

## CHAPTER-III

### PERFORMANCE REVIEWS

This chapter presents four Performance Reviews covering Water Supply and Sanitation Department, functioning of Punjab Agricultural University, Ludhiana, educational development of Scheduled Castes and implementation of Sarva Shiksha Abhiyan.

#### 3.1. Review of Water Supply and Sanitation Department

#### WATER SUPPLY AND SANITATION DEPARTMENT

##### Highlights

Review of working of Water Supply and Sanitation Department revealed cases of financial mismanagement. Expenditure was in excess of amount deposited by the client agencies and amounts were kept in banks in personal accounts in violation of the instructions. Despite availability of Rs 2.92 crore, 2129 traditional sources of water could not be revived to provide safe drinking water. Ignoring 331 villages with acute problem, 42 schemes covering 59 villages with not so acute problem were completed by diverting funds of Rs 8.32 crore from schemes of acute problem villages. Purchase of 20 units of water treatment plants was made in violation of rules. Some of the significant findings are given below:

† *Rupees 8.34 crore spent in excess of the amount deposited by client agencies, on the works to be executed on their behalf, was awaiting realisation.*

*(Paragraph 3.1.10)*

† *Rupees 6.71 crore were lying irregularly in banks instead of treasury, in disregard to instructions.*

*(Paragraph 3.1.11)*

† *Failure of the department/Government to initiate action to realize revenue from Stand Posts, resulted in loss of revenue amounting to Rs 32.55 crore.*

*(Paragraph 3.1.16)*

† *Expenditure of Rs 8.32 crore made on 42 schemes covering 59 villages was not justified as problem villages identified in 2001 were still not cleared.*

*(Paragraph 3.1.18)*

† *There was overall shortfall in targets for coverage of main habitations and other habitations by 15 per cent during 2001-06.*

*(Paragraph 3.1.20)*

† *Against 54000 tests required to be carried out by three district level laboratories, only 7588 tests were performed and shortfall ranged between 81 per cent and 92 per cent.*

*(Paragraph 3.1.31)*

## Introduction

**3.1.1.** The organisation of Punjab Public Works Department (PWD), 'Public Health Branch' renamed as 'Water Supply and Sanitation Department', is responsible for providing drinking water in rural areas through Water Supply and Sanitation (RWS) Divisions and Water Supply and Sanitation/Drainage in government buildings through Government Works (GW) Divisions. Besides, department is engaged in collecting revenue in terms of user charges, water connection fee etc.

## Organisational set up

**3.1.2.** The Administrative Secretary, Water Supply and Sanitation Department is overall incharge of the department. He is assisted by three Chief Engineers (CE) i.e. Chief Engineer (South), Chief Engineer (North) and Chief Engineer (Central), One Superintending Engineer (SE) and seven Executive Engineers (EE) at Headquarters Patiala. In the field, there are 11 circle offices headed by the Superintending Engineers and 48 Divisions each headed by the Executive Engineer.

## Audit Objectives

**3.1.3.** The objective of the audit during review was mainly to assess whether:

- † Funds received were utilised in economical and efficient manner and for the intended purpose and realisation of revenue is made in an effective manner;
- † Rules, regulations/instructions of the Government regarding execution of work were strictly followed;
- † Stock management was done properly;
- † Water testing at laboratories have been performed as per norms, to ensure supply of potable water.

## Scope of Audit

**3.1.4.** The records in the offices of Finance Department (Budget Branch), Administrative Secretary, three Chief Engineers,<sup>1</sup> three Superintending Engineers<sup>1</sup> (out of 11 SEs), 14 Divisions<sup>1</sup> (out of 48 divisions), for the period from 2001-06, were test checked between November 2005 and May 2006.

## Funding pattern

**3.1.5.** Accelerated Rural Water Supply Programme (ARWSP) is fully financed by Government of India (GOI). GOI allowed use of 15 *per cent* of the funds released under ARWSP towards operation and maintenance (O & M) of assets created. From 2001-02 onwards, under National Bank for Agricultural and Rural Development (NABARD) aided projects, 90 *per cent* of the project cost is released by NABARD as loan and balance 10 *per cent* was to be provided by the State Government. From December 2003, 85 *per cent* of the project cost is released by NABARD as loan and 15 *per cent* is contributed by the State Government. Under

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<sup>1</sup> Chief Engineer (South), Chief Engineer (North), Chief Engineer (Central); Superintending Engineer Bathinda, Ferozepur, Chandigarh; (RWS) Divisions at Abohar, Bathinda, Ferozepur, Fazilka, Fatehgarh Sahib, Pathankot, Tarn Taran, (GW) Divisions at Amritsar, Bathinda, Mohali - II, Muktsar, Jalandhar, Patiala, Mechanical Division Patiala.

Pradhan Mantri Gramodaya Yojana (PMGY), 30 per cent of the assistance is released as grants-in-aid by GOI and balance 70 per cent as loan to the State Government. Minimum Needs Programme (MNP) is a district level scheme and is fully funded by the State Government through Planning Board.

### Financial Management

#### *Allotment of funds and expenditure*

**3.1.6.** The position of allotment of funds under ARWSP, NABARD, PMGY and MNP for the years 2001-06 and expenditure incurred thereagainst as reported by the department to GOI through periodical financial progress reports was as under: -

#### **3.1.7. Accelerated Rural Water Supply Programme (Central Sector)**

(Rupees in crore)

Year	Funds Allocated by GOI	Funds released by GOI to State Government	Funds released to implementing agency	Funds with State Government	Expenditure		
					ARWSP	O &M	Total
2001-02	22.77	19.86 <sup>2</sup>	16.86	3.00	22.68	2.91	25.59
2002-03	25.81	30.81 <sup>3</sup>	28.81	2.00	29.78	4.62	34.40
2003-04	22.69	22.69	16.34	6.35	19.72	3.40	23.12
2004-05	28.15	28.15	28.08	0.07	25.16	4.22	29.38
2005-06	80.00	40.24	51.66	(-) 11.42	21.79	6.04	27.83
<b>Total</b>	<b>179.42</b>	<b>141.75</b>	<b>141.75</b>	<b>NIL</b>	<b>119.13</b>	<b>21.19</b>	<b>140.32</b>

It was seen from the financial progress reports that:

- † Funds to the tune of Rs 37.67 crore were short released by GOI (Rs 141.75 crore) than the allocated (Rs 179.42 crore), the reasons thereof are awaited (September 2006);
- † Funds under ARWSP released by GOI to the State Government should have been passed on to implementing agency within a period of 15 days as required whereas Finance Department took between one and seven months to release 16 instalments involving Rs 116.12 crore during 2001-06 which affected execution of the schemes. Carry over of funds in excess of permissible limits resulted in reduction by Rs 5.92 crore against allocation of Rs 22.77 crore for 2001-02, hampering the implementation of schemes.

#### ***NABARD aided programme and Pradhan Mantri Gramodaya Yojana***

**3.1.8.** Against the allocation of funds of Rs 348.96 crore for the period 2001-06, funds amounting to Rs 331.39 crore (Rs 287.89 crore – NABARD, Rs 43.50 crore – State Government) were released. Of these, expenditure of Rs 343.62 crore was incurred. Under PMGY, GOI released Rs 47.75 crore during 2001-06 (allocation Rs 73.27 crore) against which expenditure of Rs 61.62 crore had been incurred.

<sup>2</sup> Allocation of 22.77 crore plus additional central assistance of Rs three crore minus Rs 5.91 crore for the year 2001-02 released by GOI on 26 March 2002.

<sup>3</sup> Includes additional central assistance of Rs five crore released by GOI during 2002-03 on 28 March 2003.

### ***Minimum Needs Programme***

**3.1.9.** Against the allocation of funds of Rs 46.35 crore for the period 2001-06 funds amounting to Rs 3.38 crore were released, whereas expenditure of Rs 26.23 crore was incurred during the same period. Remaining amount of expenditure was stated (March 2006) to have been met out of funds released by the District Planning Boards to the implementing agencies directly during the period mentioned above but no details thereof viz. name of divisions, amount, etc. were available. The department did not evolve any mechanism thereof.

### ***Expenditure incurred in excess of funds deposited by client agencies***

**3.1.10.** As per Departmental Financial Rules, before executing deposit works, full amount required for deposit works should be deposited in advance and no expenditure should be incurred in excess of funds deposited.

**Rupees 8.34 crore spent in excess than the amount deposited by client agencies, on the works to be executed on their behalf were still awaiting realisation**

Test check of records of EE, Water Supply and Sanitation (GW) Division No.2, Mohali, revealed (December 2005) that between 2000-01 and 2004-05, expenditure of Rs 8.34 crore in excess of funds deposited (Rs 82.17 crore) by Municipal Corporation, Mohali and Municipal Corporation, Chandigarh was incurred (Rs 90.51 crore), which was yet to be realised (December 2005).

On being pointed out (December 2005), EE stated (December 2005) that matter was under correspondence. Further reply has not been received (September 2006).

### ***Irregular operation of bank account***

**Rupees 6.71 crore were lying irregularly in banks instead of in treasury, in disregard to instructions**

**3.1.11.** State Treasury Rules provide that a Government Officer may not, except with special permission of Government, deposit in a bank, money withdrawn from government account. Reiterating the provisions of rules, Finance Department issued (August 1999) instructions to close all such accounts and deposit the amount in the treasury.

Test check of records of three<sup>4</sup> divisions revealed (December 2005 to July 2006) that in contravention of the above provisions, EEs were still operating bank accounts. However, amount of Rs 6.71 crore was lying in bank accounts as on July 2006.

This was pointed out between December 2005 and June 2006; reply has not been received (September 2006).

### ***Irregular transfer of funds***

**3.1.12.** Funds are released through Letter of Credit (LOC) keeping in view requirements of various EEs subject to availability.

**Rupees 6.77 crore was irregularly transferred between the divisions without sanction of competent authority**

It was noticed that three EEs of Water Supply & Sanitation (RWS) Divisions at Tarn Taran, Ferozepur and Fazilka, received funds of Rs 6.33 crore from ten divisions and transferred funds of Rs 43.67 lakh to four<sup>5</sup> divisions, between April 2001 and March 2006, out of the funds received through LOC, without the approval of the competent authority.

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<sup>4</sup> Government Works Division II, Mohali (Rs 5.10 crore), RWS Division, Pathankot (Rs 1.19 crore) RWS Division, Ropar (Rs 42.29 lakh).

<sup>5</sup> Faridkot, Abohar, Mansa and Amritsar.

This was pointed out in February and March 2006; reply has not been received (September 2006).

***Reconciliation of expenditure***

**3.1.13.** A comparison of figures of expenditure reported to GOI with those appearing in the Appropriation Accounts of the State Government revealed variations as the department had not adopted the figures appearing in Appropriation Accounts as per *Annexure-A* to para, though these figures had been reconciled with the Accountant General (A&E).

***Grants-in-Aid released by GOI***

**3.1.14.** GOI released Rs 6.36 crore (Rs 2.46 crore: 2003-04 and Rs 3.90 crore: 2004-05) being 90 *per cent* of total cost of project, as grants-in-aid, for the purpose of (i) installation of 1,084 hand pumps in scarcity villages (Rs 3.39 crore) (ii) revival of 2129 traditional sources of water (Rs 2.92 crore) and (iii) providing drinking water for 20 primary schools (Rs 0.05 crore). The balance ten *per cent* was to be contributed by the Gram Panchayats for the implementation of the schemes.

Scrutiny of records revealed that out of GOI funds of Rs 6.36 crore, the State Government released Rs 5.65 crore to the department. It was further noticed that 1123 hand pumps were installed against the target of 1084 hand pumps by incurring expenditure of Rs 3.92 crore. Thus, excess expenditure of Rs 52.88 lakh was incurred on excess installation of 39 hand pumps. Panchayats share of Rs 39.20 lakh on hand pumps was not recovered from Panchayats. However, no action was taken to utilise the funds provided for (i) revival of 2129 traditional sources of water and (ii) providing drinking water for 20 primary schools.

This was pointed out to department in May 2006; reply has not been received (September 2006).

***Irregular utilisation of security and connection fee towards departmental expenditure***

**3.1.15.** As per instructions issued by the State Government (December 2002), Divisional Engineers were authorized to use the revenue collection from the sale of dead/full grown trees, fines for waste and wrong use of water and water tariff collected from private water connection holders, for the payment of electricity bills, bleaching powder, canal water charges and for the repair and maintenance of rural water supply schemes.

Records of the EE, Water Supply and Sanitation (RWS) Division, Tarn Taran, Fatehgarh Sahib, Fazilka and Abohar revealed that an amount of Rs 1.09 crore realised during 2001-06 on account of security (Rs 7.63 lakh) and connection fee (Rs 1.01 crore), were irregularly utilised on O&M<sup>6</sup> of water supply schemes between January 2003 and March 2006.

On this being pointed out (March 2006), the EE at Fazilka and Abohar stated (March 2006) that these were being used as per Government instructions. Reply is not acceptable because Government allowed only tariff collection

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<sup>6</sup> Operation and Maintenance.

charges and not connection fee and security deposit. Reply has not been received from other two divisions (September 2006).

***Non-realisation of revenue from Stand Post***

**3.1.16.** Water charges at the rate of Rs 10 per month (upto 31 March 2005) and Rs 15 per month thereafter, were levied (December 2002) by the State Government on each house hold, drawing water from public Stand Post.

**Failure of the department to initiate timely action to realise revenue from stand posts, resulted in non-realisation of revenue of Rs 32.55 crore**

Scrutiny of records of Chief Engineer (South), Patiala revealed that water charges from the Stand Posts for the years 2002-06 to the tune of Rs 32.55 crore had not been realised from the house holds ranging between 7.10 lakh and 7.50 lakh which have used the Stand Posts.

Though the non-realisation of revenue of Stand Post of Rs 26.52 crore for the years 2002-05 was communicated (July 2005) by the CE (South) to the State Government, further action to realise charges had not been taken resulting in loss of revenue to the Government.

This was pointed out (December 2005); reply has not been received (September 2006).

***Planning***

**3.1.17.** Nine hundred sixty four schemes were approved under NABARD aided projects between 2000 and 2003 at an estimated cost of Rs 309.85 crore. These schemes were scheduled to be completed upto March 2005. Despite incurring expenditure of Rs 260.26 crore<sup>7</sup>, only 726 schemes were completed and 238 schemes remained incomplete by extended period of March 2006 though an expenditure of Rs 48.85 crore was incurred on these incomplete schemes. Similarly, under PMGY, 351 schemes estimated at Rs 92.51 crore scheduled to be completed upto March 2005 were taken but despite incurring expenditure of Rs 61.62 crore, the department could complete only 216 schemes and 135 schemes remained incomplete (March 2006) despite incurring expenditure of Rs 17.13 crore on these incomplete schemes.

**Expenditure of Rs 8.32 crore made on 42 schemes covering 59 villages not in priority was unjustified**

***Unjustified inclusion of villages in schemes***

**3.1.18.** The department identified 3343 problem villages during the year 2001. 782 villages were severely problem villages and 2561 not severely problem villages. Though department intimated GOI (May 2002) to take up 2561 villages only after covering all the 782 villages but without covering 331 villages (out of 782 villages) it took up 42 schemes covering 59 villages out of 2561 villages not on priority at an estimated cost of Rs 12.14 crore and incurred expenditure of Rs 8.32 crore (March 2006) which was unjustified.

**3.1.19.** As per the instructions of GOI, only problem villages should be covered under the centrally sponsored water supply schemes. It was noticed (April 2006) that 11 non-problem villages were covered and an expenditure of Rs 1.40

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<sup>7</sup> Expenditure of Rs 260.26 crore was incurred on 12 projects (RIDF VI (1), (2), (3), VII(1), (2), (3) and VIII (1), (2), (3), (4), (5) and (6) which were scheduled to be completed upto March 2005.

crore was incurred (upto March 2006) against the estimated cost of Rs 2.16 crore. Coverage of non-problem villages from central assistance resulted in unjustified expenditure of Rs 1.40 crore

This was pointed out (April 2006); reply has not been received (September 2006).

### Programme management/performance

#### *Target and achievement under rural water supply schemes*

**3.1.20.** It was noticed that though target of 4768 not covered (NC) villages and 4659 partially covered (PC) villages were projected in Annual Action Plan but targets were reduced to 2011 NC villages and 1868 PC villages and 908 other habitations (OH) during 2001-06. Even reduced targets were not achieved as detailed below:-

Year	Target		Achievements								Percentage of shortfall	
			ARWSP		PMGY	NABARD	MNP	PMA*	Total			
			MH	OH	MH	MH	MH		MH	OH		
2001-02	420	97	137	24	97	--	24	--	258	24	38.58	75.26
2002-03	813	52	195	6	83	419	7	--	704	06	13.41	88.47
2003-04	958	27	206	12	90	409	29	--	734	12	23.39	55.56
2004-05	720	352	93	34	48	284	15	152	592	34	17.78	90.35
2005-06	968	380	320	424	179	631	106	41	1277	424	--	--
<b>Total</b>	<b>3879</b>	<b>908</b>	<b>951</b>	<b>500</b>	<b>497</b>	<b>1743</b>	<b>181</b>	<b>193</b>	<b>3565</b>	<b>500</b>		

\* Grant-in-aid released during 2003-05

**There was overall shortfall in targets for coverage of main habitation and other habitation of 15 per cent during 2001-06**

Though programme-wise targets were not fixed yet over all shortfall in the coverage of Main Habitations (MH) and Other Habitations (OH) during 2001-06 was 15 per cent.

Reasons for shortfall were called for (October 2005 and April 2006), reply has not been received (September 2006).

### Execution of works

#### *Expenditure in excess/without sanctioned estimates*

**Expenditure of Rs 25.74 crore was made on 107 RWS schemes without technical sanction of detailed estimates**

**3.1.21.** No work should be commenced unless a detailed estimate of the work is prepared and technically sanctioned by the competent authority. Where the expenditure is likely to exceed the sanctioned amount/project cost by more than five per cent, a revised estimate should be got sanctioned.

In three RWS Divisions at Ferozpur, Fatehgarh Sahib and Fazilka, expenditure of Rs 25.74 crore on 107 RWS schemes was incurred during 2001-06 without getting the detailed estimates technically sanctioned from the competent authorities.

In one Water Supply and Sanitation (RWS) Division at Ferozpur, expenditure of Rs 60.70 lakh was incurred during April 2001 to January 2006 on 16 schemes in excess of the amount of technical sanction/project cost of the schemes by more than five per cent but revised estimates were still awaiting sanction.

This was pointed out in February and March 2006; reply has not been received (September 2006).

***Infructuous expenditure***

**3.1.22.** Scrutiny of records of EE, Water Supply and Sanitation (RWS) Division, Tarn Taran revealed that as per resolution (June 2000), panchayat gave willingness to hand over six Kanals of land on which Over Head Service Reservoir (OHSR) was to be constructed and tubewell was to be installed. A person claimed the ownership of the land and mutation was decided by the court in his favour in May 2001. In spite of the fact that land was not acquired, department started work of laying distribution system in February 2003 and incurred expenditure of Rs 24.56 lakh. As no work of OHSR and tubewell was taken up due to non-availability of land, expenditure of Rs 24.56 lakh incurred on laying of distribution system rendered infructuous.

On being asked it was stated (February 2006) by the department that work was under construction. The reply was not acceptable as the scheme could not be made functional without construction of OHSR and installation of tubewell due to non-availability of land.

***Ungainful expenditure on rural water supply schemes***

**3.1.23.** Test check of records of EE, Public Health (RWS) Division, Nawanshahar revealed that work for providing water supply scheme in block Aur in Jalandhar at estimated cost of Rs 32.90 lakh, was allotted in August 1997 (Tube-well), August 1998 (OHSR) and March 1999 (Distribution System, Machinery and Staff Quarters) and expenditure of Rs 18.77 lakh was incurred upto July 2002. The work on tube-well was only completed whereas distribution system was partially laid and progress on OHSR was yet to be made, with the result that the scheme had been lying incomplete as of May 2006. It was further noticed that neither any public Stand Post had been installed nor private connections were given to the public for water supply. Thus, the object of improving distressed condition of potable water remained unachieved even after a period of over eight years rendering the entire expenditure of Rs 18.77 lakh as ungainful.

On being pointed out (November 2005); it was stated (May 2006) that funds were not released by the treasury and work was now being included in NABARD projects. Further report has not been received (September 2006).

***Unfruitful expenditure***

**3.1.24.** In Punjab State, district Bhatinda was identified for Sector Reforms Project. GOI, sanctioned (February 2000) Rs 7.52 crore and released (March 2000) first installment of Rs 2.10 crore to the State Government.

It was noticed that District Water Supply and Sanitation Mission (DWSSM), Bhatinda, took 22 schemes (covering 36 villages) under the project.

Further, against the estimated cost of Rs 5.81 crore (against GOI funds of Rs 7.52 crore), beneficiaries' share of Rs 58.13 lakh was required to be collected in advance against which only Rs 18.64 lakh were realised. Funds of Rs 1.88 crore were released (2001-02) to Village Water Supply Committee against which expenditure of Rs 1.83 crore was incurred upto March 2006. As the

**Due to non-completion of distribution system and construction of OHSR, the scheme could not be made functional rendering expenditure of Rs 18.77 lakh ungainful**

**Non deposit of full beneficiary share deprived further release of GOI funds of Rs 5.42 crore, non-completion of Sector Reform Projects and also expenditure of Rs 1.83 crore made rendered as ungainful**



executing agencies failed to collect full beneficiaries' share in advance, balance funds (Rs 5.42 crore) were not released by GOI. None of the schemes could be completed as of May 2006; thus, forfeiting the objective of the reforms, depriving the beneficiaries from intended benefits and rendering the expenditure of Rs 1.83 crore ungainful.

This was pointed out in May 2006; reply has not been received (September 2006).

**Failure of the State Government to release funds for the water supply schemes resulted in stoppage of work of the schemes rendering expenditure of Rs 55.53 lakh incurred as idle**

**3.1.25.** Test check of records of the EE, Water Supply and Sanitation (RWS) Division, Jalandhar revealed (June 2005) that the administrative approval to nine rural water supply schemes in three blocks comprising 27 villages in Jalandhar district under ARWSP was accorded between September 1999 and July 2002 at an estimated cost of Rs 3.78 crore. The work was started between September 2001 and October 2003 but after incurring an expenditure of Rs 55.53 lakh<sup>8</sup> on the installation of tubewells and purchase of some machinery between March 2002 and February 2004, the work was stopped due to non-availability of funds. Work on the remaining components had not been taken up as of now (April 2006). As a result, all the nine schemes could not be completed and consequently entire expenditure of Rs 55.53 lakh incurred was rendered idle, besides defeating the very objective of the schemes for providing potable water to the villages.

On this being pointed out (June 2005), the EE while admitting the facts stated (June and August 2005) that as and when sufficient funds are received, the balance work on the schemes would be completed.

### **Material management**

#### ***Fictitious stock adjustment***

**There was a fictitious adjustment of stock of Rs 1.55 crore in the divisions**

**3.1.26.** Under the Departmental Financial Rules, stock adjustment such as debiting a work with cost of material not required or in excess of actual requirement, in order to utilise budget grant is prohibited. In contravention to this it was observed that:

In Water Supply & Sanitation (RWS) Division, Fatehgarh Sahib, EE issued MS pipes, Stainless steel strainers/sockets and PVC pipes worth Rs 27.09 lakh to 26 schemes between August 2003 and January 2005 and the same was subsequently written back between September 2003 and December 2005. Further, in Water Supply & Sanitation (RWS) Division, Fazilka, EE issued (March 2005) a cheque of Rs 88.14 lakh to EE, Ferozepur for the procurement of stores for 10 schemes of ARWSP and booked the expenditure although the stores had not been received. Subsequently EE, Fazilka cancelled (June 2005) the cheque issued and reversed the expenditure due to non-receipt of material. Thus, booking of expenditure in anticipation of receipt of material was fictitious. In Water Supply & Sanitation (RWS) Division, Ferozepur it was seen (January 2006) that material/stores worth Rs 40.29 lakh were issued (between December 1999 and December 2000) to various works without requirement as the stores were found lying in the stock at the time of annual physical

<sup>8</sup> Kartarpur Rural: Rs 6.73 lakh, Authaula: Rs 8.65 lakh, Malko Trar: Rs 4.71 lakh, Darawan Kala Bakra: Rs 14.94 lakh, Damunda: Rs 5.42 lakh, Beharam Shrista: Rs 3.36 lakh, Pattar Kalan: Rs 3.57 lakh, Nangal Khurd: Rs 3.44 lakh and Dhuria: Rs 4.71 lakh.

verification conducted in February 2001 and March 2003 for the year 2000-01 and 2002-03 respectively.

The above was pointed out in February and March 2006; reply has not been received (September 2006).

***Irregular expenditure on purchase of 20 units of transportable water treatment plants***

**Purchase of 20 units of transportable water treatment plants was irregular. Besides timely installation could not be ensured in the absence of a penalty clause**

**3.1.27.** Procedure and rules prescribed for the procurement of stores lay down that where value of machinery or stores exceeds Rs two lakh and is of imported origin, the tenders shall be invited through the Director General of Supply and Disposal, New Delhi. But in no case shall particular make or brand be insisted upon, as this restricts competition to the disadvantage of the buyer department.

Test check of records of Chief Engineer (South), Water Supply and Sanitation Department, Patiala revealed that supply order was placed (March 2003) with M/s Cuner Trading Company, Uruguay at a cost of Rs 4.46 crore for supply and installation of 20 units of transportable water treatment plant, UPA 200 T, without calling global tenders. The order was placed on the basis of communication between the supplier (manufacturer) and the State Government as the item to be purchased was stated to be patented. The plant was to be supplied and installed by the company at the identified sites<sup>9</sup> within a period of six months from the date of issue of supply order i.e. by September 2003. As against this the process of installation of plants was started in May 2005 and completed in June 2005 entailing a delay of 20 months from the stipulated period. However, no action was initiated against the company for not complying with the conditions of the supply order as there was no penalty clause in the supply order for claiming the damages. Further, funds were arranged from Punjab Rural Development Board as the supply order was placed without making a provision of the funds. Thus, purchase of Rs 4.46 crore without following the procedure prescribed was irregular. Also, due to failure of department to include penalty clause in supply order, timely supply of plants and installation thereof, could not be ensured and no action could be taken against supplier to claim damages.

On being pointed out (November 2005), it was stated (February 2006) that most of the schemes were old and required augmentation which would take about one year whereas standby arrangements by installing transportable water treatment plants took two to three months. The reply was not tenable as supply order was placed without following the prescribed procedure and supply and installation of plants were delayed up to 20 months.

**Quality control and water testing laboratories**

***Non-drawl of sample as per norms***

**In three divisions test checked, no samples of water were drawn with the result that quality of water supplied was not assured**

**3.1.28.** As per GOI norms, the water samples from every RWS scheme were to be drawn, twice a year for bacteriological analysis and once for chemical analysis. The scrutiny of records of three<sup>10</sup> test checked divisions revealed that neither samples were drawn nor any record thereof was maintained, as such

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<sup>9</sup> Mansa (4), Muktsar (4), Ferozepur (2), Ropar (2), Bhatinda (2), Moga (6).

<sup>10</sup> RWS Division, Tarn Taran, Ferozepur and Fazilka.

quality of water being supplied was not assured. No reply was furnished (July 2006) to audit observations made (February and March 2006).

### ***Supply of non-potable water***

**3.1.29.** Scrutiny of records of State Level Laboratory at Patiala for the year 2001-02 to September 2005 revealed that out of 7970 number of water samples that were analysed for physical and chemical analysis, in 1003 samples, water was found potable. In 707 cases water was found to be non-potable and in 6260 cases it was within rejection limit but above acceptable.

Scrutiny further revealed that from 2001-02 to 2005-06 (up to September 2005) 315 bacteriological analysis were conducted on water sample. Out of this, 156 water samples (GW Division: 87 and RWS Division: 69) were analysed for the department and out of which in 59 (GW Division: 26 and RWS Division: 33) water samples were declared not potable.

Despite knowledge of the fact that quality of water that was supplied was not potable, no follow-up action has been taken to rectify the defects in quality of water, consequent to testing.

### ***Non-establishment of laboratories***

**3.1.30.** GOI sanctioned (March 2001) nine district level laboratories at a cost of Rs 30 lakh, to be met at a ratio of 60:40 between GOI and State and provided Rs 18 lakh (March 2001) but State's share of Rs 12 lakh (40 *per cent*) had not been released resulting in non-establishment of these laboratories (March 2006). One State level laboratory at Patiala and three district level laboratories at Amritsar, Bhatinda and Ferozepur were already in existence in the State.

### ***Shortfall in testing water samples***

**3.1.31.** GOI fixed yearly norms for testing 6000 water samples for each district laboratory. It was noticed that there is no sanctioned strength of laboratory staff for district laboratories which were functioning with untrained staff i.e. Junior Engineer and Work *Munshi*. Out of three laboratories in Amritsar, Bhatinda and Ferozepur, no bacteriological tests are being performed at Ferozepur and Bhatinda due to non-posting of skilled staff during April 2001 to March 2006. Against the required 54000 tests to be carried in three district level laboratories during the years 2003-06, only 7588 tests were carried out and shortfall ranged between 81 *per cent* to 92 *per cent*. The department attributed the shortfall in test to the non-posting of technical staff for which the case was stated (February 2006) to have been taken up with the Government. However, fact remained that qualitative supply of potable water to the people could not be ensured in the absence of such tests.

On being pointed out (December 2005), it was stated (February 2006) that the new laboratories are being set up and staff proposal has been sent to the State Government.

### **Conclusion**

**3.1.32.** The review highlights the failure of the department/ Government in the area of financial management planning, implementation of water supply

Nine district level water testing laboratories were not established and in three established laboratories, no technical staff was either sanctioned or posted

Against 54000 tests required to be carried out by three district level laboratories, only 7588 tests were performed and shortfall ranged between 81 *per cent* and 92 *per cent*

schemes and material management. Department failed to utilise the funds released by GOI as these were released late by the State Government to the implementing agencies. Expenditure on deposit works was made in excess of the funds received. Instances came to notice where money was irregularly kept in banks and funds were irregularly transferred between the divisions. Department failed to realize revenue from users of Stand Posts. Expenditure was incurred on water supply schemes for villages which were not on priority rendering the expenditure unjustified besides depriving the priority villages the benefits of these schemes. Shortfall was noticed in achievement of targets for the coverage of main habitation and other habitation. Unfruitful expenditure was incurred on incomplete schemes. Purchase of transportable water treatment plants was irregular. Department did not take steps to ensure supply of potable water.

### **Recommendations**

- † A system should be evolved to recover the water charges from the users of Stand Posts;
- † Operation of bank accounts should be stopped and government money kept in bank accounts should be deposited into treasury;
- † Efforts should be made to complete incomplete/non-functional schemes so that money invested in the schemes may be gainfully utilised;
- † Efforts should be made to establish/strengthen laboratories at district level so as to ensure supply of potable water.

The above points were reported to Government in June 2006; reply has not been received (September 2006).

## Annexure-A

(Refers to Paragraph 3.1.13, Page 35)

(Rupees in crore)

Year	Name of schemes	Expenditure as per appropriation Accounts	Expenditure reported to GOI	Difference in expenditure reported to GOI
2001-02	ARWSP/Sub-Missions	28.55	22.68	(-) 5.87
	PMGY	11.57	12.73	(+) 1.16
	NABABD	39.66	49.75	(+) 10.09
	MNP	11.36	14.18	(+) 2.82
	O& M (Non-Plan)	58.10	60.17	(+) 2.07
2002-03	ARWSP/Sub-Missions	30.96	29.78	(-) 1.18
	PMGY	17.31	17.58	(-) 0.27
	NABABD	58.87	67.97	(+) 9.10
	MNP	0.27	2.91	(+) 2.64
	O& M (Non-Plan)	85.96	85.26	(-) 0.70
2003-04	ARWSP/Sub-Missions	20.08	19.72	(-) 0.36
	PMGY	13.48	13.61	(+) 0.13
	NABABD	51.67	54.51	(+) 2.84
	MNP	0.49	5.00	(+) 4.51
	O& M (Non-Plan)	113.84	89.03	(-) 24.81
2004-05	ARWSP/Sub-Missions	27.43	25.16	(-) 2.27
	PMGY	8.02	7.98	(-) 0.04
	NABABD	55.12	59.53	(+) 4.41
	MNP	0.22	3.52	(+) 3.30
	O& M (Non-Plan)	115.01	77.20	(-) 37.81
2005-06	ARWSP/Sub-Missions	30.56	21.79	(-) 8.77
	PMGY	13.59	9.72	(-) 3.87
	NABABD	102.37	111.86	(+) 9.49
	MNP	0.20	0.62	(+) 0.42
	O& M (Non-Plan)	125.70	83.12	(-) 42.58

### 3.2. Functioning of Punjab Agricultural University Ludhiana

DEPARTMENT  
OF  
AGRICULTURE

#### Highlights

Review on the functioning of Punjab Agricultural University revealed that the funds and financial management systems were defective. This was evident from the fact that balance sheets were not prepared, calculation of deficit was inaccurate, advances were outstanding for many years and recoveries from client organizations were not effected. The impact of research activity particularly introduction of improved variety of seed did not result in increase in productivity in the State. Extension trainings were not organized as envisaged. Utilisation of infrastructure suffered from major deficiencies and large tract of fallow land was not utilised for agriculture.

† *University did not prepare its balance sheet since its inception i.e. 1962, as a result, exact status of assets and liabilities was not known.*

*(Paragraph 3.2.5)*

† *Income of Rs 21.78 crore received in sinking fund was not taken into computation while working out overall deficit.*

*(Paragraph 3.2.6)*

† *Advances to the tune of Rs 26.62 crore were still outstanding and were awaiting adjustment since 1970-71 onwards, while expenditure of Rs 2.52 crore incurred in excess of amount received from sponsoring agencies was not recovered.*

*(Paragraph 3.2.7 and 3.2.8)*

† *Due to lack of marketing skills and non-adoption of flexibility in sale rates, University suffered a loss of Rs 1.63 crore in sale of seeds as grains.*

*(Paragraph 3.2.11)*

† *Non-utilisation of infrastructure created in the construction of a college building rendered expenditure of Rs 1.10 crore incurred thereon ungainful.*

*(Paragraph 3.2.17)*

† *Non-use of land, kept as fallow land resulted in loss of income to the University.*

*(Paragraph 3.2.20)*

† *Failure of University to avail the waiver of electricity charges on irrigation tubewells granted by the Government resulted in excess payment of Rs 50.92 lakh.*

*(Paragraph 3.2.23)*

† *Ungainful expenditure of Rs 2.28 crore was incurred on running of University Press*

*(Paragraph 3.2.24)*

## Introduction

**3.2.1.** Punjab has a geographical area of 5036 thousand hectares out of which 4201 thousand hectares area (83 *per cent*) was under cultivation. Agriculture provided direct employment to more than 39 *per cent* of its population. For furtherance of agricultural interests of the State, the Punjab Agricultural University Ludhiana (PAU) was established in October 1962 under the Punjab Agricultural University Act, 1961.

The activities of University fall within three key areas viz. (i) 'Teaching', (ii) 'Research' and (iii) 'Extension Education' which are imparted through five constituent colleges located at Ludhiana, comprising 47 departments responsible for teaching, research and extension education work relating to its field of study. The research work is facilitated through 18<sup>11</sup> Research Stations (Regional stations, Regional fruit stations and University seed farms etc). The extension work is further facilitated through 15<sup>12</sup> Krishi Vigyan Kendras (KVKs), two<sup>13</sup> training centres and a centre of communication, language and culture in PAU.

The Governor of the State is ex-officio Chancellor of PAU and honorary Chairman of the Board of Management (Board) of which the Vice Chancellor is working chairman. The Vice Chancellor, a whole time officer of PAU, is appointed by the Board and is the Principal executive and academic officer. He is also responsible for close coordination of teaching, research and extension education. He is assisted in his work by Director of Research, Librarian, Estate Officer-cum-Chief Engineer, Comptroller, Dean of Constituent Colleges, Registrar, Dean Post Graduate Studies, Director of Extension Education and Director Students Welfare.

## Scope of Audit

**3.2.2.** The review covered the activities of PAU for the period 2000-05 and records of 39 (*Appendix-XXIII*) out of 96 drawing and disbursing officers responsible for drawing and making payment in each departments, research station etc., were test checked during October 2005 to March 2006.

## Audit objectives

**3.2.3.** The objectives of Audit during review were to assess:

- † the management of financial resources was done efficiently and effectively;
- † whether the results of research activities including adaptive research trials in various fields and research projects were evaluated and benefit therefrom was duly extended to beneficiaries;
- † whether utilisation of infrastructure created and its maintenance was efficient;

<sup>11</sup> Abohar, Ballowal Saunkheri, Gurdaspur, Kapurthala, Bhatinda, Raja Harinder Singh Seed Farm Faridkot, Regional Station Faridkot, Naraingarh, Gangian, Rauni, Usman, Bahadurgarh, Kheri, Ruldhu Singhwala, Samrala, Muktsar, Ladhawal and Nabha.

<sup>12</sup> Bahawal, Bathinda, Faridkot, Ferozepur, Gurdaspur, Kapurthala, Kheri, Langroya, Rauni, Ropar, Samrala, Fatehgarh Sahib, Usman, Goniana and Budh Singhwala.

<sup>13</sup> Gurdaspur and Ballowal Saunkheri.

## Audit findings

### Financial management

**3.2.4.** PAU prepares annual budget on the basis of grants-in-aid received from the State Government, funds received against schemes/projects sponsored by Indian Council of Agricultural Research (ICAR) and other agencies such as University Grants Commission (UGC), etc. and anticipated income likely to be received from various activities taken under ICAR, National Agricultural Technology Project and revolving fund schemes.

The position of funds received and expenditure incurred during 2000-05 was as under:

*(Rupees in crore)*

Year	Opening balance	Grants-in -aid/funds			Income <sup>14</sup>	Total	Expenditure	Closing balance <sup>15</sup>
		State Govt.	ICAR	Others agencies <sup>16</sup>				
1	2	3	4	5	6	7	8	9
2000-01	(-) 26.27	98.00	41.60	13.72	8.88	135.93	141.61	(-) 5.68
2001-02	(-) 5.73 <sup>17</sup>	78.73	21.26	4.31	11.14	109.72	131.98	(-) 22.26
2002-03	(-) 22.26	90.05	25.80	5.02	12.15	110.76	133.88	(-) 23.12
2003-04	(-) 23.12	90.27	24.20	5.70	14.06	111.11	135.73	(-) 24.62
2004-05 <sup>18</sup>	(-) 24.62	104.57	27.70	6.18	16.98	130.81	148.24	(-) 17.43

Reply to how excess expenditure is met has not been received (September 2006).

### Non-preparation of balance sheet

**3.2.5.** Section 34 (4) of the Haryana and Punjab Agricultural University Act, 1970 provides that the accounts and balance sheet shall be submitted by Vice Chancellor to the Government through the Board along with Boards' comments, for laying before the legislature.

During review it was noticed that no balance sheet since inception of University i.e.1962 had been prepared. Further, the accounts prepared every year were mere consolidation of transactions relating to receipts and payments which neither reflected the assets and liabilities at the end of the financial years nor gave a true picture of developmental expenditure and receipt relating thereto.

On being pointed out (January 2006), it was stated that PAU was not a commercial organisation and was not run on profit motive. Reply was not acceptable as non-preparation of balance sheet was not only violation of the provisions of the Act but also exact status of assets and liabilities of University was not known.

University did not prepare its balance sheet since its inception, as a result, exact status of assets and liabilities was not known

<sup>14</sup> Income includes income from Research Farms, ICAR Schemes, National Agricultural Technology Project and other miscellaneous schemes which include consultancy fees and testing fees.

<sup>15</sup> Minus figures indicate excess of expenditure over receipts.

<sup>16</sup> Grants received from UGC and other sponsoring agencies.

<sup>17</sup> Includes Rs 508386 wrongly entered under ICAR hence transferred to miscellaneous grant.

<sup>18</sup> Provisional as Accounts for 2004-05 not finalized so far (May 2006).



**Non-inclusion of income received in Sinking Fund in accounts**

Income of Rs 21.78 crore received in sinking fund was not taken into computation while working out overall deficit

3.2.6. The board in its meeting held in January 2000, accorded *ex-post facto* approval for the creation of a fund titled 'Sinking Fund' from 1996-97, to meet the expenditure incurred over and above the Grants-in-aid. During review it was seen that the income earned from Agriculture, Animal Husbandry, interest on short-term deposits, departmental charges and miscellaneous income, was being credited to this fund without incorporating the same in the financial accounts of University. The position of balances lying under sinking fund during 2000-05 was as follows:

(Rupees in crore)

Year	Opening balance	Income	Total	Expenditure	Closing balance
2000-01	9.38	3.08	12.46	NIL	12.46
2001-02	12.46	3.15	15.61	NIL	15.61
2002-03	15.61	2.72	18.33	NIL	18.33
2003-04	18.33	3.45	21.78	NIL	21.78
2004-05	21.78	N.A.	N.A.	N.A.	N.A.

It was observed that amounts which were kept under sinking fund were not taken into computation while working out the overall deficit in any year under review. As a result of which the deficit shown was over-stated to that extent. Thus, financial accounts of University did not depict its true financial position.

When pointed out (December 2005) in audit, it was intimated (January 2006) that no expenditure is directly incurred out of sinking fund and the same is adjusted against over all deficit, but no reasons for keeping the amounts out of University accounts were intimated (September 2006).

**Outstanding temporary advances**

Advances to the tune of Rs 26.62 crore were still outstanding and were awaiting adjustment since 1970-71 onwards

3.2.7. Test check of records revealed that as per details given in March 2006, Rs 30.48<sup>19</sup> crore paid as temporary advances for purchase of vehicles, machinery and equipment and construction work between 1970-71 and 2004-05 were outstanding at the end of March 2005. The account of temporary advances drawn was required to be rendered as early as possible and unspent balances, if any, refunded during the same financial year.

On this being pointed out (March 2006), it was stated (June 2006) that the action against the defaulting officials was being taken where it was required and details of outstanding balances has now been updated (June 2006) to Rs 26.62 crore. Further, reply has not been received (September 2006).

**Expenditure in excess of grants received**

Expenditure of Rs 2.52 crore spent in excess of grants received was not recovered

3.2.8. Audit scrutiny of 'grant utilisation certificate' for the year 2003-04 prepared by University and duly audited by Local Fund Examiner revealed that in 111 cases expenditure incurred by University was more than the amounts given by the sponsoring agencies for doing work on their behalf, to the extent of Rs 2.52 crore which was recoverable from them. This amount of Rs 2.52 crore was, however, not recovered from them as of March 2006. Out

<sup>19</sup> 0 to one year: Rs 7.70 crore; one to two years: Rs 4.41 crore; two to five years: Rs 7.44 crore; five to 10 years: Rs 4.58 crore and more than 10 years: Rs 6.35 crore.

of this, amount of Rs 22.30 lakh pertained to 25 private parties also. The amount due from private agencies ranged between Rs 201 to Rs 4,88,802.

Reasons for such huge outstanding amount and action taken to recover the same from concerned agencies though called for (April 2006) were not intimated (September 2006).

### Research activities

The PAU is engaged in conducting research and seeking solution to emerging problems in agriculture, agricultural engineering, veterinary science, home science and allied basic sciences. The deficiencies in undertaking of research activities were as under:

#### *Impact of improved varieties/hybrids*

**3.2.9.** Development of improved varieties/hybrids is the main research related activity of PAU. Accordingly, University introduced 89 numbers of improved varieties of Wheat, Rice, Sugarcane, Barley, Maize, and Gram. It was further stated that these varieties had become so popular with the farmers in the State that now almost the entire cultivated area was under such varieties. During review it was noticed that data relating to impact on production was not being maintained. However, comparative study of yield as per Statistical Abstract of Punjab 2005 revealed the following:-

Despite the development of improved varieties/hybrids, yield had fallen; thus, forfeiting the objective of research

Sr. No	Name of Crop	Production/Yield Per Hec. During	
		2000-01	2004-05
1	Wheat	4563 Kg	4221 Kg
2	Barley	3393 Kg	3367 Kg
3	Gram	953 Kg	869 Kg
4	Groundnut	879 Kg	842 Kg
5	Mustard/Rapeseed	1218 Kg	1032 Kg
6	Sugarcane	6425 Kg	6012 Kg

From above it transpired that in spite of release of high varieties/hybrids, the yield per hectare has decreased thus, objective of work undertaken was not fulfilled; reasons therefor were called for (June 2006), but University had not furnished reply (September 2006).

#### *Ungainful expenditure on research scheme*

**3.2.10.** A scheme on the "Research of Tickborne Diseases of livestock and their vectors" was started during 1980-81. The Vice Chancellor ordered (October 1999) the setting up of a Committee to evaluate its achievement. The Committee submitted its report in February 2000 to the State Government which finally decided (November 2001) to terminate the scheme considering that no useful results had come out of the scheme. Although Committee observed the futility of scheme in February 2000 yet the scheme continued upto 2001-02 and expenditure of Rs 51.32 lakh was incurred during 2001-02 on pay and allowances which could have been saved, had department taken timely action. Further, on being asked (January 2006), no information regarding assets created such as building, equipment etc. out of the funds received for the scheme and its present status was supplied (September 2006).

Delay in closure of scheme resulted in ungainful expenditure of Rs 51.32 lakh on pay and allowances

***Loss due to sale of seeds as grains***

**3.2.11.** PAU produces seeds of various varieties after preparation of 'Seed Production Programme'.

**Loss of Rs 1.63 crore in sales of seeds as grains**

Audit scrutiny revealed (March 2006) that the seeds of different varieties such as paddy, wheat, pulses etc. so produced were partly being disposed of as grains. As the production of seeds involves certification and inspection by skilled staff and has higher price tag, its disposal as grains resulted in loss of Rs 1.63 crore during the period 2000-05.

The Director (Seeds) admitted (March 2006) the facts and attributed the reasons for sale of seeds as grains in the absence of confirmed demand and inflexibility in sale rates which resulted in part of seeds produced being disposed of as grains which was unavoidable. Fact remains that the production of seeds was not properly planned, as a result, University had suffered a loss of Rs 1.63 crore.

***Bottlenecks/constraints in research***

**3.2.12.** As per vision-2020 published by University, the proportion of direct recruitment of higher positions during the last 15-20 years was relatively small. Majority of the faculty members were stated to have not been exposed to the outside world as 73 per cent of faculty members have obtained Ph.D degrees from PAU and only five per cent obtained from Foreign Universities. Thus, there has been widespread inbreeding of the faculty.

Laboratory equipment were purchased during first 15 years of establishment of PAU and subsequent replacements/modernization were inadequate. Equipment purchased between 1970 and 1980 have become obsolete and required replacement with the latest generation instruments for undertaking research and train the faculty and students in the strategic and frontier areas to keep pace with the latest advancements to cover the bottlenecks/weaknesses in the field of research.

The University was asked (June 2006) about the remedial measures being taken to overcome this; University did not furnish any reply (September 2006).

***Non-disposal/transfer of equipments of completed schemes***

**3.2.13.** During test check of records in five<sup>20</sup> departments, it was observed that in 89 research schemes operated (2000-01) and completed by the end of March 2005, equipment valuing Rs 1.29 crore purchased between 2000 and 2005 for these schemes lying with Principal Investigators has neither been returned to stores nor disposed of (May 2006). No procedure as to how the equipment was to be used after completion of scheme was in vogue in University.

When pointed out (June 2006), the Head of the Department of Soils, PAU stated (June 2006) that it was not possible to keep a register for merely two to five items and it would be sheer wastage of time, labour and stationary. The reply is not acceptable because preparation of records of stock was obligatory under the rules and not discretionary. No reply was received from other departments.

<sup>20</sup> Bio-Chemistry, Entomology, Farm Power and Machinery, Plant Breeding and Departments of Soil.

***Non-assessment of the impact of adaptive research trials***

**Due to non-maintenance of records of adaptive research trials, impact of research could not be ascertained in audit**

**3.2.14.** The newly evolved technologies by PAU for the farmers and farm woman in the state are evaluated extensively on the farmers field by Farm Advisory Service Scheme (FASS) and KVKs working under Director Extension Education. The results thus, obtained from 'Adaptive Research Trials' were to be compiled and analysed by respective subject specialist. On the basis of these results, new technology was either to be approved or to be rejected by the Research Evaluation Committee.

During review, it was observed that for this purpose 1046 adaptive research trials (950 under FASS and 96 under various KVKs) in 11<sup>21</sup> districts of the State and UT Chandigarh were conducted during 2003-04. The University stated (June 2006) that no record regarding the number of new technology viz new variety/production/protection technology, approved/rejected, number of farmers who adopted the new technology or the impact of these adaptive research trials on the agriculture viz increase in yield etc., was being maintained. In the absence of this, the impact of these trials could not be ascertained in audit.

***Ungainful expenditure on soil testing laboratories***

**3.2.15.** ICAR provided funds (2004-05) for establishment of seven Model Soil Testing Laboratories including the facilities for analysis of plant and water samples, to the tune of Rs 82.60 lakh at the rate of Rs 11.80 lakh each at seven<sup>22</sup> KVKs. Director Extension Education placed orders for purchase of equipment, chemicals and setting up of laboratories etc. to various suppliers during February and March 2005. An expenditure of Rs 74.48 lakh was incurred (March 2005) on purchase of equipment, chemicals and establishment of laboratory at the rate of Rs 10.64 lakh each.

**Non-conducting of tests at KVK's rendered expenditure made on setting up of laboratories and equipment as ungainful**

Test check of records in four<sup>23</sup> KVKs, however, revealed that no tests of soils, plant and water samples have been conducted till February 2006. When pointed out (February 2006) in audit, the Deputy Director (Training) KVK, Patiala intimated (February 2006) that no staff (scientists etc.) for testing of samples have been posted. The purchase of equipment/materials without making any provisions for deployment of staff for conducting test not only rendered expenditure as ungainful but also in denial of benefits of soil testing to intended beneficiaries. Replies from remaining three KVK's were awaited (September 2006).

***Shortfall in training***

**3.2.16.** For quick dissemination of latest recommendations of research to enhance the production/productivity, quality and post harvest management of various field and horticulture crops in the State of Punjab, PAU organises various training programmes through Directorate of Extension Education in different training units situated at Ludhiana and 15 KVKs. The training courses were also organized in the field of Animal Husbandry, Agricultural Engineering and Home Science. The aim of these training courses was to create awareness and skill

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<sup>21</sup> Amritsar, Bhatinda, Faridkot, Ferozepur, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Patiala, Ropar and Sangrur.

<sup>22</sup> Bahawal, Faridkot, Ferozepur, Kapurthala, Kheri, Langroya and Patiala.

<sup>23</sup> Bahawal, Faridkot, Kapurthala, and Patiala.

among the farming community and unemployed youth to adopt subsidiary occupations such as bee keeping, mushroom cultivation, floriculture, fish farming, dairy farming, poultry farming, pig farming etc.

The details of training courses planned and actually held in University, as per information supplied, during 2000-05 were as follows:

Year	No of training planned	Actually held	Short fall	Percentage of shortfall
2000-01	1035	676	359	34.69
2001-02	1184	833	351	29.64
2003-04	1085	719	366	33.73
2004-05	1254	1050	204	16.26

*Note:- Information for 2002-03 was not supplied.*

Reasons for shortfall were called for (March 2006); reply has not been received (September 2006).

Further, test check of records in 4<sup>24</sup> KVKs, however, revealed that the shortfall in training planned and actually held was between 40 per cent to 57 per cent in case of in-service trainings.

Year	No of training planned	Actually held	Short fall	Percentage
2000-01	50	22	28	56
2001-02	60	26	34	57
2002-03	74	32	42	57
2003-04	67	40	27	40
2004-05	78	34	44	56

Shortfall in organizing in-service training was attributed (March 2006) to the trainees from department concerned not turning up for training courses and also to shortage of staff. The reply is not acceptable as objective of training was not being fulfilled and more persuasive steps were needed to be taken to achieve the objectives.

### Utilisation of Infrastructure

#### *Non-utilisation of college building*

**3.2.17.** A building for College of Basic Sciences was constructed between 1985-86 and 1996-97 at a cost of Rs 1.10 crore at Kauni, district Faridkot, on 19 acres land. The land was given free of cost by village panchayat. In July 2000, the college was closed due to non-availability of students. Since then building was lying unused. Poor response in admission of students indicated improper planning and survey by University which resulted in non-utilisation of infrastructure created at the cost of Rs 1.10 crore.

No tangible efforts were made to utilise the infrastructure since the closure of college.

**Non-utilisation of infrastructure created in the shape of college building rendered expenditure of Rs 1.10 crore incurred thereon as ungainful**

<sup>24</sup> Bathinda, Faridkot, Gurdaspur, and Patiala.

***Non-utilisation of training hostels***

**3.2.18.** Training hostels for stay of trainees has been constructed in the KVKs. Audit scrutiny of records in 4 KVKs revealed that the training hostels built at a cost of Rs 27.27 lakh during the period 1993-94 to 2000 were not being utilized since their construction. When pointed out in audit, the Dy. Director (Trg.) intimated that as almost all trainings are scheduled in the day times i.e. 10 AM to 2 PM and most of trainees are from surrounding villages; the hostel buildings were, therefore, not used. Construction of hostels without making any survey for its utility has resulted in infructuous expenditure of Rs 27.27 lakh.

***Non-updation of land records***

**3.2.19.** The university account code provides for maintenance of upto date record of all the immovable property of land in the same manner as was being maintained by Government. It was observed that Land measuring 39.18 acre at Patiala was entered twice at page 70 & 87 of the register. The discrepancy of land was required to be reconciled with the original record. Further, Land measuring 700.52 acre though under possession (between 1972 to 1990), was not found transferred in the name of PAU, Ludhiana.

This was pointed out in June 2006; reply has not been received (September 2006).

***Non-utilisation of fallow land***

**3.2.20.** PAU is having 5920.94 acres of land at 36 different stations in the State of Punjab. The information about total cultivable land and land kept fallow was not made available to audit. However, test check of records of eight<sup>25</sup> stations (four KVKs two research stations, one farm and one department) revealed that out of total cultivable land measuring 1410.6 acres, land kept fallow ranged between 444 to 790 acres during Rabi and Kharif in the period 2000-05. The minimum loss on the basis of rate of rent of Rs 500 per acre fixed (November 1990 and April 1997) by the Revenue Department for the evacuee land worked out to be Rs 13.70 lakh for eight stations only. Actual loss suffered would have been much more.

**Non-use of land, kept as fallow land, resulted in loss of income to University**

Reasons for keeping land fallow were attributed (March 2006) to non-availability of canal water and undulated land. The reply is not acceptable because steps taken to make the land cultivable, though called for (April 2006) were not intimated (August 2006) and keeping the land fallow resulted in loss of income to PAU. Immediate steps were needed to be taken to bring the land under cultivation.

***Non-maintenance of tree register***

**3.2.21.** As per codal provisions, trees were to be accounted for in the tree register and which are more than two years old and have a minimum girth prescribed by the Chief Engineer, are required to be numbered and entered in a Register of trees to be maintained in the prescribed form (Au-10/9). In case, any tree has felled by storm or otherwise, the detail was required to be entered in the said register. Audit

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<sup>25</sup> Research Station, Bathinda; KVK, Faridkot; Department of Farm Power Machinery; Research Station, Ballawal Sunkhri; KVK Muksar; KVK Bahawal; KVK Langroya and Ladhawal Farm, Ludhiana.

scrutiny of records, however, revealed (April 2006) that no such record showing numbering of trees was maintained. When pointed out (April 2006) in audit, the department stated that the trees will be numbered and register completed. Further report has not been received (September 2006).

Punjab Government transferred (December 2000) 1250 acres of land of erstwhile Central State Seed Farm, Ladhawal to University. At the time of transfer, there were 116832 forestry trees and 26174 orchard trees valuing Rs 1.04 crore.

Scrutiny of records, further revealed that trees were not accounted for in tree registers. It was further noticed that out of the 116832 forestry trees, 89194 trees (34187 Eucalyptus and 55007 popular) were of early maturing commercial trees which gave yield in six to eight years. Thus, non-accountal of trees was not only in violation of codal provisions but it may also cause revenue loss due to pilferage, besides the disposal of matured forestry trees and trees felled by storms or otherwise could not be ensured/watched.

When pointed out (May 2006), the Farm Manager stated that the register will be prepared in due course. Further report has not been received (September 2006).

#### ***Ineffective stock taking in University Library***

**3.2.22.** As per amended (October 1998) codal provisions, random and sample stock taking of Library books and periodicals shall be done once in every two years by the committee after selecting five disciplines.

Audit scrutiny of records in University Library, however, revealed that no physical verification of Library has been done during the period 2000 to 2005. When pointed out (December 2005), University Librarian got done random stock-taking in February 2006 of five out of 45 disciplines. The scrutiny of records of sample stock taking done further revealed that only 16374 books out of 241952 were physically verified which constituted only 6.76 *per cent* of the total books. Out of this, 2219 books (i.e. 13.55 *per cent*) were found untraceable which was much more than five books per thousand of the prescribed norms. The results arrived at on the basis of stock taking done on the basis of such a small sample (6.76 *per cent*) was not indicative of correct position of stock and did not serve the useful purpose.

Thus, by checking five out of 45 disciplines, after every two years, the checking of all disciplines would take eighteen years. Evidently, the purpose of stock taking i.e. the detection of missing books and recovery thereof, if any, cannot be served with such a small sample of stock taking, rather sample should have been representative one. As such norms needed to be reconsidered for upward increase.

#### ***Avoidable payment of electricity charges***

**3.2.23.** The electricity charges of the tubewells being used for irrigation purposes in the State of Punjab were waived off from February 1997 by the Punjab Government.

**Excess payment of  
Rs 50.92 lakh on  
electricity bills**

Audit scrutiny of record, however, revealed that University continued to pay electricity charges on these tubewells during the period February 1997 to May 2001 though these were waived off. This resulted in excess payment of Rs 50.92 lakh.

When pointed out in audit (April 2001), the Director Farm intimated (December 2005) that case for refund of Rs 50.92 lakh has been taken up (June 2004) by the Vice Chancellor with Punjab State Electricity Board authorities which was yet to be settled (September 2006).

### ***Loss due to running of Printing Press***

**3.2.24.** With a view to avoid financial loss to University due to incurring of expenditure on pay and allowances much more than the services rendered by the Printing Press and to ensure cost effectiveness of the printing jobs, the Vice Chancellor PAU declared the press as a vanishing unit and directed (August 1999) that no more appointment of staff be made in Printing Press in future and the vacant posts should be abolished.

**Ungainful expenditure of Rs 2.28 crore was incurred on running of University Press**

During review it was noticed that during 2000-05, the printing work valuing Rs 34.74 lakh was only done in the printing press whereas Rs 2.63 crore was spent on pay and allowances of the staff. In addition, printing work valuing Rs 37.34 lakh was got done from the open market during the period. The failure of University authority to ensure optimal utilisation of services of staff of the press in some other departments even after declaring the press as vanishing unit resulted in ungainful expenditure of Rs 2.28 crore.

This was pointed out in December 2005; no reply has been received (September 2006).

### **Conclusion**

**3.2.25.** The review highlighted the failures of University in the areas of finance management, research activities, extension education and estate functions. The financial management was not upto the mark, as University failed to prepare the balance sheet which could have given a clear picture of fixed assets and liabilities. Further, the amount accruing in sinking fund was not taken into consideration for computation overall deficit of University. The University failed in its main objective to enhance the productivity as over all production of main corps has shown a downward trend though University had claimed that entire cultivable area was now under these new varieties. Shortfall in trainings planned and actually held was between 40 *per cent* and 57 *per cent* in case of in-service training. No record of impact of adaptive research trials and other extension education activities was being kept. Non-adherence to codal provisions for maintenance of register of trees reflected upon deficiencies in management of Estate. Fallow land available for cultivation was not put to use. University Press was incurring recurring losses.

### **Recommendations**

- † The annual balance sheet of University should be prepared to have a clear picture of financial position of the organisation;
- † Amount accruing in sinking fund should be taken into the computation of overall financial position so as to provide a comprehensive and complete position of fund flow;
- † Temporary advances drawn should be regularly monitored and reconciled for recovery and adjustments;



- † A system should be evolved for recovery of expenditure incurred in excess of the grants received from various sponsoring agencies;
- † Effective steps should be made for efficient utilisation of fallow land available with University for agricultural purpose;
- † The functioning of printing press should be completely reviewed so as to avoid incurring of financial losses to University;
- † Methodology of stock taking of Library should be reviewed and made broad based to ascertain the exact number of volumes that are available in stock and the exercise should be done on a regular basis.

The above points were brought to the notice of the Government in May 2006; reply has not been received (September 2006).

### 3.3. Educational Development of Scheduled Castes

#### Highlights

**DEPARTMENT OF  
WELFARE OF  
SCHEDULED  
CASTES AND  
BACKWARD  
CLASSES**

The population of Scheduled Castes (SCs) in Punjab State is 70.29 lakh (2001 Census) which is 28.85 per cent of total population and is highest in the country<sup>26</sup>. The literacy rate among SCs is 56.22 per cent against 69.65 per cent for the whole State indicating a gap of 13.43 percentage points. There is no Scheduled Tribe (ST) population in Punjab. Audit noticed that the State Government had not implemented the welfare schemes effectively in regard to availment of the central assistance for scholarships for post-matric and pre-matric students, construction of hostels despite the availability of the central assistance. Timely supply of free text books was not ensured. Scheme for improving the representation of the SC candidates in Group A or B services through free coaching centres did not yield results and monitoring of the schemes was deficient.

† *Out of Rs 225.44 crore allocated in the budget, the department failed to utilize Rs 86.43 crore during 2001-06.*

*(Paragraph 3.3.5)*

† *The State Government failed to avail the central assistance of Rs 20.29 crore due to less release of funds during 2001-06 under centrally sponsored schemes for scholarships to post-matric and pre-matric students.*

*(Paragraph 3.3.6 & 3.3.7)*

† *Central assistance under "Free Text Books" to SC girl students of Below Poverty Line families studying in 10+1 and 10+2 classes was denied due to inadequate funds and non-supplying of lists of eligible students by Education Department during the years 2003-06.*

*(Paragraph 3.3.10)*

† *Attendance scholarship to SC primary girl students has been paid Rs 51.76 crore against budget allocation of Rs 97.38 crore during 2001-06 causing adverse impact on the implementation of the scheme.*

<sup>26</sup> Total number of SC student in different courses was 15.32 lakh and enrollment in school was 15.04 lakh as on 2004.

(Paragraph 3.3.11)

† *Non-construction of hostels despite availability of central assistance of Rs 37.52 lakh for the last four to eight years resulted in denial of accommodation to SC students.*

(Paragraph 3.3.15)

† *The expenditure of Rs 1.15 crore incurred for running the pre-examination coaching centre remained largely ungainful as it failed to improve the representation of SC candidates in Group A or B services.*

(Paragraph 3.3.17)

## Introduction

**3.3.1.** The department functions under the overall control and supervision of Secretary, Welfare Department. Director, Welfare of Scheduled Castes and Backward Classes (Director) is responsible for the preparation and implementation of various schemes and is assisted by the Additional Director (AD), Joint Director (JD) and four Deputy Directors (DDs) at Headquarters and 17 District Welfare Officers (DWOs) at the district level. Certain schemes are also implemented through the Education, Technical Education and Research and Medical Education Department, to whom the funds are allocated/ released by the Director.

The objectives of this programme are to increase enrolment, retention of SCs in educational institutions, reduce drop out rates and increase their representation in jobs and higher educational and professional institutions.

## Scope of Audit

**3.3.2.** Implementation of schemes during 2001-06 was reviewed in audit between February 2006 and April 2006 based on test check of records of Director, seven<sup>27</sup> (out of 17) DWOs selected on random sampling by adopting "Probability Proportional to size with Replacement" method considering district wise population of SC students as the size measure and supplemented by scrutiny of records of different units<sup>28</sup> of implementing departments.

## Audit objectives

**3.3.3.** The objectives of audit were to assess:

- † the allocation, release and utilization of funds earmarked for various schemes were judicious, adequate and effective;
- † books and scholarship were distributed to students as per norms and within time schedule of the schemes;
- † the effectiveness of implementation of schemes for construction of hostels and other scheme for imparting of specialized pre-examination coaching to SC students;

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<sup>27</sup> Amritsar, Bhatinda, Hoshiarpur, Jalandhar, Ludhiana, Moga and Ropar.

<sup>28</sup> District Education Officers (EE): 7, District Education Officers (Secondary): 7 and Colleges:9.

- † the efforts of the State Government resulted in improving the educational indicators i.e. literacy rate, gross enrolment ratio, drop out rate and gender parity index and
- † the monitoring systems at various levels were functioning effectively.

### Audit methodology

**3.3.4.** All documents at the Government level as well as the Directorate, other implementing agencies and their lower formations relating to the implementation of schemes were studied. The budget and the expenditure incurred were examined. Physical targets and achievements were also studied at the level of Directorate and the seven test checked districts.

### Audit Findings

#### Financial Management

**3.3.5.** The budget allocated by the Finance and Administrative Department is released by the Director to the DWOs and other implementing agencies. With a view to ensure timely release of funds under five<sup>29</sup> major educational schemes (out of 17<sup>30</sup>) the State Government decided (April 2005) that the payment to the beneficiaries/institutions would be met out of the “Social Security Fund” by opening Personal Ledger Accounts in favour of Director at State Headquarters and DWOs in all the 17 districts in the State. Contribution to the fund was to be made from the revenue collected through the enhanced Electricity Duty and Stamp Duty.

Budget provision vis-à-vis expenditure incurred on Educational Schemes (17) by the Department during 2001-06 was as under:-

(Rupees in crore)

Year	Budget provision			Expenditure			Saving		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
2001-02	21.26	16.84	38.10	4.25	12.20	16.45	17.01	4.64	21.65
2002-03	19.54	18.04	37.58	19.14	17.37	36.51	0.40	0.67	1.07
2003-04	21.98	20.02	42.00	10.60	10.77	21.37	11.38	9.25	20.63
2004-05	25.93	20.16	46.09	NIL	14.76	14.76	25.93	5.40	31.33
2005-06	29.35	32.32	61.67	24.05	25.87	49.92	5.30	6.45	11.75
<b>Total</b>	<b>118.06</b>	<b>107.38</b>	<b>225.44</b>	<b>58.04</b>	<b>80.97</b>	<b>139.01</b>	<b>60.02</b>	<b>26.41</b>	<b>86.43</b>

<sup>29</sup> 1. Promotion of education among educationally Backward Classes 2. Scholarships for post matric students for SCs 3. Attendance scholarship to SC primary girl students 4. Pre-matric scholarship to the children whose parents are engaged in unclean occupation 5. Free books to SC students (1<sup>st</sup> to 10<sup>th</sup> classes).

<sup>30</sup> 1. Attendance scholarships to SC girl students in rural areas. 2. Opening of hostels for boys/girls studying in schools/colleges 3. Scheme for coaching SC students studying in 9<sup>th</sup>, 10<sup>th</sup>, +1 level and +2 level 4. Setting up of institute for training in typing and stenography to below poverty line for SCs. 5. Free text books to SC girls students studying in 10+1 and 10+2 classes. 6. Award to SC sport students 7. Attendance scholarship to SC primary girl students 8. Scholarship for post matric students for scheduled castes. 9. Grant to SC students studying in medical and engineering colleges. 10. Grant for purchase of medical and engineering books 11. Grant to Scheduled Caste girls studying in post-matric and post graduation classes etc. 12. Award to brilliant SC students. 13. Setting up of residential institute for IAS/PCS and allied services/banking/ LIC services for coaching. 14. Free books to SC students of 1<sup>st</sup> to 10<sup>th</sup> classes. 15. Pre-matric scholarship to the children whose parents are engaged in unclean occupation. 16. Promotion of education among educationally Backward Classes. 17. Coaching for stenography.

Out of Rs 225.44 crore allocated in the budget, the department failed to utilize Rs 86.43 crore during April 2001 to March 2006

The savings were attributed to non-according of sanctions by the State Government and non-passing of bills by the treasury. The Finance Department admitted (June 2006) that less budget was provided and bills were not cleared by the treasury due to financial crunch in the State and further stated that during 2005-06, the funds under the scholarships schemes were released as per demand of the department. The reply is indicative of the fact that adequate efforts in terms of providing sufficient funds were not made by the Government.

**Non-availment of central assistance under the scheme for scholarship to Post-matric students**

The State Government failed to avail the central assistance of Rs 19.38 crore due to less release of funds during 2001-06

**3.3.6.** As per the scheme, the Government of India (GOI) was to meet the entire expenditure if incurred over and above the committed liability of the State. Further, in the event of there being unspent balance of GOI, funds were not to be released by them. It was observed that GOI released Rs 3.20 crore in the year 2001-02 and another amount of Rs 60 lakh in the ensuing year 2002-03. As this amount remained unspent, no funds were released in the year 2003-04 and 2004-05. Further, the expenditure incurred by the State Government during the year 2004-05 was much less than its committed liability as could be seen from the table below. Resultantly, no funds were released by GOI upto the year 2004-05. For the year 2005-06, GOI allowed adjustment of unspent balance of Rs 3.80 crore as central assistance for incurring expenditure for the year 2005-06. As such, against the anticipated expenditure of Rs 45.70 crore for the period 2001-06 after adjusting the committed liability of the State Government amounting to Rs 22.52 crore and unspent balance of central assistance of Rs 3.80 crore, Rs 19.38 crore which were otherwise available as central assistance were not availed by the State Government. Had the unspent balance of the central assistance emanating from the year 2001-02 not been carried forward and if the expenditure equivalent to anticipated expenditure had been incurred by the State Government, additional funding of Rs 19.38 crore that was available could have been utilised for extending the benefit of providing the scholarships to post-matric students during this period. The number of students who were actually deprived of this scholarship ranged between 5753 and 39993 during 2001-06.

Anticipated expenditure, budget allotment, funds released and expenditure incurred, during 2001-06 was as under:

(Rupees in crore)

Year	Anticipated expenditure	Provision required for committed liability	Actual provision for committed liability	Budget provision including committed liability	Released	Expenditure
2001-02	6.00	2.80	2.80	6.00	2.80	1.73
2002-03	6.60	4.93	2.80	6.00	6.00	4.78
2003-04	6.90	4.93	2.80	6.00	2.80	1.81
2004-05	12.05	4.93	2.80	6.00	2.80	2.12
2005-06	14.15	4.93	4.93	14.15	8.73	8.73
<b>Total</b>	<b>45.70</b>	<b>22.52</b>	<b>16.13</b>	<b>38.15</b>	<b>23.13</b>	<b>19.17</b>

On this being pointed out, the Government stated (August 2006) that under the post-matric scheme, the Finance Department (FD) had not released central share of Rs 3.80 crore during 2001-02 and less amount was released during 2003-04

and 2004-05 due to poor financial position of State which too could not be spent as the treasury did not clear the bills.

### ***Non-availment of central assistance under scheme for scholarship to pre-matric students***

**The State Government failed to avail central assistance of Rs 0.91 crore due to less release of funds during 2001-06**

**3.3.7.** The centrally sponsored scheme for scholarship to pre-matric students envisaged payment of scholarship and adhoc grant to the children of I to X classes, of traditional scavengers of dry latrines, flaying and tanning to check their drop-out tendency. The State Government was to meet its committed liability of Rs 19.65 lakh each year and expenditure incurred in excess of committed liability was to be equally shared by the State and the Central Government.

During 2001-06, the anticipated expenditure, budget allotment, funds released and expenditure was as under:

(Rupees in lakh)

Year	Anticipated expenditure	Committed liability	Provision	Funds released	Expenditure
2001-02	70.27	19.65	85.00	19.65	-
2002-03	76.51	19.65	85.00	76.51	60.71
2003-04	70.38	19.65	70.38	19.65	-
2004-05	85.00	19.65	85.00	19.65	19.01
2005-06	85.00	19.65	85.00	77.39	75.29
<b>Total</b>	<b>387.16</b>	<b>98.25</b>	<b>410.38</b>	<b>212.85</b>	<b>155.01</b>

The anticipated expenditure during 2001-06 was Rs 387.16 lakh and after adjusting the committed liability of Rs 98.25 lakh, the 50 *per cent* central share worked out to Rs 144.45 lakh. Against this, central assistance of Rs 53.49 lakh<sup>31</sup> only was availed during this period due to non-incurring of expenditure during the year 2001-02 and 2003-04, whereas the expenditure incurred during 2004-05 was Rs 19.01 lakh which was even below the committed liability of the State as could be seen from the table above. This resulted in non-availing of central assistance of Rs 90.96 lakh (Rs 144.45 lakh – Rs 53.49 lakh). If the expenditure equivalent to anticipated expenditure had been incurred by the State Government, additional funding of Rs 90.96 lakh that was available could have been utilised for extending the benefit of providing scholarship to target group of students during 2001-02, 2003-04 and 2004-05. The number of students who got deprived of the scholarships ranged between 449 and 8791 during these years. This also had adverse impact on the drop out rate as it increased from 51.86 (2001-02) to 52.84 *per cent* (2005-06) in classes I-VIII while in classes I-X, it increased from 60.91 (2001-02) to 64.28 *per cent* (2005-06).

On this being pointed out, the Government stated (August 2006) that requisite funds were not released by the Finance Department. The reply is indicative of the fact that adequate efforts in terms of providing sufficient funds were not made by the Government.

### ***Denial of central assistance***

**3.3.8.** With a view to build the basic foundation of the SC children from school level by providing extra coaching a 100 *per cent* centrally sponsored scheme was

<sup>31</sup> Unspent balance upto 2000-01 Rs 29.43 lakh + Rs 18.51 lakh and Rs 5.55 lakh released during the years 2003-04 and 2004-05 respectively = Rs 53.49 lakh.

**Failure of State Government to utilize the GOI funds in time resulted in denial of availment of Rs 6.40 crore under the 100 per cent centrally sponsored scheme included in special component plan**

included in Special Central Assistance (SCA) and allocation of Rs 3.20 crore was made each year during 2004-05 and 2005-06. The above scheme was not implemented in the State as no funds were released by GOI under this scheme as the State Finance Department was already having Rs 15.31 crore as unspent balance as on 1 April 2005 as SCA and due to this huge amount of unspent balance, GOI despite making provision did not release any funds under this programme.

### **Implementation of Schemes pertaining to providing of text books and scholarships**

#### ***Delay in supply of free books***

**3.3.9.** Under the Scheme, free books were supplied to SC students at school level from 1<sup>st</sup> to 10<sup>th</sup> classes. After collecting the demand from DWOs, the Director placed supply orders (February 2003 and March 2004) for the academic session 2003-04 and 2004-05 respectively with the Punjab School Education Board, Mohali (Board) for the supply of books by 31 March of each session. Neither any penalty clause was laid down in the supply order for late supply nor was any agreement executed till the session 2004-05. It was noticed that the Board completed the supply of books by September 2003 and July 2004 i.e. late upto six and four months for the academic session 2003-04 and 2004-05 respectively, which eventually delayed the process of distribution of books to about 14 lakh SC students. Taking cognizance of the delayed supply of books for the academic session 2003-04 and 2004-05, the State Government imposed 10 per cent penalty of Rs 2.27 crore (2003-04: Rs 1.15 crore and 2004-05: Rs 1.12 crore) in June 2005 which was not deposited by the Board (April 2006). On this being pointed out, the Director admitted (April 2006) that recovery was not enforceable as the agreement incorporating penalty clause was made only for the supply for academic session 2005-06. The delay in supply of books was attributed (August 2006) by the Government to late purchase of paper for printing by Board during 2003-04 and due to change in syllabus during 2004-05. The reply was not tenable as the timely supply of books was to be ensured by the department which was, however, not done and as a consequence, the studies were adversely affected.

#### ***Non-supply of free books to SC girl students of below poverty line***

**3.3.10.** The Government introduced a scheme which was to be entirely funded from the State Plan for providing free books to SC girl students of Below Poverty Line (BPL) families who were studying in classes 10+1 and 10+2. The aim of the scheme was to relieve the parents/guardians of the students from the financial burden. A budget provision of Rs one crore and Rs 60.00 lakh was made for the year 2003-04 and 2004-05 respectively but no funds were released during these years. Against the budget provision of Rs 60.00 lakh during the year 2005-06, FD released (September 2005) Rs 30.00 lakh to Welfare Department to benefit 5250 girl students reportedly due to financial crunch. The books were, however, not purchased by the department as of March 2006 due to inadequate funds and incomplete supply of lists of eligible SC girls of all districts by Education Department thereby depriving SC girl students of the intended benefits of the scheme. Thus, due to non-release of required funds by the FD and lack of coordination between the Welfare and Education Department coupled with non-initiating timely action for collection of data i.e. before the start of academic

**Free Text Books to SC girl students of Below Poverty Line families studying in 10+1 and 10+2 classes not supplied**

session, led to complete non-implementation of scheme consecutively for the three years.

### ***SC girl students deprived of attendance scholarship***

**3.3.11.** Subject to the fulfillment of certain conditions<sup>32</sup> attendance scholarship of Rs 50 per month per girl student, for ten months in a year was to be given to SC girls of primary classes to check the drop out tendency at primary stage. Funds were released from the State Headquarters to District Planning and Development Boards of all the districts in quarterly installments till 2004-05. Thereafter, the funds were released from “Social Security Fund” on monthly basis.

The details of budget allocation, budget released, expenditure, targets fixed/achieved during 2001-06 were as under:

(Rupees in crore)

Year	Budget allocation	Budget released	Expenditure	Targets fixed	Achieved targets
				(Students in lakh)	
2001-02	20.10	10.05	4.06	4.02	4.02
2002-03	19.54	19.54	19.14	3.91	3.83
2003-04	21.54	10.77	10.56	4.31	4.31
2004-05	17.10	-- <sup>33</sup>	--	4.31	--
2005-06	19.10	19.10	18.00	4.42	3.91
<b>Total</b>	<b>97.38</b>	<b>59.46</b>	<b>51.76</b>	<b>20.97</b>	<b>16.07</b>

**Attendance scholarship to SC primary girl students has been less paid during 2001-06.**

The above table shows that against the budget allocation of Rs 97.38 crore Rs 59.46 crore were released against which only Rs 51.76 crore were spent thereby achieving target of 16.07 lakh students (units) during these years. If the total achieved target of 16.07 lakh students were to be considered and computation, keeping in view Rs 500 per year per student was made, an amount of Rs 80.35 crore was required for proper implementation of the scheme. As against this, expenditure incurred was only Rs 51.76 crore. Thus, it is clear that the coverage of the achieved targets as shown appears to be over-stated. Therefore, the purpose of the scholarship was diluted and consequently, its impact was minimized as is revealed from the fact that the enrolment of SC girls had actually decreased from 442880 (2001-02) to 435443 in academic session 2004-05.

### ***Non-checking of attendance scholarship scheme by DWOs***

**3.3.12.** Secretary (Welfare) requested (August 2005) all the Deputy Commissioners (DCs) to get the physical verification/checking of the disbursement of attendance scholarship done on the basis of class/ school/block-wise lists of beneficiaries to be supplied by DWOs and send the reports to Director for further submission to Government by September 2005.

It was, however, noticed that no such checking reports were received from the DCs in the office of Director as of April 2006. Records of five districts revealed that in three districts<sup>34</sup> even the lists of beneficiaries were not received from DWOs and in two districts<sup>35</sup>, though the lists were supplied but checking was not

<sup>32</sup> 1. The parents have not more than five acres of land, 2. minimum 75 per cent class attendance and 3. parents/guardian is not income tax payee.

<sup>33</sup> No funds were released in 2004-05 due to financial crunch in State.

<sup>34</sup> Amritsar, Jalandhar and Ropar.

<sup>35</sup> Hoshiarpur and Ludhiana.

got conducted by the concerned DCs. Thus, State Government also did not monitor compliance of its own orders.

***Irregular and partial implementation of scholarship scheme***

Scholarships under scheme “Promotion of education amongst educationally backward classes” were given to students in irregular and partial manner

**3.3.13.** Under the Scheme “Promotion of education amongst educationally backward Classes” scholarship was to be given to students belonging to SC and BC of 6<sup>th</sup> class onward at prescribed norms and rates. Admission fees and tuition fee paid by students was also to be reimbursed. The details of budget allocation, expenditure, targets fixed and achieved during 2001-05 were as under:

Year	(Rupees in crore)		(Number of students)	
	Budget allocation	Expenditure	Targets fixed	Targets achieved
2001-02	23.68	10.73	600000	500000
2002-03	22.94	19.65	600000	600000
2003-04	22.94	1.67	600000	29166
2004-05	22.94	4.63	600000	120209

This indicated that allocated funds were not fully utilized during 2001-05. Implementation of the schemes was, thus, partial.

On this being pointed out, Director stated (May 2006) that less expenditure and non-achievement of targets was due to non-clearance of bills by treasury. In the absence of adequate funding, the implementation of the scheme left much to be desired, particularly since the achievement of the target was as low as five *per cent* in the year 2003-04.

***Delayed release of funds for scholarship***

**3.3.14.** Test check of records of six<sup>36</sup> colleges in four districts, however, revealed that funds relating to three<sup>37</sup> schemes amounting to Rs 16.02 lakh for the years 1999-2004 were released late by 5–23 months (Amritsar: 5 to 21 months, Bathinda: 12 to 23 months, Moga: 10 to 23 months and Hoshiarpur:12 to 21 months) by Director of Public Instructions (Colleges) (DPI(C)) for disbursement thus depriving the eligible needy students of timely financial assistance.

**Implementation of schemes for construction of hostels and providing of specialized coaching**

***Construction of Hostels***

**3.3.15.** GOI introduced the Centrally Sponsored Scheme for construction of hostels for SC boys and girls students studying in Middle, Secondary, Colleges and University stage of education. Under the scheme, financial assistance was to be given by GOI for the construction of hostel/expansion of the existing hostel buildings on 50:50 basis to the State Governments. In respect of non-government organization (NGO)/Universities, 45 *per cent* financial assistance was to be provided by the concerned State, 45 *per cent* by Central Government on the estimated expenditure and remaining 10 *per cent* by Universities/NGOs.

<sup>36</sup> DAV College & Khalsa College, Amritsar, Government Rajindra College, Bhatinda, DAV College, Hoshiarpur, DM College, Moga & D.M College of Education, Moga.

<sup>37</sup> Scholarship for Post-matric students for SCs, Special grant to SC girl students and promotion of education among educationally backward classes.



**Funds of Rs 51.91 lakh including central assistance of Rs 25.95 lakh remained blocked for more than eight years**

However, 55 *per cent* contribution (45 *per cent* State and 10 *per cent* University) was to be borne by the Universities wherever it was not possible for the State Government to contribute its 45 *per cent* share. Scrutiny of records revealed the cases of non-implementation of scheme etc. as discussed below:

(i) GOI accorded (March 2002) approval for incurring an expenditure of Rs 25.70 lakh for extension of existing hostel building belonging to Lyallpur Khalsa College, Jalandhar and released Rs 11.57 lakh (45 *per cent* share). State Government, however, sanctioned Rs 23.13 lakh including its 45 *per cent* share on 31<sup>st</sup> March 2003 and as such the amount could not be spent. The sanctioned amount of Rs 23.13 lakh could not be drawn for the construction of hostel despite proposal sent by the department in this regard. The FD in January 2006 advised that the scheme should be included and funded from Social Security Fund that has been set up in 2005-06. Resultantly, despite release of funds by GOI in March 2002, the construction of the hostel had not commenced and purpose of providing accommodation to SC students was also not fulfilled.

(ii) For the construction of hostel for Government Senior Secondary School, Goniana, District Bathinda, GOI accorded (January 1998) approval for incurring an expenditure of Rs 59.09 lakh on 50:50 basis. Based on the sanction accorded (March 1998) by the State Government, Director sanctioned the payment of Rs 51.91 lakh and the amount was disbursed to the Principal of school in March-April 1998. As per terms and conditions, the institute was to complete the building within two years of the receipt of grant-in-aid.

Scrutiny of records revealed that the school authorities deposited (April 1998) the funds with PWD (B&R), Bathinda who further deposited the amount in the Personal Ledger Account (PLA). The Director requested (April 1999) the DPI(S) to get the administrative approval for furnishing the same to PWD (B&R). The work, however, could not be taken up (June 2002) by the PWD (B&R) in the absence of administrative approval of Education Department and due to ban imposed by the State Government for withdrawals of funds from treasury. Resultantly, the amount had been lying in the PLA of the Executing Agency i.e. PWD (B&R) for last eight years without commencement of activity for construction.

As the funds were not utilized within the stipulated period of two years, it was decided (October 2003) by the Director to refund the 50 *per cent* share of GOI and remaining 50 *per cent* share of State be deposited in the treasury. Out of central assistance of Rs 25.95 lakh, Rs 6.15 lakh was permitted by GOI in October 2005 for construction of another hostel at Government College, Mohali. The balance amount of Rs 19.80 lakh as Central share and Rs 25.95 lakh as State share continued with the PWD B&R as of August 2006.

Thus, failure of the department in timely obtaining the administrative approval, which was pre-requisite coupled with non-response of Education Department led to abandoning the scheme thereby denying of intended benefits to SC students and also blockage of funds including 50 *per cent* central assistance (Rs 25.95 lakh) for more than eight years.

***Absence of monitoring of functioning and construction of hostels***

(iii) Though the Director being the Head of Department is responsible for efficient running of hostels, periodical returns were not prescribed by the

department for physical and financial progress of the centrally assisted schemes for the construction of hostels, category-wise admissions given to SC students in the hostels, position of vacant posts of hostel staff and position of infrastructure facilities available. As a result, the department was unable to ensure implementation of scheme as per guidelines and take remedial measures for improvement on a regular basis.

After this was pointed out, the department stated (August 2006) that information of inmates was collected from time to time and there was no provision in the scheme for having periodical returns for these hostels. The reply was not acceptable in view of non-maintenance of connected records of hostels, which was to ensure the proper implementation of scheme by taking remedial measures for improvement on regular basis.

### ***Scheme for Upgradation of Merit for SC students***

**3.3.16.** The above scheme provided for 100 *per cent* central assistance to States for arranging remedial coaching to SC students studying in class IX to XII, with a view to removing deficiencies in their school subjects and to prepare them for competitive examinations for entry to professional courses. The Punjab State was allotted 28 number of awards (28 students to be covered). It was noticed that despite the students having been identified by the Education Department in two<sup>38</sup> schools, no proposal was submitted by the State Government to GOI, during 2001-06 to claim the assistance of Rs 21 lakh resulting in denial of intended benefits to students. Further, the central assistance of Rs 4.20 lakh received during 1999-2000 was also lying unspent with the State Finance Department.

**The State Government failed to avail central assistance of Rs 21 lakh due to non-submission of proposals to GOI during 2001-06**

On this being pointed out, the Director stated (April 2006) that DPI (S) did not submit any proposal though requested every year. The reply was not tenable as the Education Department had submitted the proposal to Welfare Department for claiming of central assistance in respect of these two schools for academic session 2004-05.

### ***Unfruitful expenditure on the scheme for Pre-examination coaching***

**3.3.17.** With a view to providing pre-examination coaching (PEC) to the students belonging to SCs/OBCs/Minority communities for improving their representation and standard of performance in the competitive examination for various posts and services held by the UPSC, State Public Service Commission, Staff Selection Commission, Public Sector Undertakings, other Central Government agencies etc. and admission to institutions imparting technical courses such as engineering, medical etc. a Coaching Institute was set up at Mohali under the Centrally Sponsored Scheme "Coaching and Allied Assistance".

**Amount of Rs 1.15 crore spent on coaching institute Mohali was largely ungainful as the performance was dismal**

During 2001-06, 692<sup>39</sup> students (PMT: 201; CET: 130; General<sup>40</sup> Capsule Courses (GCC): 125; Civil Services: 234; and C.S (Main): 2) were given coaching against 840 sanctioned seats in different courses (PMT:200, CET:200, GCC:200 and CS (Pre):240) by spending Rs 1.15 crore on account of running

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<sup>38</sup> Government Sports School, Jalandhar and Government Senior Secondary School, Kotkapura.

<sup>39</sup> SCs: 686, BCs: 5 and Minorities: 1 (BCs and Minorities admitted only in 2005-06).

<sup>40</sup> General Capsule Courses includes P.O (Banks), LIC, GIC, Assistant Grade, SSC, and other Service related examinations.

institute. The enrolment was 100 *per cent* for PMT and IAS (Preliminary), while that for GCC and CET the same was 63 and 65 *per cent* respectively. In none of the courses the envisaged success rate of minimum 33 *per cent* except CET (83 *per cent*) was achieved. In the course like GCC, the success rate was dismally low i.e six *per cent*. Out of 236 candidates for Civil Services, no candidate could make to group A or B services. The Institute, thus, failed to improve representation of these categories in various services. Consequently, the expenditure of Rs 1.15 crore had thus, remained largely unfruitful.

It was also seen that prescribed ratio of seats for BCs (30 *per cent*) and Minorities (20 *per cent*) was also not adhered to during the years 2001-02 to 2004-05 as the provision for the same was not incorporated in the admission notice. Likewise, the coverage of 30 *per cent* women and five *per cent* disabled in each category was also not ensured by mentioning it in admission notice till 2004-05. As a result, no BC and minority candidate was admitted upto 2004-05 and the coverage of women remained quite low ranging between three and 26 *per cent* during the said period. No publicity to the scheme was given by the State Government for attracting quite a good strata among the SCs/BCs. It was further observed that though the scheme was amended in September 2001 by GOI enhancing the income limit for admission from Rs 44,500 to Rs one lakh, this amendment, however, was not implemented by the State Government up till the year 2004-05. As a result, the benefit that was envisaged to be extended was not made available to other prospective candidates.

On this being pointed out, the Principal of the Institute stated (June, 2006) that most of the students admitted in the Institute belonged to rural area having very poor academic background and negligible awareness about the competitive examinations and further stated that the scheme for SC, BC and Minorities prescribing their ratio and coverage of women and disabled and increasing income ceiling was cleared by the Government only in February 2005. The reply was not acceptable as the purpose of this specialized coaching was to improve the standard of performance and the Institute was set up for specific purpose to hone the skills considering the background and limited awareness that the prospective students of the rural area will have. Further, necessary amendments as carried out by GOI was not implemented resulting in deprival of benefits of other prospective candidates.

### **Educational Indicators**

**3.3.18.** Literacy rates, gross enrolment ratio, gross drop out rate, gender parity index are some of the important indicators of educational development, the extent of progress or otherwise made in this regard are indicated below:

The percentage literacy rate for SCs male and female was 49.82 and 31.03 (as per 1991 census), which increased to 63.38 and 48.25 (as per 2001 census). The literacy rate among SCs is 56.22 *per cent* against 69.65 *per cent* for the whole State indicating a gap of 13.43 percentage points.

**Educational indicators of educational development of SCs revealed no improvement in terms of gross enrolment ratio and drop out position**

Gross Enrolment Ratio (GER) of SC students in classes I-V, VI-VIII and I-VIII in the age groups of six to below 11, 11 to below 14 and six to below 14 years in Punjab State during 2001-02 to 2005-06 was as under:

Year	Classes			Classes			Classes		
	I to V (6 to 11 Yrs.)			VI to VIII (11 to 14 Yrs.)			I to VIII (6 to 14 Yrs.)		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2001-02	110.22	109.44	109.85	81.87	81.28	81.59	100.93	100.31	100.64
2002-03	103.04	107.10	104.93	61.45	61.31	61.38	87.33	89.53	88.36
2003-04	106.05	113.34	109.41	75.10	77.82	76.36	95.15	100.72	97.72
2004-05	102.90	108.30	105.41	64.55	64.94	64.73	87.65	90.91	89.16
2005-06	97.83	98.78	98.27	62.83	62.48	62.67	83.91	84.22	84.06

The above table indicated that GER of SC students in Classes VI to VIII was reduced to 62.67 per cent in 2005-06 from 81.59 per cent in 2001-02. Likewise, the GER in classes I to VIII dropped to 84.06 per cent in 2005-06 from 100.64 per cent in 2001-02. The Scheme for the welfare of SCs, thus, did not deliver the expected results.

### Position of drop outs

Details of total percentage of drop out rates vis-a-vis SCs students drop out rates in Classes IV, I-VIII and I-X during the years 2001-02 to 2005-06 in the State of Punjab were as under:

Year	Classes I to V			Classes I to VIII			Classes I to X		
	Total drop out	SCs drop out	Gap	Total drop out	SCs drop out	Gap	Total drop out	SCs drop out	Gap
2001-02	20.30	29.83	9.53	37.10	51.86	14.76	38.60	60.91	22.31
2002-03	NA	31.78	--	NA	53.87	--	NA	63.35	--
2003-04	21.90	31.37	9.47	34.40	52.84	18.44	43.50	64.27	20.77
2004-05	26.50	29.20	2.70	34.20	52.46	18.26	43.70	65.69	21.99
2005-06 <sup>41</sup>	25.10	NA	--	32.50	52.84	20.34	42.30	64.28	21.98

The above table shows that the gap between total drop out and SC students in Classes I to V decreased to 2.70 (2004-05) from 9.53 percent (2001-02) while in classes I to VIII it increased from 14.76 (2001-02) to 20.34 percent (2005-06). However, in classes I to X, an insignificant reduction of only 0.33 percent (22.31-21.98) in such gap was noticed during 2001-02 to 2005-06. Thus, the overall position of SC students did not improve except in primary classes (I to V).

### Monitoring and Evaluation

**3.3.19.** Regarding Scholarship Schemes these were to be checked jointly by District Education Officers/DWOs (five per cent) and Tehsil Welfare Officers (TWOs) (ten per cent). Deputy Directors concerned at the Headquarters in their Division (at least once a month). Joint Director (JD), Additional Director (AD) and Director would conduct random checking as and when they were on tour. Further, Deputy Controller (Finance & Accounts) was required to check the accounts of DPI(C)/DPI(S), Director Technical Education (DTE) and Director,

<sup>41</sup> Source :- Director Public Instruction (Sr. Secondary) Punjab.

Research and Medical Education once a month and each Section Officer (total four) was to check the accounts of at least 60 DDOs in a year and five in every month in the Districts allotted to them. The checking was to be confirmed by Director. In respect of the scheme “Free Books to SC students (1<sup>st</sup> to 10<sup>th</sup> classes)”, TWO and DWO was required to conduct the 100 *per cent* and 25 *per cent* checking of schools falling under concerned sub-division and in the district respectively whereas Deputy Director was to conduct random check in 120 schools in a year. Likewise JD, AD and Director was to conduct the random check. Audit scrutiny of records in the office of Director and in five<sup>42</sup> test-checked districts revealed that the prescribed checks for the scholarship schemes were not exercised either by the officers of the Headquarters or field and also the accounts were not checked by the concerned staff. As regards the scheme “Free Books to SC students”, only five<sup>43</sup> districts (out of 17) conducted three to seven *per cent* checking of total schools in the districts against the requirement of 100 *per cent*. The State Government, thus, failed to ensure the smooth operation, maintenance and monitoring of funds.

The State Government set up (October 2005) the District Level and Sub Divisional Level committees to monitor the social security fund. Concerned Sub Divisional Magistrates were required to convene monthly and quarterly meetings. A quarterly report was further required to be sent by DC-cum-Chairman Social Security Fund Review and Monitoring Committee to Director for onward submission to the State Government. It was noticed that only one district (Moga) (out of 17) had sent such report as of April 2006. Consequently, the quarterly report to be submitted by Director in last three quarters ending as of June 2006 was not sent to Government.

No scheme was evaluated during 2001-02 to 2005-06 to see the impact of the schemes.

### Conclusion

**3.3.20.** The programme objectives of increase in enrolment, retention of SCs in educational institutions reduce drop out rates and increase their representation in jobs and higher educational and professional institutions could not be achieved in as much as gross enrolment ratio of SC students in classes 1 to VIII decreased from 100.64 *per cent* (2001-02) to 84.06 *per cent* (2005-06) retention of students could not be ensured because the drop out rate of SC students in classes I-VIII increased from 51.86 (2001-2002) to 52.84 percent (2005-06) while in Classes I-X it increased from 60.91 (2001-02) to 64.28 percent (2005-06). The gap of total drop out and SC drop out in Classes I-VIII increased from 14.76 (2001-02) to 20.34 *per cent* (2005-06). No significant reduction in drop out in classes I-X was observed during 2001-06 which hovered around 22 *per cent*. The State Government failed to avail the central assistance of Rs 20.29 crore due to less release of funds during 2001-06 under centrally sponsored schemes for post-matric and pre-matric students. The schemes for attendance scholarships and promotion of education for Educationally Backward Classes were not fully implemented due to less release of funds by the State Government. Free books to SC students were issued late for the academic session 2003-04 and 2004-05, thereby affecting their studies. The construction of hostels for SC students was

<sup>42</sup> Amritsar, Hoshiarpur, Jalandhar, Ludhiana and Ropar.

<sup>43</sup> Bathinda, Gurdaspur, Kapurthala, Ropar and Sangrur.

not taken up despite the central assistance having been received from GOI. Educational indicators of educational development of SCs revealed no improvement in terms of gross enrolment ratio and drop out position. Prescribed checks for ensuring proper functioning of free text books and scholarships were not exercised by the authorities concerned for proper monitoring.

### Recommendations

- † Regular release of funds under the State and Centrally sponsored schemes should be ensured for un-interrupted flow of central assistance as well as smooth implementation of schemes;
- † Timely supply of free books to SC students should be ensured to obviate the adverse impact that may cause on studies to the students;
- † Regular payments of scholarship to SC students need to be ensured by timely release of funds with a view to facilitate them to continue their studies;
- † Proper monitoring should be made so as to ensure that checks that have been prescribed for ensuring proper functioning of scholarships schemes are carried out by the authorities concerned;
- † District level and Sub Divisional level committees constituted to ensure proper utilization of funds and regular review of progress of major educational schemes should be impressed upon to convene regular meetings.

The reply received (August 2006) from the Government has been incorporated.

### 3.4. Implementation of Sarva Shiksha Abhiyan

#### Highlights

Sarva Shiksha Abhiyan (SSA) failed to deliver the intended objectives in as much as project grant of Rs 55.17 crore released to the State Government by Government of India (GOI) during 2001-02 was retained by the State Government resulting in non-implementation of the scheme in that year. An amount of Rs 3.62 crore was released by State Project Director (SPD) to District Project Directors (DPDs) for construction and repair of schools and other buildings in violation of norms and conditions of SSA. Besides, SPD failed to fill up vacancies of teachers despite funds being available. There was heavy shortfall in training of Village Education Development Committee (VEDC) members and teachers. The Education Guarantee Scheme (EGS) did not work properly because against 39179 out of school children, only 8659 students were actually enrolled.

† *The State Government failed to maintain level of expenditure of 1999-2000 on elementary education during 2001-2002 and 2003-05 indicating lack of commitment to SSA.*

*(Paragraph 3.4.6)*

EDUCATION  
DEPARTMENT

† *Funds were not provided as per Annual Work Plan (AWP) during 2001-05 as a result of which the implementation of the programme suffered particularly in the initial year of implementation.*

*(Paragraphs 3.4.7, 3.4.8 & 3.4.9)*

† *Rs 3.62 crore were released for different components i.e. construction, repair etc. in violation of norms and conditions of SSA.*

*(Paragraph 3.4.13)*

† *Out of 39179 out-of-school children identified, only 8659 were actually enrolled.*

*(Paragraph 3.4.16)*

† *In Gurdaspur district, out of a total purchase of books valuing Rs 1.41 crore, books valuing Rs 1.09 crore remained undistributed. Training modules were procured at a cost of Rs 75.17 lakh without following the prescribed process of competitive tendering.*

*(Paragraphs 3.4.21 & 3.4.23)*

## **Introduction**

**3.4.1.** SSA is the comprehensive and integrated flagship programme of GOI, to attain universal elementary education in the country in a mission mode. Launched in partnership with the State Governments, SSA aims to provide useful and relevant education to all children in the 6-14 age group by 2010. The components of SSA include house hold survey, school based activities, appointment of teachers, opening new primary and alternative schooling facility, opening of upper primary schools, construction of additional classrooms, schools and maintenance of school buildings, free text books to all girls/Scheduled Caste (SC)/Scheduled Tribe (ST) children and teaching/learning equipment for primary and upper primary schools. SSA was launched in 2000-01 with the objective of all Children to be in School, Education Guarantee Centre, Alternative School, Back-to-School camp by 2005, all children complete five years of primary schooling by 2007 and complete eight years of elementary schooling by 2010 and universal retention by 2010.

## **Organisational set up**

**3.4.2.** At State level, SSA State Mission Authority (Authority) registered in June 2000 as a society is responsible for implementing SSA in a mission mode. SPD being Member Secretary of the mission acts as Chief Executive Officer and is responsible for proper administration of the affairs and funds of the mission and implementation of its various activities under the direction and guidance of the Chief Secretary who is the Chairman of the Executive Committee. At district level, the programme was implemented by DPD which was headed by District Education Officer designated under the programme as DPD. A block unit shall be set up for every block in which the project will be implemented. At village level, VEDC secures the cooperation of local community and oversees the implementation of SSA. VEDCs are assisted by Sub Divisional Magistrate (Civil), Mother Teacher Association, Parent Teacher Association and Women's group etc.

### Audit Objectives

3.4.3. Main objective of the performance audit was to evaluate the performance of the programme in attaining universal elementary education. The focus of audit was to examine and evaluate efficacy of planning for implementation of various components of the programme. The audit objectives were to examine and assess whether:

- † different components of the programme were well designed, need based and relevant to the operational environment prevalent in the State;
- † the funds provided under various components were utilised as per the approved plan;
- † the enrolment under special focus group<sup>44</sup> had reached satisfactory level;
- † the quality of educational standards has improved as a result of implementation of SSA; and
- † proper system of monitoring was evolved and implemented.

### Audit Criteria

3.4.4. Audit criteria covered following aspects of the scheme:

- † receipt and utilisation of funds as per approved annual work plan;
- † the standard of education, comprising curricular, teaching and learning material, teachers training and teaching-learning process were in place as envisaged in the scheme;
- † enrolment and drop out of girls and SC/ST children and retention of these children in the school;
- † facilities provided to special focus group.

### Scope of Audit and Methodology

3.4.5. Review on implementation of SSA for the period 2001-05 was conducted by Audit between April and July 2005 based on test check of records of SPD, five<sup>45</sup> DPDs,(out of 17) 14 Block Primary Education Officers (BPEOs) in these selected DPDs and 84 government primary/upper primary schools.

The services of Social and Rural Research Institute (SRI), a specialist unit of IMRB International were commissioned to survey and assess the impact of SSA. All the heads of all schools in the State were requested (January 2006) to provide full co-operation to the representatives of SRI. Sampling methodology/design for the beneficiary assessment as utilised by SRI is given in *Appendix-XXIV*. SRI carried out the survey in all the 17 districts covering 255 villages/blocks and 4935 households during January 2006- February 2006. Findings of the SRI are contained in the Executive summary (*Annexure-A* at Page 79). Review with SRI findings was issued to Government in July 2006, no reply has been received

In order to know the detailed organisational set up and functioning of SPD and DPDs an entry conference was organised (March 2005) with SPD SSA Punjab Chandigarh. Study of frame work of SSA, manuals, financial sanctions, annual work plan and budget, expenditure statements, cash vouchers, special focus groups, progress reports, various information/statements maintained by SPD

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<sup>44</sup> Girls and SC/ST children and disabled children.

<sup>45</sup> Amritsar, Gurdaspur, Ferozepur, Hoshiarpur and Nawanshahar.



and DPDs and guidelines was conducted. Meetings were held with SPD and other officers of the project from time to time during audit. The results of performance audit and survey are discussed in the succeeding paragraphs.

### Audit Findings

#### Financial Management

##### *Investment on elementary education curtailed to the extent of State share*

**3.4.6.** As per Manual of Financial Management and Procurement of SSA (SSA manual), the State Government will have to maintain their level of expenditure in elementary education as in 1999-2000. The State share for SSA has to be over and above the expenditure being incurred at the 1999-2000 level in a particular State. SSA will not substitute State funding for elementary education.

Audit scrutiny of records of SPD revealed (July 2005) that the expenditure level of 1999-2000 incurred on elementary education was not maintained. Against the expenditure of Rs 519.44 crore incurred during 1999-2000, expenditure of Rs 458.92 crore, Rs 507.44 crore and Rs 509.59 crore was incurred during 2001-02, 2003-04 and 2004-05 respectively resulting in lesser investment of Rs 82.37 crore during these years. The State Government contributed an amount of Rs 67.33 crore as State share during these years. Thus, SSA (State share) was met out of cut in expenditure incurred on elementary education by the State. SPD admitted (October 2005) the facts.

**3.4.7.** As per SSA manual, the assistance under the programme of the SSA was to be shared between the Central and the State Government in the ratio of 85:15 during the year 2001-02 (IX Plan) and 75:25 during the year 2002-03 to 2006-07 (X Plan).

Details of funds requirements as per AWP, funds provided to SPD and the expenditure incurred thereagainst during 2001-05 were as under:

*(Rupees in crore)*

Year	Approved AWP			Funds transferred to SPD			Expenditure
	GOI	State Share	Total	GOI	State share	Total	
2001-02	110.34	19.47	129.81	55.17	--	55.17	--
2002-03	106.60	35.54	142.14	49.68	9.73	59.41	66.49
2003-04	150.44	50.14	200.58	64.76	30.83	95.59	44.42
2004-05	149.64	49.88	199.52	30.56	26.77	57.33	49.74 <sup>46</sup>
<b>Total</b>	<b>517.02</b>	<b>155.03</b>	<b>672.05</b>	<b>200.17</b>	<b>67.33</b>	<b>267.50</b>	<b>160.65</b>

**Note:** While GOI share during 2001-02 was provided to SPD through the State Government, the same was provided by GOI directly to SPD in subsequent years.

##### *Delay in implementation of the programme*

**3.4.8.** As against the share as per the approved AWP amounting to Rs 517.02 crore of GOI and Rs 155.03 crore of the State Government for the period 2001-05 the actual amount transferred to DPD during the above period by GOI and the State Government was Rs 200.17 crore and Rs 67.33 crore respectively. As result

The State Government failed to maintain level of expenditure of 1999-2000 on elementary education during 2001-2002 and 2003-05

No activity could be undertaken by SPD during 2001-02 due to late transfer of funds

<sup>46</sup> This amount represents amount released to DPDs by SPD. Actual expenditure will be available in due course on receipt of utilisation certificates by SPD.

of which the implementation of the programme suffered particularly in the initial year of implementation. Rupees 55.17<sup>47</sup> crore were given by GOI between 11 October 2001 and 22 January 2002 to the State Government. The State Government remitted this amount to SPD on 17 June 2002 (after 5-8 months) with the result that no activity on the programme could be undertaken by SPD during 2001-02.

### *Release of State share of grant*

**Delay in receipt of state matching share ranged upto 334 days**

**3.4.9.** As per framework of implementation of the programme, the State Government was to transfer its share to SPD within 30 days of the receipt of the Central share. It was, however, observed that the State share was received by SPD with delay ranging upto 334 days during 2001-05 over and above the stipulated period as detailed below:

(Rupees in crore)

Year	Date of receipt of Central share		Due date of receipt of State Share		Actual date of receipt of State share <sup>48</sup>	Delay in days
	Amount	Date	Amount	Due date		
2001-02	10.69	11.10.01	1.60	10.11.01	17.06.02	220
	19.12	27.12.01	2.87	26.01.02	17.06.02	143
	25.36	22.01.02	3.80	21.02.02	17.06.02	117
2002-03	1.00	18.04.02	0.33	17.05.02	25.08.03	101
	48.68	19.12.02	16.23	18.01.03	25.08.03	220
2003-04	64.76	25.09.03	21.59	24.10.03	22.09.04	334
2004-05	0.56	17.04.04	0.18	16.05.04	18.03.05	307

Thus, the State Government failed to fulfill its obligations to provide matching share on due dates.

### *Non-adjustment of advances*

**Non adjustment of advances of Rs 66.38 crore given to various authorities**

**3.4.10.** The funds released by SPD to DPDs and by DPDs to BPEOs were initially to be classified as advances, which were to be adjusted on the basis of the expenditure statements/ utilisation certificates (UCs) required to be submitted by the concerned authority within one month after the close of the financial year. Test check of records of SPD revealed that the advances of Rs 66.38 crore (out of Rs 194.68<sup>49</sup> crore) given to DPDs during April 2002 to March 2004 were pending adjustment by SPD for want of expenditure statement/UCs, from the concerned authorities as of January 2005. In the absence of expenditure statement/ UCs, bonafide utilisation of the funds could not be ascertained in audit.

### **Programme implementation**

#### *Research studies and data verification*

**3.4.11.** SSA framework envisaged the undertaking of studies on the base line assessment with regard to retention, access, gender/social equality etc. which should be diagnostic in nature and utilised in planning process with consistence in data presentation. Besides, District Information System for Education (DISE) data base was required to be used in the planning process. No such

<sup>47</sup> Rs 10.69 crore (11.10.01), Rs 19.12 crore (27.12.01), Rs 25.36 crore (22.1.02).

<sup>48</sup> State Government share was released on 17.6.02 (Rs 8.27 crore), 25.8.03 (Rs 16.56 crore), 22.9.04 (Rs 21.59 crore) and 18.3.05 (Rs 10.18 crore).

<sup>49</sup> Rs 113.58 crore (2002-03), Rs 81.10 crore (2003-04).

studies were conducted and DISE data was also not put to use for the planning purpose.

Further, National Institute of Education Planning and Administration (NIEPA) guidelines envisaged five *per cent* sample checking of DISE data to ensure the reliability of these data. It was observed that this requirement was also not fulfilled as of March 2005 as samples were not taken in the test check districts.

### *Shortage of Primary teachers*

**There was shortage of Primary school teachers and pupil teacher ratio was not as per the norm**

**3.4.12.** As per SSA manual, 40:1 pupil -teacher ratio should be maintained and minimum two teachers should be posted in a primary school. Test check of record of SPD revealed that as of September 2004, there were 1565431 primary students on the roll in 13341 government primary schools in the State. For this, 39135 teachers were required to impart education in view of given pupil-teacher ratio. But only 34652 teachers were in position. Thus, 4483 teachers were less posted in schools. Audit noticed that only 1868 elementary trained teachers were recruited (July 2004) by SPD at Rs 5000 per month on contract basis and posted at various primary schools thus, even after considering the contract teachers that have been recruited, the shortfall works out to 2615 as of September 2005.

Test check of records in five test checked districts, however, revealed that 334<sup>50</sup> schools were running without any teacher although the number of students on the roll of these schools varied between four and 284. In 1350<sup>51</sup> primary schools of four<sup>52</sup> districts, against the requirement of two to six teachers, only one teacher was posted although strength of students ranged between 40 and 230 (772 schools), 21 and 40 (459 schools) and between zero and 19 (119 schools). Thus, the pupil-teacher ratio was highly imbalanced. Failure on the part of department to rationalize the posting of teachers and provide teachers as per requirement reflected failure to implement the scheme effectively.

On this being pointed out (May 2005), DPDs (Amritsar, Hoshiarpur) stated that since the recruitment policy was formulated by the Government, DPD was not competent to appoint teachers. DPD Gurdaspur stated (July 2005) that policy of rationalization was under process. DPD Ferozepur did not furnish any reply (September 2005).

### *Excess release of grants*

**3.4.13.** As per provision of SSA manual, funds for construction and maintenance of schools and other buildings were to be provided as per following:

**Rupees 3.62 crore were released for different components i.e. construction, repair, etc. in violation of norms and conditions of SSA**

- † Schools having their own buildings upto three classrooms were eligible for maintenance grant upto a maximum of Rs 4,000 per school per year.
- † One time grant of Rs 35,000 for providing sanitation was to be issued to the schools having their own building.
- † Annual grant of Rs 500 was payable to the teachers actually in position for arranging the teaching learning materials such as work books, teacher's guide etc.

<sup>50</sup> Amritsar (121), Ferozepur (93), Gurdaspur (95), Hoshiarpur (17) and Nawanshahar (8)..

<sup>51</sup> Amritsar (276), Ferozepur (319), Gurdaspur (387) and Hoshiarpur (368).

<sup>52</sup> Amritsar, Ferozepur, Gurdaspur, Hoshiarpur.

† Grant for construction of a branch school (Rs three lakh), Block resource centre (BRC) (Rs six lakh) Cluster resource centre (CRC) (Rs two lakh) was to be released after ensuring availability of land with the institution.

Test check of records in five<sup>53</sup> districts revealed that 3552<sup>54</sup> schools having upto three classrooms and entitled for grant at Rs 4,000 per annum were disbursed at Rs 5,000 per school per year during 2002-05. This resulted in release of excess grant amounting to Rs 1.07 crore.

Again in same five districts, teacher grant at Rs 500 per teacher amounting to Rs 4.67 crore claimed for 93572 teachers by DPDs during 2002-05 was paid by SPD. Actually only 74449 teachers were in position in these districts during the same period. The payment of grant against 19123 vacant posts of teachers in these districts resulted in excess release of Rs 95.63 lakh.

On being pointed out, DPD Amritsar and Nawanshahr admitted (April 2005) the excess claim but stated that the annual plan had been prepared on the basis of sanctioned posts.

Text check of records in respect of two districts (Amritsar:10, Gurdaspur:11) revealed (May–July 2005) that one time sanitation grant at Rs 35,000 per school was released (October 2002–March 2005) to 21 schools which did not have their own buildings. This resulted in inadmissible grant of Rs 7.35 lakh. No reply was given by respective DPDs to observations (May–July 2005) raised by Audit.

Again in the same two districts, for the construction of 15<sup>55</sup> BRCs, nine<sup>56</sup> CRCs and 20<sup>57</sup> branch schools, Rs 1.68 crore were released between March 2003 and March 2004 but only one BRC (Amritsar) and five CRCs (Amritsar) had been constructed (May 2005) at the cost of Rs 16 lakh. Balance amount of Rs 1.52 crore was lying unutilised as of September 2005 with DPDs.

#### ***Diversion of SSA grant***

**3.4.14.** SSA did not provide for implementation of mid-day meal programme. Test check in audit of the records of SPD Ferozepur revealed that an amount of Rs 1.20 crore was released (October 2004) by SPD for teachers' salary and school grant. SPD instructed (December 2004) DPD to return Rs 30 lakh out of this amount for utilisation under mid-day meal programme being implemented by the Director Public Instruction (Elementary Education) which was returned (January 2005) to SPD through bank drafts. Diversion of funds from SSA grant to mid-day meal programme was in contravention to the provisions of the programme and was thus irregular.

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<sup>53</sup> Amritsar, Ferozepur, Gurdaspur, Hoshiarpur and Nawanshahr.

<sup>54</sup> Amritsar (78), Ferozepur (820), Gurdaspur (1177), Hoshiarpur (1243) and Nawanshahr (234).

<sup>55</sup> Amritsar –(12), Rs 72 lakh, March 2003; Gurdaspur (3), Rs 18 lakh, March 2004.

<sup>56</sup> (9) CRC- Amritsar –Rs 18 lakh, March 2003.

<sup>57</sup> Amritsar – (19), Rs 57 lakh, March 2003; Gurdaspur –(1), Rs 3 lakh, March 2004.

***Failure in implementation of scheme of training by DIETs***

**Scheme of training of teachers was not implemented**

**3.4.15.** District Institute of Education and Trainings (DIET) was to serve as a nodal institution at district level to undertake the responsibility of improving the quality of elementary education by providing academic guidance and performance support for teachers training programme etc.

Test check of the records of five<sup>58</sup> DIETs revealed that the prescribed training of 20 days was not imparted to in-service teachers and the members of VEDCs in any district during the year 2002-03. The shortfall in achievement of training during 2003-04 ranged between 69 and 100 *per cent* and nine and 62 *per cent* during 2004-05.

On this being pointed out (May 2005) Principal DIET Amritsar, Gurdaspur and Nawanshahar stated (April –July 2005) that due to shortage of staff, the required training could not be imparted. Principal DIET, Hoshiarpur attributed (July 2005) the failure in achievement to late receipt of funds from State SSA.

***Deficient working of Education Guarantee Scheme centers***

**Out of 39179 out-of-school children identified, only 17852 were proposed to be enrolled (less than half)- of these 8659 were actually enrolled**

**3.4.16.** As per EGS, all habitations not having a primary school within one kilometer and having a minimum of 20 children are entitled to have an EGS centre. For the drop out children, facility of bridge courses was provided through EGS centres. The bridge courses were to equip and enable the drop out children for availment of proper education in mainstream schools.

As a result of survey carried out by department during 2002-03, in three districts 39179 out of school children (Amritsar–34177, Hoshiarpur–2606, and Nawanshahar–2396) were identified, of which 17852<sup>59</sup> children were proposed to be enrolled in EGS centres during 2003-04 for which funds of Rs 1.51 crore at Rs 845 per child were provided during the year. Audit scrutiny of records in these districts revealed that against proposed enrolment of 17852 children, 8659 children were actually enrolled. Thus, there was shortfall of enrolment of 9193 children (52 *per cent*) and funds amounting to Rs 77.68 lakh provided were lying unutilized (September 2005).

On this being pointed out, DPD Amritsar stated (May 2005) that in initial years, it was difficult to attract out of school children to EGS centres as they were not inclined to join. DPD Hoshiarpur stated (July 2005) that matter was being looked into.

***Inadequate number of schools/alternative schooling facility***

**3.4.17.** Beneficiary survey by SRI disclosed that about 9.8 *per cent* of the villages and 14.7 *per cent* of the urban blocks were not covered by SSA.

This indicates lack of proper planning and survey by the Government which adversely affected attainment of the objective of SSA.

<sup>58</sup> Amritsar, Ferozepur, Gurdaspur, Hoshiarpur & Nawanshahar.

<sup>59</sup> Amritsar: 15500, Hoshiarpur: 1254, Nawanshahar: 1098.

### ***Insufficient Upper Primary Schools***

**3.4.18.** Following GOI norms, the State Government should upgrade Primary Schools in the ratio of 2:1 (Primary Schools : Upper Primary Schools). The number of Primary Schools opened is 12972. As per norms, there should be 6486 Upper Primary Schools, whereas there are only 5437 Upper Primary sections in all the Middle, High and Senior Secondary Schools resulting in a shortfall of 1049 Upper Primary Schools.

The reasons for the shortfall are:

- a) No school upgradation has been done since 2001 by the State Government/Education Department.
- b) The State Government is not providing teaching staff for upgraded Upper Primary Schools. The Panchayat/VEDCs have to arrange teachers from their own sources, which are limited, therefore they are not willing to get their schools upgraded.

### ***Out of School Children***

**3.4.19.** Beneficiary survey by SRI revealed that there were 29 (male) and 18 (female) per thousand of out of school children in the age group of 6-14 years in Punjab. Survey also disclosed that 77 per thousand disabled children in the age group of 6-14 years were out of school.

### ***National Programme of nutritional support to primary education and its integration with SSA***

**3.4.20.** Beneficiary survey of school conducted by SRI disclosed that the mid-day meal scheme was implemented in 41.2 *per cent* Primary School, 10.3 *per cent* Upper Primary School and 3.5 *per cent* High Schools with Upper Primary sections. It was also disclosed that 78.6 *per cent* children in Punjab reported not receiving the mid day meals.

### ***Coverage of special focus group***

#### ***Distribution of free text books***

**3.4.21.** SSA manual and financial rules of the State Government provide that funds may be used with due economy and efficiency and purchases must be made to the best advantage of the programme after comparison of competitive rates.

Audit scrutiny of record of DPD Gurdaspur (July 2005) revealed that under the scheme of distribution of free text books to all focus<sup>60</sup> group children of government schools and government aided schools (both at primary and upper primary level) books valuing Rs 1.41 crore were purchased during June 2004. Out of this, books valuing Rs 0.32 lakh were delivered to schools for distribution to students between July and December 2004. The balance books valuing Rs 1.09 crore were lying in the store of the department (September 2005). Interestingly, the books were distributed to the students between July and December 2004 when more than half of session was already over. The

Out of a total purchase of books valuing Rs 1.41 crore, books valuing Rs 1.09 crore remained undistributed in Gurdaspur district

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<sup>60</sup> All girls and scheduled caste/scheduled tribe children.

objective of the scheme thus, remained unfulfilled. SPD admitted the facts and stated (October 2005) that targets of distribution of books could not be achieved which resulted in surplus number of books.

On this being pointed out (July 2005), DPD Gurdaspur admitted the facts and stated that books were sent by SPD in excess of demand by DPD.

#### ***Irregularities in purchase of books***

**3.4.22.** Audit of DPD Gurdaspur revealed (July 2005) that 11600 sets of 10 books each valuing Rs 17 lakh for distribution of one set to each girl student (general category) were procured for 8<sup>th</sup> class students. As the total strength of girls students during the year 2004-05 was 3243 the same number of sets (3243) were distributed to the students between July and December 2004 leaving the balance of 8357 sets worth Rs 12 lakh lying undistributed (June 2005). Further, scrutiny of records revealed that syllabus of four (out of ten) books procured as above was changed from the session 2005-06 resulting in unfruitful purchase of books worth Rs five lakh.

On this being pointed out (July 2005), the department admitted the facts.

#### ***Irregular purchase of training Modules***

**3.4.23.** Financial rules of the State Government provide that purchase may be made in economical manner after comparison of competitive rates. Test check of records (September 2005) of SPD revealed that SPD placed (October 2003) supply order with Punjab Small Industries and Export Corporation for supply of 50000 number of sets of training modules (books) valuing Rs 75.17 lakh to be consigned to the Principals of DIETs located at each district in Punjab without receiving any demand from DIETs.

It was noticed that neither the reasonability and competitiveness of rates was ensured before placing the supply order nor the State Mission worked out the costing data independently on the basis of design/specifications after surveying the market for verification of competitiveness of rates. The purchase was ordered without following laid down purchase procedure of inviting open tenders and was made without obtaining approval of Executive Committee.

On being pointed out, SPD stated (October 2005) that purchases were made (October 2003) before the introduction/issue (2004) of SSA manual. The reply was not acceptable because purchase was made in contravention of financial rules of the Government.

#### **Internal Audit**

**3.4.24.** Manual of Financial Management and procurement stipulated that SPD should introduce proper internal audit system to ensure proper utilization of funds. The internal audit of DPDs and BPEOs selected on a percentage basis should be conducted so as to cover all districts and sub-district units atleast once in three years. Test check of records of SPD revealed that no internal audit system was introduced in the organisation as of August 2005. The department was thus deprived of valuable inputs from the Internal Audit Wing.

#### **Conclusion**

**Training modules were procured at a cost of Rs 75.17 lakh without following the prescribed procedure**

**3.4.25.** The SSA programme suffered in the State as the project grant amounting to Rs 55.17 crore released by GOI during 2001-02 was retained by the State Government during whole of the year as a result of which the scheme could not be implemented in that year. Further, the expenditure level of 1999-2000 on elementary education was not maintained by the State Government though stipulated resultantly the State funding of SSA was met from the cut in expenditure on elementary education. This was also compounded by further delays in releasing of State share to SPD in contravention to the frame work of the implementation of the programme. UCs for a sum of Rs 66.38 crore disbursed to DPDs during 2002-04 were not received till January 2005 putting the matter to risk of misappropriation of government money. An amount of Rs 3.62 crore was released by SPD to DPDs for construction and repair of schools and other buildings in violation of norms and conditions of SSA. Besides, SPD failed to fill up vacancies of teachers despite funds being available. There was heavy shortfall in training of VEDC members and teachers. Books worth Rs 1.09 crore purchased were lying undistributed in stores and there were cases of irregularities in purchase of books and training modules. The EGS did not work properly because against 39179 out of school children, only 8659 students could be actually enrolled.

#### **Recommendations**

- † The State Government should exercise financial discipline in maintaining level of investment in elementary education of year 1999-2000 during next years as it failed to maintain the same during 2001-05 and further funds received under this programme including State share should be expeditiously disbursed to implementing agencies by the State Government;
- † Utilisation certificates should be received from subordinate offices on due dates to ascertain actual position of expenditure and progress of work;
- † Grants for civil works, teacher grant and other grants under SSA should be released only as per norms and as per provisions of SSA to avoid unjustified spending/ blocking of the same;
- † All out of school children identified by SPD should be enrolled in schools on urgent basis to make the scheme effective;
- † The purchase of material/books/training modules should be made as per financial rules/ instructions of Government.

The above points were reported to Government in September 2005; reply has not been received (September 2006).



## **Annexure-A**

*(Refers to paragraph 3.4.5: Page 70)*

### **Summary of findings of SRI**

#### **(i) School Survey**

##### ***Average attendance of the enrolled children***

Average attendance in primary schools amongst males was found to be 85 *per cent* and amongst females the attendance was 84 *per cent*. In upper primary schools the attendance amongst males was 82 *per cent* and amongst females, the attendance was 84.5 *per cent*. The attendance in high schools reported for males was 75 *per cent* and amongst females it was 81.5 *per cent*.

##### ***Type of the school building***

Majority of the primary schools had pucca buildings in the State. 3.4 *per cent* of the primary schools were observed having a kutcha building. 7.2 *per cent* had a semi-pucca building and another 89 *per cent* had a pucca building.

The pattern was observed to be very similar even among the upper primary schools with 82.4 *per cent* of the schools having a pucca building and 2.9 *per cent* having kutcha building.

Amongst the high schools with a upper primary section 92.4 *per cent* had pucca building whereas 4.2 *per cent* had a kutcha building.

##### ***School Facilities***

An attempt was also made to assess the infrastructural facilities across the schools covered. 70.8 *per cent* of the primary schools, 77.9 *per cent* of the upper primary and 80.6 *per cent* of the high schools with upper primary sections had compound walls. Toilets were provided in 86.6 *per cent* of the primary schools, 89.7 *per cent* of the upper primary schools and 93.8 *per cent* of the high schools with upper primary sections. Separate toilets for girls were constructed in 22.9 *per cent* of the primary schools, 4.3 *per cent* of the upper primary schools and 10.8 *per cent* of the high schools with upper primary sections. Drinking water supply was present among 89.7 *per cent* of the primary schools, 91.2 *per cent* of the upper primary schools and 98.6 *per cent* of the high schools with upper primary 81.4 *per cent* of the primary schools, 79.4 *per cent* of the upper primary schools and 92.4 *per cent* of the high schools with upper primary had electricity connection.

##### ***Grants and schemes under SSA***

It was found that 100 *per cent* of primary schools, upper primary schools and high schools with upper primary received SSA grants. Concerning the school grant of Rs 2,000, it was found that 96.2 *per cent* primary schools and 94.1 *per cent*

*cent* upper primary and 91.7 *per cent* high schools with upper primary received the same.

97.2 *per cent* of primary schools, 98.5 *per cent* of upper primary and 93.8 *per cent* of the high schools with upper primary sections received the teacher' grant of Rs 500 per year. 0.3 *per cent* of primary schools said that they received grants for disabled children. The *percentage* of schools who received this grant was reported to be 1.5 *per cent* for upper primary and no grant was received by high schools with upper primary.

### ***School Committee***

It was found that about 53.5 *per cent* of primary schools, 12.4 *per cent* of upper primary schools and 26.1 *per cent* of high schools with upper primary sections had education committees formed in the locality.

### **Mid-day meal**

With regard to the schemes operated under SSA it was found that implementation of mid-day meal scheme was not satisfactory as 41.2 *per cent* of the primary schools, 10.3 *per cent* of upper primary schools and 3.5 *per cent* of the high schools reported implemented mid-day meal scheme.

### ***Free text books for girls***

The scheme for free text books for girls was implemented to the extent of 86.9 *per cent* in primary schools, 73.5 *per cent* in upper primary schools and 83.3 *per cent* in high schools with upper primary sections.

### ***Free text books for SC/ST students***

82.5 *per cent* of primary schools, 73.5 *per cent* of upper primary schools and 83.3 *per cent* of high schools with upper primary sections reported that free text books are also being given to the SC & ST students in the schools.

### ***Activities undertaken under SSA***

Pertaining to the activities undertaken under SSA, it was found that across all the schools covered, various activities were undertaken under SSA. Repairing of existing structures was most commonly undertaken as 61.2 *per cent* of the primary schools, 67.7 *per cent* of the upper primary schools and 69.4 *per cent* of high schools with upper primary have taken it up.

The activity that was least undertaken was construction of girls toilets, as only 22.9 *per cent* of the primary schools, 4.3 *per cent* of the upper primary schools and 10.8 *per cent* of the high schools with upper primary had taken it up.

### ***Teaching aids***

Black boards, chalk and duster and posters/globe/maps etc. were most commonly used as teaching aids. 97.6 per cent of the primary schools, 98.5 per cent of the upper primary and 95.8 per cent of the high schools with upper primary reported blackboard usage.

### **(ii) Household survey**

#### ***Out of school children***

- † The study estimates 45.28 lakh children in the age group 6 to 14 of which 1.08 lakh were reportedly out of school. Thus, there were 24 children out of school per thousand.
- † In the age group 6 to 14 of the total 45.28 lakh, while there were 24.83 lakh boys, there were 20.45 lakh girls. Of the boys, 0.72 lakh were reportedly out of school. Among girls, 0.36 lakh were observed to be out of school. Thus, the proportion of those out of school was higher among boys (29 per thousand boys) compared to girls (18 per thousand girls). When looked from gender perspective, the proportion of boys who were out of school per thousand was higher compared to girls.
- † In urban areas, in the 6 to 14 age group, four out of 1,000 children were reportedly out of school. In rural areas, 33 out of 1,000 children were reportedly out of school. In different social groups, the proportion of the children who were out of school per thousand was much higher in rural areas as compared to urban areas.
- † The estimated proportion of children in the 6-14 age group who were out of school was highest in OBC (54 per thousand), followed by SC (43 per thousand) and General Category (4 per thousand).
- † Analysis by disability shows that across disabilities, the estimated proportion of out of school children (445 per thousand) was much markedly higher than the proportion of all children aged 6 to 14 who were out of school (24 per thousand).
- † Children with mental disability were the worst sufferers as 100 per cent children were out of school.

***Coverage of Schools under SSA***

- † When a village or urban area does not have a primary school within a radius of one kilometer, it is defined as not covered by a primary school and hence not covered by SSA. SRI findings revealed that around 9.8 *per cent* of the habitations/villages and 14.7 *per cent* of the urban blocks did not have a school/alternative schooling facility within a radius of one kilometer.

***Reasons for non-enrollment and non-attendance***

The main reasons reported by parents for not enrolling their children in schools was that the children had to go to work to supplement their family needs.