

## CHAPTER-V

### SECONDARY EDUCATION DEPARTMENT

#### 5 Internal Control System in the Secondary Education Department

*Internal control is a system within an organization that governs its activities for effectively achieving its objectives. An evaluation of internal control system in the Secondary Education Department revealed deficiencies in financial, operational and monitoring controls. There was late surrender of funds at the fag end of the year. Incentive scheme for poor girls' education was launched without survey of eligible beneficiaries and non-compliance to rules/non-adherence to Government's order facilitated fraudulent withdrawals from a bank account. Non-maintenance of requisite records for GPF accounts in respect of aided institutions was fraught with the risk of defalcation. Internal audit arrangements were inadequate and unable to provide an assurance against financial irregularities.*

#### Highlights

➤ **In the absence of effective controls for monitoring expenditure, savings aggregating Rs 309.14 crore were not surrendered to the Finance Department in time for utilisation in other sectors in the respective financial years.**

(Paragraph: 5.5.1)

➤ **There were fraudulent withdrawals of Rs 56 lakh as the District Inspector of School, Kanpur Nagar not only failed to close the unauthorised bank account operated by it, but also did not adhere to the prescribed procedures regarding custody of cheques.**

(Paragraph: 5.5.2)

➤ **Allowing two GPF heads of accounts to be operated at the same time and non maintenance of GPF accounts by district inspectors of schools was fraught with the risk of defalcations in GPF accounts of 1.48 lakh staff of aided institutions, due to poor controls.**

(Paragraph: 5.5.3)

➤ **Under Kanya Vidya Dhan scheme, the district committees failed to identify actual number of eligible beneficiaries, which resulted in accumulation of undisbursed incentive amount of Rs 36.51 crore. Due to erroneous selection of beneficiaries Rs 19.60 lakh were disbursed to 192 ineligible candidates in three districts alone.**

(Paragraph: 5.6.3)

➤ **Activities of schools were not adequately monitored as joint directors, deputy directors and district inspector of schools failed to inspect the educational institutions as per the prescribed norms.**

(Paragraph: 5.8)

➤ **Internal audit arrangement in the Department was at a nascent stage and yet to be armed with trained manpower, professional skills and methodologies to achieve its objectives.**

**(Paragraph: 5.9)**

## **5.1 Introduction**

Internal control is a system within an organization that governs its activities to effectively achieve its objectives. A built-in Internal Control Mechanism and strict adherence to statutes, codes and manuals provide reasonable assurance to the department about compliance with applicable norms and rules thus achieving reliability of financial reporting and effectiveness and efficiency in departmental operations.

Conducting of examinations for High School, intermediate, correspondence and vocational education, determination of syllabi, setting up of Government school and recognition of private school are the main functions of the Secondary Education Department. Secondary education includes junior as well as senior secondary schooling i.e., from class VI to XII.

There are 548 Government, 4474 aided and 774 self financed Higher Secondary Schools and Intermediate Colleges in the State.

Government schools are managed by the Education Department while aided institutions, recognized by Madhyamik Shiksha Parishad, Uttar Pradesh are provided financial assistance for payment of salary to staff and teachers. No financial assistance is provided to the self financed schools.

## **5.2 Organisational set up**

Principal Secretary, Secondary Education is the apex authority at the Government level. The Department is headed by the Director, Secondary Education (DE) who is assisted by four Additional Directors, three Joint Directors (JD) and nine Deputy Directors at Headquarter level, one Joint Director and one Deputy Director in each of the 17 regions and a District Inspector of School (DIOS) in each district. Finance Controller (FC) assists the DE in financial management and is also the Chief Internal Auditor of the Department. Seventeen Finance and Accounts Officers (FAOs) function at the regional level and are responsible for carrying out a pre check of expenditure. They are also responsible for internal audit of the Department.

## **5.3 Scope of audit**

Audit test checked the records for the period 2002-05 maintained in the offices of Principal Secretary, Secondary Education, DE, eight each of JDs of Education<sup>1</sup>, FAOs, and DIOSs<sup>2</sup> (one in each test checked region) during July 2005 to November 2005.

## **5.4 Audit methodology**

Besides auditing the activities of the Government and the Department, one DIOS from each region was selected for test check by PPS<sup>3</sup> method of sampling based on budget allotment. At the DIOS level, one Government

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<sup>1</sup> Allahabad, Azamgarh, Jhansi, Kanpur, Lucknow, Moradabad, Meerut and Varanasi

<sup>2</sup> Allahabad, Azamgarh, Jhansi, Kanpur, Lucknow, J.P. Nagar (Amroha), Meerut and Varanasi

<sup>3</sup> Probability Proportional to Size

College and two aided institutions were selected for test check based on SRS<sup>1</sup> method of sampling. An exit conference, on conclusion of the review, was held with the Government in December 2005 to discuss the findings and recommendations of the review. Views expressed at the conference have been taken into account while finalising the review.

### Audit findings

#### 5.5 Financial controls

The position of budget allotment and expenditure of the Department during the period 2002-05 was as under:

**Table 1**

(Rupees in crore)

Year	Budget	Expenditure	Savings
2002-03	2033.78	1938.54	95.24
2003-04	2307.38	2158.27	149.11
2004-05	2351.27	2286.48	64.79
<b>Total</b>	<b>6692.43</b>	<b>6383.29</b>	<b>309.14</b>

##### 5.5.1 Late surrender of funds

**Surrender of  
Rs 309.14 crore  
at the fag end of  
financial year**

Budget manual stipulates that the Controlling Officer should report all savings anticipated during the year latest by 25 January every year to the Finance Department breach of which would constitute a serious financial irregularity.

Though 8427 posts of teaching staff in aided schools were lying vacant, the Controlling Officer failed to take timely note of likely savings on this account in any of the years 2002-05, which resulted in eventual surrender of Rs 270.29 crore at the fag end of these years. Similarly, Rs 38.85 crore were surrendered at the fag end of the years under construction works, establishment/up-gradation of schools and honorarium for subject teachers etc. In the absence of effective controls for monitoring the expenditure, savings could not be anticipated and surrendered to the Finance Department in time for utilisation in other sectors in the respective financial years.

##### 5.5.2 Fraudulent withdrawals

Government directed (March 1999) to close all bank accounts and deposit the balance lying therein in the Government account. In contravention of it, bank accounts opened for keeping undisbursed amount of scholarship, honorarium and group insurance were operated in the test check districts as indicated below:

**Table 2**

SI No.	Designation/Place	Banks Name/Account Number	Last balance (Rs in lakh)/Date
1	Joint Director/Varanasi	State Bank of India(SBI)/1000063016	11.67/23.7.2005
2	DIOS Varanasi	SBI/1000063462	24.05/9.7.2005
3	Associate DIOS/Varanasi	Indian Overseas Bank (IOB)/767	4.86/10.9.2005
4	DIOS/ Azamgarh	SBI/109047793	80.88/21.9.2005

<sup>1</sup> Simple Random Sampling

SI No.	Designation/Place	Banks Name/Account Number	Last balance (Rs in lakh)/Date
5	DIOS/JP Nagar(Amroha)	SBI/0100/050055 Allahabad Bank/GEN/8965	3.05/28.4.2005 3.70/28.6.2005
6	DIOS /Meerut	IOB/2249	37.65/19.10.2005
7	DIOS/Kanpur Nagar	SBI/100/0100125	Not available
8	DIOS/Jhansi	SBI/0100000672&01000050246	17.13&6.05/1.12.2005

Test check of records of DIOS Kanpur Nagar, revealed that Rs 56 lakh were withdrawn (June 2003 to February 2004) fraudulently through six cheques<sup>1</sup> with forged signatures of the then DIOS<sup>2</sup> from its current account operated in violation of the aforementioned directions of the Government. DIOS lodged (March 2004) an FIR with the Police against the three senior clerks and concerned bank officials. Though these senior clerks were suspended (March 2004) they were later reinstated as no charge sheet was served to them (December 2005). Scrutiny of records also revealed that the cheque books were kept in the custody of three senior clerks instead of the DIOS. Besides, unclaimed amounts/balances of group insurance etc. lying in bank accounts for long were not reviewed on year-to-year basis. Non-observance of the rules relating to safe custody of cheque books and non-review of balances facilitated the fraudulent drawal.

### 5.5.3 Differences in GPF heads of account

**Non-compliance of Government order of transferring GPF balances from the head 8338 to 8009 as well as non-maintenance of GPF records by DIOS created difference of balances between treasury and DIOS.**

General Provident Fund (GPF) accounts of teaching and non teaching staff of aided institutions were kept by the Department under the Account head 8338 Kshetriya Nidhi. The Government ordered (March 2002) that from 2002-03, GPF accounts should be kept under the head 8009 GPF to enable better monitoring of the GPF accounts. Government, however, allowed operation of 8338 side by side with the 8009 as per revised Government order (August 2003) without ensuring reconciliation of GPF balances under 8338 (as on 31.03.2002) at DIOS and treasury level.

Scrutiny of records of test checked Districts revealed that DIOSs operated the head (8009) for maintaining the accounts from 2002-03 but the balance of Rs 381.65 crore<sup>3</sup> accumulated (as on 31.3.2002) in head 8338 was not transferred to 8009 with the result that both heads of account were operated concurrently since 2002-03. Although, withdrawals by the subscribers were being made from the head 8338, recoveries were deposited under the head 8009 against advances drawn.

DIOSs were required to maintain GPF broadsheets and ledgers to work out the correct balances of individual accounts as they were functioning as DDO for aided institutions. The DIOS, however, did not maintain these records. Scrutiny of the records also revealed that withdrawals from GPF were sanctioned by DIOSs merely on the basis of proposals of the institutions. As a

<sup>1</sup> Cheque No: Date: Amount: 338096: 9.6.2003, Rs 5,15,725: 338097: 1.8.2003, Rs 11,75,427: 338098: 21.8.2003, Rs 9,51,781: 338100: 29.11.2003, Rs 15,45,500: 349048: 14.2.2004, Rs 3,55,000: 349049: 11.2.2004 Rs 10,52,000: TotalRs 55,95,453

<sup>2</sup> Sri Umesh Chandra Tripathi, Sri Akhilesh Pandey

<sup>3</sup> (Rs in crore) Allahabad 62.19, Azamgarh-50.36, J.P. Nagar-6.34, Kanpur Nagar-51.24, Lucknow-37.82, Varanasi-77.20, Meerut-77.37, Jhansi-19.13

result, while Rs 21.58 crore<sup>1</sup> in Kanpur Nagar were drawn from the treasury under the head 8338 during April 2002 to March 2004, the GPF payment register of the DIOS showed Rs 16.37 crore only resulting in difference of Rs 5.25 crore between the two figures. Similarly, in Azamgarh and Jhansi Rs 28.92 crore and Rs 11.80 crore<sup>2</sup> were withdrawn from treasury under 8338 during 2002-05 but GPF payment register of both the DIOSs indicated Rs 16.55 crore and Rs 9.72 crore only, leaving a difference of Rs 12.37 crore and 2.08 crore respectively.

Thus, non-maintenance of GPF accounts at DIOS level and non-transfer of balances from 8338 to 8009 in respect of 1.48 lakh teaching and non teaching staff of aided institutions of State as a whole was fraught with the risk of defalcation. No attempt was made by the DIOSs to reconcile its transactions with treasury records, which was a pointer to serious control weakness in the system.

In reply, Government stated (December 2005) that the balances would be transferred to 8009 after verification.

#### 5.5.4 Submission of returns

An integrated programme of National Fitness Corps (NFC) was introduced (1965) by the Government of India (GOI) and adopted by State Government for uniform implementation in high and middle level schools.

The instructional staff (802) of NFC hitherto paid by GOI and serving in the State schools was transferred (1972) to the State and merged with cadre of physical training instructors. GOI, however, agreed to bear liability on account of pay and allowances of the above staff till their retirement. The Department was required to furnish expenditure statements (ES) to GOI every year to obtain the reimbursement of expenditure incurred on pay and allowances of this staff. The Department failed to furnish the ESs during 1972-2004 with the result that Rs 54.99 crore due for reimbursement could not be realised from GOI. Thus, due to non-submission of ESs by the Additional Director (Vocational Education) who was administering the programme, the State was deprived of the Central grant of Rs 54.99 crore.

In reply, Government admitted (December 2005) the above facts and stated that from 2003-04 ESs were sent regularly.

#### 5.6 Operational controls

Proper operational controls need to be in place to ensure that not only the functions relating to management of establishment are discharged optimally but also the smooth implementation /running of various schemes of the Department. Schemes like promotion of computer education, Kanya Vidya Dhan for uplifting girls' education and scholarship schemes for promotion of Secondary Education were under operation in the Department. A review of operational controls in the Department revealed:

**Government deprived of Central grant of Rs 54.99 crore due to non-submission of returns**

<sup>1</sup> Withdrawn amount is the difference of GPF closing balance on 31.3.2002 and 31.3.2004 i.e difference of Rs 51.24 crore and Rs 29.66 crore respectively (51.24-29.66=21.58)

<sup>2</sup> Azamgarh: Balance on 31.3.2002 Rs 50.36 crore, Balance on 31.3.2005 Rs 21.44 crore, Difference - 28.92 crore Jhansi: Balance on 31.3.2002 Rs 11.80 crore, Balance on 31.3.2005 Rs 9.72 crore, Difference –Rs 2.08 crore.

**Computer Education Programme was delayed by two years and could not be made functional even after installation of computers**

### **5.6.1 Scheme for imparting computer education delayed**

To promote computer education in schools from academic session 2003-04, three Centrally sponsored schemes<sup>1</sup> worth Rs 40.35 crore were introduced in the State in March 2002. The schemes provided that prior to installation of computers, electricity, adequate security and availability of requisite space must be ensured. Supply and installation work of computers was to be executed through U.P. Development Systems Corporation Ltd. (UPDESCO)<sup>2</sup> and construction of laboratories was entrusted to U.P. Rajkiya Nirman Nigam (Nigam). For this purpose, Rs 32.56 crore were paid to UPDESCO during August 2004 to April 2005 and Rs 7.79 crore to Nigam during November 2002 to April 2005.

Scrutiny of records of DE revealed that Department failed to launch the scheme in time due to delay in finalization of purchase procedure at Government and directorate level. Besides, survey required for installation of computers was not conducted. The principals of 39 schools showed their inability to take up the programme due to security reasons and non-availability of electricity and space. Despite this, the Department purchased 950 computers costing Rs 3.18 crore, most of which were lying uninstalled. Further, progress of installation of computers was not monitored at any level and only 95 schools out of 225 schools were equipped with computers.

Further scrutiny revealed that the built area of constructed labs, as taken over by the schools had no operational capacity of 50 computers at a time, as accepted by the principals of test checked schools<sup>3</sup> that only 25 computers could be put in use in their labs. However, in none of these schools, air conditioners and computer stationery were supplied due to which work on computers could not be started (December 2005).

This indicated complete control failure of the Department as a whole, right from concerned DIOS, who were to monitor installation of computers, Additional Director (Vocational), who was over all in-charge of the project and DE, who failed to monitor progress of work against specific milestones.

Government admitted in reply (December/2005) that constructed laboratories were defective and design would be altered as per requirement and stated that stationary etc for imparting computer education was being provided by the training institutions.

**Various scholarship schemes became non-functional as forty years old inapplicable conditions of selection criteria were not revised.**

### **5.6.2 Non-functional scholarship schemes**

National scholarship scheme was launched in 1962 for providing scholarship to 4,550 high school passed meritorious students from poor families, with income of less than Rs 25,000 per year, at the rate of Rs 60 per month during their regular study in class XI and XII. The expenditure was to be shared by GOI and State in the ratio of 60:40. It was observed that income limit for ascertaining eligibility criteria and rate of scholarship was not revised and not

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<sup>1</sup> Class Project Scheme in 150 schools: Rs 10 crore; Computer Literacy Scheme in five schools: Rs 0.25 crore; Computer Literacy Scheme under 11<sup>th</sup> Finance Commission in 70 schools: Rs 30.10 crore

<sup>2</sup> A Government of U.P. undertaking

<sup>3</sup> Govt. Jubilee Inter College, Lucknow, GICs Allahabad, Kanpur Nagar, Varanasi, Azamgarh, J. P. Nagar, Jhansi and Meerut.

kept in tune with changing price levels. As a result, while the scheme could be partially implemented till 2002-03 it became non functional in the State from 2003-04.

Likewise, scholarship at the rate of Rs 50 per month for class XI and XII for children of trained graduate teachers was introduced in the State in 1962. Children of teachers with annual income of less than Rs 25,000 were eligible to avail of the scholarship under the scheme. The Department did not revise the eligibility limit for scholarship as a result of which it became non functional.

In reply the Department stated (December 2005) that income limit of National scholarship had been raised to Rs one lakh and the scheme would be implemented in future.

Thus, the Department did not properly monitor the scholarship schemes although U.P. Budget Manual provides that head of the department should review the scheme and modify the prevailing rules in changed circumstances.

### 5.6.3 Kanya Vidya Dhan Scheme

With a view to providing incentive for education of girl students, Kanya Vidya Dhan Scheme was launched in the State from September 2004. Under the scheme, Rs 20,000 were to be provided to class XII passed girl candidates of U.P. Board in 2004. Prior to the launching of the scheme, the Government had allotted (2003-04) Rs 10 lakh for survey and identification of eligible beneficiaries. A selection committee comprising DIOS, Chief Development Officer and two Principals as members and headed by the district magistrate was responsible for selection of eligible beneficiaries in each district for implementation of the scheme. Priority was to be given to girl students whose guardians' income was below poverty line (BPL) and thereafter whose income were in ascending order of the BPL. The Government released (2004-05) Rs 200 crore<sup>1</sup> (one lakh beneficiaries) to the DE for the scheme.

Scrutiny of records of DE revealed that in spite of availability of funds, no survey was conducted for identification of eligible beneficiaries and Rs 10 lakh allotted for the purpose were surrendered in March 2004. Against the target of one lakh, demand for 96942 BPL candidates was received from the districts and Rs 185.19 crore for 92597 candidates only were released. The remaining 4345 BPL candidates were not paid the incentive of Rs 8.69 crore. Instead, Rs 14.81 crore were released for payment of incentive to 7403 APL candidates. In the test checked districts 2,698 BPL candidates were deprived of benefits of the Scheme (*details in Appendix-5.1*).

At distribution stage the district committee failed to verify the income certificate of eligible beneficiaries in time, which resulted in non-disbursal of Rs 36.51 crore in the districts (June 2005). Due to erroneous selection of beneficiaries, complaints were received in Allahabad, Lucknow and Jhansi and on verification by the enquiry officer, 192 beneficiaries were not found eligible. Neither any action was initiated nor the amount disbursed (Rs 19.60 lakh) was recovered (November 2005).

Department failed to identify eligible number of beneficiaries, as a result Rs 36.51 crore remained undisbursed

<sup>1</sup> September 2004: Rs 25 crore; December 2004: Rs 25 crore; March 2005: Rs 150 crore.

In reply, Government accepted the facts and stated that action for recovery of amount distributed to ineligible candidates was being taken.

### **5.7 Manpower controls**

A review of manpower controls in the Department revealed:

#### **5.7.1 Imbalance in deployment of teachers**

**J.D. and DIOS failed to adjust the imbalances in short/excess deployment of teachers**

State Government has prescribed (1999) norms for assessing requirement of teachers based on the strength of students (1.5 teachers per 60 students for classes 6 to 8, 1.5 teachers per 65 students for classes 9 & 10 and 2 teachers per 80 students for classes 11 & 12). Intermediate Education Act, 1921 provides that excess teachers in schools should be declared surplus and deployed in those schools of the concerned district or region where teachers deployed were less than the norms.

Based on the prescribed norms, the excess/shortage of teachers in 109 aided schools of Kanpur Nagar for the period 2002-05 is given below:

**Table 3**

Year	Teachers in excess of requirement (Numbers)		Teachers posted less than the requirement (Numbers)	
	Schools	Excess	Schools	Short
2002-03	33	216	57	462
2003-04	47	309	50	440
2004-05	46	352	52	396

DIOS were required to inspect each school once in a year and sort out position of imbalance due to low/excess intake of students. JD was also required to make periodical inspection and work out the position of the imbalance.

DIOS and JD, who were responsible to address these imbalances failed to do so leading to shortage of teachers in some schools and surplus in others.

In reply, Government stated that application of the rule was for the teachers appointed prior to 1980 only.

Reply was not tenable as Section 4 of High School and Intermediate College (Payment of Salary to Teachers and other staff) Act, 1971 provides that DIOS may inspect any school in this regard and point out the imbalances for necessary action.

### **5.8 Inadequate inspection of schools**

**Regional and District Officers did not inspect educational institutions as prescribed in Departmental Education Code**

Regional JD, Deputy Director (DD) and DIOS were responsible for academic supervision, inspection and control of educational activities. Departmental Education Code stipulated that JD and DD each, will inspect secondary institutions for 120 days in a year while DIOS should inspect each recognised school of the district once in a year.



It was noticed that DE did not monitor inspection work of field offices as no details in this regard were maintained in his office. Scrutiny of position of inspection in test checked districts (*Appendix-5.2*) revealed that JDs carried out inspections in various districts ranging from 1 day to 43 days only and DDs from 0 to 35 days. Inspection of schools by DIOS was virtually negligible in all the districts.

### 5.9 Internal Audit

Department had not prepared the manual, guidelines and plan for internal audit

The Government redesignated (January 2003) the Director Departmental Accounts as Director Internal Audit (DIA), and assigned duties and responsibilities for implementation of the policies of internal audit, auditing standards, training of staff, monitoring of audit reports and over all effectiveness of internal audit to him.

In the Secondary Education Department, Internal Audit Unit (IAU) functioning under the control of FC. IAU was divided in 17 Regional Internal Audit Units (RIAUs) and in each region FAO was responsible to cover the programme of internal audit of the region.

The department had not evolved any mechanism for training of internal auditors. As a result, none of the 107 auditors was trained.

#### 5.9.1 Lack of audit planning

FC was responsible for framing Internal Audit Manual containing guidelines for planning and conduct of audit and was also required to frame an annual calendar of work. Records revealed that no work on these areas was done by the FC nor did he issue any instructions in this regard to RIAU. DIA had asked (March 2004) the Department to send its annual calendar and work plan of the Internal Audit Wing but it was not furnished to him due to non-maintenance of required information.

Headquarters unit of Internal Audit was dealing with only complaint cases. During 2002-05, although special audit of 319 complaint cases received was done by it, no follow up action was taken on the reports in any of the cases.

Consolidated figure of units covered by RIAU of all the regions was not available with IAU. However the position of audit coverage in test checked RIAUs was as under:

**Table 4**

Year	Total no. of schools	No. of schools proposed for audit	No. of schools covered by audit
2002-03	3095	277	122
2003-04	3096	303	119
2004-05	3100	352	175

The number of units proposed for audit during the period 2002-05 ranged between 9 per cent and 11 per cent only. The actual coverage of these units by Internal Audit was 44 per cent (2002-03) to 50 per cent (2004-05). No unit

was covered in Kanpur and Azamgarh districts due to non-posting of requisite number of auditors.

### **5.9.2 Poor follow up of Internal Audit Reports**

Records of RIAU revealed that replies to the IARs by the auditee institutions were not received in any case. No reminders were sent for obtaining the replies. Further, copy of the reports was not forwarded to FC. RIAUs also did not maintain control records indicating the dates of audit, dates of issue of reports and the details of audit paragraphs contained in reports etc.

In compliance of instructions of DIA, FC submitted quarterly reports of Internal Audit for 2003-04 and 2004-05 as detailed below:

**Table 5**

<b>Year</b>	<b>No. of quarterly reports required</b>	<b>No. of quarterly reports submitted</b>	<b>Total no. of cases included in reports</b>	<b>Amount of objection (Rs in crore)</b>
2003-04	4	2	8	3.86
2004-05	4	4	31	16.31

While sending quarterly reports the position of IA relating to Headquarters unit only was included and the position of 17 RIAUs was not mentioned. DIA stated (July 2005) that as replies against reports were not received these could not be sent to Government.

### **5.10 Conclusion**

The Internal Control System of the Secondary Education Department with regard to financial, operation and manpower management controls was not satisfactory. Savings in many cases were not anticipated timely leading to their surrender at the fag end of the year. There were fraudulent withdrawals from a bank account and risk of defalcations in GPF accounts of staff of aided institutions due to non-adherence to prescribed rules and poor controls. Launching of Kanya Vidya Dhan scheme without survey of eligible beneficiaries resulted in distribution of incentive to ineligible candidates. Inspections of the educational institutions were also deficient. The functioning of the Internal Audit Wing was still at a nascent stage and it was unable to provide an assurance to the Department on the reliability of its financial reporting and adequacy of systems and procedures.

### **Recommendations**

- In the DIOS where bank accounts are being operated for keeping undischursed scholarship money etc. rules regarding handling of cash may be enforced to avoid fraudulent drawls. All unauthorised bank accounts should be closed immediately.

- The Government needs to immediately carry out a thorough review of the system of maintenance of GPF accounts for aided institutions and balances transferred to the major head 8009.
- Scholarship schemes should be reviewed periodically.
- Eligibility of candidates in Kanya Vidhya Dhan Scheme should be ensured at school level.
- Monitoring activities of aided educational institutions needs strengthening as number of control weaknesses were detected in this area.
- Inspection of schools at all levels should be carried out in accordance with the prescribed norms.

The above points were referred (November 2005) to Government and discussed in December 2005 wherein the facts and figures were confirmed and recommendations accepted by the Government.

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