchens-cum-store in a phased manner up to a maximum of ₹ 60,000/- per unit per school. The expenditure on this component was to be shared between the Centre and NER States on a 90:10 basis.

- **Kitchen Devices**

Assistance for provision and replacement of kitchen devices in a phased manner, at an average cost of ₹ 5,000/- per school.

- **Honorarium to Cooks-cum-Helpers**

Honorarium of ₹ 1000/- per month as was given to cooks-cum-helpers, which was shared between the Centre and NER States on a 90:10 basis.

- **Management, Monitoring and Evaluation (MME)**

Assistance to States/UTs for Management, Monitoring & Evaluation (MME) @ 1.8 *per cent* of the total assistance on (a) free food grains; (b) transport costs; (c) cooking costs; and (d) honorarium to cooks-cum-helpers. Another 0.2 *per cent* of the above amount would be utilised by the Central Government for management, monitoring and evaluation.

1.4.15.2 Fund Flow

In Arunachal Pradesh, for implementation of the scheme funds from the GoI along with State matching share of 10 *per cent* are obtained for budgetary support/concurrence from the State Finance Department (FD) before the funds are placed at the disposal of DDSE (DNO) of concerned Districts.

1.4.15.3 Budget Allocation & Expenditure incurred under MDMS

As per existing practice, funds were first received from the MHRD by the Finance Department of the State, which directs the concerned Department to initiate proposals for incorporation in the budget. Details of funds released by Centre and State Government, funds received by the department (both Centre and State Share) *vis-a-vis* expenditure during the period from 2009-10 to 2013-14 are as indicated in the following table.

Table-1.4.14

| Year | Opening balance | Funds released | | Total fund available | Funds received by the department | | Total Funds Available with the department | Expenditure out of funds received from | | |
|---------|-----------------|----------------|--------|----------------------|----------------------------------|--------|---|--|--------|----------------|
| | | Centre | State | | Centre | State | | Centre | State | Total |
| 2009-10 | 1.00 | 1663.82 | 41.60 | 1706.42 | 1112.93 | 41.60 | 1154.53 | 1103.41 | 41.60 | 1145.01 |
| 2010-11 | 551.41 | 1985.83 | 99.63 | 2646.87 | 1702.11 | 99.63 | 1801.74 | 1539.34 | 99.63 | 1638.97 |
| 2011-12 | 845.16 | 2091.75 | 505.61 | 3605.13 | 2765.21 | 505.61 | 3270.82 | 2704.48 | 505.61 | 3210.09 |
| 2012-13 | 334.31 | 3133.42 | 200.00 | 3667.73 | 3423.73 | 200.00 | 3623.73 | 3421.81 | 200.00 | 3621.81 |
| 2013-14 | 44.00 | 4028.60 | 485.61 | 4558.21 | 2760.52 | 485.61 | 3246.13 | 2733.00 | 485.61 | 3218.61 |

Source: Information furnished by DSE, Itanagar

It was seen from the table that the State Government retained 1 to 32 per cent of available funds during 2009-14 without releasing the full amount received from the Central Government to the implementing department in any year. Reasons for short-release was neither found on records nor stated.

The Department during the Exit Conference stated that funds were provided at the fag end of the financial year which resulted in under utilisation and accumulated balances.

1.4.15.4 Delay in release of Central Assistance

According to the scheme Guidelines, the State Nodal Department needed to ensure that the State Finance Department released the Central assistance intended for the MDMS expeditiously.

The Guidelines further stipulated that if there were hierarchical delays for level-wise releases from the State level to District, Block, Gram Panchayat and School levels, the States/UT Administration may, where possible, consider electronic transfer of funds from State to Village levels through banking channels.

However, it was seen from the information furnished by the SNO, that there were delays ranging up to 21 months in release of Central assistance by the State Government to the Nodal Department and there was no delay in release of funds from the Nodal Department to Districts and release of funds from the Districts to Schools.

The reason attributable for delays in transmission of funds by the State Government to the Nodal Department and from the Nodal Department to Districts was stated to be the cumbersome process of obtaining budgetary support and concurrence/expenditure sanction from the State Finance Department, which took 2 to 3 months.

Consequently, there were delays in receipt of Conversion Cost at school levels, which was received after almost 6 to 8 months and sometimes at the end of the financial year.

The delay in release of funds by the State Government to implementing agencies had an adverse impact on implementation of scheme at school levels. Interaction with teachers during joint physical verification with Departmental officials in respect of schools implementing the Scheme in the sample Districts revealed that, in order to prevent disruption in serving MDMs, teachers procured cooking items from local stores and also made honorarium payment to Cooks-cum-helpers either by pooling resources from their own pockets or on credit basis.

This fact was also brought out in the Review Report of the 4th Review Mission on MDMS conducted by MHRD, GoI, in November 2012 and also in the 3rd Half Yearly Review Report of the independent monitoring Institution (Rajiv Gandhi University, Doimukh) conducted in October/ November 2011.

In order to streamline and simplify existing procedures to ensure speedy transmission of funds to implementing agencies, the Department mooted the proposal to the State Finance Department for introduction of '**Green Channel Scheme,**' which is already in operation in the Andhra Pradesh, during the current financial year. The State Government/Finance Department approval to the above proposal was still awaited till the date of audit (November 2014).

The Department during the Exit Conference stated that a proposal was submitted to the State Government for adoption of the scheme in September 2012; approval to the same however, was awaited till date (January 2015).

1.4.15.5 Expenditure for Management, Monitoring & Evaluation (MME)

As per of the Guidelines, 2 *per cent* of the cost on food grains, transportation and cooking would be available for Management, Monitoring & Evaluation (MME). This amount would be allocated to the Central Government and States/UTs in the following proportion:

- (i) Central Government: 0.2 *per cent*
- (ii) States/UTs: 1.8 *per cent*

States/UTs would have the flexibility to utilise 50 *per cent* of funds at various levels other than the school level for MME of the scheme, depending on the need of the State/UT. However, the remaining 50 *per cent* earmarked funds for school level expenses would have to be spent on schools.

Scrutiny of records revealed that during the period 2009-14, only ₹ 168.98 lakh was released by the Central Government towards MME against ₹ 217.83 lakh to be released. Further, the State Government released only ₹ 0.18 lakh in 2012-13 against ₹ 18.02 lakh to be released during 2009-2014 towards MME. Thus, there was short release of

₹ 48.85 lakh toward MME. Reasons for the short-release of State share were neither found on record nor stated.

It was also noticed that the entire fund available under MME in the sample Districts was spent at the District level and no fund was released for school level expenses. The impact of short-release of funds under MME was that 104 (69 per cent) of the test-checked schools in the sample Districts were unable to provide plates for serving meals and glasses for drinking water to children, as highlighted earlier.

1.4.15.6 Release of State Share under MDMS

Financial support available to States under the MDM Scheme was 90 per cent Central assistance and 10 per cent State share. Only the food grains component was supplied free of cost by the Central Government (GoI).

As per information furnished by the Education Department, from 2009-10 to 2013-14, against the total Central share release of ₹115.15 crore (excluding cost of kitchen devices), the State Government released its share aggregating to ₹7.37 crore, leaving a balance of ₹12.93 crore yet to be released as 10 per cent matching State share, as indicated in the following table:

Table 1.4.15

Details of release of State Share against Central assistance (2009-14)

(₹ in crore)

| Total No. of Districts | Central Share (90%) released by Ministry | State Share (10 %) to be released by the State | State Share actually released up to March 2014 | Short release of State Share |
|------------------------|--|--|--|------------------------------|
| 17 | 115.15 | 20.30 | 7.37 | 12.93 |

Source: Compiled from information furnished by the DSE

It is evident from the above, that the State Government did not release its share, representing 63.69 per cent of the amount actually due to be released.

The reason for inability of the State Government to make its matching share available was attributed to the unsound fiscal position of the State. As a result, there were shortcomings in certain interventions as detailed in the Audit.

1.4.15.7 Avoidable expenditure of ₹ 2.11 lakh in procurement of Kitchen implements

Scrutiny of records of the DNO, East Siang District revealed that procurement of kitchen implements for 2009-10 (₹ 5 lakh) and 2011-12 (₹ 3.50 lakh) were made without inviting Tenders/Quotations in violation of GFR. Due to lack of tenders, the kitchen implements were procured at higher rates, evident on comparison of rates at which the items were procured during 2013-14, as detailed in the table below:

Table 1.3.16

| Year | Rate of procurement (₹) | | | | | |
|---------|-------------------------|------------------|---------------------|-------------|-----------------------|-------------|
| | Aluminium Saucepan | Aluminium Bucket | Iron Oven (Chullah) | Steel Spoon | Container for storing | |
| | | | | | ingredients | Grains |
| 2009-10 | 400/- per kg | 400/- per kg | 1000/- each | 118/- each | 80/- each | 950/- each |
| 2011-12 | 1050/- per kg | 1050/- per kg | 700/-each | 80/- each | 60/- each | 1500/- each |
| 2013-14 | 380/- per kg | 380/- per kg | 700/- each | 80/- each | 70/- each | 1400/- each |

Due to procurement of the items at higher rates during 2009-10 and 2011-12 in comparison to rates at which similar items were procured during 2013-14, there was an avoidable expenditure of ₹1.60 lakh.

It was also noticed that ₹ 50,836/- was incurred in 2011-12 on transportation of the Kitchen implements to five Blocks/ Circles of the District through a private Carriage Contractor, resulting in an extra avoidable expenditure of ₹ 0.51 lakh.

Whereas, the reasons for procurement of the kitchen implements during 2009-10 without inviting tenders was not found in the records of the DNO, the Supply Order for procurement of 2011-12 was issued to a local firm (*M/s Capital Tent House, Itanagar*) on the recommendation of then Education Minister of the State, without inviting tenders.

1.4.15.8 Maintenance of Bank Accounts under the Scheme

Paragraph 3.3 (iii) of the Scheme Guidelines stipulated that if there were hierarchical delays for level-wise releases from State level to District, Block, Gram Panchayat and School levels, the State/UT Administration may, where possible, consider electronic transfer of funds from State to Village levels through banking channels.

In Arunachal Pradesh, the mode of release of funds under MDMS being the Treasury mode, no Bank Accounts were opened in Nationalized Banks to exclusively maintain scheme funds either at the State, District, Block or School levels. It was noticed that though Conversion Costs were released to schools in cash by District authorities, none of the 150 test-checked schools had Bank Accounts to maintain scheme funds due to non-issue of specific instructions from the State Government/SNO/DNO in this regard.

Had bank account been maintained then even the funds received from GoI at the fag end of the financial year as stated by The State Government in their reply could have been transferred to these accounts and there would have been less disruption in MDM activities. The teachers would not have had to rely on credit/use of own resources, to run the basic programme.

Audit Objective: *Whether implementation of the scheme was being effectively monitored*

1.4.16 Monitoring and Evaluation of the Programme

1.4.16.1 Establishment of Management Information System (MIS)

In terms of Paragraph 6.1 of the scheme Guidelines, a sound and reliable system of accounting procedures and reporting as well as a computer-based Management Information System (MIS) for the scheme was to be established.

The State Government of Arunachal Pradesh initiated the process to develop a web-enabled MIS in close co-ordination with the National Informatics Centre (NIC) during 2012-13. However, the Department stated (October 2014) that the above plan was abandoned as the MHRD, GoI, started the MDM-MIS Web Portal from 2012-13, and since then all School/Block/District-wise MDM data entry work was done through the MDM-MIS Web portal of GoI.

1.4.16.2 Monitoring of the Programme

The scheme provided for formation of Steering-cum-Monitoring Committee (SMC) at the National, State, District and Block levels for monitoring & co-ordination and initiating remedial action on reports of independent functionaries. The State level SMC was to meet at least once every 6 months and District/Block level SMCs were to meet at least once a month.

Chief Secretary/Additional Chief Secretary/Development Commissioner is the Chairman of State level SMC and Principal. Secretary/School Education is Member Secretary.

Scrutiny of records revealed that between 2009-10 and 2013-14; only during the year 2012-13 two meeting were held as envisaged and no meeting was held during the year 2010-11. In the remaining years only one meeting was held.

The following important decisions were taken in the State level SMC Meetings.

- (a) Registration of a Society for operation of Bank Accounts to maintain Scheme funds;
- (b) Maintenance and renovation of existing Kitchens-cum-Store through convergence;
- (c) Co-ordination with the Health Department for timely conduct of health check-ups at school level;
- (d) Adequate release of State Share on priority basis;

- (e) Introduction of 'Green Channel Scheme' for early release of MDM funds;
- (f) Enhancement of transportation cost of food grains; and
- (g) Supply of supplementary minerals like Iron Folic and De-worming tablets to schools.

However, follow-up actions to the above decisions taken during State level SMC Meetings were pending till the date of audit (November 2014).

At district level, DC is the chairman of the District level Steering cum Monitoring Committee and DDSE is Member Secretary. At block level, Sub-Divisional Officer/Block Panchayat Officer is the chairman of the Block level Steering cum Monitoring Committee and Block Education Officer being Member Secretary.

As against norm at least one meeting per month at district level, scrutiny of records revealed that in five sample districts (a) no meeting was held in West Siang and East Siang districts during the entire period 2009-14, (b) in West Kameng only one meeting was held during the year 2012-13, (c) in Lohit district only two meeting was held during the year 2012-13 and 2013-14 and (d) in Papum Pare district three meeting were held during the year 2013-14 and no meeting was held in 2012-13 and only one meeting was held during the remaining years.

The position was no different in the block level. In most of the blocks in the sample districts no meeting were held in the entire period. This could be perceived from the fact that against 1200 meeting to be convened over a period of five years in 20 sample blocks (four each in five sample districts) only 37 meetings were held.

Reasons for the shortfall in convening SMC meetings at the State, District and Block levels as per prescribed norms were not found in records of the SNO/DNO. While the concerned authorities responsible for conveying the meeting of SMC at District and Block level were negligent in discharging their duty of conveying the meeting of SMC as per prescribed periodicity, whereas at the State level the Secretary of School Education Department, Government of Arunachal Pradesh being State Level Nodal Officer for implementation of MDM Scheme also failed to ensure that proper monitoring at regular interval were carried at District and Block level.

Non-convening of SMC Meetings at the State, District and Block levels, as pointed out above, defeated the very purpose of securing accountability at various levels of programme implementation.

Admitting the audit finding the Department during the Exit Conference assured that steps would be taken to hold SMC meetings to monitor the scheme as per norms.

1.4.16.3 Programme Evaluation

The Department assigned the work of Programme Evaluation in the State to the *Dean, Department of Education, Rajiv Gandhi University, Rono Hills, Doimukh*. The University undertook monitoring and submitted its findings. Some of the major findings were as indicated below:

- (a) MDM is not served on all the schools days. Generally, MDM is provided on two to three working days,
- (b) The schools were facing problem in relation to the availability of cooking cost in time. Also, problems were noticed in the delivery of food grains at the school level.
- (c) The quality of food was found just average. The micronutrients are not being provided in any of the schools.
- (d) The status of kitchen was not satisfactory and needed repair or had to be constructed newly.

However, no Action Taken Report(s) (ATNs) on remedial measures taken up to redress the deficiencies pointed out in the Reports at State/District levels was produced.

Besides the above, the Department entrusted the responsibility of internal monitoring/evaluation of scheme implementation in the State to the *State Council of Educational Research & Training (SCERT)* and the *District Institutes of Education & Training (DIETs)*. However, no Evaluation Report has been submitted by these Institutions to the SNO till date of audit (November 2014).

1.4.16.4 Regularity in monitoring of programme Implementation and its impact

As per Paragraph 6.2 of the scheme Guidelines, the Mid-Day Meal Programme would need to be monitored to assess:

- (i) Programme parameters, namely, the manner in which the programme was being implemented in terms of all children regularly getting a meal of satisfactory quality, and
- (ii) Impact parameters, namely, the effect, if any, on improving the nutritional status of children, regularity of attendance and retention and completion of Primary Education.

On an average, at least *25 per cent* of Primary/Upper Primary Schools and EGS/AIE Centres should be visited every quarter, and all Primary/Upper Primary Schools and EGS/AIE Centres should be visited at least once a year.

States were to evolve suitable formats for Questionnaire (Data Capture Form) to be filled by officials during field visits. Findings should be documented and reported in SMC Meetings at all levels. Suitable remedial/corrective measures should be initiated without delay.

In Arunachal Pradesh, the State Government appointed two Joint Directors and one Deputy Director of School Education for overall monitoring and supervision of schools in the State. Besides, District Education Officers (DSEs) have been instructed to conduct inspections of schools and supervise and monitor all Flagship Programmes, including the MDM Scheme. Block Education Officers are required to inspect at least 10 schools under their Blocks and submit Performance Reports.

During audit it was seen that on-line MDM software for monitoring did not exist at the Block level.

The position of inspection of schools in the State during last three years of the period covered under performance audit (i.e., 2011-12 to 2013-14) was 100 *per cent*. However, it was noticed that Inspection Reports were neither prepared nor submitted to the SMCs. This implied that findings during inspections were not documented and reported in SMC Meetings at any level for taking suitable remedial/corrective measures.

The Department stated during the Exit Conference that a format “*Surprise Inspection Report*” was developed for the purpose and regular inspection were conducted by authorities. It was further assured that documents in this regard would be furnished to audit to substantiate the claim.

1.4.16.5 Establishment of Grievance Redressal Cell

As per the scheme Guidelines, a grievance redressal mechanism was required to be established at the State and District levels to address and resolve complaints.

A ‘**Grievance Redressal Cell**’ was set up at the State level in the Directorate of School Education and at the District level in the office of the District Education Officer of the 16 Districts implementing the programme. At the State level, the Nodal Officer (MDM) and State Co-ordinator (MDM), and at the District level, the Deputy Director of School Education (DDSE) and District Co-ordinator (MDM) have been appointed as Grievance Redressal Officers and Co-ordinators to address and resolve complaints, as and when received. Follow-up action is taken up at State/District level on the basis of suggestions made by stakeholders such as NGOs, Student Organizations and PRIs for improvement of scheme implementation.

In the State, a Toll Free Telephone number was installed and dedicated for public utility to address complaints pertaining to scheme implementation. However, on scrutiny, it

was found that the telephone number was not working, which defeated the intended purpose. Further, the State did not have another grievance redressal mechanism such as through e-mail, social media, etc in place.

The Department during the Exit Conference stated that due to financial crunch the toll free telephone connection could not be made functional.

1.4.16.6 Submission of periodic Reports>Returns

In terms of the scheme Guidelines, the State Nodal Department was required to furnish Progress Reports on the scheme to the MHRD as per the time schedules indicated in the following Table:

Table-1.4.17

| Sl. No. | Title of Return | Due date for receipt in the Ministry |
|----------------|---|---|
| 1. | Monthly Report on off-take of food grains | 15 th of the following month |
| 2. | Quarterly claim towards Transport Subsidy | 15 th of the month following the Quarter |
| 3. | Quarter Progress Report (QPR) | Within one month from the end of the Quarter |

The QPR, *inter alia*, included information on coverage of children, progress of provision of infrastructure and unspent balances of Central assistance at the end of the quarter.

However, it was noticed that there were delays in submission of QPRs from 2009 to 2014, which ranged from 01 to 110 days.

Other reports/returns were regularly submitted on-line.

On the issue of delay in submission of QPRs, the Department during the Exit Conference attributed the same to poor connectivity and communication problems.

1.4.16.7 Maintenance of records of MDMS at School level

The major area of concern in implementation of the scheme in the State is poor maintenance of records at school levels.

Scrutiny of records of 26 out of 30 schools (76 *per cent*) in East Siang, 7 out of 30 schools (23 *per cent*) in West Siang and 6 out of 30 schools (20 *per cent*) in West Kameng District revealed that schools did not maintain essential records *Viz.*, Daily Attendance Registers recording details of children availing MDM, Stock Books for food grains/other cooking items, Cash Books for cooking costs, honorarium to Cooks-cum-

Helpers, etc. In the absence of such vital records, proper and uninterrupted implementation of MDM scheme could not be ascertained. Failure to maintain essential records also indicated that no/inadequate training was imparted to school authorities for proper maintenance of scheme related records. In the remaining two districts viz. Lohit and Papum Pare the required records were being maintained properly.

While viewing the same seriously the Secretary to the Department during the Exit Conference assured that strict action would be taken against the defaulting schools.

1.4.17 Conclusion and Recommendations

1.4.17.1 Conclusion

The success of a scheme funded through Central assistance essentially depends on effective implementation of scheme activities, regular monitoring and efficient financial management. There were inadequacies in all these three key aspects, as brought out in this Report.

Implementation of scheme was not satisfactory, given that it did not achieve its objective of providing nutritious meals to eligible children and improve their enrolment and retention levels. Major hurdles in implementation of the scheme were the inability to utilize available food grains, delays in transmission of funds through the hierarchical chain to implementing agencies and non-release of State share in time. The nutritional status of children was not addressed and infrastructural facilities in schools were inadequate. The monitoring system was deficient due to irregular SMC Meetings at Block/District/State levels and the absence of reliable centralized data on retention/dropout rates of children of Primary/Upper Primary Stages.

1.4.17.2 Recommendations

- *The State Government should ensure preparation of Annual Work Plans & Budget (AWP&B) with authenticated inputs and ensure strict compliance to all pre-requisites, especially reliable data on enrolment, attendance and coverage of students.*
- *The State Government needs to streamline and simplify existing procedures to ensure timely transmission of funds to implementing agencies.*
- *State share of matching funds should be released component-wise to facilitate proper implementation of the scheme.*

- *Requirement of food grains should be assessed on basis of reliable inputs from the school level. Allotted quantities food grains should be lifted and distributed on a timely basis.*
- *Basic infrastructure facilities should be provided on a priority basis in all schools.*
- *The monitoring mechanism and supervision of the scheme should be strengthened and enforced effectively at all levels so as to secure accountability at various levels of programme implementation.*
- *Wide publicity must be given by the State Government to the programmes implemented under the scheme to enhance transparency and awareness about the scheme.*
- *Impact studies/surveys must be undertaken more vigorously, especially with reference to achievement of outcomes. Deficiencies pointed out need to be addressed on priority for effective implementation of the Scheme.*

COMPLIANCE AUDIT PARAGRAPH

Department of Rural Development

1.5 Doubtful distribution of construction material and irregular expenditure

Under the IAY Scheme, the claimed distribution of 203.79 MT of CGI Sheets worth ₹ 142.86 lakh by the BDO, Dumporijo to 419 beneficiaries was doubtful as supposed beneficiaries names were not found in the BPL List/IAY Wait List. Besides, unauthorized Carriage Charges of ₹ 29.78 lakh for CGI Sheets was incurred by the PD, DRDA, Daporijo.

India Awaas Yojana (IAY), a flagship scheme launched by the Government of India with the objective of helping rural Below Poverty Line (BPL) People in New Construction (NC) of dwelling units and Up-gradation (UG) of unserviceable *kutcha* houses by providing financial assistance at a ceiling rate of a) ₹ 48,500 for New Construction and ₹ 15,000/- for Up-gradation of unserviceable houses.

In Arunachal Pradesh, construction materials like CGI Sheets are procured centrally by the Project Director (PD), District Rural Development Agencies (DRDAs) and distributed to beneficiaries through respective Block Development Officers (BDOs) for value equivalent to the assistance eligible to beneficiaries under the scheme.

IAY implementation guidelines provided that District Panchayat/Zilla Parishad and District Rural Development Agency (DRDA) would decide on the number of units to be constructed/upgraded (Panchayat-wise) during a particular financial year. The allocations made and targets fixed would be intimated to Gram Panchayats concerned. Accordingly, beneficiaries would be selected from the permanent IAY Wait List prepared on the basis of the BPL List, in order of seniority.

Scrutiny (February 2014) of records of the PD, DRDA, Daporijo, and BDO, Community Development (CD) Block, Dumporijo, revealed that:

- a) The PD issued a total of 263.17 MT of CGI Sheets (Size: 10 x 3 ft; thickness: 0.63 mm) - 79.98 MT in 2011-12 and 184.19 MT in 2012-13 – valued at ₹ 184 lakh (@ ₹ 70104.40 per MT) under the Scheme to the BDO, Dumporijo, through Challans, though the BDO made no indent for the requirement. No supporting beneficiary list (out of the wait list) selected for distribution was also available with the PD. However, during the scrutiny of records it was noticed that out of the stock issued from 2011 to 2013, 11,713 CGI Sheets (231.68 MT),² were

² Standard weight per sheet (Size 10' x 3 ft. and 0.63 mm thickness) = 19.78 kg. 11,713 Sheets x 19.78

issued to 475 beneficiaries with receipts, leaving a balance of 31.49 MT (263.17 MT – 231.68 MT), valued at ₹ 22.07 lakh.

Cross-verification of distribution records and receipts with BPL List/Wait List of the Block disclosed that only 1410 CGI Sheets (27.89 MT) valued at ₹ 19.55 lakh were distributed to 56 *bonafide* beneficiaries as per the BPL List, which was indicated by the BPL Serial numbers in the receipts. The claim of the BDO that the remaining quantity of 10,303 CGI Sheets (203.79 MT),³ valued at ₹ 142.86 lakh were distributed to the remaining 419 beneficiaries (NC: 225 & UG: 194) was unfounded, as names of the supposed beneficiaries did not exist in the BPL List/Wait List and the BPL Serial numbers were not indicated in the receipts. Thus, actual distribution of the CGI Sheets was doubtful.

- b) IAY Guidelines did not provide for expenditure on transportation of material out of scheme funds. However, the Planning Department allowed (April 2008) for carriage of CGI Sheets only from the nearest depot to the District Headquarters @ ₹ 10/- per MT/km. Scrutiny of records of DRDA, Daporijo, revealed that between 2010 and 2013 the PD incurred unauthorized expenditure of ₹ 27.98 lakh out of IAY funds, being Carriage Charges of 1904.53 MT of CGI Sheets from District Headquarters to nine CD Blocks. Had the unauthorized expenditure of ₹ 27.98 lakh on Carriage Charges not been used incurred, either 58 more beneficiaries could have been provided financial assistance under new construction by using this amount.

The matter was reported to the Government in August 2014; and their reply is awaited (March 2015).

³ 10,303 Sheets x 19.78