

Information Technology Department

2.6 Information Technology Audit of e-District - a project under National e-Governance Plan

Executive Summary

As a part of the National e-Governance Plan (NeGP), a pilot e-District project at Ranchi district was approved for implementation by GoI in March 2008. The project became operational in September 2011 for only one out of ten services identified for implementation.

We conducted an IT Audit of e-District (pilot project) and analysed the data from September 2011 to August 2013. Following are the main audit findings:

As of March 2013 only one service was operational and subsequently three more categories of services were rolled out (January 2014).

The Government should have an action timeline for introduction of critical services like online delivery of PDS ration cards to the citizens.

(Paragraph 2.6.9)

Provision of digitization of data was made in the e-District but neither manually issued certificates were digitized nor the legacy data of e-Nagrik was migrated into the database of e-District.

The legacy data should be migrated in the database of e-District.

(Paragraph 2.6.10)

Data backup was not taken daily contrary to the backup policy. We noticed that data of a day was lost permanently.

The Government should devise a Business Continuity Plan and daily backup of data should be taken.

(Paragraph 2.6.12)

Though time limit was seven days as per Cabinet's decision for issue of certificates through e-District, these were issued with delay ranging from one to 557 days.

The Government should ensure timely issuance of certificates.

(Paragraph 2.6.13)

The software contains no programming elements to generate alerts or validation by restricting issuance of multiple certificates to one person. As a result multiple certificates with different caste were issued to same person. Similarly multiple Birth/Death certificates with different dates of birth/death were issued to same person.

The Government should address input and process control issues to ensure accuracy and reliability of data.

(Paragraph 2.6.14.2)

2.6.1 Introduction

The Government of India (GoI) approved (May 2006) the National e-Governance Plan (NeGP) with a vision to make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realise the basic needs of the common man.

e-District, one of the 31 Mission Mode Projects (MMPs) under NeGP, was approved by GoI in March 2008 which aims at strengthening the District Administration to deliver Government services in a cohesive manner leveraging Information and Communication Technology (ICT) to the citizens at his doorstep by utilizing three infrastructure pillars viz. State Wide Area Network (SWAN), State Data Centre (SDC) and Common Service Centres (CSCs).

The scheme was to be implemented in two phases. In Phase I - Pilot was to be undertaken covering one or two districts and in Phase II the project was to be rolled out across the State subsequent to successful implementation of the Pilot.

Being the capital district with the highest population in State, Ranchi was selected for pilot project of e-District in Jharkhand.

Administrative approval of Pilot e-District project for ₹ 3.20 crore was accorded (March 2008) by the Department of Information Technology¹ (DIT), GoI. All funds under the project for Pilot implementation were to be released directly to the State Designated Agency (SDA) identified by the State Government. The State Government designated the Jharkhand Agency for Promotion of Information Technology² (JAP-IT) as SDA for implementation of the project along with National Informatics Centre Service Inc.³ (NICSi).

2.6.2 Organisational set up of State Designated Agency

The Chief Minister of Jharkhand is the Chairman of JAP-IT and Minister In charge of Department of Information Technology (DoIT) is the vice-Chairman, who are assisted by the Chief Executive Officer i.e. the Principal Secretary of the DoIT, GoJ. The Chief Executive Officer is responsible for implementation of the project. However, the monitoring of e-District project is being done by the District e-Governance Society (DeGS), Ranchi headed by the District Collector formed and registered under Societies Registration Act as per the guidelines of NeGP. Further, Additional Collector, Land Reforms and Naxal, Ranchi has been appointed as the nodal officer for implementation of e-District project.

2.6.3 Objectives of the e-District

The primary purpose of the e-District project is to provide support to the basic administrative unit i.e., “District Administration” to enable content

¹ Rechristened as Department of Electronics and Information Technology (DeitY), GoI.

² An autonomous body under Department of Information Technology, Government of Jharkhand.

³ NICSi was set up under National Informatics Centre, Ministry of Communications and Information Technology, GoI to provide total IT solutions to Government organisations.

development of government to citizen (G2C) services. The key objectives of e-district are to e-enable the highly visible services offered to the citizens, infusion of transparency and accountability in Service delivery, reduction of administrative burden in delivering the services through process simplification and infusion of ICT, to integrate the e-District with other key Mission Mode Projects (MMP), to make use of Common Service Centres to deliver the services to citizens at the village level, to create and maintain accurate, current and complete citizen related data-sources for ensuring that government benefits are extended to the eligible citizens, and to create a sustainable model and supporting structures for effective implementation of MMP in all the Districts across the State.

Some of the key services targeted for delivery were Issuance of Birth/Death/Caste etc. certificates, old age/widow pension, electoral services, Public Distribution System (PDS) etc. Details of services identified for implementation under e-District in Jharkhand are shown in *Appendix-2.6.1*.

2.6.4 Audit objectives

The audit was conducted to ascertain whether:

- the enshrined objectives of e-District were achieved economically, efficiently & effectively;
- general and specific controls were in place to ensure data security, accuracy, reliability & consistency; and,
- robust backup plan existed and functioned effectively.

2.6.5 Audit criteria

The audit criteria were derived from the following:

- Guidelines issued by DIT, GoI for e-District;
- Jharkhand Municipal Act, 2011;
- General Financial Rules, 2005; and,
- Executive instructions issued from time to time.

2.6.6 Audit scope and methodology

Records related to implementation of pilot project of e-District were test checked in JAP-IT and working process of CSCs were also verified by visiting 25 CSCs (August 2013). Audit obtained database (September 2011 to August 2013) of e-District pilot project from JAP-IT and analysed the data of issuance of certificates⁴ using Computer Assisted Audit Techniques (CAATs) during August-September 2013. We discussed the audit objective, criteria and methodology with Officer on Special Duty (OSD), JAP-IT in an entry conference held on 13 August 2013. An exit conference was held with OSD, JAP-IT on 17 February 2014 to discuss the significant audit findings. Replies of the Government have been incorporated suitably.

⁴ (i) Birth, (ii) Death, (iii) Caste (iv) Income (v) Residential and (vi) OBC Creamy Layer.

2.6.7 Fund flow under e-District

The first instalment as 50 *per cent* of project cost i.e. ₹ 1.60 crore (i.e. ₹ 40.12 lakh to NICS and ₹ 1.20 crore to JAP-IT) was released to the implementing agencies in March 2008 for consultancy, hardware, software, data digitisation, capacity building etc. components of the project. JAP-IT spent ₹ 1.34 crore (including interest on grant funds) by August 2013 for making payments to the Tata Consultancy Services (the vendor). The second instalment of ₹ 1.60 crore was to be released on utilisation of released funds, however, the same was not released by DeitY, GoI till date of audit (August 2013). Details of which are discussed in paragraph 2.6.11.

2.6.8 Delay in submission of Utilisation Certificate

As per the administrative approval, 50 *per cent* of the sanctioned amount was to be released as 2nd installment after receipt of Utilisation Certificate (UC) of the amount released as 1st installment. Further, as per Rule 212 of General Financial Rules, 2005, UC should be submitted within 12 months of the close of the financial year during which the amount was received.

As mentioned in para 2.6.7, DeitY, GoI released first installment of ₹ 1.20 crore to JAP-IT in March 2008 and interest of ₹ 14.61 lakh was earned on these funds. We noticed that JAP-IT submitted the first UC for ₹ 1.29 crore in September 2012 and final UC of ₹ 1.34 crore in August 2013 against these funds. As JAP-IT could not fully utilise the grant and furnish UC timely, the 2nd installment of ₹ 1.60 crore was not released by DeitY, GoI till date of audit (August 2013) which affected the initiation of data digitisation work.

On this being pointed out the Government while accepting the observation stated (January 2014) that the first UC was sent in September 2012, however transfer of the second installment was delayed owing to a direction (November 2012) from the Department of Expenditure, GoI which required that any Grant in Aid (GIA) funds available with the State may either be utilised or surrendered before any further transfer of funds.

The fact remains that had the State utilised the fund on time and furnished UC accordingly, the second installment of fund would have been received. In absence of second installment data digitisation of legacy data could not be done.

2.6.9 Implementation of e-District project

The Pilot e-District project was administratively approved (March 2008) with the condition to implement the project within 18 months i.e. by September 2009. We noticed during audit that the agreement was executed (January 2010) by JAP-IT with Tata Consultancy Services (TCS) Limited for software design and development, procurement and supply of hardware and network infrastructure etc. with time line of four months for the delivery of software from the date of signing of the contract.

The project has gone operational only in September 2011, with a delay of two years. As of March 2013 only one service (issue of certificates) was

Utilisation Certificate of the amount released as 1st installment was not furnished in time.

Even after a lapse of five years six services could not be started through Common service delivery outlets.

operational and subsequently three⁵ more categories of services were rolled out and links were provided for electoral service, revenue court and consumer courts (January 2014). Thus, the basic objective of e-District to provide integrated citizen services through common service delivery outlets was denied to the common man. The services are yet to be provided (January 2014).

The State Cabinet decided (September 2013) not to extend the pilot e-District application developed by TCS to other districts. Instead, it had approved (September 2013) the proposal of rolling out Service Plus Application of National Informatics Centre at two districts, Ramgarh and Hazaribagh, for the pilot services before final approval for state wide rollout. It was ascertained that the reason for not rolling out the e-District pilot application developed by TCS to other districts was due to lack of co-operation and not showing the expected progress by the system integrator (TCS).

The Government replied (January 2014) that approval has been obtained for the Service Plus platform developed by NIC for State wide roll out in place of e-District project developed by TCS. However, OSD, JAP-IT replied (November 2013) that the delay in implementation was due to delay in completion of pre-conditions viz. finalisation of SRS, Digital Signature, connectivity etc. The District Administration decided to roll out the services in a phased manner.

The reply is not acceptable as five years lapsed from the sanction of the project, the decision of rolling out services in phased manner also amounts to denial of services at the door step of the citizen which was the very essence of e-District. Further, a new system is being adopted, again on pilot basis, for rolling out the services of e-District state wide.

2.6.10 Absence of Legacy data

Manually issued certificates were not digitized and the legacy data was not migrated into the system.

Prior to introduction of e-District, issue of certificates of birth, caste, income etc. were being done through e-Nagrik, a system developed by the National Informatics Centre (April 2007). Prior to e-Nagrik, these certificates were issued manually. As per the best practices the legacy data of previous issued certificates and the manually issued certificates were required to be digitised and migrated into new system to complete the database for the purpose of verification. In absence of the legacy data, there was risk of issuance of certificates to ineligible citizens without verification against earlier issued certificates.

We during audit noticed that provision of ₹ 25 lakh for data digitisation was made in the e-District. However, data analysis revealed that neither manually issued certificates were digitised nor the legacy data of e-Nagrik was migrated into the database of e-District. Due to this completeness, accuracy and reliability of data could not be ascertained.

⁵ RTI Application under Public Grievance Redressal & Old Age/Widow/Disability Pension under Pension Schemes both in June 2013 and Government Dues & Recovery in July 2013.

On this being pointed out the Government replied (January 2014) that the fund earmarked for data digitisation had to be utilised for payment of invoices of TCS pending release of second installment from DeitY.

The fact remains that the fund could not be utilised in time, which actually delayed the release of second installment. Consequently, data was not digitised in respect of even one service i.e. issue of certificates.

2.6.11 Avoidable expenditure of ₹ 90.14 lakh due to non-establishment of State Data Centre (SDC)

State Data Centre (SDC) is an important element of the core infrastructure of NeGP for implementation of e-District to provide functionalities like central repository of the State, secure data storage, online delivery of services, citizen information portal, state intranet portal, disaster recovery, remote management and service integration etc.

We during audit noticed that an SDC was being created at Ranchi but due to delay in handing over of the constructed building by the Building Construction Department and execution of substandard work SDC could not be established so far (January 2014).

We further noticed that out of total allocated (March 2008) amount ₹ 3.20 crore for eight components⁶ of Pilot e-District project, ₹ 2.09 crore was to be spent on four components⁷. An agreement was executed (January 2010) by JAP-IT with TCS for ₹ 3.00 crore for execution of these four components and various other items viz. Support services for 5 years, Storage Area Network (SAN), Domain Name Server (DNS), Load Balancer, various software like antivirus, office automation etc. which were not covered under the Pilot guidelines and without approval of DIT, GoI. Though permission was sought (November 2009) for sanction of the additional amount of ₹ 90.14 lakh for these other items but DIT, GoI refused (January 2010) to sanction the same. Subsequently, the State Government sanctioned (February 2010) the additional amount of ₹ 90.14 lakh. Thus, inclusion of additional items like SAN, DNS etc. in the agreement resulted in extra burden of ₹ 90.14 lakh on the State Exchequer.

On this being pointed out the Government while accepting the observation replied (January 2014) that additional items were procured because SDC was not in operational condition and the items were required for the pilot project going live.

The fact remains that expenditure for these items could have been avoided, had there been proper synchronisation and co-ordination for timely establishment of SDC under NeGP.

State Data Centre could not be established and additional expenditure of ₹ 90.14 lakh was incurred.

⁶ (i) Hardware- ₹ 73.62 lakh (ii) System software- ₹ 35.83 lakh (iii) Application software- ₹ 90 lakh (iv) Data digitization- ₹ 25 lakh (v) BPR and Consultancy- ₹ 75 lakh (vi) Training- ₹ 10 lakh (vii) Administrative expenses- ₹ 5 lakh and (viii) NICSI charges- ₹ 5.24 lakh.

⁷ (i) Hardware- ₹ 73.62 lakh (ii) System software- ₹ 35.83 lakh (iii) Application software- ₹ 90 lakh and (iv) Training- ₹ 10 lakh.

Backup policy of taking daily backups was not adhered.

2.6.12 Business Continuity Plan

Business Continuity Planning (BCP), a term that covers both disaster recovery planning (DRP) and business resumption planning. BCP is the preparation and testing of measures that protect business operations and also provide the means for the recovery of technologies in the event of any loss, damage or failure of facilities. Further, a sound backup policy and its effective implementation ensure easy data retrieval in the event of unforeseen disruptions.

A backup policy was in existence and it required taking daily backup of full data dump and archive log.

During audit we noticed that on 5th September 2013 the e-District server went down due to hardware data block corruption in Storage Area Network⁸ space and the certificates were issued manually as the system could not be restored for two days. Due to non-existence of a backup server, e-District portal could not be started immediately. Moreover, the data for one day was lost permanently due to non-adherence of backup policy of taking daily backups. The system was restored by restoring the data dump taken on 2nd September 2013 and by applying the available archive logs upto 3rd September 2013 (till 4:00 PM). This shows that data backup was not taken daily as data dump for 3rd and 4th September 2013 was not retrievable contrary to the backup policy.

On this being pointed out the Government while accepting the observation replied (January 2014) that Data block corruption in Storage Area Network (SAN) space is a rare occurrence at hardware level. However, periodic mock drills are being planned and the same has been given to the concerned authorities through mail for its strict adherence for the security of the system.

The facts remain same due to non-adherence of backup policy, the crucial data was lost permanently.

2.6.13 Delay in issue of certificates

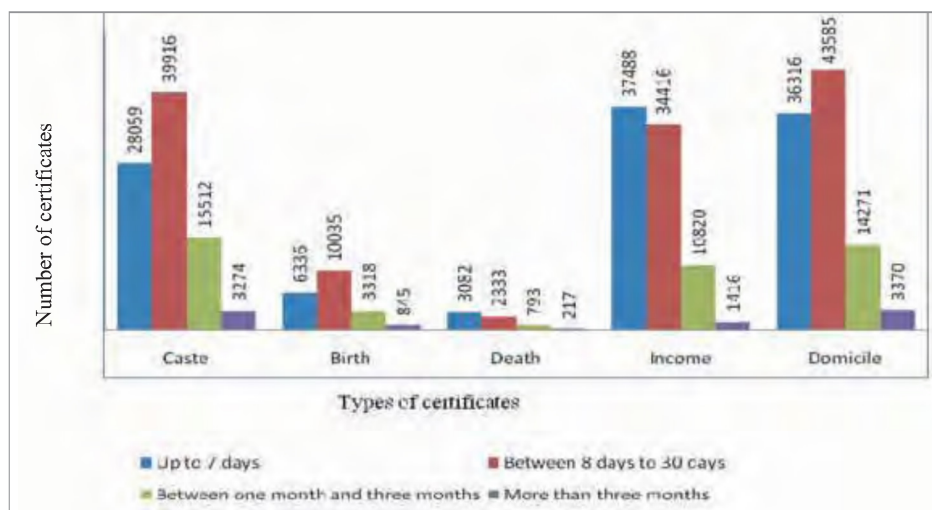
Certificates were issued with a delay up to 557 days.

As per Cabinet decision (September 2011) the time limit for electronic delivery of certificates through e-District was seven days.

Audit analysed the database, related to issue of certificates and noticed that there were delays in issue of certificates which ranged between one and 557 days as shown in **Diagram 2.6.1**:

⁸ SAN is a high speed network of storage devices which connects them with server.

Diagram 2.6.1: Showing delay in issuance of certificates



During visit of CSCs, it was intimated by CSC personnel that CSCs were uploading the information/documents into the system in about one to four days from the date of receipt of the application. This delay was in addition to the delay analysed above and was a hidden delay as this was not captured in the system.

Thus, the basic objective of the Business Process Reengineering (BPR) i.e. by making the process faster to provide the services promptly and in a timely manner was not achieved.

On this being pointed out the Government while accepting the observation replied (January 2014) that this issue is now being taken care of by the introduction of e-mail alerts to supervisors of all those officers/staff who do not forward/approve the application on time.

2.6.14 Inadequate input and process controls

2.6.14.1 *Caste-certificates were issued to the same Person showing different caste*

To restrict the issuance of multiple caste certificates to a single person there should exist a validation parameter by combining Name, Father's name and address etc.

Audit analysed the database provided by the JAP-IT and observed 88312 cases of issuance of caste certificates. During analysis of data it was noticed that in 199 out of 88312 cases, caste-certificates were issued to the same person with different caste-class viz. SC/ST/BC/OBC. Few examples are given in **Table 2.6.1:**

Multiple Caste-certificates were issued to same persons with different caste.

Table 2.6.1: Issuance of caste certificate to same persons of different caste

Token No.	Caste AppMast Id	Reg. No.	Caste Class	Name	Relative Name
258668	159726	RNC/ANGRA/CHILDA G/CST/58468/2013	OBC	Tanu Kumari	Milan Mahto
213574	153614	RNC/ANGRA/CHILDA G/CST/52530/2013	OBC (Creamy)	Tanu Kumari	Milan Mahto
312019	180581	RNC/RNC-Halka II/CST/78753/2013	SC	Savitri Kujur	Anuj Kujur
312009	180582	RNC/RNC-Halka II/CST/78754/2013	ST	Savitri Kujur	Anuj Kujur
66672	117344	RNC/ITKI/KULLI/CST/17202/2012	SC	Ravi Kerketta	Raghu Kerketta
25234	104723	RNC/ITKI/KULLI/CST/4680/2012	ST	Ravi Kerketta	Raghu Kerketta

This indicates that the software contains no programming elements to generate alerts or validation by restricting issuance of multiple certificates to one person.

Thus, there was lack of suitable input as well as process controls in the system. Caste-certificates with different caste to the same person may be misused for getting various relaxations given by the Government.

On this being pointed out the Government while accepting the observation replied (January 2014) that Advanced Duplicate check measure has been implemented in October 2013.

2.6.14.2 Multiple Birth/Death-certificates issued to the same person

Certificate of Birth authorises an applicant regarding his age eligibility at various fronts viz. admissions in educational institutes, services, inclusion into voter list etc. whereas certificate of Death authorises a claimant for any kind of benefits accrued after one's death. Issue of multiple birth/death certificates in favour of same person would affect the reliability of statistics of the Government as each issuance of birth/death certificate is recorded as a unique birth/death and hence would lead to wrong assessment of the eligibility of a candidate.

Audit analysed 20616 cases of issuance of birth certificates from the database provided by JAP-IT.

Multiple Birth/Death-certificates were issued to same persons.

- In 948 cases more than one birth certificate were issued in the name of same person having same name of parents.
- In 764 out of these 948 cases the birth certificates were issued with same date of birth. Some instances of issuance of more than one birth certificates to same person with same date of birth are given in *Appendix-2.6.2*.
- In 184 out of 948 cases, the birth certificates with different date of birth were issued to the same person. For example:

APPMST_ID	Date of Birth	Name of Child	Father's Name	Mother's Name	Reg. No.
107816	20/04/2000	Anchal Rani	Arun Hajam	Nishi Devi	RNC/ITKI/ITKIW/BIRTH/7817/2013
108597	20/04/2002	Anchal Rani	Arun Hajam	Nishi Devi	RNC/ITKI/ITKIW/BIRTH/8598/2013

(Some other instances are shown in Appendix-2.6.3)

Similarly, during analysis of 6,471 cases of issuance of death certificate in the database it was noticed that

- In 308 cases more than one death certificates were issued for the same person.
- In 290 out of these 308 cases the date of death of the person was same. Some instances of issuance of death certificates to same person with same date of death are given in **Appendix-2.6.4**.
- In rest 18 out of 308 cases the date of death was different. For example:

Token No.	Date of Death	Deceased Name	Deceased Relative Name	Reg. No.
269882	31/12/2012	Tulsi Paitandy	Balram Paitandy	RNC/RNC/DEA TH/5316/2013
329601	31/01/2013	Tulsi Paitandy	Balram Paitandy	RNC/RNC/DEA TH/6474/2013

(Some instances are shown in Appendix-2.6.5)

This was possible due to lack of input/process control in the system. Absence of any check in the software to restrict duplicate entry of same birth/death resulted in issue of multiple birth/death certificates.

On this being pointed out the Government while accepting the observation replied (January 2014) that Advanced Duplicate check measure has been implemented in October 2013.

2.6.15 Conclusion

The project went live on 13 September 2011. Only one service, out of 10 services selected, was being provided to the citizen through e-District as of March 2013. The basic objective of speedy service delivery could not be met due to delay in issue of certificates in prescribed time. The system was not fully secure and reliable as multiple birth, death and caste certificates were issued to the same persons. There were no alternative measures in place to handle accidental loss of data and start the services (e-District portal) immediately in case the e-District server went down.

2.6.16 Recommendations

The Government may consider:

- *Having an action timeline for introduction of critical services like online delivery of PDS ration cards to the citizens;*
- *To migrate the legacy data in the database of e-District;*
- *To take efforts for timely issuance of the certificates;*
- *To address the input and process control issues pointed out in the report to ensure accuracy and reliability in data; and,*
- *To devise a Business Continuity Plan and take necessary action to reduce frequency and impact of server downtime.*

Human Resources Development Department

2.7 Utilisation of Twelfth Finance Commission Grants under Education Sector

2.7.1 Introduction

The Twelfth Finance Commission (TFC) was constituted by the President of India (November 2002) under Article 280 of the Constitution of India with a view to strengthen fiscal condition of the States by way of tax devolution and grants-in-aid to the States. Based on the assessment of needs and developmental concerns of Jharkhand, TFC recommended grants-in-aid of ₹ 3,032.82 crore for nine sectors¹ of the State for the award period 2005-10, of which ₹ 651.73 crore was for Education Sector.

The State suffered from critical gaps in the accessibility of secondary education and the existing schools (both primary and secondary) suffered from acute shortage of infrastructure in the form of building, furniture, library, laboratory and other essentials. The State intended to fill these critical gaps with all essential infrastructures with the help of funds recommended by TFC and sanctioned by the Government of India (GoI).

At State level, the Principal Secretary, Human Resource Development Department (HRDD) assisted by two Directors one each for Primary and Secondary Education was responsible for implementation of the projects/programmes carried out under TFC grants. In addition to them, the State Project Director (SPD), Jharkhand Education Project Council (JEPC²), was to co-ordinate the execution of the projects/works for Primary Education.

The Deputy Commissioners (DCs), District Education Officers (DEOs) for Secondary Education and District Programme Officers (DPOs) for Primary Education were the Officers responsible for implementation of the Programme at district level.

To assess the economic, efficient and effective utilisation of TFC grants, we conducted an audit of this Sector between May and July 2013 by test check of records in the offices of the Principal Secretary, HRDD and Directors, Secondary Education and Primary Education and SPD, JEPC at State level. Besides, we selected seven³ out of 24 districts by Monetary Unit Sampling (MUS) Method and an additional district Palamau was taken up on the request of Principal Secretary, HRDD.

The audit objectives and scope of audit were discussed with the Principal Secretary of the Department on 17 May 2013 in an entry conference. In spite of several requests, the Principal Secretary did not give time and as such the exit conference could not be held. However, the Department's replies have been received (September 2013 and January 2014) and have been incorporated in this report at appropriate places.

¹ Education, Health, Maintenance of roads and bridges, Maintenance of Public buildings, Maintenance of forests, Heritage conservation, State Specific Needs (Development of Capital and Police force), Local Bodies and Calamity Relief.

² A registered society for implementation of Sarva Shiksha Abhiyan (SSA) programme.

³ Dumka, Gumla, Hazaribag, Koderma, Lohardaga, Ranchi and West Singhbhum.

Audit findings

2.7.2 Planning

Assessment of infrastructural needs

Twelfth Finance Commission recommended (November 2004) ₹ 651.73 crore for Education Sector earmarking funds for each year of the award period i.e. 2005-10. GoI communicated (May 2005) the guidelines for release and utilisation of TFC grants to the State Government. As per the guidelines, a High Level Committee (HLC) headed by the Chief Secretary with Finance Secretary and Secretaries of concerned Departments as members was to be constituted in the State to ensure proper utilisation of grants. HLC was to approve the projects at the beginning of every year, quantify the physical and financial targets and decide time schedule for completion of the work.

We noticed in audit the following:

- The Finance Department of the State Government communicated (September 2005) TFC recommendations to HRDD asking for submission of a Consolidated Plan for entire five year period of TFC as well as year-wise plan equal to grant earmarked for that particular year. HRDD, however, submitted (July 2006) Consolidated Plan of ₹ 652.62 crore for entire TFC period to HLC after a lapse of nine months. HLC approved (August 2006) the Consolidated Plan of ₹ 651.73 crore, equal to allocated grants of TFC.

It was seen in audit that projects to be executed each year of the award period were not quantified though required to be done as per guidelines of TFC. Further, unit cost of each work prepared by HRDD was on *ad-hoc* basis and not as per detailed estimates.

Since, the year-wise list of projects was neither prepared by HRDD nor targets were quantified and approved by HLC, the Government of Jharkhand (GoJ) released entire fund of ₹ 456.72 crore⁴ including TFC grants of ₹ 379.77 crore to Primary and Secondary Education Directors in two phases each for Primary and Secondary Education during 2007-08 to 2008-09. As the projects were not taken up on the basis of year-wise planning, HRDD took up works costing ₹ 520.10 crore against the total released TFC grants of ₹ 379.77 crore against total allocation of ₹ 651.73 crore. The State Government has to bear burden of ₹ 140.33 crore (₹ 520.10 crore- ₹ 379.77 crore) for completion of these works due to short release and subsequent lapse of TFC grants by GoI owing to non-fulfilment of conditions for release of second instalment by the State Government as detailed in paragraph 2.7.3.1.

As the works were not taken up on the basis of year wise plan Government has to bear burden of ₹ 140.33 crore.

Department took two years for preparation of DPR; hence, works could not be started in first three years.

- It was further seen that the Special Secretary, HRDD asked (September 2006) both the Directors of Primary and Secondary Education to prepare Detailed Project Report (DPR) of projects to be taken up through TFC

⁴ ₹ 456.72 crore were released by GoJ to implementing agencies during 2007-09 (Secondary Education ₹ 215.27 crore in January 2008 and September 2008 & Primary Education ₹ 241.44 crore in December 2007 and August 2008). However out of total grants of ₹ 379.77 crore, ₹ 77.50 crore was released by GoI during 2009-10.

grants. Both the Directors took about two years in finalisation (September and November 2008) of DPRs of Primary and Secondary education schools⁵. The reasons for such long delay in preparation of DPRs were not available in the records.

As the detailed estimates of works were prepared and approved during 2008-09, no work was executed during the first three years (2005-08) of TFC award period (2005-10). Since the works were not executed during 2005-08 and the unit cost of works at the time of approval of Consolidated Plan was on tentative basis, the estimated cost of works was prepared (June and November 2008) based on current Schedule of Rates resulting in increase in the unit cost of works and decrease in the number of works to be taken up as can be seen in the **Table 2.7.1:**

Table 2.7.1: Works approved by HLC and works actually taken up

Sl. No.	Name of Work	Projects initially approved by HLC in 2006			Revision of number and cost of units approved by HLC in July 2008 and January 2009			Works finally taken up			Funds provided (₹ in crore)
		Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	Revised Unit Cost (₹ in lakh)	No. of Units	Total Cost (₹ in crore)	
Primary Education											
1.	Upgradation of Education Guarantee Scheme(EGS) Centres to Primary Schools (New School Buildings)	3.25	10000	325.00	24.60	197	48.46	24.60	183	45.02	241.44 ⁶
2.	Kasturba Gandhi Balika Vidyalaya (KGBV) residential School	20.00	155	31.00	00	00	00	20.00	80	16.00	
		00	00	00	265.00	97	258.69	265.00	121	243.80	
3.	Strengthening of Basic Schools	40.00	128	51.20	64.70	116	75.05	00	00	00	00
4.	Additional Class Rooms	00	00	00	2.46	1015	24.99	00	00	00	00
Secondary Education											
5.	Project Schools	26.00	110	28.60	62.15	110	68.37	62.15	110	68.37	68.37
6.	Up-gradation of Middle Schools into High Schools	21.00	250	52.50	00	00	00	00	00	00	00
7.	Up-gradation of 161 High Schools into (+2) Schools and 59 existing (+2) Schools	61.00	220	134.20	137.00	106	145.22	137.00	103	141.11	141.11
8.	Construction of Boundary Wall of Girl's Secondary (High) Schools	10.00	295	29.23	10.00	310	31.00	10.00	58	5.80	5.80
Total			11158	651.73		1951	651.78		655	520.10	456.72

(Source: HRDD)

⁵ Primary: Kasturba Gandhi Balika Vidyalayas (KGBVs) and New School Buildings (NSBs), Secondary: +2 High Schools, Project High Schools.

⁶ Originally ₹ 241.44 crore were provided by HRDD: (i) for EGS Centre/NSB ₹ 165.64 crore, (ii) for KGBV ₹ 31 crore and (iii) for Basic Schools ₹ 44.80 crore. However, finally out of ₹ 241.44 crore ₹ 22.53 crore was utilised for construction of EGS centre/NSB and ₹ 214.29 crore for KGBVs and ₹ 12.97 crore (with interest) are still lying with DPOs.

From **Table 2.7.1**, it is evident that the unit cost of Education Guarantee Scheme (EGS) Centres, Kasturba Gandhi Balika Vidyalayas (KGBVs), Project High Schools and +2 High Schools had increased. The additional funds required for construction of EGS Centres, KGBVs and Project Schools due to increase in unit cost was met by reducing the number of initially approved units of EGS Centres, KGBVs and +2 High Schools and not taking up the works of strengthening of Basic Schools and up-gradation of Middle Schools.

The Director, Secondary Education cum Special Secretary accepted (January 2014) the audit findings and stated that in future Department would be vigilant in utilisation of grants of Finance Commission. The fact remains that due to lack of proper planning the school projects taken up from TFC grants were delayed and number of school buildings to be constructed was reduced due to increase in per unit cost which affects accessibility for education.

- HLC approved (August 2006) construction of boundary walls in 295 girls High Schools at a unit cost of ₹ 10.00 lakh each. However, HRDD sanctioned (November 2007) ₹ 31.00 crore for construction of boundary walls in 310 girls High Schools despite the fact that there were only 58 girls High Schools in the State for which funds amounting to ₹ 5.80 crore were released (January 2008). We noticed in four test-checked districts⁷ that out of 58 schools funds of ₹ 1.10 crore was released by the Director, Secondary Education, for 11 such schools where boundary walls already existed in these schools.

The Director, Secondary Education cum Special Secretary stated (January 2014) that due to incomplete information available with the Directorate, fund was released. Reply indicates that Department did not have a complete database and funds were released without assessment of actual needs.

- Director, Primary Education released (February 2008) ₹ 46.40 crore to DEOs of different districts for construction of basic school buildings without assessment of actual requirement for 116 Basic Schools. However, 41 Headmasters of concerned Basic schools in a State level meeting (July 2008) stated that there was no requirement of new buildings in their schools. Further, as instructed by Director, Primary Education DPRs were to be prepared by the concerned DEOs and to be approved by the Department. Scrutiny revealed that although ₹ 44.80 crore was withdrawn (February March 2008) from treasuries by DEOs and kept in Personal Ledger Accounts, DPRs were not prepared even for a single school. For the above reasons, State Government instructed (March 2010) DEOs to transfer the funds kept in Personal Ledger Accounts to JEPC for construction of KGBVs. Consequently, funds amounting to ₹ 44.80 crore for construction of buildings of basic schools were transferred to JEPC during 2010-11 for construction of KGBVs. Thus, due to entrustment of DPR preparation for basic schools to DEOs in spite of fact that DPRs for other works (KGBVs and +2 High School) were prepared at State level, the entire fund was kept idle for more than two years and 75 basic schools were deprived of new buildings although funds were available.

⁷ Gumla, Lohardaga, Ranchi and West Singhbhum.

The Director, Primary Education replied (September 2013) that the Department in consultation with Finance Department decided to take back the fund from DEOs for completing the ongoing work of KGBVs. The fact remains that the works were planned and funds were released without assessment of actual needs.

It was evident from the above that the Consolidated Plan was prepared after a delay of nine months, DPRs for KGBVs and High schools were prepared on ad-hoc basis after a delay of two years, DPRs were not prepared for basic schools and complete data regarding status of schools infrastructure had not been maintained by the Department. As a result, projects were taken up after delays of three years and TFC grants were not utilised fully.

2.7.3 Financial Management

2.7.3.1 Short-release of grants by Government of India due to non-fulfilment of conditions by the State Government

According to TFC guidelines, the grants were to be released in two equal instalments each year of award period 2005-10. While there was no pre-condition for release of the first instalment of grants in any year, the second instalment was to be released only after the fulfilment of prescribed conditions of maintaining of Non-Plan Revenue Expenditure (NPRE) of Education Head not below the projected figures of NPRE as per TFC guidelines during 2005-06 to 2009-10. The State Government had to make budget provision every year as per recommendation of TFC and sanction the fund for projects as approved by the HLC. Detailed condition for release of 2nd instalment of TFC grants and actual status of relevant budgetary provision vis-a-vis bench marks set by TFC are given in *Appendix-2.7.1*.

We observed in audit that the State Government failed to maintain NPRE under Education Head as per TFC guidelines for four years continuously and thus did not fulfil the conditions for release of second instalment of grants. As a result, GoI did not release the same during 2006-10. The year-wise allocation and release of grants is given in the **Table 2.7.2**:

Table 2.7.2: Year-wise allocation and release of grants for education sector

(₹ in crore)

Year	Allocation by GoI	Actual release by GoI		Total release by GoI	Short Release
		1 st Instalment	2 nd Instalment		
2005-06	107.82	53.91	53.91	107.82	0
2006-07	118.06	59.03	0	59.03	59.03
2007-08	129.28	64.64	0	64.64	64.64
2008-09	141.56	70.78	0	70.78	70.78
2009-10	155.01	77.5	0	77.5	77.51
Total	651.73	325.86	53.91	379.77	271.96

(Source: HRD Department)

Due to non-fulfillment of condition, second installment of ₹ 271.96 crore were not provided by the GoI during 2006-10.

Thus, against the total allocated grants of ₹ 651.73 crore, the State received only ₹ 379.77 crore (58 per cent) and was deprived of ₹ 271.96 crore (42 per cent) due to non-fulfilment of conditions for its release.

Due to short receipt of TFC grants, against 11,158 works approved by HLC, only 655 works could be taken up by the Department at an estimated cost of ₹ 520.10 crore as detailed in **Table 2.7.1**. For implementation of these 655

works⁸, the Department released only ₹ 456.72 crore. HRDD, in addition to TFC grants of ₹ 379.77 crore had provided additional fund of ₹ 76.95 crore from State resources. However, it was still short of foregone TFC grants of ₹ 271.96 crore.

2.7.3.2 Non-utilisation of funds

Rule 300 of the Jharkhand Treasury Code stipulates that no money should be withdrawn from the Treasury unless it is required for immediate payment. It is not permissible to draw advances in anticipation of demands from the Treasury either for the execution of works, the completion of which is likely to take a considerable time or to prevent the lapse of appropriations.

Rupees 12.97 crore remained unutilised with DPO, ₹ 23.82 crore with DEO and ₹ 20.25 crore with implementing agencies.

- The Director, Secondary Education, HRDD allotted (2007-08 to 2008 -09) ₹ 217.58⁹ crore to all DEOs for construction of School buildings and boundary walls in secondary/high schools. Of the total allotted fund of ₹ 217.58 crore, DEOs withdrew (January 2008 to March 2009) only ₹ 215.27 crore from the Treasury, and released (July 2008 to May 2013) ₹ 191.45 crore to Implementing Agencies for construction works and balance amount of ₹ 23.82 crore remained unutilised with the concerned DEOs for more than four years. Further, Implementing Agencies also utilised only ₹ 171.20 crore and ₹ 20.25 crore remained unutilised with them as of December 2013.

The Director, Secondary Education cum Special Secretary stated (January 2014) that due to local litigation, work could not begin in some schools although funds was released for all sanctioned schools.

The reply is not acceptable as only one case pertaining to litigation was seen in audit and funds remained unutilised due to excess release of funds by the Department, funds released without requirement and non-completion of work due to shortage of technical staff.

Similarly, for works¹⁰ pertaining to Primary Education, funds of ₹ 196.64 crore were provided (2007-09) to JEPC by the Director, Primary Education. In addition to this, funds of ₹ 44.80 crore provided (February 2008) to DEOs by Director, Primary Education for strengthening of basic schools were transferred (May 2010 to October 2010) to JEPC for its utilisation in construction of KGBVs. Against the available funds of ₹ 241.44 crore, JEPC released the entire amount¹¹ during 2007-13 to different DPOs for execution of works, of which ₹ 12.97 crore including interest was still unutilised as of December 2013 with DPOs.

The Director, Primary Education replied (September 2013) that information regarding funds lying idle with DPOs was being collected. The fact remains that Director, Primary Education was not monitoring the utilisation of funds.

⁸ Education Guarantee Scheme Centres-183, KGBV-201, Project High Schools-110, +2 High Schools-103, Boundary walls-58.

⁹ ₹ 2.31 crore were not drawn from treasury.

¹⁰ KGBVs and New School Buildings (EGS Centres were taken up as New School Buildings).

¹¹ Up to March 2013- ₹ 220.93 crore ; after March 2013- ₹ 20.51 crore.

Thus, total funds of ₹ 57.04 crore¹² remained un-utilised/blocked with DEOs, DPOs and implementing agencies for more than four years due to non-completion of works and release of funds in excess of requirement which was indicative of lack of monitoring and poor financial management.

2.7.3.3 *Release of funds by HRDD in excess of actual requirement*

HRDD directed (January 2008) all the Regional Deputy Directors and DEOs to get the work of construction of school buildings executed departmentally through Zila Parishad under which no contractor's profit was admissible. HRDD while allotting the funds, directed (October 2008) all DEOs to construct Ground+1 school building at an estimated cost of ₹ 137.00 lakh including contractor's profit. Since, the work was to be executed departmentally, there was requirement of only ₹ 124.53 lakh i.e. excluding contractor's profit (9.1 per cent) for construction of one +2 High School. The Department released (January and September 2008) funds of ₹ 141.11 crore (at the rate of ₹ 137.00 lakh per school) to DEOs of 20 districts for construction of 103 Nos. +2 High Schools instead of actually required amount of ₹ 128.27 crore (at the rate of ₹ 124.53 lakh per school). Thus, amount of ₹ 12.84 crore was released in excess of actual requirement. The excess released amount was either retained by districts or incurred on additional items.

Amount of ₹ 12.84 crore was released in excess of actual requirement.

In response to audit queries, DEO, Dumka replied (June 2013) that expenditure was incurred on additional items in the interest of work. DEO, Ranchi replied that funds would be refunded after consultation with the Department.

The Director, Secondary Education cum Special Secretary stated (January 2014) that on the basis of Measurement Book and report regarding the actual execution of work, the concerned executing agencies were made the payments.

The reply of the Department was not acceptable as on the one hand HRDD released ₹ 12.84 crore to concerned DEOs in excess of requirement and on the other hand approved number of +2 High Schools to be constructed were reduced from 220 to 103 due to shortage of funds. If the Department had released ₹ 124.53 lakh per school, it could have constructed 10 more +2 High Schools by utilising excess released funds of ₹ 12.84 crore. Thus, the Department failed to utilise the available funds efficiently.

- ***Creation of liability due to execution of work beyond approved scope of work***

As per Para 130 (a) of Jharkhand Public Works Department Code, it is a fundamental rule that no work shall commence or liability incurred in connection with it, until, administrative approval has been obtained, a properly detailed design and estimate have been technically sanctioned, appropriation of funds made and orders for the commencement issued by the competent authority.

Based on the approval of HLC for construction of ground+2 buildings in +2 High Schools, an estimate amounting to ₹ 192.83 lakh was technically approved (June 2008) by the Chief Engineer, Rural Works Department, South Chotanagpur and Santhal Pargana Zone. However, the Department opted (October 2008) to construct only ground+1 model building with an estimated

¹² DEOs- ₹ 23.82 crore; DPOs- ₹ 12.97 crore; Implementing Agencies - ₹ 20.25 crore.

cost of ₹ 137.00 lakh which was approved by HLC. Accordingly, funds of ₹ 137 lakh for each +2 High School was released by the Department to DEOs. DEO, Palamau book transferred (March 2009) ₹ 274.00 lakh to Executive Engineer (EE), Building Construction Division (BCD), Palamau for construction of two +2 High Schools. But, DEO while intimating about the transfer/deposit of funds for execution of these works to the Executive Engineer, BCD mentioned the estimated cost of building as ₹ 192.83 lakh instead of ₹ 137.00 lakh.

As DEO did not communicate the decision of the Department regarding construction of ground+1 building instead of ground+2 building, EE, BCD got the school buildings completed (April 2011 and December 2012) with a cost of ₹ 3.57 crore by entering into agreements (March 2010) with two contractors. Against the work cost of ₹ 3.57 crore, ₹ 2.73 crore was paid to contractors up to February 2014 and liability of ₹ 0.84 crore was created by the Executive Engineer, BCD due to work executed beyond approved scope.

The Director, Secondary Education cum Special Secretary accepted the observation and attributed it to lack of proper cooperation with the Engineering Department.

The fact remains that liability of ₹ 0.84 crore was created by Executive Engineer due to execution of work in excess of approved funds.

2.7.4 Execution of works

2.7.4.1 Physical and financial status of works

Financial and physical status of work taken up through TFC grants in the State is given in the Table 2.7.3:

Table 2.7.3: Financial and physical status of work in the State as of December 2013

Works	No. of works taken up by the Department	Estimated cost (₹ in crore)	No. of works taken up by implementing agencies	No. of works completed	No. of works incomplete	Expenditure (₹ in crore)
+2 High Schools	103	141.11	100	64	36	112.96
Project High Schools	110	68.37	108	72	36	57.24
Boundary walls	58	5.80	10	10	0	1.00
KGBVs (Departmental)	80	16.00	80	33	47	16.00
KGBVs (Tender)	121	243.80	118	60	58	198.29
New School Buildings	183	45.02	96	69	27	22.53
Total	655	520.10	512	308	204	408.02

(Source: HRD Department)

143 works could not be taken up due to land dispute, non-receipt of No Objection Certificates from Forest Department etc.

- From the above, it could be seen that for development of infrastructure in the State HRDD took up 655 works at an estimated cost of ₹ 520.10 crore, of which only 512 works were finally taken up (2007-09) by the implementing agencies. Balance 143 works could not be taken up due to land disputes, non-receipt of No Objection Certificates from Forest Department, already constructed boundary walls for which funds were

Of the 512 works taken by the IA, 308 works were completed and 204 works remained incomplete as of December 2013.

Assigning the departmental execution of works to Zila Parishad without ascertaining the availability of Engineers.

released, works pertaining to other newly created¹³ district, stoppage of works due to curtailment¹⁴ of funds by GoI and for want of revised administrative approval.

- Of the 512 works taken by the implementing agencies, 308 works were completed and 204 works remained incomplete as of December 2013 due to shortage of technical staff, local hindrances, works being executed in naxal affected areas and imprisonment of some Engineers to whom the funds were advanced for execution of works, non-availability of land in time and delays in release of fund to implementing agencies. An amount of ₹ 408.02 crore was spent on these works.
- For execution of work pertaining to Secondary Education, the Director, instructed (January 2008) all the Regional Deputy Directors and DEOs to get the work of construction of school buildings executed departmentally through Zila Parishads (ZPs) so that the works could be completed on time. The Department had prescribed (August 2008) that the works were to be completed by 15 March 2009 which was revised (August 2010) to 30 September 2010. The Department transferred (January and September 2008) funds to DEOs who transferred (July 2008 to May 2013) them to concerned ZPs for execution of works. In seven¹⁵ test-checked districts, out of 111 works¹⁶ assigned to ZPs, 79 works were completed and 30 works remained incomplete as of June 2013 despite completion of TFC period in March 2010. In seven test- checked districts except Palamau there was shortage of Engineers. Against the sanctioned strength of 37 Engineers, only 11 Engineers were in position as of June 2013 in ZPs of these seven districts. Moreover, District Engineers of four¹⁷ districts also stated that works could not be completed due to shortage of manpower.

Thus, assigning the works to ZPs without ascertaining the availability of Engineers was one of the reasons for non-completion of these 30 works.

The Director, Secondary Education cum Special Secretary did not give (January 2014) any specific reply to the audit comment.

2.7.4.2 Incomplete buildings for want of approval of revised estimates

HLC approved (August 2006) ₹ 31 crore for construction of buildings of 155 KGBVs. Cost of each building was ₹ 40 lakh, of which ₹ 20 lakh would be met from TFC grants and remaining ₹ 20 lakh from GoI funds. HRDD sanctioned and allotted (November-December 2007) ₹ 31 crore to the Director, Primary Education for construction of these 155 KGBVs. The Director transferred (March 2008) the grant to JEPC for initiating the work. JEPC, in turn, transferred ₹ 31 crore to DPOs of all the districts of the State for execution of works through School Construction Committees within six months of commencement of construction. However, construction of only 80 KGBVs was

¹³ The work was allotted to DEO of Hazaribag district but due to creation of a new district Ramgarh, bifurcated from Hazaribag district, some works were not taken up as it pertained to Ramgarh district.

¹⁴ Works of New School Buildings were stopped due to curtailment of funds by GoI.

¹⁵ Dumka, Gumla, Hazaribag, Koderma, Lohardaga, Ranchi and West Singhbhum.

¹⁶ +2 High Schools-40; Project High Schools-60 and Boundary walls-11.

¹⁷ Gumla, Koderma, Lohardaga and West Singhbhum.

taken up (2007-09) by the School Construction Committees and 33 KGBVs were completed. Remaining 47 KGBVs were incomplete after spending ₹ 18.80 crore as of December 2013 for want of additional funds as the revised estimate submitted by DPOs to JEPC and thereafter to Director, Primary Education, have not yet been approved. The Department had asked (May 2013) the remaining 75 School Construction Committees to refund the money. While 15 School Construction Committees have refunded the money, the balance fund (₹ 12.97 crore including interest) towards cost of 60 KGBVs were still lying with the School Construction Committees (December 2013).

2.7.4.3 Additional Kasturba Gandhi Balika Vidyalayas Works taken up without approval of HLC

HRDD submitted (December 2008) a revised proposal to HLC, without mentioning the fact that it had allotted ₹ 31.00 crore to JEPC for construction of already sanctioned 155 KGBVs during 2007-08. In the revised proposal, the cost of each KGBV was enhanced from ₹ 40.00 lakh to ₹ 264.96 lakh. HLC approved (January 2009) the revised cost and also revised its initial approval of ₹ 31.00 crore for construction of 155 KGBVs to ₹ 258.69 crore for construction of 97 KGBVs. The enhanced amount was to be met from TFC funds originally earmarked for construction of New School Buildings. Scrutiny of records of JEPC revealed that on the basis of revised approval of HLC, JEPC provided funds amounting to ₹ 207.88 crore to the concerned DPOs for construction of 121 KGBVs although HLC had approved construction of 97 KGBVs at a cost of ₹ 258.69 crore. As against 121 KGBVs, works of 118 KGBVs had commenced, 60 buildings were completed and 58 buildings were not completed as of December 2013 due to lack of funds. Thus, HRDD instead of approaching HLC/State Government for additional funds, stretching TFC grants for construction of 21 (118-97) additional KGBVs resulted in 58 buildings remaining incomplete.

2.7.4.4 Outstanding temporary advance

As per Para 100 of Jharkhand Public Works Account Code, temporary advances are granted to subordinate officers to make petty payments against passed vouchers. Subsequent advance is to be granted only after the adjustment of the first advance.

In three test-checked districts¹⁸, the District Engineers, Zila Parishads granted (September 2008 to January 2012) 89 advances of ₹ 32.02 crore to nine Assistant Engineers (AEs)/Junior Engineers (JEs) for construction of school buildings and boundary walls in violation of codal provision. Accounts submitted by AEs/JEs were not made available to audit. However, as per MB and information furnished by the implementing agencies we noticed that an amount of ₹ 26.08 crore was spent on construction works by these AEs/JEs. Therefore, an amount of ₹ 5.94 crore was outstanding against these AEs/JEs till date of audit (May - July 2013).

In reply (June and July 2013), the District Engineers of two Zila Parishad¹⁹ stated that necessary action would be taken to adjust the advances. District

¹⁸ Dumka, Koderma, West Singhbhum.

¹⁹ Dumka and Koderma.

Engineer, Zila Parishad, West Singhbhum stated (April 2013) that the concerned AEs and JEs were in jail, so the adjustment could not be made.

2.7.5 Monitoring and Evaluation

At State level, HLC was responsible for monitoring both physical and financial targets. HLC was required to meet at least once in every quarter to review the utilisation of grants and issue directions for mid-course correction, if considered necessary.

Scrutiny of records and information/documents collected from HRDD revealed that against the required 20 meetings in five years, the minutes of meeting pertaining to six meetings only were made available to audit. Scrutiny of the minutes of first to fifth meetings held between August 2006 and January 2009 revealed that these were held only to approve the works, revise numbers and cost of works. Physical and financial status of works was not monitored in these meetings. However, in the last meeting held in September 2009, HLC had shown its displeasure for delay in the completion of works at various levels and directed the Department for detailed monitoring.

The lack of monitoring by HLC and absence of monitoring mechanism at district level resulted in delay in completion of works.

For effective utilisation of grants, proper planning, efficient selection of implementing agencies and regular monitoring of the work at State and District level should be done.

2.7.6 Conclusion

The State Government failed to obtain the second instalment of allocated grants from GoI for four years continuously due to non-fulfilment of conditions laid down by GoI. Against the allocated grants of ₹ 651.73 crore, only ₹ 379.77 crore was received by the State Government. Due to short receipt of grant, the coverage for construction of buildings in schools was reduced. HRDD even failed to utilise the available grants and amount of ₹ 57.04 crore was lying unutilised with the District Education Officers, District Programme Officers and implementing agencies. As proper monitoring was not done at State and district level, 204 works remained incomplete as of December 2013, even after the lapse of TFC period in March 2010. Thus, the very objective of providing better infrastructural facilities and accessibility for education by utilisation of TFC grants in the State was not fully achieved.