

# **CHAPTER III**

## **PERFORMANCE REVIEWS**

## PERFORMANCE REVIEWS

This chapter presents two performance reviews on Tsunami Relief, Rehabilitation and Reconstruction, Functioning of Government General Hospitals and one long paragraph on Sarva Shiksha Abhiyan.

## REVENUE AND DISASTER MANAGEMENT AND FISHERIES DEPARTMENTS

### 3.1 Tsunami Relief, Rehabilitation and Reconstruction

#### Highlights

*The Tsunami of December 2004 damaged 33 villages in the Union Territory of Puducherry. The Government provided assistance in cash and kind to the affected families. There was no comprehensive action plan to utilise funds received from Government of India. There were deficiencies in identification of beneficiaries for immediate relief and rehabilitation of Tsunami affected people. Assistance for repair/replacement of fishing crafts was delayed by 4 to 17 months after the calamity. There was delay in providing assistance for rehabilitation. Considerable delay was also noticed in reconstruction activities. Consequently, Tsunami affected families were not resettled as of September 2006. Monitoring of the implementation was poor.*

- Disaster Management Authority was not functional when Tsunami struck. Government of India scheme for creation of coastal shelterbelt to reduce the impact of cyclone was not implemented during 2000-04.

*(Paragraphs 3.1.6.1 and 3.1.6.2)*

- Government of India sanctioned Rs 255.62 crore till March 2006 as against Rs 312.37 crore recommended by central team. The reported expenditure of Rs 175.44 crore included Rs 55.42 crore comprising amount kept unspent, inadmissible expenditure, diversion of funds and a case of excess expenditure.

*(Paragraph 3.1.7)*

- Though 2,006 houses were identified as damaged in Tsunami, Revenue Department did not restrict the payment of compensation only to house owners, but compensation was given to 5,247 families who claimed to live there. Scale of assistance prescribed by GOI was not followed.

(Paragraphs 3.1.8.1 and 3.1.8.2)

- Government did not take action to claim and pay insurance amount due to active fishermen who died in Tsunami under the National Scheme for Welfare of Fishermen.

(Paragraph 3.1.8.3)

- Assistance to fishermen was given 4 to 17 months after the calamity.

(Paragraph 3.1.8.6)

- No comprehensive programme was evolved for infrastructure development for utilising plan assistance. Out of 7,567 number of houses planned to be constructed, only 595 houses were completed as of November 2006 and of this, 495 houses were not allotted to Tsunami victims.

(Paragraph 3.1.9.1)

### 3.1.1 Introduction

Tsunami is a series of waves generated when a large body of water such as a lake or ocean is rapidly displaced on a massive scale due to earthquake or volcanic eruptions. The impact of earthquake that had its epicentre off the coast of Sumatra island in Indonesia, triggered the occurrence of Tsunami in the south eastern coast of India on the morning of 26 December 2004. The Tsunami caused extensive loss of lives and damages to both public and private properties along the Coastal States of South India including Union Territory (UT) of Puducherry and Andaman and Nicobar islands. In the UT of Puducherry, which consists of four coastal enclaves<sup>1</sup>, Tsunami caused damages in Puducherry and Karaikal regions and Government notified (January 2005) 33 villages in Puducherry (16) and Karaikal (17) regions for the purpose of relief and rehabilitation. The details of damages reported to Government of India (GOI) are given in **Appendix XV**. The majority of affected families derived their livelihood from fishing, agriculture and rearing livestock.

Immediately after Tsunami, Government accommodated 30,000 affected people in 48 relief camps<sup>2</sup> and distributed ex-gratia payment to families of

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<sup>1</sup> Three (Puducherry, Karaikal and Yanam) in the eastern coast and one (Mahe) in the western coast

<sup>2</sup> Schools, marriage halls, temples, community halls, etc.

the deceased, cash for funeral and medical expenses. Relief packages consisting of rice, kerosene, saree and dhoties etc., bedsheets and supply of textbooks, uniforms to affected children were also made during December 2004 to February 2005. Cash dole were given for purchase of utensils, repair of damaged houses, sustenance and loss of crop and livestock. Government also restored the essential services like water supply and electricity. As mid-term relief, the Government provided assistance for repair and replacement of fishing crafts and reclamation of agricultural land. Besides repairing public property like roads, bridges etc., the Government has undertaken construction of houses, public utilities and preventive measures such as construction of coastal protection belt as one of the permanent relief measures.

### 3.1.2 Organisational set-up

Immediately after the disaster, Government appointed (31 December 2004) Development Commissioner and Secretary (Education and Power) as the Relief and Rehabilitation Commissioner (RRC) to manage and co-ordinate the arrangements for distributing relief supplies received from GOI, UT Government and other sources. The Revenue Department was placed under his control for this purpose. The immediate relief measures undertaken by five departments<sup>3</sup> were monitored by State Level Relief and Rehabilitation Committee constituted in January 2005 with Chief Minister as Chairman.

Government also established (April 2005) a Project Implementation Agency (PIA), a registered society, headed by a Project Director and assisted by Joint Project Director and other staff. The society has to implement the mid-term and long term rehabilitation and reconstruction measures through Revenue Department (now renamed as Revenue and Disaster Management Department) and other 13<sup>4</sup> departments. Besides, 18<sup>5</sup> Non-Governmental Organisations (NGOs) were involved in construction of houses to resettle the Tsunami affected families along with PIA.

### 3.1.3 Audit objectives

The objectives of Audit were to assess:

- whether proper institutional mechanism had been set up by Government for disaster management,
- adequacy of funding for relief activities and whether utilisation of the funds was proper,

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<sup>3</sup> Agriculture, Animal Husbandry, Education, Fisheries and Revenue

<sup>4</sup> Agriculture, Animal Husbandry, Education, Electricity, Fisheries, Forest and Wildlife, Health, Local Administration, Public Works, Rural Development, Social Welfare, Tourism and Women and Child Development

<sup>5</sup> Over and above, Government of Maharashtra has also undertaken activities pertaining to construction of houses

- the efficiency in providing immediate assistance and rehabilitation to affected families,
- the efficiency, economy and effectiveness of long term relief activities such as creation of assets and permanent infrastructure and resettlement of Tsunami victims,
- the quality of monitoring and co-ordination mechanism to oversee rehabilitation activities.

### **3.1.4 Audit criteria**

The criteria adopted in conducting the audit were :

- Rules in force on disaster management and policy adopted by the Government;
- conditions stipulated by GOI and UT Government while releasing funds;
- the details of assistance received from various sources;
- norms prescribed by GOI for expenditure from National Calamity Contingency Fund (NCCF);
- target and schedule prescribed by Government for rehabilitation work and
- monitoring mechanism adopted for extending relief and rehabilitation.

### **3.1.5 Audit coverage and methodology**

Audit was conducted from November 2005 to March 2006 in Revenue and 13 other departments<sup>6</sup>, PIA and District Rural Development Agency (DRDA). Records relating to the period December 2004 to March 2006 on relief and rehabilitation activities maintained in the 14 departments covering all the 33 affected villages and status reports on the activities of NGOs in PIA were test checked in audit. An entry conference was held with the RRC in January 2006 and field visits were undertaken.

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<sup>6</sup> Agriculture, Animal Husbandry, Education, Electricity, Fisheries, Forest and Wildlife, Health, Local Administration, Public Works, Rural Development, Social Welfare, Tourism and Women and Child Development

## **Audit findings**

### **3.1.6 Disaster management**

#### **3.1.6.1 Institutional arrangement**

**Rules under ‘Disaster Management Act’ and Government policy on Disaster Management were not framed**

Based on the GOI recommendations, the Government constituted a State Disaster Management Authority in September 2003 under the Chairmanship of Chief Secretary to ensure co-ordinated steps towards mitigation and preparedness when disaster strikes. A District Disaster Management Committee was also formed (September 2003) for extending immediate relief to disaster affected people. However, no Disaster Management Policy has been framed. After occurrence of Tsunami, Government constituted (03 January 2005) a Committee under the Chairmanship of Chief Minister to monitor and review the relief operations. Government also appointed a Relief and Rehabilitation Commissioner to manage and co-ordinate relief operations. Thus, the institutions set up to manage disaster were not functional at the time of occurrence of Tsunami. After notification of the Central Act in December 2005, the UT Government was to initiate action to frame Rules. But the Rules had not been framed as of October 2006. Non-framing of Disaster Management Policy in time resulted in the absence of set framework of actions to be undertaken upon occurrence of Tsunami.

Government stated (November 2006) that GOI had been requested (October 2006) to bring the Central Act into force in the UT with effect from 2 October 2006 and the Rules as well as the state policy would be framed and finalised on receipt of GOI notification.

#### **3.1.6.2 Construction of coastal shelterbelt**

All the four regions of the UT are located in coastlines and prone for cyclone. In order to create a belt of trees in coastlines to reduce the impact of cyclone, GOI sanctioned (January 2001) Rs 90.32 lakh to cover 448 hectare of land under ‘Integrated Afforestation and Eco-Development Project Scheme’. The scheme was to be implemented during 2000-02. GOI released Rs 20.12 lakh during 2000-01 as first instalment. The Forest Department spent Rs 3.40 lakh for creating coastal shelterbelt during 2000-01, but stopped the work due to objection raised by fishermen. As the first instalment was not spent in full, the balance amount was not released by GOI. Only after Tsunami, the Department spent Rs 5.48 lakh during 2004-05. The balance amount of Rs 11.24 lakh remained unspent as of July 2006. Had the Department implemented the scheme in 2001-02 by obtaining the entire funds sanctioned by GOI, the impact of Tsunami on the lives and properties could have been contained and reduced.

Government stated (November 2006) that the Central scheme was not successful due to non-cooperation of the local fishermen community. This contention is not tenable as the Government failed to convince the

fishermen community regarding the benefits of the scheme for more than two years.

### 3.1.7 Adequacy of funding and utilisation

#### 3.1.7.1 Excess provision of funds

GOI sanctioned more funds than sought for, but the amount released was not spent

The details of funds sanctioned and released by the GOI and the expenditure incurred by the UT Government are given in the table.

(Rupees in crore)

Serial number	Name of the Scheme/Department	Amount sanctioned	Amount received	Amount spent as of 31 March 2006	Unspent balance
1.	<b>Rajiv Gandhi Rehabilitation Package (RGRP)</b>				
	<b><u>Relief and Responses</u></b>				
	National Calamity Contingency Fund (NCCF)	39.78	39.78	30.71	9.07
	Accelerated Rural Water Supply Programme (ARWSP)	1.00	1.00	--	1.00
	Sampoorna Gramin Rozgar Yojana (SGRY)	1.50	0.22	0.22	--
	<b><u>Rehabilitation</u></b>				
	Fishermen subsidy	32.01	32.01	46.60	(-) 14.59
	Interest subsidy to fishermen on bank loan	31.13	--	--	--
	Fishing Harbour	0.20	0.20	--	0.20
	<b><u>Reconstruction</u></b>				
	Housing	50.00	30.00	--	30.00
	<b>Total</b>	<b>155.62</b>	<b>103.21</b>	<b>77.53</b>	<b>25.68</b>
2.	<b>Plan assistance</b>	<b>100.00</b>	<b>100.00</b>	<b>97.91</b>	<b>2.09</b>
	<b>Grand Total</b>	<b>255.62</b>	<b>203.21</b>	<b>175.44</b>	<b>27.77</b>

The UT Government sought (January 2005) Rs 465.99 crore for providing short term and long term relief to the Tsunami affected people. The activity-wise details are given in **Appendix XVI**. The central team visited (January 2005) the affected areas and recommended Rs 312.37 crore. GOI sanctioned (March 2005 to March 2006) Rs 255.62 crore for Tsunami relief and released Rs 203.21 crore during the period March 2005 to March 2006. Government spent Rs 175.44 crore as of March 2006. The activity-wise details are given in **Appendix XVII**. Though the amount already released was not spent in full, GOI provided (2006-07) an additional plan assistance of Rs 220 crore for creation of infrastructure in Tsunami affected areas.

Government stated (November 2006) that the report prepared in first week of January 2005 was tentative and did not include long term rehabilitation

requirements. This contention is not tenable as Rs 465.99 crore sought for by the UT Government included Rs 358.01 crore for reconstruction activities.

### 3.1.7.2 Overstatement of expenditure

**Unspent amount was shown as expenditure**

The expenditure of Rs 175.44 crore includes Rs 107.15 crore drawn as advance by eight departments during December 2004 to March 2006, of which Rs 29.51<sup>7</sup> crore remained unspent as of March 2006. Test check revealed that Revenue and Fisheries Departments kept Rs 7.84 crore, released from funds received under RGRP, in bank (Rs 7.01 crore) and with PIA (Rs 0.83 crore). The remaining six departments kept Rs 21.67 crore received under plan assistance in bank (Rs 16.34 crore), with PIA (Rs 4.25 crore) and with DRDA (Rs 1.08 crore). Thus, actual expenditure was only Rs 145.93 crore.

Government stated (November 2006) that many works could not be taken up due to enforcement of model code of conduct on account of election. The reply is not tenable as the amount was shown as expended without completion of works.

### 3.1.7.3 Diversion of funds and charging of excess expenditure

Against Rs 32.01 crore released by GOI for giving subsidy to fishermen for purchase of boats, the UT Government paid a subsidy of Rs 46.60 crore. The excess amount was met by diverting Rs 9.07 crore available as savings out of Rs 39.78 crore received under NCCF and Rs 5.52 crore out of Rs 30 crore received for reconstruction activities. Government attributed the diversion to payment of higher scale of compensation.

Though centage and storage charges are to be levied on deposit works only, the Electricity Department also charged Rs 13.33 lakh as centage and storage charges on Tsunami works, which are Government works. This resulted in inflation of expenditure under ‘Tsunami Relief’.

### 3.1.7.4 Inadmissible expenditure

**Infrastructure was provided in areas not affected by Tsunami**

Out of the plan assistance of Rs 100 crore released by GOI during 2005-06 to create infrastructural facilities in Tsunami affected areas, Rs 52.59 crore was allocated to Public Works Department. Of this, the UT Government sanctioned Rs 11.19 crore for providing infrastructure in areas not affected by Tsunami as detailed below:

<sup>7</sup> Agriculture (Rs 2.75 crore), Education (Rs 0.36 crore), Fisheries (Rs 2.01 crore), Forest and Wild Life (Rs 0.86 crore), Health and Family Welfare (Rs 2.21 crore), Local Administration (Rs 14.41 crore), Revenue (Rs 5.83 crore) and Rural Development (Rs 1.08 crore)



(Rupees in crore)

Nature of work	Amount	Remarks
Flood Control Project	3.25	Though Yanam was not declared as Tsunami affected, the works have been executed in Yanam.
Construction of Women and Children Hospital, Puducherry	7.94	The expenditure incurred during 2005-06 under the ongoing scheme 'Construction of Women and Children Hospital' in Puducherry, taken up before the occurrence of Tsunami was transferred to the scheme 'creation of infrastructural facilities in Tsunami affected area'.
<b>Total</b>	<b>11.19</b>	

The expenditure was beyond the scope of the programme.

Government stated (November 2006) that flood control works in Yanam were taken up as nearby East Godavari District in Andhra Pradesh was declared as Tsunami hit area and the Women and Children Hospital was situated within half a kilometre radius from the coast. These contentions are not tenable as Yanam was not declared as Tsunami affected area. Besides, the hospital work was sanctioned before the occurrence of Tsunami.

### 3.1.7.5 Unutilised assistance from other sources

In addition to GOI funds, the Government received assistance in kind (cloth, groceries, utensils, etc.) from public for providing immediate relief to the affected families. The materials not distributed were kept in stock for future use. Besides, Rs 2.59 crore was received from Members of Parliament Local Area Development Scheme remained unspent as of March 2006. GOI also allocated World Bank assistance of Rs 158.28 crore (May 2005) under 'Emergency Tsunami Reconstruction Project' for undertaking long term relief measures. Out of Rs 75 crore received and deposited with PIA, Rs 2.68 crore was spent as of March 2006. Though, the allocation was made by GOI in May 2005, no concrete proposals were sent even by March 2006 resulting in non-utilisation of funds received.

Government stated (November 2006) that proposals for Rs 135 crore for Fisheries, Agriculture and Forest sectors were sent to World Bank (May 2006) and of this, seven projects for Fisheries sector were approved for Rs 117 crore. However, no project was taken up even by November 2006.

### 3.1.8 Immediate relief and rehabilitation measures

Immediately after Tsunami, the Government paid immediate relief assistance of Rs 15.66 crore to families affected by Tsunami as ex-gratia payment to family of deceased (Rs 5 crore), cremation expenses (Rs 0.25 crore), medical expenses to injured (Rs 0.44 crore), housing subsidy to damaged houses (Rs 9.28 crore), compensation for crop damage/ha (Rs 0.28 crore) and compensation for loss of cattle/poultry

(Rs 0.41 crore). In addition, rice, kerosene, cloth, cash dole for utensils (Rs 2000) and sustenance (Rs 3000) were given to the affected families by Revenue and Fisheries Departments. The deficiencies noticed in the disbursement of immediate relief to the families affected in Tsunami are discussed below:

### 3.1.8.1 Identification of beneficiaries for payment of compensation - Housing

**As against 2,006 houses damaged, compensation was paid to 5,247 families**

Though only 2,006 houses were damaged in Tsunami in Puducherry, the Revenue Department had not restricted the payment of compensation to owners of the houses but paid compensation to 5,247 families who claimed to live in these 2,006 houses.

Government stated (November 2006) that the families residing in the damaged houses suffered the loss. This contention is not tenable as the assistance was meant for repairing of the damaged houses which could be carried out only by the owners.

### 3.1.8.2 Non-adherence to scale for immediate relief assistance

Government of India released funds for 'Relief and responses' from NCCF. Though the UT Government sanctioned expenditure for relief on account of injury, loss of crops, livestock, etc., as per the norms prescribed in NCCF, Rs 6.21 crore were spent by Revenue Department during January 2005 to May 2005 in excess of prescribed monetary limit for providing gratuitous relief for death and assistance for repair and restoration of damaged houses as detailed below:

Serial number	Item	Calamity Relief Fund (CRF)/NCCF limit (in Rupees)	Actually paid (in Rupees)	Number of persons	Excess paid (Rupees in crore)
1.	Gratuitous relief	50,000	1,00,000	500	2.50
2.	Assistance for repair and restoration of damaged house/ fully damaged house/ kutcha house	6,000	10,000	9,282	3.71
<b>Total</b>					<b>6.21</b>

The reasons for higher scale adopted were not on record. However, Government stated (November 2006) that the decision to release assistance in excess of the norms was taken considering the severity of the situation.

### **3.1.8.3 Non-obtaining of insurance benefits**

**Insurance benefits under the National Scheme for Welfare of Fishermen was not obtained**

Under National Scheme for Welfare of Fishermen, GOI insured 24,500 active fishermen of the UT against accidents resulting in death or injury. Under the scheme, the Fisheries Department had to prefer the claims in case of accidents. Though 318 fishermen died in Tsunami in UT, the Department had not taken action to claim and pay Rs 50,000 per active fishermen who died. After audit had pointed this out, Government stated (November 2006) that action has now been initiated.

### **3.1.8.4 Deficiencies in identification of beneficiaries - Fishing**

**Failure to enact the Marine Fishing Regulation Act resulted in non-identification of crafts damaged/lost**

Government has not enacted the Marine Fishing Regulation Act to issue licence for fishing crafts under various categories owned by fishermen in UT. Consequently, the Fisheries Department could not identify the number of fishing crafts damaged or lost in Tsunami. This resulted in payment of assistance based on the affidavits given by fishermen. The Department paid assistance for repair/replacement of 7,878 fishing crafts in Puducherry and Karaikal regions till May 2006. While 17,208 men were required to operate 7,878 fishing crafts, only 13,867 active fishermen were available in Puducherry and Karaikal regions as per census (2000) conducted by the Department. Government contended (November 2006) that all crafts would not be operated at a given time for fishing and one fisherman would be engaged in more than one craft. The fact, however, remained that failure to enact the Marine Fishing Regulation Act resulted in non-identification of crafts damaged/lost and Government had to release assistance based on the affidavits.

In Karaikal region, 2,067 fishermen were to be paid assistance for repair/replacement of fishing crafts as per survey conducted by a special team. Of this, 582 fishermen were given fishing crafts by NGOs. Against the remaining 1,485 fishermen requiring assistance, the Fisheries Department paid assistance to 1,898 fishermen (Rs 15.49 crore) as of May 2006. Resultantly, assistance amounting to Rs 3.37 crore was also extended to 413 fishermen over and above the number of fishermen identified during survey by special team.

Government contended (November 2006) that the NGOs would have extended assistance to fishermen who were already benefited from Government. This was indicative of poor monitoring.

### **3.1.8.5 Non-adherence to scale of assistance for rehabilitation - Fishing**

Even before receipt of GOI sanction of funds under RGRP, the UT Government ordered release of assistance to fishermen for repairs/replacement of fishing crafts at fixed rates ranging between Rs 20,000 and Rs 4.5 lakh, depending on the type of craft damaged/lost. The release of assistance also commenced before the receipt of RGRP norms (February 2005). The RGRP norms provided for assistance depending on the cost of

crafts damaged/lost. As per the RGRP norms, assistance ranged between 35 and 100 *per cent* of the cost of the crafts. The cost of the craft was also limited in categories such as repairs/replacement of mechanised boats. In the remaining categories, the upper limit of assistance available as per RGRP norms could not be available, as maximum cost of the craft was not specified. An exercise in audit was carried out for categories of craft where the upper ceiling of assistance as per RGRP norm was available and it revealed that excess payment was made in respect of boats with motors (Rs 72.50 lakh), repairs to mechanised boats (Rs 102.50 lakh) and repair of catamaran (Rs 0.89 lakh). UT Government, however, sought (April 2005) ratification of GOI of these cases of assistance that was extended by them. However, the same has not been received as of November 2006.

### 3.1.8.6 Delay in release of assistance and in implementation of schemes

**Assistance for repair/ replacement of fishing crafts were given 4 to 17 months after the calamity**

Out of Rs 45.59 crore released to Pondicherry Fishermen Welfare and Distress Society during January 2005 to March 2005 for repair/replacement of fishing crafts, Rs 40.73 crore was released to 7,878 fishermen till May 2006. Assistance was given to 6,093 fishermen during January to March 2005. Of the remaining 1,785 fishermen, assistance was given to 1,170 fishermen during April to August 2005 and to 615 fishermen between December 2005 and May 2006. Thus, assistance was given 4 to 17 months after the calamity. The reasons for delay in disbursement were not made available to Audit. Besides, the society merged the amount released by the UT Government for this purpose with other funds and kept them in savings bank account. This resulted in non-crediting of interest earned on the amount in Tsunami Fund for utilisation in Tsunami Relief.

Government attributed (November 2006) the delay to non-cooperation of village panchayatars and contended that the interest earned by the society would be spent only for the welfare of fishermen. These contentions are not tenable as the non-cooperation was due to improper assessment of beneficiaries and the interest earned on Tsunami Fund would be utilised for other schemes implemented by the society.

**Benefits under the Prime Minister's National Relief Fund was not extended to people affected in Tsunami**

GOI approved (October 2005) the 'Prime Minister's Child Assistance Scheme' which provided for deposit of Rs 51,000 in the name of the child who have lost one parent in Tsunami and were less than 18 years of age on the day of Tsunami. The monthly interest on the deposit should be paid to the surviving parent till the child attains the age of 18 years and the amount would be released thereafter to the child. The scheme was to be implemented from Prime Minister's National Relief Fund (PMNRF). Though, the Director, Women and Child Development Department identified (December 2005), 172 children under the scheme and funds were received (September 2006), the deposits were not made as of October 2006. Government stated (November 2006) that the Department has been requested to release money.

Similarly, under Universal Health Insurance Scheme, approved by GOI (October 2005) for assistance from PMNRF, the persons in the Tsunami affected family were to be insured for death (Rs 2 lakh) and disability (Rs 1 lakh) due to accident. As a comprehensive insurance policy was not evolved, the scheme was not implemented (October 2006).

Government stated (November 2006) that the list of fishermen to be enrolled was sent to Insurance company and further action would be taken by the Insurance company. This indicates the poor co-ordination by Government with Insurance company.

### **3.1.9 Infrastructure development and reconstruction**

#### **3.1.9.1 Delay in construction of houses**

**Tsunami affected people were not resettled due to non-creation of infrastructure**

The UT Government decided (March 2005) to construct houses outside the Coastal Regulation Zone by purchasing land and allot them to families living in Tsunami affected areas. Out of 7,567 houses proposed to be constructed, 4,984 were to be constructed by NGOs and the Government of Maharashtra and 125 by PIA. The remaining 2,458 houses would be constructed by the beneficiaries with Government assistance. Besides, PIA had to provide infrastructure such as internal roads, drains, water supply etc., in all areas where houses were proposed to be constructed. As of November 2006, 595 houses were completed by NGOs, of which 100 houses were handed over to the beneficiaries and construction of 4,389 houses were under progress. While construction of 57 houses were taken up by beneficiaries using Government assistance in the land where the damaged houses were located, the remaining 2,527 houses were not taken up as of November 2006. As such only 100 out of 7,567 beneficiaries were resettled even by November 2006. Besides, construction of houses in the locations affected by Tsunami would defeat the objective of relocation.

#### **3.1.9.2 Improper utilisation of funds under plan assistance**

Rupees 100 crore received as plan assistance during 2005-06 from GOI were allocated to 12 line departments for development of infrastructure in Tsunami affected areas. Of this, Rs 84.09 crore were allocated to Agriculture (Rs 5.50 crore), Fisheries (Rs 6 crore), Local Administration (Rs 20 crore) and Public Works (Rs 52.59 crore) departments. Out of Rs 100 crore, Rs 97.91 crore shown as spent by the line departments.

**There was no comprehensive programme to utilise the plan assistance given by GOI**

There was no comprehensive programme approved by PIA for utilising the plan assistance of Rs 100 crore. Consequently, the line departments treated the expenditure incurred under various ongoing works also under plan assistance for Tsunami. Test check revealed that the Public Works Department booked (March 2006) Rs 11.36 crore incurred on 13 ongoing

works<sup>8</sup> which were sanctioned and work commenced even before the occurrence of Tsunami. Further, Rs 5.25 crore was spent on construction of court building which could not be termed as Tsunami related work.

Government contended (November 2006) that the works were executed only in coastal areas, which are prone to natural calamity and many ongoing works were damaged in Tsunami. These contentions were not tenable as the GOI assistance was meant for creating assets in Tsunami affected areas.

### 3.1.10 Monitoring

**There was no monitoring of implementation by authorities constituted for this purpose**

In December 2004, Government appointed RRC to manage and co-ordinate arrangements for distributing relief and rehabilitation measures. The implementing departments, however, themselves decided the works for relief and rehabilitation of the Tsunami victims and obtained approval of the Government. RRC contended (October 2006) that many meetings were conducted to review and discuss matters relating to co-ordination and monitoring with line departments and NGOs from time to time and minutes were drawn only for some important meetings. The minutes indicated that the meetings were conducted only with NGOs for reconstruction works. Records of Fisheries Department indicated non-involvement of RRC in rehabilitation works. Government admitted (November 2006) that the minutes of meetings were not recorded due to deficiency of staff.

To draw up a detailed rehabilitation and livelihood programme, Government ordered (January 2005) to conduct a comprehensive house to house survey to document the details of death/injuries, damage to house, assets lost, fishing boats and nets destroyed, relief given / received, other damages to community and civic structures. Though the survey was conducted, the results were not made available to Audit by RRC. In the absence of survey report, the correctness of the assistance given for damage to houses, crops and fishing crafts and loss of livestock could not be ensured in Audit.

The Government order establishing the PIA indicated that the mid-term and long term rehabilitation and reconstruction measures were to be undertaken by it. Nevertheless, the works undertaken by various departments for creation of infrastructure were not sanctioned and monitored by PIA. The Director informed audit (July 2006) that PIA is concerned only with the implementation of World Bank Project.

### 3.1.11 Conclusion

The Disaster Management Authority was not involved in any of the Relief, Rehabilitation and Reconstruction activity. There was no comprehensive programme for utilising the funds released by GOI. Consequently, the line

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<sup>8</sup> One bridge work (Rs 2.44 crore), one embankment work (Rs 3.69 crore), two ground water recharge works (Rs 0.93 crore), seven sewerage works (Rs 3.00 crore) and two water supply works (Rs 1.30 crore)

departments had to identify the works required, which resulted in diversion of funds and undertaking works not related to Tsunami. The failure to enact the Marine Fishing Regulation Act resulted in non-identification of beneficiaries for rehabilitation, payment of assistance on the basis of affidavits and extent to which the benefit was availed by victims of Tsunami being not ascertainable. Failure to claim insurance resulted in deprivation of benefits to fishermen. There were delays in release of assistance to fishermen. Reconstruction works were delayed considerably and the funds received remained unutilised. Schemes to benefit orphans and families affected in Tsunami were not implemented. Monitoring of the various activities by RRC and PIA was also inadequate.

### **Recommendations**

- Government should frame necessary rules to carry out the provisions of the Disaster Management Act, 2005 enacted by GOI.
- Government should evolve concrete programmes for utilising the unspent amount including Rs 220 crore sanctioned as plan assistance for 2006-07.
- Construction of houses to resettle the Tsunami affected families should be completed early and allotment of houses already constructed should be expedited by speedy completion of required infrastructure.

Government stated (November 2006) that the recommendations made were taken note of and would be followed in future.

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 3.2 Functioning of Government General Hospitals

#### Highlights

*The four General Hospitals in the Union Territory cater to about 26 lakh patients annually. These hospitals, besides being referral units, provide general and specialised services. The review on performance of these hospitals revealed deficiency in specialised service due to lack of infrastructure and idling of equipment. The financial management was deficient as cases of overpayment of allowances and in purchase of commodity was noticed. Further, contractual terms with reference to deduction of penalty due to delayed supply of equipment were not invoked and the purchase policy of medicine was not revised while quality of medicines procured was not ensured. The vacancies in essential services resulted in the denial of such specialised services to the public. The workload of the Medical Officers and technicians was heavy.*

- Funds released for implementing Centrally Sponsored Schemes were not utilised. Over payment of Rs 15.02 lakh and extra expenditure of Rs 11.84 lakh were noticed in payment of Hospital Patient Care Allowance and purchase of milk and medicines.

*(Paragraphs 3.2.5.1 to 3.2.5.4)*

- Penalty of Rs 50.38 lakh for delay in supply was not levied.

*(Paragraph 3.2.5.5)*

Rupees 2.01 crore was paid for treatment of heart patients in private hospitals, as facility was not available in Government Hospital, Puducherry.

*(Paragraph 3.2.6.1)*

- Sixty-five out of 265 posts of Medical Officers were vacant. The workload of Medical Officers and Laboratory Technicians was heavy.

*(Paragraphs 3.2.7.1 and 3.2.7.2)*

#### 3.2.1 Introduction

The Union Territory (UT) of Puducherry Comprises of four geographically isolated regions (*viz.*, Puducherry, Karaikal, Mahe and Yanam) with a total population of 9.73 lakh. The Health and Family Welfare Department functions with the objective of providing efficient health care, ensuring



availability, accessibility and acceptability of medical services to the public. For achieving the objectives, four General Hospitals (GHs), one in each region are functioning in the UT. The services provided by these hospitals are given in **Appendix XVIII**. About one lakh patients are treated as in-patients and 26 lakh patients are treated as out-patients annually in these hospitals.

### **3.2.2 Organisational set up**

The functioning of GHs in UT are monitored by Director of Health and Family Welfare Services under the overall control of Secretary to Government, Health Department. The GHs in Puducherry and Karaikal are headed by Medical Superintendents and the GHs in Mahe and Yanam are headed by Deputy Directors (DDs). The Medical Superintendents and DDs are supported by Specialist Doctors, Medical Officers, Nursing Superintendents, Nurses and Technicians. The accounting functions are looked after by one Senior Accounts Officer and three Junior Accounts Officers (JAOs). There are six Drawing and Disbursing Officers, three in GH, Puducherry and one each in GHs of other regions.

### **3.2.3 Audit objectives**

The performance of the four GHs was reviewed in audit to assess

- adequacy of funds and their proper utilisation,
- extension of health care facilities to in-patients and out-patients,
- availability of adequate manpower having requisite proficiencies and skills.

### **3.2.4 Audit coverage and audit methodology**

Audit was conducted in the office of the Director of Health and Family Welfare Services and four GHs during January 2006 to July 2006. The records of all four GHs relating to the period 2001-06 in respect of all general services, including investigation and three specialised services<sup>9</sup> in Puducherry GH were test checked during the audit. Budget documents and policies, programmes and instructions of Government issued from time to time were also reviewed in audit. An entry conference was held with the Director in January 2006 and he assured the fullest co-operation. The information and views of the management for the audit observations were also obtained during test check.

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<sup>9</sup> Cardiology, nephrology, orthopaedics

## **Audit findings**

### **3.2.5 Adequacy of funds and their proper utilisation**

#### **3.2.5.1 Provision of funds**

Government provided Rs 112.37 crore under Non-plan for the four GHs during 2001-06. Of this, Rs 112.29 crore was spent by the GHs.

Government was implementing the plan schemes of 'Improvement to General Hospital' in all the four GHs and Rs 66.75 crore was provided and spent during 2001-06. In addition, two Centrally Sponsored Schemes were implemented in all these hospitals. The scheme 'Hospital Waste Management' was implemented in GHs, Puducherry and Karaikal and against Rs 1 crore received from GOI in March 2002, only Rs 0.04 crore was spent as of March 2006. The balance was kept in the accounts of UT. The scheme 'Emergency facilities' was implemented in Karaikal, Mahe and Yanam. Out of Rs 0.78 crore received from GOI (March 2001) for implementing the scheme in Mahe, Rs 0.76 crore was spent and emergency facilities were created as of March 2006. For Karaikal and Yanam, Rs 2.96 crore was received directly by the GHs in May 2005 from GOI. In Karaikal, Rs 0.68 lakh out of Rs 1.46 crore received were spent for purchase of equipment, civil works necessary for commissioning were not taken up (August 2006). In Yanam, no proposal was sent by the DD, although Rs 1.50 crore received were lying in the bank account of the Hospital.

#### **3.2.5.2 Over payment on account of release of Hospital Patient Care Allowance**

The UT Government did not follow the orders of GOI on payment of Hospital Patient Care Allowance (HPCA) to Group 'C' and 'D' non-ministerial employees and paid HPCA to ineligible non-ministerial Group 'C' and 'D' employees. When the matter was brought out in the Report of Comptroller and Auditor General of India for the year ended 2000-01, the Department informed (February 2004) PAC, that the payment was restricted to eligible persons. PAC recommended that the committee may be informed whether ratification of GOI for the overpayment made has been received. Test check of the records of the four GHs, however, revealed that GOI again reiterated (February 2004) that the HPCA is admissible only to those whose regular duties involve continuous, routine contact with patients or those who are exposed to infected materials. But, the GHs continued to pay HPCA to all non-ministerial Group 'C' and 'D' employees. Besides, the UT Government also ordered (January 2006) payment of HPCA to ministerial employees which was not covered by GOI order. The Director contended (September 2006) that the payment was made to all staff as JIPMER, a Central Government hospital, allowed the allowance to all Group 'C' and 'D' employees. Payment of HPCA to ineligible employees, even after receipt of clarification from GOI, was irregular. Over payment

made to 101 ineligible employees during April 2004 to July 2006 worked out to Rs 9.72 lakh.

### 3.2.5.3 Overpayment on purchase of milk

**Non-adoption of rate fixed by Registrar for milk resulted in over payment**

The Registrar of Co-operative Societies fixes the rate at which the Pondicherry Co-operative Milk Producers Union Limited (PONLAIT) has to sell milk. Government issues order to GH, Puducherry every year for purchase of milk from PONLAIT at the rate approved by the Registrar. PONLAIT raised bills for milk supplied to GH, Puducherry by increasing the rate by 50 paise per litre over and above that fixed by the Registrar. The Medical Superintendent, GH admitted the claims. The over payment during 2001-06 worked out to Rs 5.30 lakh.

### 3.2.5.4 Extra expenditure

The Director approves the rates at which medicines should be purchased from approved rate contractors. The contract provides that if the rate contractor fails to supply, the excess expenditure incurred in procuring medicines from other sources can be recovered from him. Test check of supply orders placed by GH, Puducherry during 2005-06 revealed that the extra expenditure of Rs 11.84 lakh incurred on local purchases due to non-supply of 34 medicines were not recovered from rate contractors.

### 3.2.5.5 Non-levy of penalty

**Penalty due to delay in supply of equipment were not levied and collected**

The tender conditions for purchase of MRI scanner for GH, Puducherry stipulated levy of penalty of Rs 25,000 per day for delay in installation over and above 60 days of arrival of consignment. Though the equipment was received in July 2001, it was installed after a delay of 172 days as the supplier delayed the production of certificate from reputed agency with respect to specifications and date of manufacture. The Medical Superintendent, however, had not levied and collected the penalty of Rs 28 lakh.

The agreement conditions for supply of equipment provides for levy of penalty of one *per cent* per week of the cost of the items not supplied within the delivery period stipulated in the agreement. Test check of records of the GH, Puducherry revealed that the penalty was not levied for delay in supply in respect of 16 imported equipment during March 2002 to March 2003. The delay in supply ranging between 15 days to 139 days was due to belated placing of orders by the supplier for importing the equipment. The total penalty not levied works out to Rs 22.38 lakh.

### 3.2.5.6 Non-revision of purchase policy for medicines

**Policy decision on the purchase of medicine not revised**

According to the purchase policy adopted by the Department, medicine should be purchased from Central Purchase Committee (CPC) rate contractors only if the medicines are not available in Director General of

Supplies and Disposal (DGS&D) rate contract or GOI firms. This resulted in purchase of medicines at high cost. When the excess expenditure due to purchase of medicines from GOI firms at higher rates was observed in audit in Paragraph 3.7 of Report of the Comptroller and Auditor General of India 2000-01, the Department informed Public Accounts Committee that GOI firms were given preference to ensure quality.

However, audit scrutiny revealed that only manufacturers of not less than five years of standing were allowed to participate in the tender for CPC rate contract and they were to produce a certificate from the Drug Controller that the drugs offered are manufactured under valid licence. Besides, quality certificate from approved drug testing laboratory should accompany each supply and batch of medicines supplied by CPC rate contractors. As sufficient safeguards were made to ensure quality of medicines supplied by CPC rate contractors, the Government needs to review and revise their policy and purchase medicines at competitive rate considering all sources keeping in view quality parameters fixed and should not provide undue priority for supplies from GOI firms.

### **3.2.6 Extension of health care facilities**

#### **3.2.6.1 Non-availability of specialised treatment for heart disease**

As all specialised treatment are not available in all the regions, Government provides grants to Pondicherry Medical Relief Society for providing assistance to poor people for meeting the expenses on specialised treatment in private hospitals. The assistance was rendered based on 'No Objection Certificates' issued by the Director after ascertaining the fact that the facility was not available in the nearest GH. The society paid Rs 4.86 crore to 708 patients of four regions during 2001-05. Of this, 303 patients obtained assistance for treatment of heart diseases. This included 195 patients of Puducherry region (Rs 2.01 crore) due to non-availability of investigative and operation facilities in the cardiology department of GH, Puducherry.

#### **3.2.6.2 Non-availability of essential facilities**

The incinerator purchased in January 2004 for Rs 8.42 lakh at GH, Yanam was not installed as civil works were not taken up. Consequently, safe and sustainable method of disposal of hospital waste could not be undertaken. Further, sewages were not treated before discharging into common drain in all the GHs. Absence of these facilities expose the public to risk of infection.

#### **3.2.6.3 Poor bed occupancy**

The existing 50 bedded hospital in Yanam has been upgraded to 100 bedded hospital with all necessary facilities in August 2005. Though infrastructure for the upgraded hospital had been created, only three out of 17 Medical Officers post were filled up. The specialist for chest, ortho and radiology are not available in GH, Yanam. Consequently, the occupancy was poor and it had not

**Facilities for maintenance of hygiene were inadequate**

exceeded 50 per cent after August 2005 except for the month of September 2005.

#### **3.2.6.4 Equipment awaiting repairs**

**Equipment costing Rs 88.29 lakh were not in working condition for 5 to 46 months**

For efficient functioning of the hospitals, all the equipment purchased require regular maintenance and prompt service towards defect rectification so that patients are not put to hardship. A review of the four hospitals revealed that equipment costing Rs 0.88 crore were not in functional condition for period ranging between 5 and 46 months.

One haematology blood cell counter and one ventilator purchased at a cost of Rs 13.01 lakh in March 2005 in GH, Mahe and one blood cell counter at GH, Yanam were kept unutilised for want of uninterrupted power supply. Besides, two anaesthesia machines in Karaikal and Mahe GHs, costing Rs 24.60 lakh, one non-invasive multipurpose monitor in GH, Mahe costing Rs 7.93 lakh, one low temperature ethylene oxide sterilizer, one laser instrument for Ophthalmology, one Auto Film processor and two ventilators in GH, Puducherry costing Rs 37.67 lakh and one tread-mill machine in GH, Karaikal costing Rs 5.08 lakh were not in working condition for periods ranging from 5 to 46 months as of October 2006. The hospitals informed audit that action is being taken to repair the equipment.

#### **3.2.6.5 Quality of medicines not ensured**

**Quality certificate for medicines supplied was not insisted upon**

The orders for supply of medicines placed on CPC rate contractors included a condition that a certificate assuring the quality of medicines supplied from an approved drug testing laboratory be given along with the consignment. Test check conducted in GH, Puducherry and Mahe revealed that no such certificate was obtained by the Pharmacist of the stores. Leakages in the strips of 57,000 B.complex forte with vitamin 'C' found in GH, Puducherry and fungus found in 2000 ampules of oxytocin injection in GH, Mahe in May 2005 disclosed that the quality of medicines were not ensured. The Medical Superintendent, Puducherry assured (June 2006) that the quality certificate would be insisted upon in future.

#### **3.2.6.6 Hospital information system not created**

The Medical Superintendent, GH, Puducherry entered (July 2005) into an agreement with Tata Consultancy Services (TCS) for creation of 16 modules<sup>10</sup> in Hospital Information System to have an effective control over the functioning of the hospital. The TCS did not give customer requirement specification for all modules even by May 2006, the due date for completion of work. However, two modules on out patient and inpatient registers were

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<sup>10</sup> Registration, Appointments, Out patient Management, In patient Management, Investigations, Operation Theatre, Billing, Patient Medical Record, Blood Bank, Diet Kitchen, Pharmacy Management, Central Stores, Central Sterile, Bio-medical Engineering, Enquiry and Security

completed. The delay in completion of the work hampered the updation of records, speedy disposal of work and easy access of data by all departments.

Audit scrutiny revealed that 6,614 persons admitted as in-patients during 2003-05 in GH, Puducherry were missing and were classified as absconding. In the light of large number of patients being classified as absconding there is a need for the hospital to assess its management procedure and also to review the reasons for admitted patients having left the hospital without availing complete medical treatment.

### 3.2.7 Adequacy of manpower

#### 3.2.7.1 Vacancies in essential posts

Efficiency and quality of hospital service largely depend on availability of adequate qualified health personnel comprising doctors, nurses and other supporting staff. Scrutiny revealed that there were large number of vacancies in the key posts which adversely affected the health care services in the UT. The sanctioned strength (SS) and the vacancy (V) position in the four GHs under various cadres as of March 2006 are given below:

Posts	GHs									
	Puducherry		Karaikal		Mahe		Yanam		Total	
	SS	V	SS	V	SS	V	SS	V	SS	V
Specialists	46	6	21	8	10	4	10	7	87	25
Doctors	97	11	37	8	21	8	23	13	178	40
Nurses	369	41	218	25	75	8	60	2	722	76
Others	796	98	366	48	71	7	137	58	1,370	211

**Sixty five out of 265 posts of Medical Officers were not filled up**

Test check revealed that 65 out of 265 Medical Officers relating to essential services like Micro biology (2), Nuclear medicine (1), Ophthalmology (2), Psychiatry (1), Skin (1), Paediatrics (2), General medicine (2), ENT (3), Tuberculosis (1), Orthopedics (2), Anaesthesia (5), Radiology (3) and General Duty Doctors (40) were kept vacant for periods ranging from one to six years. The vacancies severely affected the health care services.

#### 3.2.7.2 Heavy workload for doctors and technicians

**Norms for work load for Medical Officers and Lab Technicians were not fixed**

The Director had not fixed any norms for the work load of Doctors attending the out-patients and for laboratory technicians. Test check of work load of Doctors in General Medicine Wing of GH, Puducherry and Mahe revealed that during 2003-05, there were four doctors in GH, Puducherry and each attended 50 to 67 patients per hour. In Mahe, the only doctor attended 118 to 121 patients per hour. Similarly, in the Bio-Chemistry laboratory in GH, Puducherry, each of the 14 technicians performed 59 to 79 tests per day during 2003 to 2005. In the pathology

laboratory, each of the 17 technicians performed 43 to 70 tests in a day during this period.

The work load of OPD Doctors in the GHs, Puducherry and Mahe and the technicians in the laboratories in GH, Puducherry was too heavy compared to the norms prescribed by GOI for ESI hospitals which are 10 patients per hour in OPD and 30 tests per day in laboratories. The heavy work load is likely to have an adverse impact on the quality of services.

### **3.2.8 Conclusion**

The financial management was defective as orders of GOI pertaining to release of allowances were not followed. There was a case of overpayment and also clause of penalty was not enforced despite delays in supply of equipment. The specialised medical facilities were not available, as a result huge sums were released as assistance for availment of treatment from private hospitals. Due to non availability of specialists as also other essential facilities, the infrastructure created was not put to optimum use. Specialised equipment procured continued to remain idle for want of repairs and quality of medicine purchased was not ensured. In the light of large vacancies the health care services were adversely affected. Also there were heavy work load for doctors and technicians when compared with GOI norms fixed for ESI hospitals.

### **Recommendations**

- A plan should be immediately drawn up and implemented for expeditious utilisation of funds received under various Centrally Sponsored Schemes.
- GOI instructions pertaining to release of allowances should be adhered to and medicines should be purchased at competitive rates to avoid extra expenditure.
- Clause pertaining to penalty on account of delayed supply should be strictly enforced and for this, instructions, if necessary, be reiterated to the Government Hospitals.
- An exercise for rationalisation for redeployment of manpower including Specialists and Medical Officers should be initiated so that medical care infrastructure created is optimally utilised.

The above points were referred to Government in September 2006; reply had not been received (December 2006).

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## SCHOOL EDUCATION DEPARTMENT

### 3.3 Sarva Shiksha Abhiyan

#### 3.3.1 Introduction

Sarva Shiksha Abhiyan (SSA) is a programme to provide elementary education for all children in the 6 to 14 age group by 2010 with the active participation of the community panchayat institutions, village and urban level education committees, parent-teacher associations, etc.

Union Territory (UT) Government of Puducherry launched the programme on 14 November 2002. Pre-project activities like conducting of household survey, achievement survey and cohort study were only undertaken during 2002-03. The survey to identify the disabled and out of school children was done during 2003-04 and project activities also commenced during this year. Out of 2,04,094 children in the age group of 6-14 years, as per the records of SSA, 2,00,002 were enrolled in schools in UT as of March 2005.

#### 3.3.2 Programme objectives

The objectives of the programme are to:

- have all children in schools by 2003 (modified to 2005 in August 2005),
- ensure that all children complete five years of primary schooling by 2007 (modified to 2010 in August 2005),
- ensure that all children complete eight years of elementary schooling by 2010 (deleted in August 2005),
- bridge gender and social category gaps at primary stage by 2007 and at elementary education level by 2010 and
- achieve universal retention by 2010.

#### 3.3.3 Organisational set-up

SSA is implemented in the UT by the Pondicherry Mission Authority (Authority) formed in February 2002. The affairs of the Authority is administered by a General Body and an Executive Committee. The Executive Committee is chaired by the Chief Secretary to UT Government. The Director of School Education is the Member-Secretary of both the General Body and Executive Committee. The State Project Director (Director) is responsible for operationalising and implementing the scheme



in the UT area. While at the district level, the District Chief Educational Officer, designated as District Project Coordinator (DPC), implements the programme, the same is being implemented by the Block Resource Centre at the block level. The Village Education Committee (VEC) and Urban Level Education Committees and Parent-Teacher Association (PTA) are also involved in the implementation of the programme.

### 3.3.4 Audit coverage and methodology

The implementation of various activities of SSA during the period 2001-05 was examined during August - September 2005 by scrutiny of the records in the State Project Office, Puducherry and the District Project Office at Karaikal. Records of 11 sample schools were also examined. Social and Rural Research Institute (SRI), a specialist unit of IMRB International was commissioned for a nation-wide study of SSA to assess the extent of coverage of targeted group of children, SC/ST children, the enrolment across the genders, the reach of the programme etc. The sampling plan (Design and Estimation procedure) adopted by SRI and a summary of its findings are furnished in **Appendices XIX** and **XX** respectively. The intimation with regard to engagement of SRI, for the survey was made to UT Government in November 2005.

### Audit findings

#### 3.3.5 Financial performance

**Unutilised funds of Rs 4.04 crore at the end of March 2005**

The details of funds released and expenditure incurred under SSA in the UT of Puducherry during 2001-02 to 2004-05 were as given below:

(Rupees in lakh)

Year	Approved outlay	Opening Balance	GOI share received	UT Govt. share released	Interest earned	Total funds available	Expenditure incurred	Closing Balance
2001-02	38.31	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2002-03	353.97	Nil	16.28 <sup>11</sup>	2.87	0.21	19.36	1.94 (10)	17.42
2003-04	730.94	17.42	116.46	192.41	2.69	328.98	140.61 (43)	188.37
2004-05	1,059.70	188.37	366.59	100.00	14.79	669.75	265.85 <sup>12</sup> (40)	403.90
<b>Total</b>	<b>2,182.92</b>		<b>499.33</b>	<b>295.28</b>	<b>17.69</b>		<b>408.40</b>	

Note : Figures in brackets indicate the percentage of utilisation of funds out of total funds available

Apart from the funds released/expenditure incurred, reflected in the above table, Rs 32.09 lakh were received (May 2001) from the GOI towards pre-project activities on which Rs 0.35 lakh was earned as interest. Of this, Rs 30.05 lakh<sup>13</sup> were spent during 2002-05 leaving Rs 2.39 lakh as unutilised balance with the Director. Government stated (December 2006)

<sup>11</sup> Released by the GOI during 2001-02

<sup>12</sup> Rs 60 lakh released towards computer education under innovative activities in April 2005 was incorrectly booked as expenditure during 2004-05.

<sup>13</sup> 2002-03: Rs 5.74 lakh, 2003-04: Rs 12.91 lakh and 2004-05: Rs 11.40 lakh.

that Rs 1.59 lakh was booked under pre-project activities during 2005-06 and the balance of Rs 0.80 lakh was remitted (March 2006) to GOI.

**Short release of the GOI share of Rs 11.42 crore during 2001-05 due to slow pace of utilisation in the UT**

Due to slow progress in utilisation of funds available, the GOI did not release their full share as per the approved annual outlay (85 *per cent* for 2001-02 and 75 *per cent* from 2002-03) during 2001-05. Against Rs 16.41 crore to be released as its share out of the approved plan outlay of Rs 21.83 crore for the period 2001-05, the GOI released only Rs 4.99 crore (30 *per cent*). As per the approved funding pattern, against the GOI share of Rs 4.99 crore released during 2002-05, the UT Government had to release only Rs 1.64 crore. However, it released Rs 2.95 crore though there was no immediate requirement, resulting in excess release of Rs 1.31 crore. Consequently, programme funds of Rs 4.04 crore were lying with the implementing agencies at the end of March 2005. Government accepted (December 2006) that the excess release was to avoid surrender of funds.

**Excess release of UT share of Rs 1.31 crore during 2002-05**

**Utilisation of programme funds under various components was poor during 2003-05**

A comparison between the component-wise outlay and expenditure incurred during 2003-04 and 2004-05 is given in **Appendix XXI**. It could be seen therefrom that progress made under the components like Cluster Resource Centre (CRC), Civil Works, Intervention for Out of School Children and Disabled Children, Teachers Training, Interventions for Girl Children and SC Children and Early Childhood Care Education (ECCE) was very poor and thus contributed to the accumulation of huge unutilised funds. Government attributed (December 2006) the accumulation of funds to the belated appointment of Director in December 2003.

### **3.3.6 Delay in creation of Authority and release of funds**

Due to belated formation of Authority in February 2002, the funds received (May 2001) from the GOI for pre-project activities were released only in March 2002. Thus, no pre-project activity could be carried out during 2001-02. Similarly, the GOI share of Rs 16.28 lakh and Rs 116.46 lakh for 2001-02 and 2002-03 towards project activities received by the UT Government in April 2002 and January 2003 was released to the Authority only after 5 and 7 months in October 2002 and September 2003 respectively. Government did not give specific reasons for the belated release of funds but stated (December 2006) that GOI released funds directly to the Authority from 2003-04.

### **3.3.7 Delay in establishment of implementing units and non-creation of infrastructure**

**Establishment of implementing units both at district and lower levels was delayed**

Delay in creation of Authority led to delay in establishing the required units/infrastructure for the implementation of the programme at lower levels as indicated below:

- No separate District Project Office (DPO) was formed in Puducherry District as the State Project Office itself had taken care of the activities of the District office. The DPO in Karaikal was started only in June 2004.

The DPOs at Mahe and Yanam were set up only in July 2005. In all these district offices, the post of data entry operators were vacant (July 2005) and other departments had been approached for the list of willing officials to be considered for deputation. However, as no deputation allowance was allowed under SSA, no one had given willingness for deputation. Government did not give reasons for the delay in establishment of implementing units and stated (December 2006) that the posts would be filled up as GOI had since allowed deputation allowance under SSA.

➤ The Village Education Committees (Rural Schools) and the School Level Committees (Urban Schools) were constituted as per the UT Government order only in February 2003. Government attributed (December 2006) the delay to vacancies in the post of Academic Coordinators in the State Project Office.

**BRCs not established  
in Mahe and Yanam**

➤ Block Resource Centre (BRC) is meant for professional upgradation of primary school teachers by conducting various in-service training programmes at block level. While three BRCs were established in Puducherry District and one in Karaikal District as required, the BRC for Yanam district was established only in July 2005 and the BRC for Mahe district was yet to be established (September 2005). In the absence of BRCs, the training programmes in Mahe and Yanam districts were conducted with the assistance of nearby training institutes of Kerala and Andhra Pradesh States. Government stated (December 2006) that deputation orders for teacher educators and coordinators had since been issued for establishing the BRC for Mahe.

➤ Despite identification, 25 CRCs were yet to be established in all the four districts and the required 25 Project Co-ordinators were yet to be appointed (July 2005) resulting in deprivation of benefits from the monthly meetings required to be conducted in CRCs for professional exchange and deliberations on new innovations. Against Rs 54.76 lakh provided in the approved Annual Plan for the two years 2003-05, Rs 0.62 lakh alone were utilised. Government stated (December 2006) that preliminary works for sparing the services of teachers as CRC coordinators had been started.

➤ Among 254 primary schools in the UT (March 2005), 57 schools (Puducherry – 27; Karaikal – 30) had classes up to II/III only and remained to be upgraded with classes up to V even after the advent of SSA since 2002-03. Government stated (December 2006) that these schools were not upgraded for want of student strength.

➤ While the need for infrastructure like buildings for BRCs, CRCs and new schools, additional class rooms for existing schools, toilets and water supply arrangements exists in the UT area, the utilisation of funds provided for Civil Works was very poor. Against Rs 2.48 crore provided in the

approved Annual Plan 2003-04 for executing 803 Civil Works<sup>14</sup>, no works were taken up. During 2004-05, against the fresh target of 669 works<sup>15</sup> for Rs 5.29 crore, 167 toilets and 151 works for water supply were only executed at a cost of Rs 56.05 lakh. Government did not give (December 2006) specific reasons for the shortfall.

### 3.3.8 Deficiencies in certain interventions

#### High Repetition Rate

In view of the high Overall Repetition Rate (ORR)<sup>16</sup> at Upper Primary level, as mentioned below, in all the four districts, the quality of education needs improvement.

(Figures in percentage)

Year	Puducherry	Karaikal	Mahe	Yanam
2003-04	27.06	28.76	26.14	22.15
2004-05	20.50	31.75	25.10	25.95

Nevertheless, during 2004-05, ORR increased further in Karaikal and Yanam districts while improvement in Mahe was only marginal. Government stated (December 2006) that ORR was drastically reduced in all districts during 2005-06 due to sustained implementation of various interventions during the period.

#### Poor performance in Yanam District

In Yanam District, the indicators like drop out rate at both primary and upper primary levels, was high and the completion rate was also lowest as shown below.

(Figures in percentage)

Year	Drop out rate		Completion rate
	Primary level	Upper primary level	
2003-04	33.31	19.38	62.47
2004-05	38.35	18.54	69.55

The Department attributed this to shortage of teachers. This was not tenable as the Teacher-Student Ratio (TSR) in Yanam was 1:32 (Primary) and 1:22 (Upper Primary) as against 1:40 specified under SSA norms. The specific reasons for such poor performance had to be ascertained by the Department and immediate action taken for providing quality education. Government attributed (December 2006) the higher dropouts during 2003-05 to the delay

<sup>14</sup> BRCs: 6, CRCs: 3, School Buildings: 2, Additional class rooms: 74, Toilets: 183, Water supply arrangement works: 183 and other works: 352

<sup>15</sup> BRCs: 6, CRCs: 18, School Building: 17, Additional class rooms: 166, Toilets: 214, Water supply arrangement works: 214 and Construction of HM rooms: 34.

<sup>16</sup> Failed candidates who continued education

in starting the project and stated that the dropout rates reduced to 14.55 *per cent* and 11.80 *per cent* in primary and upper primary levels respectively during 2005-06 and the completion rate in primary level increased to 97.30 *per cent* during this year.

### **Out of school children**

**One thousand seven hundred and eighty two out of school children are yet to be covered under the scheme**

Even though SSA stipulated that all school age children have to be in some form of schooling by 2003, out of 2,074 identified as out of school children (OSC) in 2002, not a single such child was covered in 2003-04 and only 292 children could be brought into schooling during 2004-05. Despite provision of Rs 44.77 lakh in the approved plans towards this intervention, only Rs 3.11 lakh were utilised during 2003-05, indicating the need for more attention towards this intervention. Government stated (December 2006) that 421 children were enrolled in Alternative schools during 2005-06 and the correct number of OSCs would be known during the household survey taken up in December 2006.

### **Teachers training**

**Conducting of in-service training for shorter duration**

To enhance teachers' professional development, SSA envisaged in-service training programmes for 20 days for all teachers and 30 days induction level programme for the newly appointed teachers. However, it was seen that out of 5,193 teachers, 4,391 were given only 2-3 days training programme. The lesser duration of training indicates that the objective of providing such training was not fully achieved. Government stated (December 2006) that the audit observations had been noted and the shortfalls would be rectified.

### **3.3.9 Conclusion**

Under-utilisation of funds under the programme led to short release of funds by the GOI during 2001-05. The implementation of the programme at lower levels was affected due to delay in creation of Pondicherry Mission Authority. Resultantly, the progress under various components like interventions for Out of School Children, Girls Education, SC children education and CRCs and BRCs, Teachers training, civil works etc. was very poor during 2002-05.

Government stated (December 2006) that the audit observations had been taken into account and the implementation of the interventions and utilisation of funds had improved during 2005-06.

### **Recommendations**

- Utilisation of funds should be as per the approved outlay in order to avoid short releases.

- Effective monitoring of various components like interventions for Out of School Children, Teachers trainings, Civil Works should be ensured.
- Action should be taken for achieving the targets fixed under various components to attain universal retention by 2010.