EXECUTIVE SUMMARY

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Why did we take up this Audit?

The Constitution of India enjoins upon the State to promote with special care the educational and economic interests of the weaker sections of the people, in particular, of the Scheduled Castes (SC) and the Scheduled Tribes (ST). Accordingly, in order to enhance the literacy rate and educational standards of SC/ST students, the Adi Dravidar and Tribal Welfare department in the State is running various residential schools and hostels and also implementing various scholarship schemes - both the Centrally Sponsored Schemes and the State funded schemes.

The Centrally Sponsored Schemes, recently revised by the Union Government, aimed at bringing a transformatory impact on the poorest SC/ST households, and on principles of timely delivery, comprehensive accountability, continuous monitoring and total transparency. Hence CAG took up this Performance Audit covering the implementation of CSS and the State sponsored scholarship schemes during the period 2017-23. The objectives of this Audit were to ascertain whether (1) the process of planning, with regard to identification of beneficiaries, was robust and comprehensive; (2) the financial management including release, timeliness of release and utilisation of funds was prudent and in conjunction with the stated objectives; (3) the implementation of the schemes was effective; and (4) a proper monitoring system exists in implementation of the Schemes.

Major Audit conclusions

Inadequate publicity of the Schemes had led to non-coverage of eligible SC/ST students. During 2019-22, an average of 46 *per cent* and 39 *per cent* of the schools in the eight sampled districts did not avail the Pre-Matric and Post Matric Scholarship Schemes respectively for SC/ST students.

The non-coverage of potentially eligible SC students for availing Pre-Matric and Post Matric schemes ranged from 21 to 52 *per cent* and 20 to 29 *per cent* respectively during the period 2019-23. Similarly, the non-coverage of potentially eligible ST students for availing Pre-Matric and Post Matric schemes ranged from 35 to 55 *per cent* and 30 to 42 *per cent* respectively during the same period.

During 2017-22, 2,901 students, who were sanctioned Pre-Matric and Post Matric SC/ST scholarships, dropped out/were excluded in the following year.

Physical scrutiny of 9,076 Pre-Matric and Post Matric scholarship applications in sampled institutions/schools revealed that the income/community certificates were not found attached with 2,569 sanctioned applications (28 *per cent*).

There was lack of transparency and arbitrariness/discretion in the admission process by the private institutions in admissions under Management Quota.

Further, failure of the Department to ensure whether the stipulated procedure has been followed for giving admission to students under the Management quota resulted in ineligible grant of scholarship to students thereby violating the Scheme guidelines.

During 2017-23, payment of scholarship was delayed in 36,510 instances wherein an amount of ₹7.28 crore was paid to SC/ST beneficiaries in the sampled institutions, the delay ranging from one month to more than one year.

Scholarship amount of ₹1.61 crore was not credited to 3,530 SC/ST/SCC beneficiaries bank account for reasons such as students bank account were blocked or frozen, account closed, no such account etc., and was returned during the period 2017-23.

Analysis of TNeGA data for 2022-23 revealed that 160 Post Matric Scholarship - SC beneficiaries received 40 *per cent* State share twice. Similarly, the course fee was credited twice in respect of 253 Post Matric Scholarship - ST beneficiaries.

There were multiple instances of beneficiaries of Centrally Sponsored Scholarship Schemes availing other scholarships as well like Post Matric Scholarship for Minorities, First Generation Graduate Tuition Fee Concession, Ph.D. incentive etc.

During 2021-23, 2,576 SCC students, who were not eligible to receive Central funds, were paid 60 *per cent* of scholarship from the Central share resulting in incorrect payment of ₹3.64 crore.

Non-availability of a robust IT framework, online grievance redressal mechanism and non-conduct of evaluation/social audit resulted in inadequate monitoring of the Schemes. Further, the stipulated district level inspections and annual inspections of private institutions were also not carried out.

What do we recommend?

We have made nine recommendations as given below:

The Government should intensify the publicity measures and pro-actively identify the eligible SC/ST students from the poorest eligible households so as to enroll them under the centrally sponsored schemes.

The Government should ensure that the admissions under the management quota are done in a transparent manner without any arbitrariness in the admission process by the institutions, before sanctioning of scholarships to the SC/ST students.

The Government should establish a robust IT based real time monitoring and grievance redressal system at the earliest so as to further streamline and strengthen the effective implementation of the scholarship Schemes.

The Government should carry out an exercise to identify the students who have dropped out at the secondary school level, ascertain the reasons for the same and take adequate steps to encourage them to rejoin so that they can pursue higher education.

The Government should scrupulously scrutinise the applications for scholarship to ensure that only the eligible SC/ST students are granted scholarship. Further, the eligibility certificates should also be retained for a reasonable period for audit purposes.

The Government should ensure that the Directorates release the scholarship amount in time so that disbursement to beneficiaries is done within the academic year itself. Further, the Government should ensure that the entire process of disbursement becomes Aadhaar based at the earliest.

The Government should plug the loopholes in the system so as to ensure that the processing of scholarship be validated at every stage for correct payment of scholarship. The excess amount paid should also be recovered from the students at the earliest.

The Government should take action on the erring reputed schools for claiming excess fees than that was fixed by Private School Fees Determination Committee, thereby violating the existing guidelines and resulting in avoidable expenditure by the Government.

The Government should revisit the Scheme guidelines in case of Ph.D. scholars so as to remove any ambiguity and to grant the incentive to the eligible scholars even if they are the beneficiaries under the Post Matric Scholarship Scheme for SC/ST/SCC students.

Management's response to Audit recommendations

Government while responding to the Audit observations, assured necessary corrective action wherever required. Audit acknowledges and appreciates the corrective action taken/proposed by the Government to address the issues pointed out in this Report.