

CHAPTER - III

PERFORMANCE REVIEWS

FOREST DEPARTMENT

3.1 MANAGEMENT OF NATIONAL PARKS & SANCTUARIES

3.1.1 Highlights

A separate Wildlife Wing was set up in January 2001 in Uttaranchal for implementation and enhancement of wildlife conservation measures as enshrined in the Wildlife (Protection) Act, 1972. Adequate attention had not been paid to the protection, development and scientific management of wildlife and its environment. No urgency was shown in declaring protected areas, which in turn adversely affected their management. No tangible steps were taken to check biotic pressure and human interference in the National Parks and Sanctuaries. The main findings are highlighted below:

- *Implementation of conservation activities relating to eco-restoration, grassland management, fire management, research etc. was adversely affected because of the inability of the Department to utilise budget allotment of Rs. 28.01 crore.*

[Paragraph 3.1.8]

- *There was loss of interest of Rs. 67.76 lakh as funds received under Compensatory Afforestation, Catchment Area Treatment Plan etc., were not put in fixed deposit contrary to GOI's directions.*

[Paragraph 3.1.9.2]

- *Revenue on account of royalty, lease rent, petty demand, late fees etc. was outstanding against Uttar Pradesh Forest Corporation (Rs.1.87 crore) and Uttaranchal Forest Development Corporation (Rs.0.02 crore) as of March 2006.*

[Paragraph 3.1.9.3]

- *The erstwhile UP Government and the Uttaranchal Government failed to issue final notification declaring 4779.15 sq. km. as protected areas for periods ranging from two to 23 years.*

[Paragraph 3.1.9.6]

- *National Parks and Wildlife Sanctuaries continued to be managed on adhoc basis as despite a lapse of 4 to 6 years, the Chief Wildlife Warden had not approved the Management Plans.*

[Paragraph 3.1.9.7]

- *Relocation of villages and rehabilitation of human settlement had not been completed. As a result, biotic and human interference in core zones of National Parks/Sanctuaries continued.*

[Paragraph 3.1.9.9]

- *Sixty two Musk Deer at Musk Deer Breeding Centre in Kanchula Khark and five domesticated elephants at Corbett Tiger Reserve died due to improper health care and climatic conditions. Consequently the Musk Deer population in Kedar Nath Musk Deer Sanctuary fell drastically from 63 in 2003 to 37 in 2005.*

[Paragraph 3.1.9.11 & 3.1. 9.17]

- *Encroachment in wildlife areas and illicit felling of trees continued unabated in National Parks and Sanctuaries.*

[Paragraph 3.1.9.16 & 3.1.9.19]

- *Development of 11 wildlife corridors was neglected and Rs.1.43 crore received for Chilla-Motichur corridor from GOI remained unspent.*

[Paragraph 3.1.9.18]

- *Erection of solar power fencing at a cost of Rs. 48 lakh during 2003-04 proved infructuous as despite rectification by the firm, the fencing remained non-functional.*

[Paragraph 3.1.9.20]

3.1.2 Introduction

Sanctuaries and National Parks are declared protected areas to facilitate conservation and protection of wildlife and its habitats. The Wildlife (Protection) Act, 1972 empowers the State Governments to declare any area of adequate ecological, fauna and flora, geomorphological, natural or zoological significance as either a Sanctuary or a National Park. An area of 7335.53 sq. km (13.72 per cent) out of a total of 53483 sq. km of the State is covered by national parks and sanctuaries, comparing favorably with the national average of 4.50 per cent.

There are six National Parks covering 4915.44 sq. km.¹ and 6 wildlife sanctuaries with an area of 2420.09 sq. km². The Wildlife wing of the Forest Department was created in January 2001 to protect, develop and scientifically manage wildlife and its habitats in and outside the protected areas, carry out integrated eco-development work in the vicinity of protected areas, reduce the biotic pressure in protected areas and create awareness of nature among local people, particularly youth.

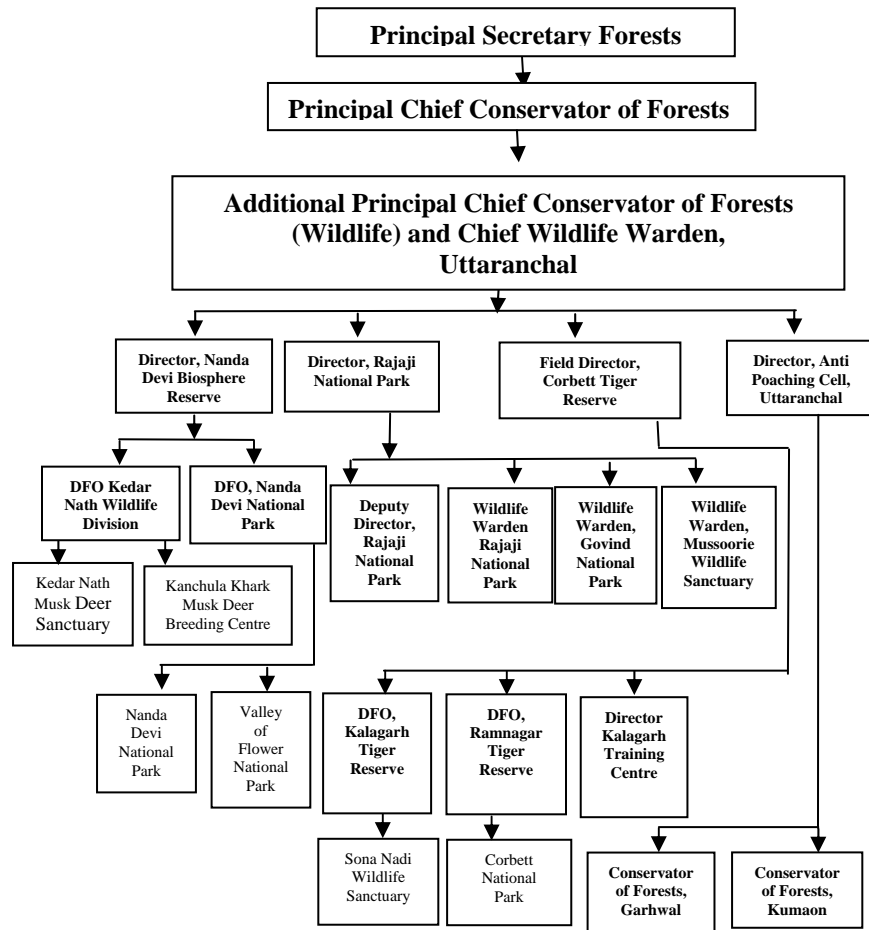
Project Tiger, a centrally sponsored scheme, was launched in 1973 to provide financial and technical support for conservation and propagation of flagship species tiger in Corbett Tiger Reserve. Project Elephant, another centrally sponsored scheme, was launched in February 1992 to provide financial and technical support to major elephant inhabited States for their protection as well as their habitat and corridors. The scheme also seeks to address the issue of human-elephant conflict and welfare of domesticated elephants.

3.1.3 Organisational set up

The Wildlife wing of the Forest Department is headed by an Additional Principal Chief Conservator of Forests (Wildlife) {Addl. PCCF (WL)} who is also the Chief Wildlife Warden (CWLW) with headquarters at Nainital and a camp office in Dehradun. He works under the general supervision and control of the PCCF. The wing comprises three circles each headed by a Conservator of Forests, divided into five divisions each headed by a Divisional Forest Officer (DFO). The detailed organizational chart of the wildlife wing in the State is given at next page:

¹ Corbett National Park 520.82 Sq. km, Nanda Devi National Park 624.60 Sq. km, Valley of Flowers National Park 87.50 Sq. km, Rajaji National Park 820.42 Sq. km, Gangotri National Park 2390.02 Sq. km and Govind National Park 472.08 Sq. km.

² Mussoorie Wildlife Sanctuary 10.82 Sq. km, Kedar Nath Wildlife Sanctuary 975.20 Sq. km, Govind Wildlife Sanctuary 485.89 Sq. km, Askot Wildlife Sanctuary 599.92 Sq. km, Sona Nadi Wildlife Sanctuary 301.18 Sq. km and Binsar Wildlife Sanctuary 47.08 Sq. km.



3.1.4 Audit objectives

The performance audit seeks to assess whether the objective of the State Government to protect, develop and scientifically manage wildlife and its environment in and outside the protected areas had been carried out efficiently and effectively.

In addition, it seeks to ascertain whether:

- the areas identified as National Parks or Sanctuaries had been declared as protected and whether the areas had adequate ecological, faunal, floral geomorphological, natural or zoological significance;
- the management plans had been prepared and formulated for scientific and systematic growth of protected areas;
- the conservation and protection measures had been planned and prioritized efficiently and effectively for endangered species;

- an effective mechanism had been devised for prevention of poaching and checking illegal trade in wildlife;
- adequate steps had been taken to address the principal threats to the protected areas from dams, mines, roads, projects, chemical pollution etc.;
- an adequate system for imparting training in management of wildlife including the use of arms and ammunition had been devised.

3.1.5 Scope of Audit

Performance audit of six national parks and six sanctuaries for the period from 2001-02 to 2005-06 was undertaken during February 2006 to June 2006 by a test check of the records of Field Director, Corbett National Park and Director, Rajaji National Park as well as in three Wildlife divisions³ and one territorial division⁴. This was supplemented by information furnished by the Addl. PCCF (WL) & CWLW, Dehradun.

3.1.6 Audit criteria

- Provisions of the Wildlife (Protection) Act, 1972, guidelines, rules, action plans and orders of the Government of India and of the State Government, as well as orders of the Supreme Court.
- Priorities fixed by the department for conservation and protection of Wildlife.
- Plans for scientific management and systematic growth of National Parks and Wildlife Sanctuaries.

3.1.7 Audit methodology

Before commencing the audit, objectives of audit, scope and criteria were discussed (26 June 2006) in an entry conference with the Additional Principal Chief Conservator of Forests (Wildlife) & Chief Wildlife Warden (CWLW), Uttaranchal. Relevant records were test checked and information collected from CWLW and field units on the basis of questionnaire and replies to audit memos were analyzed to arrive at audit conclusions. The audit findings were discussed (December 2006) with the CWLW in an exit conference. Replies/views of the Government and CWLW were awaited (December 2006).

³ Ramnagar Tiger Reserve, Ramnagar, Kedarnath Wildlife Division, Gopeshwer; and Nanda Devi National Park, Joshimath.

⁴ Uttarkashi Forest Division, Uttarkashi.

3.1.8 Financial outlay and expenditure

Year-wise details of budget allocation and expenditure incurred against both the Central and the State plan sectors during the period 2001-02 to 2005-06 are as per **Table-1**.

Table-1

(Rupees in crore)

Year	Central Sector			State sector		
	Budget allocation	Expenditure	Saving	Budget allocation	Expenditure	Saving
2001-02	9.40	6.63	2.77	1.75	1.22	0.53
2002-03	20.60	13.16	7.44	1.97	1.22	0.75
2003-04	13.72	4.74	8.98	1.34	1.33	0.01
2004-05	12.32	5.65	6.67	1.42	1.00	0.42
2005-06	9.91	9.48	0.43	1.32	1.31	0.01
Total	65.95	39.66	26.29	7.80	6.08	1.72

Source: Departmental figures

Out of the budget allotment of Rs. 73.75 crore during 2001-02 to 2005-06, comprising Central and State share, there was saving every year. The accumulated saving of Rs. 28.01 crore remained unutilized (Rs. 26.29 crore under Central Sector and Rs. 1.72 crore under State Sector). Consequently, important components of wildlife conservation like implementation of conservation activities relating to eco-restoration, grassland management, fire management, research etc., were adversely affected. Wildlife conservation is likely to be further affected as budget allotment has been decreasing year after year (2002-03 to 2005-06). This could well be due to non-utilisation of funds allotted to the full extent. Reply is awaited from Government (December 2006).

3.1.9 Audit findings

3.1.9.1 Benefits of Centrally Sponsored Schemes were not availed

The Government of India (GOI) releases funds under Centrally Sponsored Schemes (CSS) in installments. Subsequent installments are released after reviewing the progress of expenditure/work done against earlier installments.

Test check revealed that GOI administratively approved expenditure of Rs.14.71 crore during 2001-02 to 2005-06 for Project Tiger, Elephant Project and Development of National Parks and Sanctuaries as CSSs. Out of this, Rs.12.30 crore was released and Rs.2.41 crore was held back by the GOI due to slow progress of expenditure/non-submission of utilisation certificates. The details are as per **Table-2**.

Table - 2

(Rupees in crore)

Sl. No.	Name of Parks/Sanctuaries	Amount administratively approved	Amount released by GOI	Balance amount not released
1.	Corbett National Park	11.02	9.43	1.59
2.	Govind Wildlife Sanctuary and National Park	0.96	0.72	0.24
3.	Binog Wildlife Sanctuary	0.57	0.50	0.07
4.	Gangotri National Park	0.45	0.34	0.11
5.	Kedar Nath Musk Deer Sanctuary	1.03	0.78	0.25
6.	Nanda Devi National Park & Valley of Flowers National Park	0.68	0.53	0.15
Total		14.71	12.30	2.41

Source: Departmental figures

The fact that GOI did not release the full amount indicated that wildlife developmental activities lagged behind in the State.

3.1.9.2 Loss of interest

In compliance with the orders of the Hon'ble Supreme Court (October 2002), Compensatory Afforestation Fund Management & Planning Authority (CAMPA) was constituted and notified by Union Ministry of Environment and Forests for the management of money received towards compensatory afforestation and any other money recoverable in pursuance of the Hon'ble Supreme Court's order in this regard. While according approval under Forest (Conservation) Act, 1980 for non-forestry uses of the forest land, GOI directed (March 2004) the State Government to deposit the amount received as fixed deposits in a Nationalized Bank until the operation of the CAMPA. The amounts received on these account, however, were kept in the Government account as forest deposits. This resulted in loss of interest of Rs.67.76⁵ lakh.

Management in reply stated (July 2006) that Government order on the subject was not available. The reply is not tenable as the GOI order was issued to the State Government in March 2004.

3.1.9.3 Non realization of revenue/blocking of funds

- Revenues of Rs.1.87 crore on account of petty demand, royalty, marking fees, extension fees, lease rent etc. remained unrealized as of March 2006 against Uttar Pradesh Forest Corporation and Rs.2 lakh against Uttaranchal Forest Development Corporation.
- Two hectares of reserve forest land was transferred to High Altitude Plant Physiology Research Centre during 2003 in Kedar Nath Wildlife Division (KNWD), Gopeshwar against payment of Rs.0.99 lakh for compensatory afforestation. However, it had not been realized by KNWD (July 2006).

⁵ Kedar Nath Wildlife Division Rs.40.48 lakh, Nanda Devi National Park Rs. 25.16 lakh and Rajaji National Park Rs. 2.12 lakh (Interest @5% per annum on reducing balances for various periods)

- A Musk Deer Breeding Centre was established in 1980-81 in Kanchula Khark⁶ for study and captive breeding of this endangered species and its propagation and release into the Kedar Nath Musk Deer Sanctuary, its natural habitat. Of 66 musk deer born between 1982 and 2004, all but four, which were transferred to Darjeeling, died, due to various diseases, as well as unfavorable climatic conditions. The Department decided (2002) to shift the breeding centre to an alternative, climatically favourable site. GOI sanctioned Rs.51.54 lakh for the purpose in March 2003 under the CSS “Development of National Parks and Sanctuaries”. GOI revalidated the sanction for 2004-05 on account of non utilization and stipulated that no fresh funds would be released under the scheme unless the amount of Rs.51.54 lakh was utilised. No urgency was shown by the Department and alternate site could not be selected (July 2006), as a result GOI stopped funds after 2003-04. The delay in relocation and site selection put the endangered species at greater risk and the Department also lost its source of funds.
- The National Wildlife Action Plan (NWAP) provided for all tourism receipts from protected areas to be put into a local trust fund (70 *per cent* for community benefit work and 30 *per cent* for park development activities). During the year 2001-02 to 2005-06 the Department realised Rs.7.81 crore as per **Table-3**.

Table-3

(Rupees in lakh)

Name of National Park/Sanctuary	Revenue collected from tourism	Budget allocation under Vikas Nidhi	Percentage of budget allocation to revenue collected
Corbett Tiger Reserve	718.94	30.00	4.17
Rajaji National Park	46.61	8.70	18.67
Kedar Nath Musk Deer Sanctuary	4.60	Nil	-
Nanda Devi National Park & Valley of Flowers National Park	11.26	Nil	-
Total	781.41	38.70	4.95

Source: Departmental figures

During 2004-05 and 2005-06 the State Government allotted only Rs.38.70 lakh as Vikas Nidhi to these protected areas which was only 4.95 *per cent* of the revenue generated. However, Rs. 9.30 lakh so allotted (Corbett Tiger Reserve: Rs. 7.10 lakh and Rajaji National Park: Rs. 2.20 lakh) remained unutilized. Less as well as unspent allotment indicate that the desired development and benefit did not reach the local community. No reply has been received from Government (December 2006).

3.1.9.4 Non release of Project Tiger funds

The entire funds received from GOI alongwith State’s Share for Project Tiger was required to be released to Corbett Tiger Reserve. The State Government did not release Rs.0.78 crore (Rs.0.67 crore Central share and Rs.0.11 crore State share) during the period 2001-02 to 2005-06. Against Rs. 12.82 crore (Rs.9.43

⁶ Now in Kedar Nath Wildlife Division.

crore Central share and Rs.3.39 crore State share) the State Government released only Rs.12.04 crore (Rs.8.76 crore and Rs.3.28 crore respectively). Unspent balances of Rs.0.52 crore during 2001-02 to 2005-06 were adjusted against the grant sanctioned by GOI in the subsequent years. Non release of funds by the State Government affected the conservation of flora and fauna including the flagship species tiger. Reply was awaited from Government (December 2006).

3.1.9.5 Non release of amounts for development of grassland

The Central Empowered Committee, in its recommendation (July 2003) to Hon'ble Supreme Court, mentioned that the Power Grid Corporation of India Ltd. had stated that Rs.2.58 crore had been deposited with the State of Uttaranchal towards afforestation charges and development of grassland in Rajaji National Park. However, the State Government did not pass this on to the Rajaji National Park. As a result no afforestation or grassland development was undertaken. Management in reply has stated (June 2006) that the park authority was not aware of this amount and probably the said amount could have been received by the State Government directly. However, no reply has been received from the State Government (December 2006).

Programme formulation / implementation

3.1.9.6 Representative potential areas not finally notified as protected areas

Notifications of intention to create National Parks/Sanctuaries were issued under Section 18 of the Act. Further action to declare these areas as protected was required to be completed within two years from the date of notification but the action remained incomplete as of July 2006. The erstwhile UP Government and the Uttaranchal Government delayed notifying the declared protected areas as per **Table-4**.

Table-4

Sl. No.	Name of the Area	Area (in sq. km.)	Date of intention notification
1.	Rajaji National Park	820.42	August 1983
2.	Govind National Park	472.08	February 1990 & June 2004
3.	Gangotri National Park	2390.02	September 1989
4.	Askot Wildlife Sanctuary	599.92	July 1986 & June 2004
5.	Mussoorie Wildlife Sanctuary	10.82	September 1993
6.	Govind Wildlife Sanctuary	485.89	March 1995 & June 2004
Total Area		4779.15	

Source: Departmental figures

On account of lack of urgency shown by the Department, the identified areas remained unprotected and encroachment continued unabated.

3.1.9.7 Non approval of Management Plans

The Management Plans for the six National Parks and six Wildlife Sanctuaries were prepared and submitted by the respective divisions but date of submission was not on record except in case of Corbett Tiger Reserve and Kedar Nath Wildlife Division which were submitted during the years 2000-01 and 1999-2000 respectively. The operations of the National Parks and Wildlife Sanctuaries were being managed on an *ad hoc* basis, as despite a lapse of 4 to 6 years, the management plans were yet to be approved by the Chief Wildlife Warden (July 2006). Thus the underlying aim of the management plans of committed long term planning and budgeting, for a focused development of protected areas remained unachieved.

As per the guidelines of Wildlife Institute of India (WII), the management plan was to be reviewed after five years to evaluate the result of management practices and changes if any, incorporated therein. However, except for Corbett Tiger Reserve, the Management Plans of other National Parks/Sanctuaries remained unapproved and unreviewed (July 2006). Management in reply has stated (July 2006) that action was being taken for review of management plan.

3.1.9.8 Administrative control of Sanctuaries and National Parks

The management of Gangotri National Park and Askot Musk Deer Sanctuary remained under territorial divisions and was not transferred to Wildlife Wing of the State (July 2006) even after creation of the Wildlife Wing in January 2001.

The very purpose of creating protected areas for focused wildlife management was thus nullified and the State Government was deprived of enhanced assistance under CSSs.

The CWLW stated (July 2006) that these protected areas would come under the control of Wildlife Wing after the reorganization of the Forest Department.

3.1.9.9 Rehabilitation of human settlements from National Parks and Sanctuaries

Protected areas were to be classified as core, buffer and tourism zones. The core zone was to be surrounded by buffer and tourism zones so as to preserve the habitat in the best possible natural conditions. Entry and residence in the wildlife areas were to be so regulated as not to adversely affect the protection, propagation and development of wildlife. The NWAP for 2002-2016 also envisaged relocation of people living within the National Parks and Sanctuaries.

- In Kedar Nath Musk Deer Sanctuary (975.20 sq. km) there are 14 villages having a population of 4,557 human beings and 5,650 heads of live-stock, indicating increasing biotic pressure which adversely affects the conservation programme. Management failed to initiate any proposal to relocate these villages outside the sanctuary or to monitor illegal grazing in the sanctuary with only 244 out of 5,650 live stock having permission to graze legally in an area of 1,511 ha.

- Relocation of 242 Gujjar families comprising 813 people with 2975 heads of cattle residing within the Corbett Tiger Reserve has not been done. There is illegal as well as legal grazing in an area of 125.16 sq. km. of the buffer zone/sanctuary of the reserve causing inimical biotic pressure. GOI released Rs.1 crore in March 2003 to relocate the Gujjars by September 2003. Of this, Rs.0.95 crore placed under Forest Deposit was lying unspent (July 2006). In reply, the management stated (February 2006) that proposal for relocation of 181 Gujjar families was submitted to the higher authorities but latest position was not on record. Government reply was awaited (December 2006).
- Willingness for relocation of 512 Gujjar families out of Rajaji National Park was obtained and a relocation plan approved. Residences etc. were constructed at a cost of Rs.3.33 crore in 1987-88 but relocation was not done as the matter was sub judice. Meanwhile (1998) the number of families increased to 1390. Of these 512 families were planned to be relocated at Pathari and remaining 878 families at Gaindikhatta. As of March 2006, 481 families have been relocated at Pathari and 716 families at Gaindikhatta. Despite an expenditure of Rs. 9.83 crore, 193 families are yet to be relocated as the National Human Right Commission had directed that an affidavit be obtained from the Gujjars as regards their willingness prior to relocating them. However, no action has been taken by the Department (July 2006).The delay is leading to avoidable additional expenditure on relocation and continued biotic pressure on the park. Management in reply has stated (June 2006) that approval in principle for transfer of land for relocation of Gujjars was received and further action was in progress.

3.1.9.10 Non-inclusion of identified areas in protected areas

- The Department proposed to include an area of 15,022.2 ha. of Reserve Forest/Van Panchayats in Trisula, Jajsi, Maikhand and Bansu in the Management Plan of Kedar Nath Musk Deer Sanctuary, as it has dense broad leaf forest with low temperature and little biotic pressure, being contiguous to one of the richest wildlife areas. However, no proposal was sent to CWLW so far (July 2006) for inclusion of this area in the sanctuary.
- Brahma Kamal is the State flower of Uttaranchal. On the recommendation of the State Government, a proposal was made out in March 2005 by the Kedar Nath Wildlife Division to declare the area rich in Brahma Kamal as Brahma Kamal Conservation Reserve to check its exploitation. The current status of the proposal was, however, not on record. Management in reply has stated (July 2006) that it was in correspondence with higher authorities. Reply of the Government was awaited (December 2006).

3.1.9.11 Decline in wildlife population in sanctuary

- The Kedar Nath Musk Deer Sanctuary was established to conserve and propagate musk deer, an endangered species. The objective has not been fulfilled. A census carried out in 2005 by the KNWD revealed that the number of musk deer and other herbivorous species has declined considerably as shown in **Table-5**.

Table-5

Name of herbivores	Population	
	2003	2005
Sambhar	109	73
Barking deer	299	53
Himalayan Thar	353	230
Serow	61	21
Musk Deer	63	37

Source: Departmental figures

There was nothing on record that the Department had conducted any study to analyse the reasons for the decline in the population and remedial measures required to arrest the trend.

- An annual estimation of the tiger population was to be carried out in the Corbett Tiger Reserve as per the directions issued by the Project Tiger Directorate in June 2001. Census of tiger was carried out once in two years only and data for the remaining years was worked out on the basis of deaths reported as shown in **Table-6**.

Table-6

Year	No of Tigers			
	Male	Female	Cub	Total
2001-02 (Census year)	51	75	11	137
2002-03 (No Census)	50	72	11	133
2003-04 (Census year)	56	76	11	143
2004-05 (No Census)	55	74	9	138
2005-06 (Census year)	47	84	10	141

Source: Departmental figures

The census carried out was based on pugmarks which is not a reliable method of estimation. The Wildlife Institute of India (WII), Dehradun has evolved a new method named 'All India Tiger Census' based on transect lines. Estimation in accordance with the new method was carried out during February 2006, the results of which are awaited from WII.

3.1.9.12 Fire security

Forest fires cause damage to micro organisms and trees and have an adverse impact on habitat as the soil texture is degraded and organic compounds are lost.

The incidents of fire in two National Parks and KNWD during 2001-02 to 2005-06 is indicated in **Table-7**.

Table-7

(Area in hectares)

Year	Rajaji National Park		Corbett Tiger Reserve		Kedar Nath Wildlife Division		Total	
	No. of incidents	Area covered	No. of incidents	Area covered	No. of incidents	Area covered	No. of incidents	Area covered
2001-02	35	133.75	03	5.50	10	480	48	619.25
2002-03	47	156.75	13	230.50	04	451	64	838.25
2003-04	30	66.30	28	254.50	17	333	75	653.80
2004-05	49	91.05	26	118.00	70	413	145	622.05
2005-06	66	204.05	36	153.75	41	445	143	802.80

Source: Departmental figures

Despite the increase in incidents of fire and forest area affected, no study/review of the pattern of forest fires, contingency plan, efficacy of fire fighting arrangements, impact of forest fires on bio-diversity and ecology, identification of fire prone area with the help of remote sensing methods or otherwise as well as long term effects was undertaken.

3.1.9.13 Catchment Area Treatment Plan

Expenditure on a defective plan

Catchment Area Treatment Plan (CATP) for 1999 to 2001, prepared by Nanda Devi National Park Division in respect of land transferred from the Forest Department to Messrs. Jai Prakash Power Venture Limited for Vishnu Prayag Hydro Electric Project, had the following discrepancies.

- A target of 12300 ha. was planned for plantation in the catchment area although only 200 ha. was available.
- An area of 1130 sq. km. with a workable area for catchment treatment of 330 sq. km. was selected above the diversion channel of Lambagarh but actual survey revealed that only 652.18 sq. km with workable area of 100.78 sq. km was available.
- The area below Lambagarh where water enters the tunnel till the point of installation of turbine and adits was affected and needed ecorestoration treatment. This was, however, not provided in the plan.

Thus, expenditure of Rs.1.65⁷ crore was incurred between 1999 and 2001 on a defective plan. Reply to the audit query was not furnished by the management.

Non deposit of fund in time by private enterprises

M/s Jai Prakash Power Venture Limited had to make advance deposits of Rs.15.94 crore during 2003-04 to 2006-07 for implementation of revised CATP in

⁷ Plantation Rs.28.84 lakh, Soil Conservation Rs.115.55 lakh, Livelyhood Support Rs.2.05 lakh, Study/Research & Monitoring Rs. 12 lakh, Project Management Cell (PMC) running cost Rs. 6.56 lakh.

lieu of land transferred to them for Vishnu Prayag Hydro Electric Project. They deposited only Rs. 10.29 crore leaving a balance of Rs. 5.65 crore (July 2006).

Audit scrutiny revealed shortfall in the following catchment treatment activities:

Table-8

(Rupees in crore)

Item	2004-05		2005-06		Total	
	Target	Achievement	Target	Achievement	Target	Achievement
Drainage Line Treatment	1.21	0.03	1.25	0.31	2.46	0.34
Expert agency work (Soil Erosion Control Work)	0.60	0.05	1.00	0.05	1.60	0.10
Village level work	0.91	0.43	1.36	0.65	2.27	1.08
Research Study	0.13	0.01	0.16	0.02	0.29	0.03
Project Management Cell	1.04	0.43	0.55	0.50	1.59	0.93
Total	3.89	0.95	4.32	1.53	8.21	2.48

Source: Departmental figures

In addition to the above, the revised CATP for Wildlife Protection in Nanda Devi National Park provided for a financial outlay of Rs.23.25 lakh in 2005-06 against which only Rs.10.33 lakh was utilised which affected the programmes on capacity building of the forest staff, conservation of threatened biodiversity, research and documentation.

3.1.9.14 Non reorganization of territorial range/ beat areas

- The area of some beats of Nanda Devi National Park was too large to be managed effectively. Four beats of the division had an area of more than 10,000 ha. to be managed by one beat officer against a norm of 2000 ha . Effective steps were not taken to reorganize these beats for proper control. As a consequence, the park was exposed to encroachment, poaching, illegal grazing and fires.
- Ten beats inside the core zone of Rajaji National Park were so large that it was not possible for a forest guard to patrol the whole beat even in a week. Management Plan envisaged division of these beats for better protection and control for which a proposal was to be sent to CWLW. This was not done (July 2006). Effective steps were not taken to reorganize these beats for proper control. As a consequence, the park was exposed to encroachment, poaching, illegal grazing and fires.
- Current Management Plan of Corbett Tiger Reserve envisaged reorganization of territorial units in order to increase the effectiveness of protection measures and remove imbalances which resulted from an earlier reorganization of the Reserve in 1991. For example, Kalagarh Range occupies nearly one third of the area of the Ramnagar Tiger Reserve Division. Inclusion of this area increased the buffer zone considerably diverting attention from the crucial core zone. The reorganization was still incomplete resulting in an imbalance in the protection measures. Effective steps were not taken to reorganize these beats for proper control. As a consequence, the park was exposed to encroachment, poaching, illegal grazing and fires. Management in reply has stated (February 2006) that proposal for reorganization was pending with the Principal Chief Conservator of Forest, Uttaranchal, since April 2004.

3.1.9.15 Protection measures

The main threat to wildlife is from poaching and illicit trade in animals and their body parts.

The details of offences relating to poaching and cases of seizure of parts of wild animals in Corbett Tiger Reserve during the period 2001-02 to 2005-06 and present status of the cases are as per **Table-9**.

Table-9

Year	Opening balance of pending cases	New cases added during the year	No. of cases settled during the year	Closing balance of pending cases
2001-02	8	13	9	12
2002-03	12	12	7	17
2003-04	17	13	10	20
2004-05	20	3	2	21
2005-06	21	14	9	26

Source: Departmental figures

It is observed from the above that the number of cases pending is increasing every year. The year wise breakup of pending cases is as detailed in **Table-10**.

Table -10

Year	No. of cases pending	Level at which pending		
		Department	Lower Court	High Court
1996-97	3	-	2	1
2000-01	5	5	-	-
2001-02	4	-	3	1
2002-03	3	-	3	-
2003-04	5	2	1	2
2004-05	1	-	1	-
2005-06	5	4	1	-
Total	26	11	11	4

Source: Departmental figures

It was also noticed that five cases of elephant poaching were pending with the Department since 2000-01. Even after a lapse of six years, the cases had not been filed in the court (July 2006). The Department stated that investigations in these cases are pending with the police (CBCID). The connected files were not shown to Audit.

- Out of 394 wireless sets available in Corbett Tiger Reserve, 140 were non-functional. Out of these 140 sets, 110 were procured in 1999-2000 and 2002-03. Since then no efforts were made to get the wireless sets repaired, indicating that these were either surplus to requirement or had not been put to proper use.
- Statement of guns and cartridges depicted that ten 12 bore guns have either been looted or deposited in the police stations in connection with the offences in Corbett Tiger Reserve. Three of these ten cases pertain to the period before 1980. Departmental enquiries have not been instituted and no efforts were made to get the guns released from the police station. The facts were accepted by the management.

3.1.9.16 Illicit felling of trees

- Exploitation of any forest produce from the Rajaji National Park has been banned since October 1986. The park had a well established security system on which an expenditure of Rs.5.52 crore had been incurred during 2001-02 to 2005-06. Despite this, 1534 trees of different species valued at Rs.60.06 lakh had been illicitly cut during the years 2001-02 to 2005-06. Timber valuing Rs.12.59 lakh was, however seized and the rest transported out of the park area, thereby causing loss of Rs.47.47 lakh (Rs.60.06 lakh- Rs.12.59 lakh) to the Government.

- A combing operation was ordered by the CWLW (February 2004) to ascertain the exact number and value of illicitly felled trees in Rajaji National Park during 2001-02 to 2003-04 and it was revealed that 1467 trees valuing Rs.13.72 lakh were cut because of ineffective administrative control by superior officers over their subordinate staff as regular patrolling of the beats were not carried out at any level.

In reply, the management stated (June 2006) that the matter was under investigation. The reply is not acceptable as even after a lapse of two years, no responsibility was fixed for the loss of Rs.13.72 lakh (July 2006).

3.1.9.17 Improper monitoring of health of animals

Health of wildlife represented one of the most neglected areas of management in Corbett Tiger Reserve. There was no veterinary doctor and the staff posted was un-trained in health measures. An animal orphanage established was discontinued. No studies on the health and disease of wild animals were carried out. Due to lack of adequate backup health facilities, five domesticated elephants died during 2001-02 to 2005-06. Similarly, 62 Musk Deer at Musk Deer Breeding Centre in Kanchula Khark died due to improper health care and unfavourable climatic conditions.

3.1.9.18 Wildlife corridors

- The restoration and management of degraded habitats outside the protected areas is vital to provide sufficient habitat for spatial movement of spill over species. Presence of corridors for movement of wildlife is important for gene continuity and prevention of inbreeding. NWAP provided for identification of degraded habitats including forests, grasslands and wetlands around each protected area and in potential wild life corridors where protection/restoration would yield best results. This process was to start in 2002 and to be completed by 2004. No efforts had, however been made to ascertain degraded habitats. Though 11 corridors were identified, restoration of the same has not been done nor have they been declared eco-fragile under Environment Protection Act, 1986.

- Rapid and unregulated development along the Kosi River from Ramnagar to Mohan and up to Marchula in Corbett Tiger Reserve was a cause of concern

because of construction of resorts, time share buildings⁸ and residential houses in between the State highway and the Kosi River. This and the consequent vehicular traffic disrupted the movement of wild elephants and caused accidental deaths of other wild animals.

A study on change in land use pattern by using Remote Sensing Data by the Indian Institute of Remote Sensing, Dehradun was to be done by Corbett Tiger Reserve. An Action Plan was also to be prepared to maintain these corridors by freezing any change in land use pattern and regulating new constructions of resorts and buildings by invoking the provision of Environmental Protection Act, 1986. The study was however, not conducted.

- In Rajaji National Park, the Chilla-Motichur corridor is an important passage for genetic exchange of elephants and tigers. Restoration of this corridor could not be done as an Army ammunition dump and village Khandgaon III could not be relocated outside the park. Out of Rs.1.70 crore received from the Planning Commission, during 2001-02, Rs.1.43 crore meant for relocation of Khandgaon III have been kept under Forest Deposit since then. Management in reply has stated (June 2006) that transfer of Army ammunition dump was under consideration of Hon'ble Supreme Court and action to relocate village Khandgaon III was in progress.

Thus the Department took no action to restore and manage the degraded habitats in and around wildlife corridors.

3.1.9.19 Encroachment

The Forest Department handed over 8998.15 hectare of reserve forest land to the Irrigation Department for construction of a dam at Kalagarh across the Ramganga river (1966) on the condition that it would remain a reserve forest and that on completion of the project, the area not required would be returned to the Forest Department. The said reserve forest now forms part of the Corbett Tiger Reserve. The Irrigation Department did not return the forest land resulting in illegal encroachment on 60 hectare of forest land. On a petition of the Wildlife Protection Society of India, the Hon'ble High Court of Allahabad directed the Irrigation Department to keep only the land required by it for upkeep of or running of the dam establishment and to return the remaining forest area to the Forest Department. However, an area of 13.26 hectare of land is still under encroachment (July 2006). Central Empowered Committee of the Hon'ble Supreme Court found that the forest land was unauthorisedly retained by the Irrigation Department of UP and Uttaranchal Jal Vidyut Nigam in excess of their minimum requirement. The details of unauthorized occupation were as under:

- Engineers' Academy and hostel area 26.45 acres;
- 1260 houses allotted to personnel not essentially for operation of dam; and
- wire fencing, boundary wall, ornamental gardens.

⁸ Building which is used for self and other paying guests.

This is causing serious and irreparable damage to wildlife especially the endangered species. Management accepted that biotic pressure has increased due to illegal occupation on forest land.

3.1.9.20 Solar Power Fencing

Solar power fencing of 32 km. length was erected at a cost of Rs.48 lakh during 2003-04 along the southern boundary of the Corbett Tiger Reserve to minimize damage by wild elephants and big cats to human life and property. The maintenance of the fencing was to be done by village committees for which Rs.10,000 were contributed by the villagers under each committee. A mid-term review of the Management Plan made during 2005-06 revealed that the fencing became non-functional during 2004-05 due to use of substandard material even after rectification work was done by the executing firm.

3.1.9.21 Eco-development

Activities under the eco-development component of Project Tiger in Corbett Tiger Reserve were lagging behind. Out of Rs.81.20 lakh allocated by GOI during the period 2001-02 and 2002-03, only Rs. 27.25 lakh (34 *per cent*) were utilized.

Non utilisation of funds under eco-development resulted in activities relating to soil and moisture conservation work, raising plants in departmental nurseries and eradication of unpalatable weeds remaining incomplete. This adversely affected the programme of habitat improvement. In reply, Management stated (March 2006) that activities under eco-development could not be undertaken due to late receipt of funds.

3.1.9.22 Eradication of exotic weeds

Spread of exotic weeds such as lantana in the protected area is a cause of concern as these weeds displace and destroy indigenous plants and palatable grass (fodder) and adversely affect the habitat of wildlife. The Management Plan of Corbett Tiger Reserve envisaged eradication of these exotic weeds and their replacement with indigenous species of plants by mapping the extent of lantana and drawing site specific plans. The Reserve incurred an expenditure of Rs.23.95 lakh on eradication of lantana during 2004-05 but in the absence of mapping and drawing up of site specific plans, the effectiveness of these measures could not be gauged.

Similarly, in Rajaji National Park, 36 *per cent* of the total park area i.e. 29514.13 hectare was infested with exotic weeds like *lantana camera*, *cannabis sativa*, *parthenium* and *cosia tora* at the beginning of the year 2000-01. The current Management Plan, however, proposed the eradication of weeds in an area of 400 hectare only within 10 years. The area actually covered during 2001-02 to 2005-06 was not known nor were site specific plans drawn up. The facts were accepted by the management.

3.1.9.23 General findings

- As per NWAP an extra specialized vigilance over illegal trade in wildlife species and their products was to be set up by the year 2003, which was not done. A special court required to be set up in the State to deal exclusively with crimes related to illegal trade in wildlife, was not established.
- Regional Wildlife Forensic Laboratory was not set up by the year 2003, as provided in the NWAP.
- Personnel Management policies which were to be evolved by the year 2003 for effective utilisation of human resources as required in NWAP have yet not been formulated. Norms were not fixed by the Forest Department/State Government for manpower deployment. Forest Stations on the pattern of Police Stations/Strike Force on the pattern of the Provincial Armed Constabulary have not been established. No norms were fixed for patrolling duty squads/beat guards. Forestry/Wildlife Personnel were not granted status at par with the police in the use of weapons.

3.1.10 Monitoring and evaluation

3.1.10.1 An expenditure of Rs. 2.89 crore was incurred on plantation of 26.23 lakh plants in an area of 1902 ha. in KNWD and Nanda Devi National Park, Joshimath but the work was not monitored and evaluated.

3.1.10.2 The Joint Forest Management (JFM) programme was formulated in 1997 by the State of Uttar Pradesh for protecting, developing and increasing productivity and sharing of products, responsibilities, control and decision making authority over forest lands between the Forest Department and forest user groups represented by Village Forest Committees (VFCs). The project was introduced from 1 February 1998 and has been closed on 31 July 2003. All the VFCs were required to furnish utilisation certificates (UCs) to the Forest Division in respect of funds provided to them for implementing the micro plans. Test check (June 2006) of records of the Divisional Forest Officer, KNWD, Gopeshwar revealed that during the period 1998-99 to 2002-03, 20 VFCs were provided Rs.97.47 lakh, of which VFCs utilized Rs.77.21 lakh leaving Rs.20.26 lakh unutilized with them. The unspent balances had not been refunded (July 2006).

3.1.10.3 A committee constituted in Corbett Tiger Reserve for monitoring and evaluation of initiatives such as habitat improvements, weed eradication, poaching control, fire management etc. was to meet once in three months to monitor and evaluate the initiatives. The committee never met and the initiatives undertaken in the Reserve were not monitored and evaluated.

3.1.10.4 A State Board of Wildlife was to be constituted for selection of areas to be declared as sanctuary/national park and administration thereof. In addition they

were to carry out impact assessment of various projects on wildlife and the habitat.

The Board was constituted only in April 2005 and had its first meeting on 7 March 2006. Thus the statutory requirements were not met for almost four years, affecting the conservation programmes adversely.

3.1.10.5 As per guidelines of the Project Directorate, monthly, half-yearly and annual reports were required to be submitted by Corbett Tiger Reserve to the Director, Project Tiger, Union Ministry of Environment and Forest. The Reserve did not submit the monthly and half-yearly reports.

3.1.11 Conclusion

The objective to protect, develop and scientifically manage the wildlife in the protected areas was not fully achieved due to the Department's lack of urgency and inability to tackle the problems of biotic and human interference in protected areas as also to stop encroachment, destruction by illicit felling of trees etc. in these areas. Lack of planning and prioritization of preservation and conservation measures, delay in setting up monitoring committee and inability to utilize full funds also contributed to non-achievement of the intended objectives. No action was taken to review the project from time to time to identify problem areas and prioritising remedial action. Reply was awaited from Government (December 2006).

3.1.12 Recommendations

- Approval of Management Plans should be expedited and implemented in a systematic and scientific manner and not on an *ad hoc* basis. Such plans should be prepared for all protected areas.
- State Government should ensure adequate release of funds as recommended in Paragraph 3 of Chapter XII of NWAP 2002-2016 for the success of the programme.
- State Government should ensure timely submission of progress reports and utilization certificates in respect of CSS so as to facilitate timely release of further installments.
- Central and State funds should be fully utilized. A mechanism also should be set up to ensure timely release of funds.
- Wildlife corridor/extent of damage by exotic weeds should be mapped and analysed through remote sensing for effective restoration/eradication.
- The control of all the notified protected areas should vest with the Wildlife Wing of the Department to ensure their proper development and scientific management.

- Time bound measures should be taken to relocate human settlements from the protected areas so as to provide protection to the fauna and flora against any biotic and human pressure.

SCHOOL EDUCATION DEPARTMENT

3.2 SARVA SHIKSHA ABHIYAN

3.2.1 Highlights

Sarva Shiksha Abhiyan (SSA) was launched by the Government of India (GOI) in January 2001 to provide useful and relevant elementary education for all children in the age group 6 to 14 years by 2010. The programme started late in the State and suffered from shortages and delays in the release of funds, insufficiency of upper primary schools, disproportionate deployment of teachers, insufficient coverage of out of school children, deficiencies in infrastructural facilities and teachers training. As a consequence the objectives of the programme could not be achieved by 2006. Diversion and non-utilization of funds, blockage of money, delay in distribution of free text books and lack of proper monitoring / evaluation system led to non-achievement of the goals.

- *There was 2 years delay in starting the programme. There remained 5,923 out of school children in the test checked districts and 22,238 (1.19 per cent) out of 18,76,519 children in the State as a whole at the end of year 2005-06.*

[Paragraph 3.2.8.1 & 3.2.8.14]

- *Funds were not released in full or in time by the Central and State Governments as per approved annual working plans and budget. Non-utilization of funds ranged between 9.24 and 16.62 per cent in the test checked districts and 20.82 per cent in the State as a whole.*

[Paragraph 3.2.8.7 & 3.2.8.8]

- *Rs. 4.58 crore were diverted by the DPOs, Bageshwar and Haridwar to activities / schemes outside the scope of SSA.*

[Paragraph 3.2.8.9]

- *An amount of Rs. 1.97 crore was transferred to the state sector for payment of salary to teachers who were yet to be appointed.*

[Paragraph 3.2.8.10]

- *An avoidable excess expenditure of Rs. 1.10 crore was incurred on release of maintenance grant in excess of norms.*

[Paragraph 3.2.8.11]

- *Primary schooling facilities did not exist in 1242 habitations. The number of upper primary schools was below the norms in the test checked districts.*

[Paragraph 3.2.8.16 & 3.2.8.17]

- *In the test checked districts, 1931 schools had less teachers than prescribed and 93 schools had no teachers, whereas, 951 schools in easily accessible areas had more than the required number of teachers.*

[Paragraph 3.2.8.20]

- *No teachers' training was imparted during the years 2002-03 to 2004-05 in Haridwar district against 10 days of in-service training required for every teacher per year under the programme.*

[Paragraph 3.2.8.21]

- *An amount of Rs. 2.47 crore was spent in excess of norms on drinking water facilities.*

[Paragraph 3.2.8.22]

- *118 schools were without their own buildings while 320 school buildings were in a dilapidated condition. No drinking water facilities existed in 1523 schools, 751 schools had no toilets and 3721 schools were without boundary walls in the test checked districts.*

[Paragraph 3.2.8.23]

- *There were delays of 2 to 6 months in the supply of free text books to girls and SC/ST children.*

[Paragraph 3.2.8.24]

3.2.2 Introduction

Sarva Shiksha Abhiyan (SSA) a comprehensive and integrated flagship programme of the Government of India, was launched in January 2001 to provide useful and relevant elementary education of satisfactory quality to all the children in the 6-14 age group with active participation of the community including panchayati institutions, school management committees, village and urban slum level education committees, parent-teacher associations, mother-teacher associations, tribal autonomous councils etc. to bridge social, regional and gender gaps. The programme was however, launched in the State only in February-March 2003.

The objectives of SSA were to:

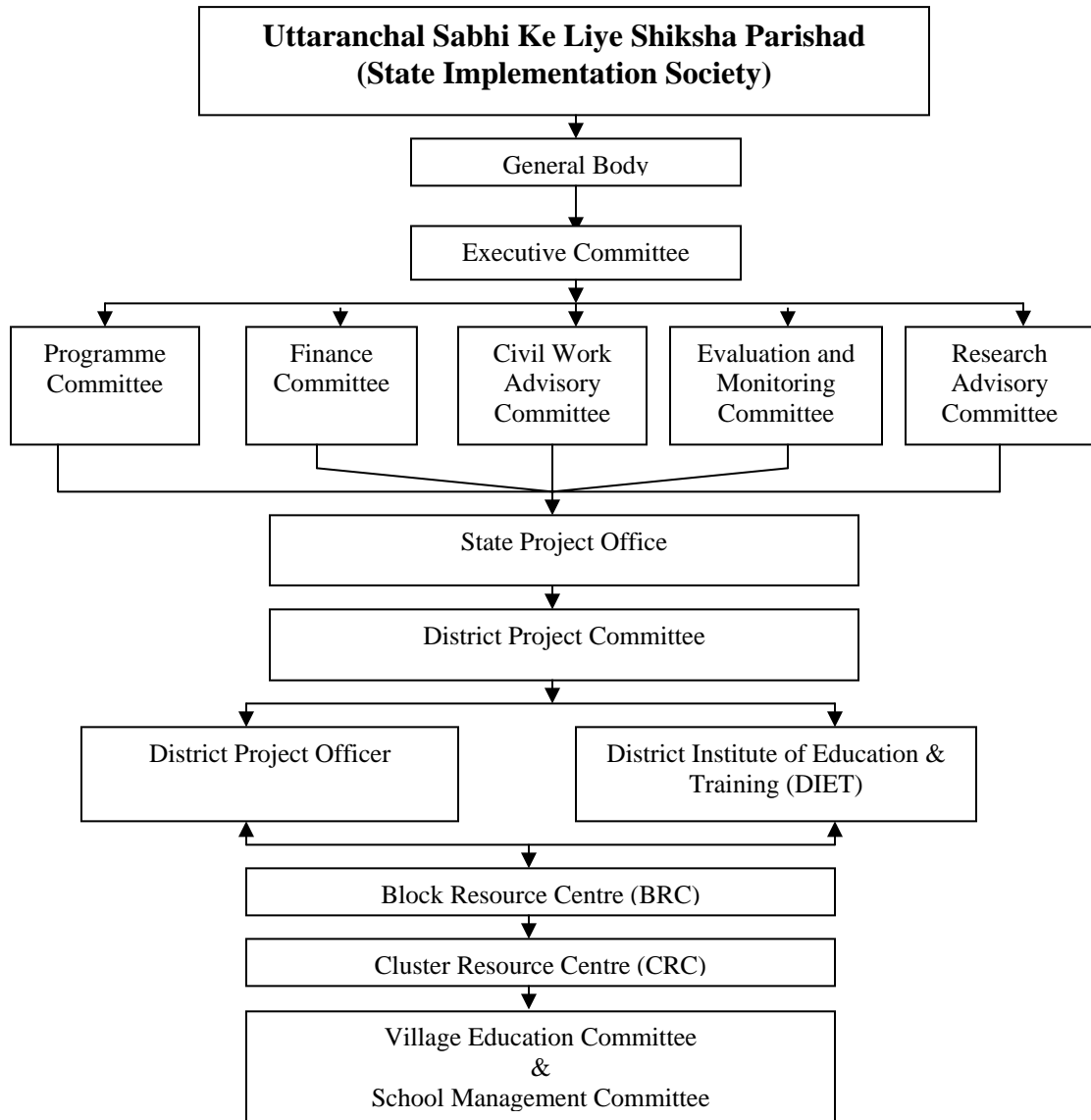
- have all children in schools, Education Guarantee Schemes (EGS), Alternative Schools, "Back-to-School" camps by 2003 (revised to 2005 in March 2005);
- ensure that all children complete five years of primary schooling by 2007;
- ensure that all children complete eight years of elementary schooling by 2010;
- focus on elementary education of satisfactory quality with emphasis on education for life;
- provide infrastructure in schools;

- (vi) bridge all gender and social category gaps at the primary school stage by 2007 and at elementary education level by 2010; and
- (vii) ensure universal retention of children in schools by 2010.

3.2.3 Organizational Setup

In Uttaranchal, “Uttaranchal Sabhi Ke Liye Shiksha Parishad” was created as the State Implementation Society (SIS) for SSA under the Societies Act of 1860 on 17 February 2001. The State Project Officer (SPO), presently additional Secretary of School Education Department is the Secretary of the Parishad and is responsible for overall implementation of the programme under the chairmanship of the Chief Minister of the State. The District Basic Education Officer is also ex-officio District Project Officer (DPO) for implementation of the programme at the district level under the chairmanship of the District Magistrate.

The organizational structure of SSA is given below:



3.2.4 Scope of Audit

Implementation of SSA for the period January 2001 to March 2006 was reviewed through a test check (April to August 2006) of the records in the offices of the SPO, Dehradun, DPOs in 6 out of 13 districts comprising the capital district (Dehradun) and 5 other districts (Almora, Bageshwar, Haridwar, Nainital & Pauri Garhwal), 26 out of 49 Block Resource Centres (BRC) located in these districts, 989 out of 9730 Schools (Primary 746, Upper Primary 243) and the Village Education Committees (VECs) in the selected districts.

3.2.5 Audit Objectives

The main objectives of audit were to assess:

- whether the objectives of the programme were achieved;
- whether the funds were utilized efficiently and effectively;
- the efficacy of planning for implementation of various components of the programme including special focus groups and the role of Non-Government Organization (NGOs);
- whether major interventions were carried out as per norms fixed; and
- whether the efforts of the Government to improve the quality of educational standards had been effective.

3.2.6 Audit Criteria

The audit criteria used for assessing the performance of various components of the scheme were:

- scheme guidelines for involvement of related organizations and committees in the planning process;
- standards of output and benchmarks of performance fixed for each programme;
- norms prescribed for appointment and training of teachers;
- standards of education comprising curricula, requirement of school teaching/learning material and teaching-learning process; and
- monitoring mechanism and evaluation / follow up prescribed at various levels for implementation.

3.2.7 Audit Methodology

Before commencing audit, the audit objectives, criteria and scope were discussed (March 2006) with the State Project Director in an entry conference. Districts and the units within them, were selected using statistical sampling method of probability proportional to size with replacement (PPSWR). Audit conclusions

were drawn after a scrutiny of the records relating to the implementation of various components of the scheme for the period 2001-2006, analysis of the available data, issuance of questionnaires and audit memoranda and the response of various functionaries to these. The audit findings were discussed (30 November 2006) with the State Project Director in an exit conference and the views of the Department were suitably included against the relevant paragraphs where found appropriate.

3.2.8 Audit Findings

The performance audit of SSA revealed the following:

Planning

3.2.8.1 Delay in implementation of the programme

The SSA frame work stipulated that the planning process was to start with the creation of a core group at the habitation level and move upwards to block level, district level and thereafter to the State level. State and districts had to prepare a perspective plan based on data collected through house hold surveys and a micro planning exercise.

Though the SIS was registered in February 2001, scrutiny revealed that there was a delay of two years (February/March 2003) in starting the programme in the test checked districts. The perspective plans of these districts were prepared on the basis of the out come of the ongoing programme District Primary Education Programme (DPEP) in 6 districts and base line studies / social assessment studies conducted in 7 non DPEP districts and submitted to the SIS in March 2003. It was approved by the Government of India in July 2003. The process of micro planning based on the local needs was started only in October 2004 which indicated that the perspective plans prepared earlier were not need based and realistic.

In reply, the Department stated (November 2006) that a household survey had been carried out and a report of the Government of India's appraisal mission dated 09.11.2001 was offered in support wherein it was mentioned that Almora, Dehradun and Rudraprayag districts had developed plan proposals on the basis of micro planning at habitation level. The survey reports of these districts were not, however, made available for scrutiny.

3.2.8.2 Non-formation of State Appraisal Mission

As per the SSA Manual for Planning & Appraisal, the State was to constitute an appraisal mission consisting of experts from the fields of education, social sector, planning, civil works, evaluation, budgeting and costing. The mission was to visit the districts in order to assess the process of planning, preparedness for the implementation of plans, habitation related information and to cross check whether the field situation and needs were reflected in the plans.

Scrutiny revealed that SIS had not established the State Appraisal Mission. The quality of preparatory activities of planning was thus not assessed by experts of different fields as envisaged.

3.2.8.3 Annual Plans not based on Perspective Plans

According to the Manual on Financial Management and Procurement, each SSA district had to prepare a 'Perspective Plan' and 'Annual Working Plan and Budget (AWP&B)' for continuous assessment of the situation and identification of appropriate strategies and activities for achieving SSA goals.

Scrutiny of records revealed that the funds approved in AWP&B of the test checked districts did not match the perspective plans as shown in **Table 1** below.

Table- 1

(Rupees in crore)

Name	Perspective Plan				AWP&B							
	2002-03	2003-04	2004-05	2005-06	2002-03		2003-04		2004-05		2005-06	
					SO*	New	SO*	New	SO*	New	SO*	New
Almora	N.A.	14.43	16.64	17.26	1.35	6.37	2.46	14.43	0.63	13.07	NA	19.81
Bageshwar	N.A.	3.37	3.86	5.26	0.09	0.86	0.40	3.37	0.38	4.60	NA	5.86
Dehradun	6.75	14.73	17.89	18.13	1.36	4.34	1.75	14.73	0.86	17.26	0.19	17.04
Haridwar	N.A.	7.03	6.99	11.45	0.10	1.69	0.37	7.03	0.21	4.16	0.75	9.63
Nainital	N.A.	9.39	9.62	9.12	0.81	4.19	0.22	9.39	0.31	7.76	NA	12.11
Pauri	N.A.	11.92	16.83	16.30	0.83	6.29	1.80	11.92	0.52	14.15	NA	17.45
State	55.82	110.37	128.65	156.70	7.99	47.83	14.51	110.36	6.90	123.48	1.45	161.42

SO* = Spill Over i.e. unspent balances of previous year.

Source: Perspective Plan and AWP&B of the respective districts and State.

The mismatch between the district perspective plans and the AWP&B adversely affected the entire process of planning as the AWP&B were prepared without any co-relation with the perspective plans.

Fund Management

3.2.8.4 Funding pattern

The Central and the State Governments provided financial assistance for the SSA in the ratio of 85:15 in the Ninth Five Year Plan (up to 2001-02), 75:25 in Tenth Plan (2002-03 to 2006-07), and thereafter 50:50. The Government of India releases funds directly to the SIS. At the State level, the School Education Department, Government of Uttaranchal was responsible for making budget provisions and releasing the matching State share to the SIS.

3.2.8.5 Financial position

The year-wise details of funds received and expenditure incurred by the State on SSA were as follows:

Table- 2

(Rupees in crore)

Year	Opening ¹ Balance	Amount Released			Total funds available	Expenditure	Closing ¹ Balance
		Central Share	State Share	Total			
2001-02	-	10.00	1.76	11.76	11.76	00.00	11.76
2002-03	11.76	21.53	12.04	33.57	45.33	18.56	26.77
2003-04	26.77	35.05	11.68	46.73	73.50	66.28	07.22
2004-05	7.22	86.74	28.91	115.65	122.87	91.67	31.20
2005-06	31.20	97.63	32.54	130.17	161.37	142.66	18.71
Total	-	2 50.95	86.93	337.88	-	319.17	-

Source: Information provided by the SPO.

The table above shows that during 2001-02 to 2005-06 in all the years there was savings. Thus, in none of the years the State children could benefit from the programme fully. The savings could have been higher had there not been excess/unjustified expenditure and diversion of funds as brought out in *Paras 3.2.8.9, 3.2.8.10, 3.2.8.11 and 3.2.8.12.*

3.2.8.6 Short release of funds

The total project cost for the period January 2001 to March 2007 approved by the GOI for Uttaranchal was Rs. 600.63 crore. The year wise details of funds released by the Central / State Government against approved project cost were as per **Table 3.**

Table- 3

(Rupees in crore)

Year	Approved Perspective Plan (APP)	Approved Annual Working Plan ² (AWP)	Amount Released			Short Release			
			Central Share	State Share	Total	Amount		Percentage	
						APP	AWP	APP	AWP
2001-02		23.76	10.00	1.76	11.76		12.00		50.51
2002-03	55.82	47.83	21.53	12.04	33.57	22.25	14.26	39.86	29.81
2003-04	110.37	110.36	35.05	11.68	46.73	63.64	63.63	57.66	57.66
2004-05	128.65	123.48	86.74	28.91	115.65	13.00	7.83	10.10	6.34
2005-06	156.70	161.41	97.63	32.54	130.17	26.53	31.24	16.93	19.35
Total	451.54	466.84	250.95	86.93	337.88	125.42	128.96	27.78	27.62

Source: Information provided by the SPO.

Thus, there was short release of funds of 27.78 per cent against the approved perspective plan and 27.62 per cent against the approved AWP&B.

The Department replied (November 2006) that the GOI releases budget on the basis of actual expenditure. The second installment is released on the basis of expenditure against the first installment. The reply itself showed that the Department did not utilize the funds in time, which resulted in short release of funds and consequently the objectives of the programme could not be achieved as planned.

¹ Excluding amount of interest earned on unspent balances.

² Amount of (AWP&B) without spill over.

3.2.8.7 Delay in release of funds

The programme envisaged the release of funds by the GOI to the SIS in two installments in a year, the first in April and the second in September. The State Government had to contribute its share within thirty days of receipt of the Central share. The SIS had to release the funds to the districts within fifteen days of their receipt from the Central and State Governments.

Audit scrutiny revealed that during 2001-2006 there were delays ranging from 1 to 9 months in the release of funds of Rs. 239.75 crore (95.54 per cent) out of total releases of Rs. 250.95 crore by the Central Government. The State Government also delayed the release of Rs. 69.52 crore (80 per cent) of the total released funds of Rs. 86.94 crore by 1 to 6 months. The SIS released 29.42 per cent (Rs. 50.50 crore) funds during 2002-2006 to the test checked districts out of total release of Rs. 171.66 crore towards the close of the financial year (January to March). The details of delay in release of funds by the Governments to SIS and the SIS to the districts are given in *Appendix 3.1*.

Delays in the release of funds adversely affected the timely implementation as well as success of the programme.

The Department did not reply on the late release of funds by the GOI. However, it was stated that the State releases its share only after the release of Central share. The reply is not tenable as the State Government also delayed in release of funds by 1 to 6 months after release of the Central share.

3.2.8.8 Non utilization of Funds

Scrutiny of records of test checked districts and State revealed that funds made available under SSA were not fully utilized as detailed below:

Table- 4

(Rupees in crore)

District	Funds available ³					Funds utilized					
	2002-03	2003-04	2004-05	2005-06	Total	2002-03	2003-04	2004-05	2005-06	Total	%
Almora	3.68	9.09	11.25	20.85	44.87	2.54	9.02	10.53	17.42	39.51	88.05
Bageshwar	0.45	1.76	4.57	5.95	12.73	0.34	1.72	3.53	5.42	11.01	87.74
Dehradun	3.44	10.11	16.59	17.56	47.70	2.30	9.95	11.64	15.88	39.77	83.38
Haridwar	0.78	4.57	4.29	9.99	19.63	0.30	3.74	3.58	9.27	16.89	86.04
Nainital	2.44	5.67	6.89	12.22	27.22	2.24	5.30	6.22	10.80	24.56	90.22
Pauri	3.08	8.50	12.77	17.66	42.01	1.59	8.39	11.76	15.80	37.54	89.36
State	45.33	73.50	122.87	161.37	403.07	18.56	66.28	91.67	142.66	319.17	79.18

Source: Information provided by the respective DPOs and SPO.

The funds shown as utilized in table above, during the year 2002-03 were advances made by the SIS to the districts for various activities, which were treated as expenditure for reporting purpose, although, no activities were carried out during the year in the test checked districts.

The non-utilization of funds ranging between 9.24 per cent to 16.62 per cent in the test checked districts and 20.82 per cent in the State as a whole adversely affected implementation and success of the programme. The non-utilisation of

³ Includes unspent balances of previous years.

funds was mainly attributable to late release of funds, delay in implementation of programme and partial operation of some activities etc.

The Department replied (November 2006) that some delays in the utilization of funds during the initial years were due to newly formed SIS.

3.2.8.9 Diversion of funds

The primary education in Bageshwar and Haridwar districts was part of a centrally sponsored scheme “District Primary Education Programme-III (DPEP)” and the SSA funds were to be used for upper primary schools in these districts.

Scrutiny of records revealed that SSA funds of Rs. 1.64 crore (Rs.12.50 lakh in 2003-04, Rs. 26.75 lakh in 2004-05 & Rs. 124.29 lakh in 2005-06) were utilized by the DPO, Bageshwar and Rs. 2.94 crore by the DPO, Haridwar in 2005-06 towards construction / re-construction of primary school buildings, construction of additional class rooms, drinking water, toilets, boundary walls, teaching learning equipments and maintenance grants to primary schools, expenditure on EGS / AIE, free text books, salary and training of primary school teachers.

The Department replied (November 2006) that Bageshwar and Haridwar were DPEP districts where both the DPEP and SSA programmes were being implemented and primary schools that were not approved under DPEP, were taken up under SSA. The reply is not tenable as the primary schools of these districts were under the coverage of the DPEP and upper primary schools under SSA.

Thus, the diversion of Rs. 4.58 crore out side the scope of SSA for DPEP components was irregular and imposed an extra burden on the scheme.

3.2.8.10 Unjustified expenditure on teachers’ salary

The State Government sanctioned the creation of 280 posts of assistant teachers for primary schools and 222 posts for upper primary schools on 17 January 2006 with the condition that the expenditure on the creation of posts would be met from the SSA budget with effect from the date of Government order or the date of filling up the post, whichever was later.

Out of the above, 64 posts of primary teachers and 135 posts of upper primary teachers were created for Almora, Bageshwar, Haridwar and Nainital districts. Further, it was also observed that these districts had already made provision of Rs.2.03 crore (PS: Rs. 57.60 lakh, UPS: Rs. 145.80 lakh) to meet the expenditure towards salary of the new posts and transferred Rs. 1.97 crore (96.85 per cent) to the Finance & Accounts Officer (Basic Education) of the respective districts for disbursement of salary to the teachers without ascertaining the actual requirement based on the posts actually filled up. The details of expenditure shown by these DPOs were as follows:

Table-5

(Rs. in lakh)

Name of District	No. of Posts created		Allotted Budget		Expenditure	
	PS	UPS	PS	UPS	PS	UPS
Almora	24	30	21.60	32.40	21.60	32.40
Bageshwar	-	21	-	22.68	-	22.68
Haridwar	12	54	10.80	58.32	10.80	58.32
Nainital	28	30	25.20	32.40	22.40	28.80
Total	64	135	57.60	145.80	54.80	142.20

Source: Information received from the DPOs.

The Department replied (November 2006) that since recruitment and placement of teachers is done by the Directorate of School Education, salary component of these teachers sanctioned under SSA is clubbed together at a single administrative point i.e. Basic Shiksha Adhikari (BSA). Further, it was also stated that in consonance of salary component of the State sector, the amount provided for salary of teachers recruited under SSA is remitted to the BSA.

The reply is not relevant to the audit observation as the salary of teachers actually recruited under the SSA had to be remitted to the BSA. Thus, transfer of funds without ascertaining the position of actual posts filled up and treating it as expenditure under the programme was unjustified.

3.2.8.11 Avoidable excess expenditure on account of maintenance grant

Schools having upto 3 classrooms were eligible for a maintenance grant of Rs.4000 per school, while those having more than 3 classrooms were eligible for Rs.7500 per school per year on proposals of school management committees with a contribution from the community also.

Scrutiny of records of test checked districts revealed that the DPOs had released grants of Rs. 5,000 per school per year for annual repairs. Consequently, schools having classrooms up to 3 got an excess grant of Rs. 1000 per year and schools having more than three rooms were deprived of Rs. 2,500 per year. Grants were sanctioned without any proposals or community contributions. The DPOs had paid excess grant of Rs. 1000 each to 11037⁴ schools (having only up to 3 classrooms) resulting in avoidable expenditure to the tune of Rs. 1.10 crore.

On this being pointed out, the DPOs concerned replied that the maintenance grant was released as per the sanction of AWP&B and assured to follow the norms in future.

3.2.8.12 Irregular expenditure on maintenance of BRC/CRC buildings

The SSA programme does not provide for maintenance of the building other than Government owned primary and upper primary school buildings.

⁴ **11037** = **Almora: 1239** (in 2005-06), **Bageshwar: 1503** (310 in 2003-04, 565 in 2004-05 & 628 in 2005-06) **Dehradun: 3527** (1045 in 2002-03, 921 in 2003-04, 822 in 2004-05 & 739 in 2005-06), **Haridwar: 408** (in 2005-06), **Nainital: 2627** (876 in 2003-04, 847 in 2004-05 & 904 in 2005-06) & **Pauri: 1733** (126 in 2003-04, 342 in 2004-05 & 1265 in 2005-06)

Scrutiny of records of the DPO, Pauri revealed that the DPO had made a budget provision for maintenance of 15 Block Resource centre (BRC) and 118 Cluster Resource Centre (CRC) buildings costing Rs. 31.10 lakh⁵ at the rate of Rs. 50,000 and Rs. 20,000 each respectively during the year 2005-06 and expenditure was incurred accordingly, contrary to the provisions of the programme. It was also observed that the DPO had already spent Rs. 6.80 lakh on 15 BRC and 121 CRC buildings at the rate of Rs. 5,000 per BRC/CRC during the year 2004-05 for the same purpose.

On this being pointed out, the DPO stated that these BRCs and CRCs were constructed during the year 1991-92 under the Basic Education Programme (BEP) and repairs were essential as the State Government had not provided any funds for maintenance of these buildings. The reply is not tenable, as the expenditure on maintenance of BRC/CRC buildings was not admissible under this programme and the cost of maintenance of assets created under BEP and DPEP schemes was to be borne by the State Government.

Thus, the above expenditure of Rs. 37.90 lakh was irregular and against the provisions of the programme.

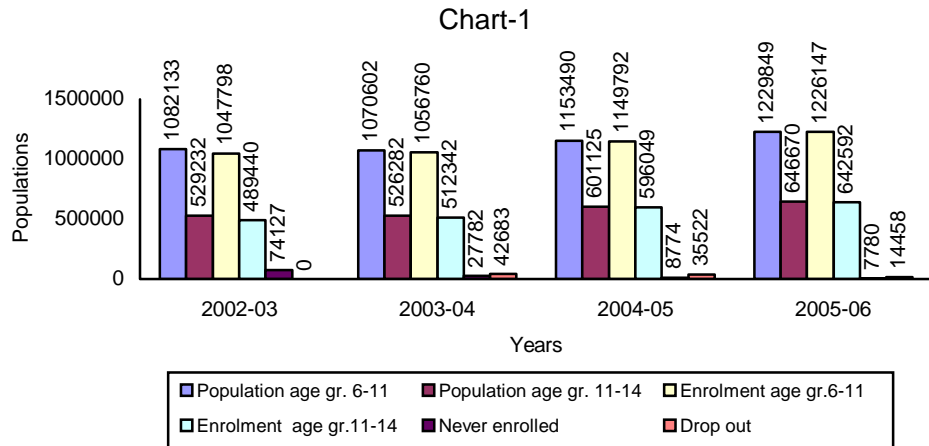
Implementation

3.2.8.13 Implementation of programme with insufficient data

The Manual of Planning and Appraisal for SSA envisaged the collection of updated information on population, literacy rates, population of target groups, education statistics, number of schools, status of teachers, school infrastructure and details of education related schemes of various Departments which were required for preparation of a perspective plan through house hold surveys and micro planning exercise prior to the commencement of the programme.

The micro planning exercise as envisaged was not carried out in the beginning of the programme as mentioned in paragraph 3.2.8.1. The Department had only conducted a door to door survey (May 2002) and baseline assessment to arrive at the position of child population and enrollment during the year 2002-03 and data was updated yearly with the help of VECs. The year wise position of child population and enrollment for the State as a whole is shown in Chart-1.

⁵ Rs. 31,10,000= Rs. 7,50,000 (Rs. 50,000 x 15) + Rs. 23,60,000 (Rs. 20,000 x 118)



Thus, the programme was started without preparation of a micro plan based on the local needs.

3.2.8.14 Coverage of out of school children

The main objective of the programme was to have all children in school, Education Guarantee Scheme (EGS)/Alternative Innovative Education (AIE) centres, back to school camps by 2003 (since revised to 2005, in March 2005). The programme also emphasized the need for special efforts for girls and disadvantaged (SC/ST) sections.

Scrutiny of records revealed, that, though the overall position of out of school students had gradually reduced in the districts, the percentage of out of school girl students to boys remained high in the test checked districts and the number of out of school SC/ST students in Almora and Bageshwar districts had increased from 155 to 381 and 113 to 154 during 2003-04 to 2005-06.

There were 5923 out of school children in the test checked districts and 22,238 (1.19 per cent) out of 18,76,519 children in the State as a whole at the end of the year 2005-06. The year wise details of population, enrollment and out of school children in the test checked districts are as per **Appendix 3.2**.

Thus, these districts and the State as a whole are yet to achieve the objective of the programme in this regard even after a lapse of 4 years of the SSA programme.

3.2.8.15 Retention of drop out children

The programme emphasized universal retention of children in schools by 2010.

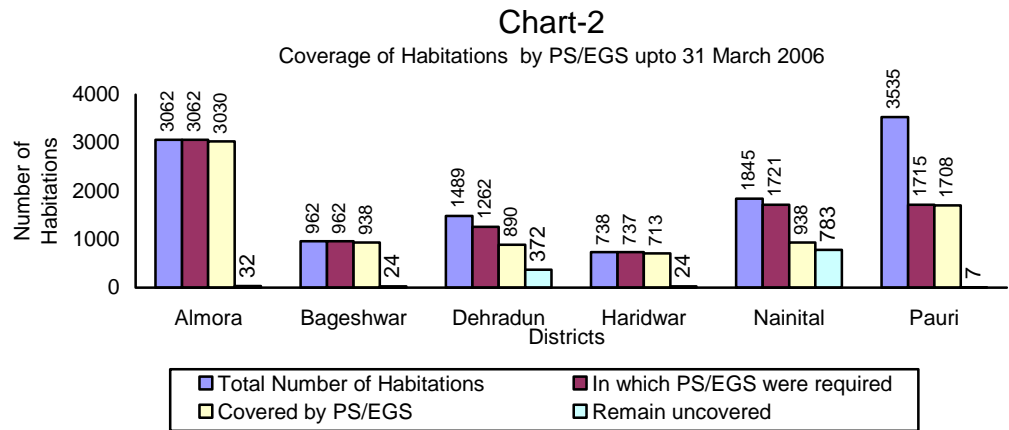
Scrutiny revealed that the progress in retention of drop out children was slow in the test checked districts due to low infrastructure facilities in Government schools, preference for private schools and traditional involvement of girls in house hold chores and looking after siblings etc. The percentage of drop out children during the year 2003-04 to 2005-06 remained between 1.92 to 1.13 Primary Schools (PS) and 1.64 to 1.19 Upper Primary Schools (UPS) in Almora, 0.88 to 1.24 (PS) in Bageshwar, 1.40 to 1.03 (PS) in Dehradun, 2.66 to 1.34 (PS)

in Haridwar, 0.48 to 0.46 (PS) in Nainital and 5.42 to 3.09 (PS) in Pauri district. Details are given in *Appendix 3.3*.

3.2.8.16 Habitations without primary schooling facility

The first and foremost objective of SSA was to have all children in schools, EGS / AIE centres by 2003 by adopting a focused strategy by setting up schools / EGS centres in school less habitations.

Test check of records of the six districts revealed that only 8217 habitations out of 9459 were covered by primary / EGS centres within one km. and 1242 habitations remained uncovered by primary schooling facilities till the year 2005-06. Details are as given in Chart-2.



The Department stated (November 2006) that there were 2279 habitations without schools during the year 2005-06 in the State which are expected to be covered by the year 2007-08. Reason for delay in covering balance habitations were not given.

3.2.8.17 Insufficient Upper Primary Schools

As per provisions of the programme, one UPS was to be set up for every two PS.

Scrutiny revealed that only 4009 (68 per cent) UPSs against a requirement of 5864 at the State level and 2323 (76 per cent) against a requirement of 3050 in the test checked districts had been set up by the end of the year 2005-06. The details are shown in **Table 6**.

Table-6

Name	Total No. of primary schools	Required UPS as per norms	Actual No. of UPS	Shortfall	
				In no.	In %
Almora	1421	710	454	256	36
Bageshwar	572	286	174	112	39
Dehradun	890	445	374	71	16
Haridwar	645	322	199	123	38
Nainital	903	451	422	29	06
Pauri	1673	836	700	136	16
Total	6104	3050	2323	727	24
State	11728	5864	4009	1855	32

Source: Information provided by the respective DPOs and SPO.

Due to not setting up of UPSs as per prescribed norms, students of hilly and remote areas were deprived of easy access to schools.

The Department stated (November 2006) that steps have been taken to improve the ratio of UPS to PS.

3.2.8.18 Insufficient EGS & AIE Centres

As per the programme guidelines, EGS and AIE centres were to be opened in habitations where no school existed within a radius of one km. and 10-15 children in the age group of 6-14, remained out of school.

Records of the SIS revealed that 1931 EGS (PS: 1729, UPS: 202) were sanctioned up to the year 2005-06 but only 1716 centres (89 per cent) were set up. Thus, the children of un-served habitations belonging to the remaining 215 EGS centres in the State including 122⁶ centres in test checked districts were deprived of the intended benefits of the programme.

The Department replied (November 2006) that the EGS centres were sanctioned considering the number of out of school children and due to migration of some families the remaining centres could not be established. The reply is not tenable as 2279 habitations (ref. Para 3.2.8.16) and 22,238 children (ref. Para 3.2.8.14) in the age group of 6-14 years still (at the end of March 2006) remained to be covered in the State under the scheme.

3.2.8.19 Non-achievement of prescribed Pupil Teacher Ratio (PTR)

SSA envisaged one teacher for every 40 children with a minimum of 2 teachers in a primary school and 3 teachers in an upper primary school.

Scrutiny of the records revealed that the pupil-teacher ratio in the six test checked districts at the end of the year 2005-06 was as per **Table 7**.

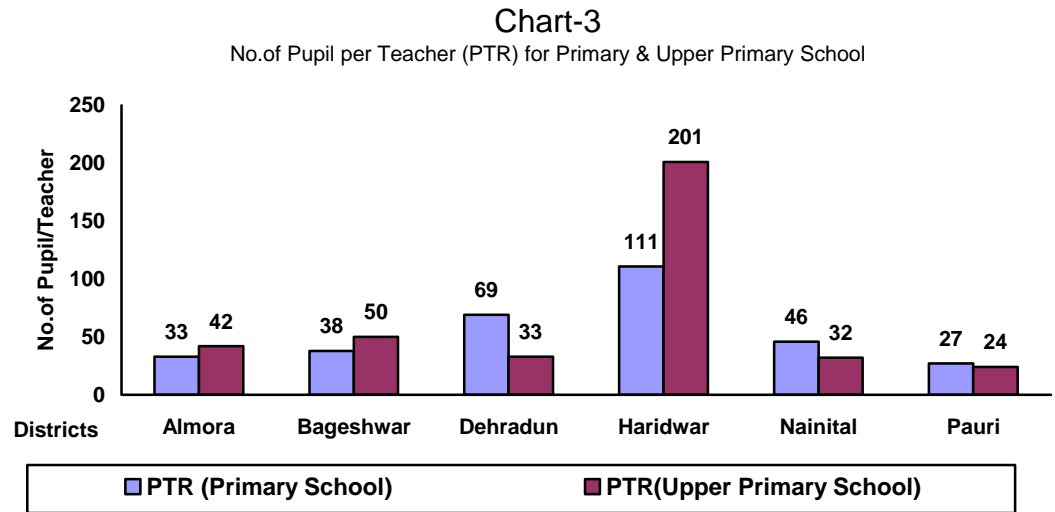
Table-7

Name of District	No. of Students		No. of Teachers		PTR	
	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary
Almora	84342	49943	2593	1195	33:1	42:1
Bageshwar	35448	18596	932	372	38:1	50:1
Dehradun	138152	64653	2000	1976	69:1	33:1
Haridwar	201687	110928	1813	553	111:1	201:1
Nainital	99416	54464	2162	1683	46:1	32:1
Pauri	80003	47004	2997	1928	27:1	24:1
State	1188835	631766	30642⁷	10766	39:1	59:1

Source: Information provided by the respective DPOs and SPO.

⁶ 122 = Almora (PS 5), Bageshwar (PS 18, UPS 6), Dehradun (PS 37 UPS 7), Haridwar (PS 5 UPS 11), Nainital (PS 4) and Pauri (PS 29).

⁷ Includes para-teachers.



The Department replied (November 2006) that the PTR has now become favourable but the above statement / chart shows that the PTR (UPS) of the State as a whole and the test checked districts Bageshwar (Upper Primary), Haridwar (Primary and Upper Primary) and Dehradun, Nainital (Primary) was adverse.

3.2.8.20 *Disproportionate deployment of teachers*

As per the norms of SSA, there should be at least 2 teachers in each PS and 3 teachers (1 for each class) in each UPS.

The records of the test checked districts revealed that 1931 out of 8427 schools (PS: 6104 & UPS: 2323), had less teachers than the norms. 1362 schools had only a single teacher and 93 schools were without teachers. There were, however, 951 schools with more teachers than the norm. There were 113 schools without students and 518 schools had only 15 students or less whereas more than 15 children are required to open or run a school. Schools where there were more teachers were located in easily accessible educational blocks and habitations near district / tehsil / block headquarters or directly linked by road and schools having a shortage of teachers were located in remote or hilly areas.

The SIS did not clarify the actual position. However, it was stated (November 2006) that the transfer / posting of teachers is regulated by the Directorate of Education.

3.2.8.21 *Teachers' Training*

As per norms, all the primary and upper primary school teachers were required to be imparted 10 days in-service training every year.

Audit scrutiny revealed that:

- The DPO, Haridwar did not impart any training to the teachers during 2002-03, 2003-04 and 2004-05 for want of training modules. During 2005-06 the DPO released Rs. 37.29 lakh to the DIET, Roorkee for imparting training to primary (PS)/ upper primary school (UPS) teachers and Shiksha Mitras⁸. Instead of arranging the training, the DIET transferred the funds of Rs. 36.79 lakh to different BRCs who could utilize only Rs.2.54 lakh during the year and Rs. 34.25 lakh were lying unutilized with them as of 31 March 2006.
- The DPO, Nainital aimed to provide in-service training to 6552 teachers of PS and UPS and 10 Shiksha Mitras' for 30 days in the year 2004-05 but erroneously provided Rs. 4.80 lakh only in place of Rs. 48 lakh required as per norms. Thus, due to insufficient funds, only 686 teachers (10 per cent) could be trained.

During 2005-06 the DPO released Rs. 60 lakh to DIET, Nainital for training. The DIET transferred Rs. 48 lakh to 8 BRCs which could utilize only Rs. 8.40 lakh during the year. As a result, the teachers were deprived of training despite availability of funds.

- DIET, Dehradun was provided Rs. 1.18 crore between 2002-03 and 2005-06 for teachers training but Rs. 54.82 lakh out of this remained unutilized at the end of 2005-06.
- the DPOs, Almora, Bageshwar and Pauri Garhwal transferred Rs. 3.59 crore for in-service training (PS and UPS) to their respective DIETs during the years 2002-03 to 2005-06. In turn, the DIETs released funds amounting to Rs. 2.49 crore to the BRCs of the respective districts to provide trainings, and retained Rs. 1.10 crore (30.75 per cent).

The BRCs utilized Rs. 1.75 crore (70.35 per cent) out of Rs, 2.49 crore during the years and Rs. 73.69 lakh remained unutilized.

3.2.8.22 Non-adherence to norms prescribed for civil works

The SSA Manual on Financial Management and Procurement, provided for a cost of Rs. 6 lakh and Rs. 2 lakh for BRC and CRC buildings respectively, and Rs. 15,000 and Rs. 20,000 for drinking water and toilet facilities respectively. The SIS had, however, fixed Rs. 20,000 for drinking water facilities and Rs. 15,000 for toilet facilities. A total of 4938 drinking water facilities and 4004 toilets were constructed up to the year 2005-06 under the programme. Due to changes in the prescribed norms, Rs. 2.47 crore⁹ was spent over the norms for drinking water facility and expenditure of Rs.2.00 crore¹⁰ below the norms for toilet facilities.

⁸ Para-teachers.

⁹ **Excess:** @ Rs. 5,000 x 4938 = Rs. 2.47 crore.
(cost was fixed at Rs.15,000 but expenditure was incurred at Rs. 20,000 per facility)

¹⁰ **Below:** @ Rs. 5,000 x 4004 = Rs. 2.00 crore.
(cost prescribed was Rs. 20,000 but expenditure incurred at Rs. 15,000 per facility)

The Department replied that Manual on Financial Management and Procurement was rolled out by the GOI in December 2004. Prior to this, in the absence of specific guidelines, SIS had proposed a unit cost of Rs. 20,000 for drinking water and Rs. 15,000 for toilet facilities under the AWP&B for the initial years and continued in the forthcoming years which were approved by the PAB. The reply is not acceptable, as after the issue of the manual, the unit cost actually fixed by the PAB should have been adopted.

3.2.8.23 Deficiencies in infrastructural facilities

The programme emphasized the need to develop a school system and to provide natural environment by improving school infrastructure by 2006-07. Scrutiny of records of the test checked districts revealed the position of infrastructural deficiencies in the schools up to the year 2005-06 as per **Table 8**.

Table-8

District	Schools without own building	School buildings in dilapidated conditions	Schools without Head Master's room	Schools without drinking water facilities	Schools without toilet facilities	Schools without separate toilet facility for Girls	Schools without boundary wall
Almora	22	114	1447	608	25	1438	1108
Bageshwar	NA	NA	-	80	15	655	140
Dehradun	35	94	660	53	231	885	829
Haridwar	29	11	64	147	50	213	423
Nainital	24	19	903	105	99	NA	486
Pauri	8	82	497	530	331	1193	735
Total	118	320	3571	1523	751	4384	3721

Source: Information obtained from the DPOs concerned.

There were 118 schools without their own buildings, 320 schools in dilapidated condition, 3571 schools without head-master's room, 1523 schools without drinking water facilities, 751 schools without toilet facilities, 4384 schools without separate toilets for girls and 3721 schools without boundary walls in the test checked districts. Thus, even after a lapse of four years of the programme, these districts were lagging behind in provision of adequate infrastructure.

3.2.8.24 Delay in distribution of text books

Records of the test checked districts revealed that the suppliers did not supply all the required text books in time before the commencement of the academic session in July. There were delays at the district level also, in providing the text books to the blocks for onward distribution. Students could not get the complete set of books within time. Some books were provided after delays ranging from 2 to 6 months which deprived the students of timely use of learning materials. The details of delays in supply / distribution of text books at different levels are given in **Table 9**.

Table-9

District	Year	Name of the supplier	Month of receiving at District	Month of receiving at Block	Delay
Almora	2003-04	Govt. Press, Roorkee & KUSB, Hridwar	July to September 03	August to October 03	3 months
	2004-05	Govt. Press, Roorkee	May to Dec. 04	May to Dec. 04	5 months
	2005-06	Govt. Press, Roorkee & 3 others	May to November 05	August to December 05	5 months
Bageshwar	2003-04	Govt. Press Roorkee & 8 others	July to December 03	Sept to January 04	6 months
	2004-05	Govt. Press, Roorkee	June to October 04	July to December 04	5 months
	2005-06	Govt. Press, Roorkee & TNHk Printers	May to September 05	July to October 2005	3 months
Dehradun	2003-04	Different publishers and Govt. Press, Roorkee.	August to September 03	August, 03 to October, 03	3 Months
	2004-05	Govt. Press, Roorkee & KUSB, Hridwar	July to October, 04	July, 04 to October, 04	4 Months
	2005-06	- do -	July to October, 05	July, 05 to October, 05	4 Months
Haridwar	2004-05	Govt. Press, Roorkee & KUSB, Hridwar	July to November, 04	August to November, 04	3 Months
	2005-06	-do-	July to September, 05	August to September, 05	2 Months
Nainital	2004-05	Govt. Press, Roorkee.	June, to October, 04	June to October, 04	4 Months
	2005-06	Govt. Press, Roorkee & TNHk, Printers, Meerut.	June & July, 05	June & July, 05	1 Month
Pauri Garhwal	2003-04	Govt. Press, Roorkee & 7 others	June to August 03	August to September 03	2 months
	2004-05	Govt. Press, Roorkee.	June to October 04	June to October 04	3 months
	2005-06	Govt. Press, Roorkee & 1 other	July to September 05	July to October 05	3 months

Source: Information obtained from the DPOs.

The SIS replied that the Director of School Education is responsible for printing and supply of free text books and entire system of supply has now been revamped.

3.2.8.25 Irregular withdrawal and non-utilisation of 'Teaching Learning Equipments' grant

New as well as existing UPS not covered under Operation Black Board were entitled to get "Teaching Learning Equipment" (TLE) grant up to Rs. 50,000 per school.

Scrutiny of records of the DPO, Nainital revealed that Rs. 9.20 lakh and Rs. 10.90 lakh pertaining to purchase of TLE for the years 2004-05 and 2005-06 respectively were shown in the accounts as expenditure but were actually retained as bank drafts in favour of VECs by the DPO till the date of audit (May 2006).

Similarly, the DPO - Almora had also kept Rs. 22.20 lakh of TLE grant pertaining to the year 2005-06 as bank drafts till the date of Audit (July 2006).

In reply, the Department stated that the decision relating to purchase of TLE was pending at higher level and therefore, the TLE could not be purchased. The reply of the Department is not tenable because keeping the money as bank drafts without purchasing TLE, deprived the teachers / students of teaching learning materials and adversely affected the intended objectives of the programme.

3.2.8.26 Unjustified expenditure on CWSN's

The SIS had identified 11,175 children with special needs (CWSN) in the State as a whole and 8682 in the test checked districts (Almora 1042, Bageshwar 563, Dehradun 1014, Haridwar 3272, Nainital 1393 and Pauri 1398) during the year 2005-06.

Scrutiny of records revealed that the DPO, Nainital had identified 528 disabled children in the age group 6-18 years in the year 2005-06 and made a budgetary provision of Rs. 6.34 lakh (at the rate of Rs. 1200 per child per annum as per norms). The number of children was enhanced to 1393 at the time of finalization / approval of budget by the SIS and Rs.16.71 lakh was sanctioned. The amount was utilized by the DPO on construction of ramps, aids / appliances to the children and community mobilization etc.

In reply the DPO stated (May 2006) that only the disabled children in the age group 6-14 years were identified under the proposed AWP&B for the year 2005-06 but at the time of finalization of budget at the State level, the children upto to the age group 6-18 years were included. The reply of DPO is not tenable, as the children in the age group 6-18 years were already included in the total number of 528 disabled children proposed in the AWP&B.

3.2.8.27 Excess operational cost on ECCE centres

The SSA envisaged strengthening the existing Integrated Child Development Service (ICDS) centres for pre-school education and supporting pre-school education centres in habitations not covered by ICDS centres using funds available for innovative activities. The support could be in form of honoraria for pre-school teachers, training of Aganbari Sevikas for pre-school learning, activity materials and play items etc.

Scrutiny of records of DPO, Almora revealed that 962 Early Childhood Care and Education (ECCE) centres including 397 centres already running under the ICDS were proposed for operation in the perspective plan. The DPO engaged an NGO (*Uttarakand Seva Nidhi Paryawaran Shiksha Sansthan, Almora*) to operate this programme and transferred Rs. 31.98 lakh (Rs. 9.62 lakh in 2003-04, Rs. 14.36 lakh in 2004-05 and Rs. 8 lakh in 2005-06) to the NGO. The NGO had taken up 83, 97 and 100 centres during 2003-04, 2004-05 and 2005-06 respectively in only 5 blocks out of 11 blocks of the district and children in the 6 remaining blocks of the district were deprived of the intended benefits of the scheme. The cost of running a centre by the NGO was much higher than the norms prescribed for

ICDS centres. The difference in operational cost was Rs. 8,375¹¹ per centre per year.

In reply, it was stated by the Department (November 2006) that it was not possible to cover more than 100 ECCE centres as this is an innovative activity under SSA for which only Rs 15 lakh per year was provided. The reply is not tenable as the operational cost of an ECCE centre run by the NGO was much higher than the norms prescribed for the ICDS centres and under this cost, 168 centers could be operated per year.

3.2.8.28 Delay in establishment of SIEMAT

As per the provisions of the SSA, a State Institute of Education Management and Training (SIEMAT) had to be established for conducting training and capacity building exercises, coordination with national level institutions, statistics, monitoring, research and evaluation activities with one time grant of Rs. 3 crore from the scheme.

In Uttaranchal, the process of establishment of the SIEMAT was started late in the year 2005-06 and only Rs. 50 lakh had been utilized for civil works. The Department replied (November 2006) that the SIEMAT could not be established for want of location and proper infrastructural facilities.

Thus, delay in establishment of SIEMAT affected the activities of training and capacity building exercises etc.

3.2.8.29 Non-maintenance of records and accounts

Scrutiny revealed that the SIS and its subordinate offices except the DPO, Pauri Garhwal had not maintained records like: "Register of Assets" for the assets created under the scheme, "Register of Advances" for different advances, "Journal" and accounts in "Double Entry System" based on mercantile system as required under the scheme.

On this being pointed out, the Department replied (August 2006) that staff has been trained as per requirements and the double entry system has now been started at districts/DIETs level. Although the Department had organized workshops and imparted trainings to the field staff, no district (except DPO Pauri) had adopted the system up to the end of 2005-06.

3.2.8.30 Non-participation of NGOs

Implementation of SSA is based on a partnership with NGOs in the area of capacity building both in communities and in resource institutions. The research, evaluation and monitoring activities under the SSA were to be done in partnership with NGOs. This would improve transparency of programme interventions and would also encourage a more open assessment of achievements.

11 Operational cost of an ECCE centre run by the NGO	= Rs.14,700 per year
Operational cost of an ECCE centre as per norms for ICDS	= Rs. 6,325 per year
Difference in operational cost	= Rs. 8,375

Scrutiny of records showed that the NGOs were not engaged for preparation of habitation, district level plans and their assistance was also not obtained in research, evaluation & monitoring activities. However, the NGOs were involved in EGS/AIE & innovative activities.

Non-involvement of NGOs in preparation of district plan and research, evaluation & monitoring activities reduced the transparency of the programme.

Research, Evaluation, Monitoring & Supervision (REMS)

3.2.8.31 REMS

The scheme envisaged an expenditure on research, evaluation, monitoring and supervision (REMS) activities at the prescribed norm of Rs.1400 per school per year for: (a) creating a pool of resource persons at the State, district, block level for effective field based monitoring; (b) providing travel grant and a very modest honorarium to resource persons for monitoring; (c) providing regular generation of community based data; (d) conducting achievement tests and evaluation studies; (e) undertaking research activities; (f) setting up special task force for low female literacy districts and for special monitoring of girls and SCs/STs; (g) incurring expenditure on education management system; (h) undertaking contingent expenditure for visual monitoring system (video conferencing); (i) assessment and appraisal teams and their field activities; (j) analyzing data at block / district / State level; (k) curriculum renewal; (l) development of training modules; (m) institutional monitoring of the progress of implementation.

Scrutiny revealed the following deficiencies in this component of the SSA:

- The test checked districts and the State as a whole could only utilize funds between 20.14 and 59.17 *per cent* and 38.20 *per cent* against the allotted budget during the year 2002-03 to 2005-06 respectively. The details are as per **Table 10**.

Table -10

(Rupees in lakh)

District	Funds made available					Funds utilized					
	2002-03	2003-04	2004-05	2005-06	Total	2002-03	2003-04	2004-05	2005-06	Total	%
Almora	NA	NA	24.96	12.90	37.86	NA	NA	9.52	12.88	22.40	59.17
Bageshwar	NA	1.82	NA	5.71	7.53	NA	0.82	NA	2.09	2.91	38.64
Dehradun	13.10	16.86	18.78	9.11	57.85	4.97	3.97	6.90	8.74	24.58	42.49
Haridwar	3.38	6.83	2.84	5.12	18.17	-	2.07	2.62	2.42	7.11	39.13
Nainital	15.39	17.00	17.81	7.63	57.83	0.65	3.54	1.99	5.47	11.65	20.14
Pauri	29.93	31.33	31.33	15.70	108.29	1.83	6.13	8.29	10.70	26.95	24.88
State	106.26	154.02	156.04	111.11	527.43	13.00	47.72	57.39	83.38	201.49	38.20

Source : Details of activity wise expenditure of concerning DPO sans SPO.

The low utilization of funds hampered the creation of an effective REMS system.

- The SIS had conducted 9 studies¹² in the year 2005-06 through different agencies on various topics out of which 7 have been completed and 2 are under progress. Action for improvement is yet to be taken on the recommendation of the studies conducted.
- In addition, a study on Comprehensive and Continuous Evaluation (CCE) under SSA was also conducted by National Institute of Administrative Research (NIAR), Mussoorie in August 2004 and covered the districts Bageshwar and Rudraprayag. The impact of this programme on quality of education was analyzed and the hypothesis that the CCE had favourable impact on the achievement level of students was also examined.

It was recommended in this study report that this programme should be implemented in all primary schools of the State and the Department should follow the norms of teaching –learning and making evaluation an integral part of this process. Apart from this, a multi pronged strategy with the following components was also required to improve the effectiveness of CCE: (i) appointment of one more teacher in every single teacher school; (ii) need of specific training and orientation in CCE; (iii) remedial classes to support the academically weak students; (iv) improvement in level of awareness among community; and (v) special training for VEC members etc.

Although the CCE is being implemented in all primary and upper primary schools from the year 2005-06, the multi pronged strategy as required is yet to be set up.

- The Union Ministry of Human Resource Development has assigned the Institute of Public Auditors of India, New Delhi (IPAI) to evaluate the implementation process of SSA up to the year 2004-05. The IPAI had highlighted deficiencies including: (i) heavy unspent balances; (ii) delay in release of funds by GOI /State and also by SIS to the districts; (iii) submission of AWP&B to GOI without approval of executive committee; (iv) short fall in expenditure with reference to approved AWP&B; (v) unutilised funds of pre-project activities; (vi) non-achievements of targets of civil works; (vii) schools without buildings and under dilapidated conditions; (viii) shortage of drinking water and toilet facilities (ix) delay in supply of text books (x) unsatisfactory level of education etc.

¹² (1) Preparing Teacher Profile, Data completion and analysis of profile, (2) Study of Achievement level in Language, Mathematics, (3) Convergence of other Govt. scheme and programme with primary education programme, (4) Effectiveness of multi-grade teaching Kunjapuri Model, (5) To estimate and identify reasons for grade wise / class wise drop out, (6) The impact and effectiveness of innovative programme in girls education, (7) Efficiency of Management and Resource Support Structure, (8) Capacity of VEC & SMC to management of SSA Programme and (9) Comparative assessment of para and regular teacher.

- For monitoring of the programme, the SIS had constituted Village Education Committees (VECs), School Management Committees (SMCs), Block level Education Monitoring Committees, District and State level Committees at different stages. Meetings were to be organized once a month by the VECs and SMCs and reports were to be submitted to block level committees. After analysis these were to be submitted to the district level committees. The districts were to submit the reports to the SIS after analysis.

Scrutiny revealed that a maximum of 4 meetings against 12 in a year as per the norms were organized at VECs/BRCs levels. It was stated in reply by the SPO that regular monitoring was being carried out by the committees. However, no monitoring report in respect of any VECs and BRCs was made available to audit.

Effective monitoring could have minimized problems like delay in release of funds by SIS to districts, non-utilization of funds, disproportionate deployment of teachers, diversion of funds, delayed and irregular training, delay in distribution of text books and unauthorized blocking of funds.

Internal Control System

3.2.8.32 Effectiveness of Internal Control System

According to the provisions of the programme, SIS had to establish effective internal audit system and strengthen internal checks to ensure proper utilization of funds, to examine / evaluate the adequacy and effectiveness of other controls throughout the organization.

Audit scrutiny revealed that the internal audit wing of the SIS was established only in October 2005.

3.2.9 Conclusion

The objective of SSA to bring back all the children to schools was only partially achieved. Even after four years (as at the end of 2005-06), 22,238 children in the 6-14 age group remained out of school. There were instances of delay in release of funds, diversions, avoidable and unjustified expenditure of the SSA funds. As a result, funds were not used for the targeted group. Fund management was also poor and there were heavy unutilized balances at different levels.

Training, which was vital for proper implementation and quality improvement of the scheme was not conducted as planned and posting of teachers were not in accordance with the norms. Civil works were executed without proper supervision/monitoring and infrastructure facilities in the schools were insufficient. Free textbooks to girls and SC/ST children were being distributed late. No action was taken to review the scheme from time to time so as, to prioritise remedial action.

3.2.10 Recommendations

- A mechanism should be set up to ensure timely release of funds as per the approved working plans and its full utilization also should be ensured.
- SIS should be proactive and remedial action for success of the scheme prioritised.
- Adequate number of primary and upper primary schools should be opened as early as possible to achieve the target of the programme by 2010.
- Appointment of the required teaching staff should be made without further delay, imbalances in deployment avoided and teachers' training should be ensured as prescribed.
- Availability of text books to the students of special focus groups should be ensured at the start of the academic session.
- The SIEMAT may be strengthened as soon as possible.
- State Government should also ensure that the communities in the targeted areas where schools are being opened are made aware of the Right to Information Act.

RURAL DEVELOPMENT DEPARTMENT

3.3 SAMPOORNA GRAMIN ROZGAR YOJANA

3.3.1 Highlights

The Sampoorna Gramin Rozgar Yojana (SGRY), a centrally sponsored scheme, was launched in the State in September 2001 to provide additional wage employment, food security and creation of durable community and economic assets in rural areas. A review on implementation of scheme revealed that during 2001-02 to 2005-06 the funds and food grains available for the scheme could not be fully utilised in the State, although, the mandays generation was higher (131 *per cent*) than target. Funds meant for individual and group beneficiary scheme for SCs/STs were diverted to general works, weekly payments were not ensured to labourers.

- *The State Government failed to release its matching share in time, which in turn abnormally delayed execution of work.*

[Paragraph 3.3.8.4]

- *Rs.2.09 crore and Rs. 9.85 crore representing the share of Scheduled Castes and Scheduled Tribes in Kshetriya and District Panchayats and Gram Panchayats respectively were diverted to general works.*

[Paragraph 3.3.8.5]

- *Rs.15.32 lakh was spent on works, which were prohibited under the scheme.*

[Paragraph 3.3.8.6]

- *In DRDA-Tehri Rs.46.99 lakh was dovetailed with other programme, which was not admissible under the scheme.*

[Paragraph 3.3.8.7]

- *Targets for mandays generation were pitched low to show over achievement, as these were not fixed on the basis of works sanctioned / Annual works plans.*

[Paragraph 3.3.8.8]

- *Excess payment of wages amounting to Rs. 30.72 crore during 2001-02 to 2005-06 and under payment of wages amounting to Rs.2.73 crore during 2001-02 & 2002-03 were made by implementing agencies in test checked districts.*

[Paragraph 3.3.8.10 & 3.3.8.11]

- *During 2001-06 against 150673.18 MT of food grains lifted, only 129807.81 MT were distributed by the executing agencies (DRDAs).*

[Paragraph 3.3.8.13]

- *The implementing agencies incurred only 16.87 per cent of the total expenditure on watershed development against the prescribed 50 per cent.*

[Paragraph 3.3.8.17]

- *Empty gunny bags valuing Rs. 1.27 crore were not disposed of during the year 2001-02 to 2004-05.*

[Paragraph 3.3.8.19]

- *Inadequate monitoring affected the implementation of the programme as, against 14,664 inspections prescribed; only 546 were carried out.*

[Paragraph 3.3.8.21]

3.3.2 Introduction

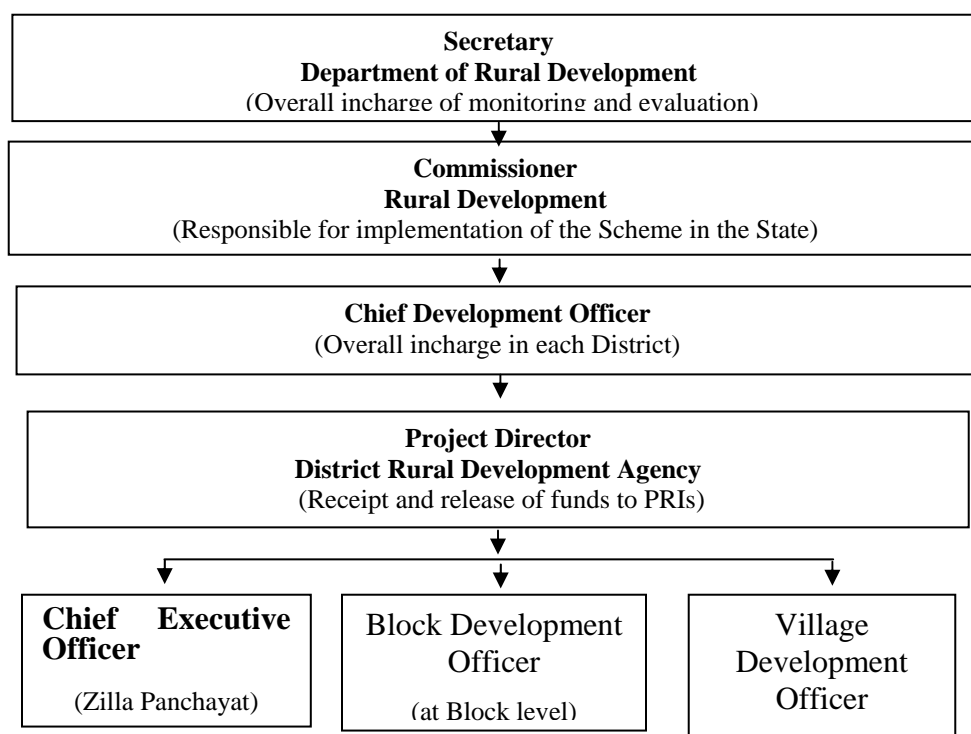
With a view to make a dent on the prevailing poverty, unemployment and slow growth in the rural economy and to provide food security and a demand driven infrastructure at the village level, the Sampoorna Gramin Rozgar Yojana (SGRY) was launched by the Government of India (GOI) with effect from 25 September 2001. The GOI was to share the cost of the cash component of the programme with the State Government in the ratio of 75:25. Two ongoing schemes viz.

Employment Assurance Scheme (EAS) and Jawahar Gram Samridhi Yojana (JGSY) were merged in SGRY.

The objectives of SGRY were to provide additional and supplementary wage employment to the rural poor and thereby provide food security and improved nutritional levels in all rural areas. The scheme also aimed at creation of durable community, social and economic assets and infrastructural development in rural areas.

3.3.3 Organisational Setup

The Department of Rural Development was responsible for implementation of SGRY. The organisational setup of the Department with regard to the implementation of the programme is given below:



3.3.4 Scope of Audit

The performance audit of the programme was carried out during May to August 2006 and covered the period 2001-02 to 2005-06. The records for the period of 2001-02 to 2005-06 of the Rural Development Commissioner, Pauri, 5¹ out of 13 Districts, 25 out of 95 Blocks and 10 village Panchayats in each selected Block were test checked during audit. The test check covered an expenditure of Rs. 206.37crore (56.92 per cent of the total expenditure of Rs. 362.59 crore).

¹ Almora, Haridwar, Pauri Garhwal and Tehri Garhwal including compulsory capital district Dehradun.

3.3.5 Audit Objectives

The main objectives of Audit were to examine and evaluate:

- The allocation and distribution of funds and food grains from Centre to the State, Districts, Blocks and villages and whether the funds were allocated as prescribed for the targeted group viz SCs/STs.
- Whether wages were paid as per norms to the rural poor who were in need of wage employment.
- Whether the programme has increased the generation of mandays and the figures reported were not inflated.
- Whether the assets created under the programme were income generating and durable in nature.

3.3.6 Criteria

The criteria adopted in audit to arrive at audit conclusions were:

- Guidelines on SGRY issued by the GOI.
- Norms for assessment of employment generation for rural poor.
- Monitoring system prescribed.

3.3.7 Audit Methodology

Before taking up the performance audit of the scheme, an entry conference was organized (June 2006) with the Secretary and other officers of the Rural Development Department. Wherein, the audit objectives, audit criteria and scope of audit were explained to the Department and their suggestions were sought.

The records of the Rural Development Commissioner, District Rural Development Agencies (DRDAs), Zilla Panchayats, Kshetriya Panchayats and Village Panchayats were analyzed, using data/information made available by these agencies in reply to audit notes and questionnaires.

Records for test check were chosen based on statistical sampling method of probability proportionate to size with replacement (PPSWR).

An exit conference was held with the Additional Secretary, Department of Rural Development (December 2006) to discuss the audit findings. The replies of the Department have been incorporated in the review where appropriate.

3.3.8 Audit Findings

The performance audit of SGRY revealed the following audit findings.

Fund Management

3.3.8.1 Resources flow mechanism

The Union Ministry of Rural Development released the central share (75 per cent) in two instalments every year directly to the DRDAs. The State Government released its matching share (25 per cent) after the release of central assistance. The funds were distributed to Zilla Panchayats, Kshetriya Panchayats and Village Panchayats by the DRDAs in the ratio of 20:30:50 since 2004-05.

Food grains were provided by the GOI through the Food Corporation of India (FCI). The State Government was to bear the transportation and handling charges. The GOI released food grains to the DRDAs under intimation to the FCI. The FCI sent appropriate advices to its regional and designated depots for further release of food grains to the DRDAs under intimation to the State Government. Food grains as part of wages were to be given at the rate of 5 kgs per manday subject to a minimum of 25 per cent of the wages to be paid in cash.

3.3.8.2 Financial Position

The year wise details of funds released by GOI and State Government and expenditure incurred during 2001-02 to 2005-06 by the State were as under:

Table-1

(Rupees in crore)

Year	Plan Outlay	Opening Balance	Central Share	State Share	Miscellaneous Receipts	Total Funds Available	Expenditure	Closing Balance
2001-02	59.66	10.74	43.24	10.71	0.76	65.45	46.82	18.63
2002-03	56.13	18.19	42.99	16.20	0.66	78.04	62.23	15.81
2003-04	65.87	12.45	48.54	28.88	0.70	90.57	74.93	15.64
2004-05	69.90	15.70	55.23	21.34	2.25	94.52	85.03	9.49
2005-06	83.75	8.94	64.24	26.02	1.77	100.97	93.58	7.39
Total			254.24	103.15	6.14	429.55	362.59	

Source: Directorate, Paui

Scrutiny revealed variations in the information submitted by the State Government and by the DRDAs, which remained unreconciled.

Overall savings as indicated by closing balances as shown in the **Table-1** above, would have been much higher had the excess payment not been made (*Refer Paragraph 3.3.8.10*).

3.3.8.3 Shortage of Rs. 4.29 crore in Opening Balance

The closing balance of a particular year should form the opening balance of the next year. It was however noticed that the closing balances of various years did not tally with the opening balances of the subsequent years. The aggregates of the opening balances fell short of the closing balances by Rs. 4.29 crore.

The differences in opening balances and closing balances had not been reconciled by the Department and it failed to investigate and record the reason for these differences. The reply from the Government is awaited (December 2006).

3.3.8.4 *Delay in release of funds by State Government*

The scheme envisaged that after the release of central share to DRDAs, the State Government would release its share of cash component to DRDAs within 15 days for timely implementation of the programme. Scrutiny of records in the test checked districts revealed that the State Government failed to release its share in time. The delays ranged from one month to eighteen months during the period 2001-02 to 2005-06.

Table-2

(Rupees in crore)

Year	Total funds released by			Funds released in last quarter by			Percentage of release in last quarter	Funds released in March by			Percentage of release in March
	Centre	State	Total	Centre	State	Total		Centre	State	Total	
2001-02	22.69	5.68	28.37	12.84	1.65	14.49	51.08	7.93	1.65	9.58	33.77
2002-03	27.13	7.89	35.02	11.14	0.99	12.13	34.64	7.07	0.99	8.06	23.02
2003-04	27.09	13.13	40.22	9.85	3.63	13.48	33.52	3.31	3.63	6.94	17.26
2004-05	33.36	11.01	44.37	15.84	3.87	19.71	44.42	1.77	3.11	4.88	11.00
2005-06	36.95	12.95	49.90	9.78	5.03	14.81	29.68	3.56	4.20	7.76	15.55
Total	147.22	50.66	197.88	59.45	15.17	74.62	37.71	23.64	13.58	37.22	18.81

Source: DRDAs

The delay in release of funds by the GOI/State Government resulted in unnecessary rush of expenditure at the end of the five financial years, which was in contravention of the financial rules besides adversely affecting the successful implementation of the scheme.

3.3.8.5 *Diversion of Funds meant for SCs/STs*

To specially safeguard the weaker sections of the society, the scheme envisaged that

- a share of 22.5 per cent of the annual allocation at the level of District and Kshetriya Panchayats would be earmarked for individual/group beneficiary schemes such as development of allotted land, social forestry work, agri-horticulture, floriculture plantations on private land and other income generating assets for Scheduled Caste/Scheduled Tribe families living below the poverty line (BPL).
- a minimum of 50 per cent of the Village Panchayat allocation would be earmarked for the creation of need based village infrastructure in habitations/wards of Scheduled Castes and Scheduled Tribes.

The scheme further stipulated that diversion of funds from the above allocations was not permitted. During scrutiny of records and information gathered from test checked districts, it was noticed that during the years 2004-05 & 2005-06, Rs.2.09 crore meant for individual beneficiary schemes for Scheduled Castes and Scheduled Tribes under District and Kshetriya Panchayats was diverted to general works. Under Village Panchayats Rs.21.90 crore only (34 per cent) out of total allocation of Rs.63.49 crore during the years 2001-06 was incurred on Scheduled

Caste and Scheduled Tribe habitations and Rs. 9.85 crore was diverted to general works.

Thus the members of Scheduled Caste and Scheduled Tribe families were deprived of the intended benefits stipulated under the SGRY scheme to the extent of these diversions. Had Rs.9.85 crore not been diverted, the overall savings would be much more than shown in **Table 1**.

3.3.8.6 Execution of prohibited works

As per guidelines, buildings for religious purposes such as temples, mosques, gurudwaras, churches etc, monuments, memorials, statues, idols, arch gates, welcome gates, bridges, buildings for higher secondary schools, colleges, black topping of roads etc. were prohibited under the scheme. But in Haridwar, Tehri and Dehradun districts Rs.15.32 lakh² were spent on construction of graveyard wall, cremation ghat and additional room for intermediate colleges, temple and mosque etc. in violation of the guidelines of the scheme.

3.3.8.7 Irregular dovetailing with other programmes

The scheme emphasized that the funds available with Panchayati Raj Institutions (PRIs) from other sources can be dovetailed for construction of durable community assets. However, SGRY funds should not be used as a substitute for departmental plan funds. Funds from other programmes can be dovetailed with SGRY funds and not vice versa.

During scrutiny, it was noticed that DRDA –Tehri in contravention of the above provision, transferred Rs.46.99 lakh in June-2002 to Basic Shiksha Adhikari for completion of incomplete school buildings.

Implementation of the Scheme

Employment Generation

3.3.8.8 Physical Targets and Achievement

The primary objective of the scheme was to create additional wage employment in rural areas. During 2001-02 to 2005-06 the physical achievement in terms of generation of mandays and works executed such as roads, schools, health centre, work sheds, housing units, watershed development and panchayat buildings etc. against the targets was as under:

Table-3

District	Target of generation of mandays (in lakh)	Mandays generated (in lakh)	Per centage of achievement	No. of works sanctioned	No. of works completed	Per centage of completed works
Almora	48.24	76.36	158.29	24855	20237	81.42
Haridwar	25.90	33.92	130.96	12670	10344	81.64
Pauri	33.78	45.61	135.02	21260	19324	90.89

² Expenditure incurred on prohibited work in Tehri Garhwal Rs. 10.53 lakh, in Haridwar Rs. 2.74 lakh and in Dehradun Rs. 2.05 lakh.

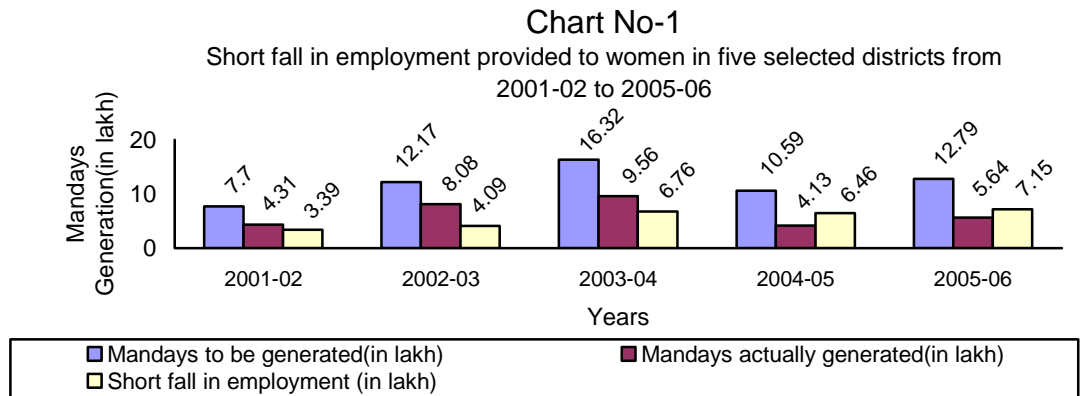
New Tehri	35.66	48.55	136.15	14310	11448	80.00
Dehradun	24.36	32.08	131.69	14976	12649	84.46
Total	167.94	236.52	140.84	88071	74002	84.03
State	315.76	412.96	131	158021	133505	84

Source: DRDAs & Directorate, Pauri

The table shows that while the mandays generated in the test checked districts was 141 per cent (131 per cent in the State), the completed works were only 84.03 per cent (84 per cent at the State level). This indicated that achievement in mandays generated was inflated as the targets were fixed on the basis of works sanctioned in Annual Action Plan (AAP) on prevailing schedule of rates. The reply from Government is awaited (December 2006).

3.3.8.9 Norms for employment of women not observed

Under SGRY, preference was to be given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women and members of SC/STs etc. The scheme specifically envisaged that efforts should be made to provide 30 per cent of employment opportunities to women under the programme. During test check it was noticed that the executing agencies of the different level of PRIs failed to provide the desired wage employment opportunities to women as indicated in the chart given below:



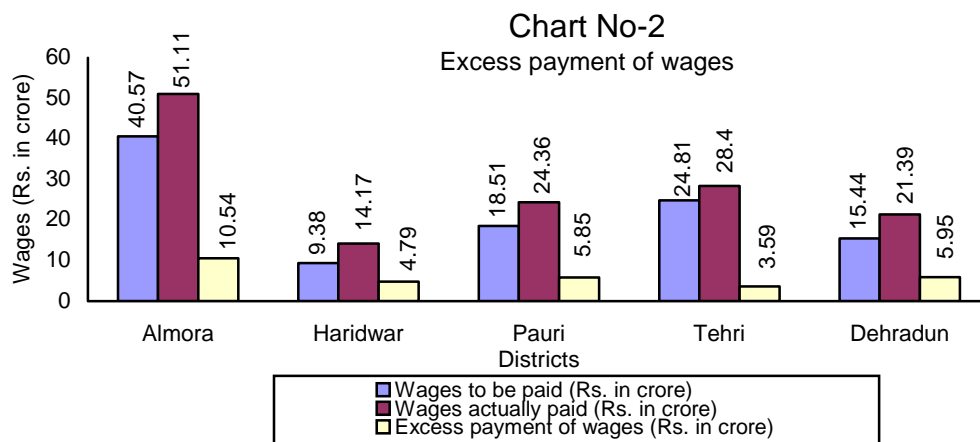
Wage employment to women fell significantly short of target and ranged between 11.70 to 19.91 per cent during 2001-02 to 2005-06. The reply from Government is awaited (December 2006).

Payment of wages

3.3.8.10 Excess payment of wages

Wages under the scheme were to be paid partly in cash and partly in food grains. The State Government fixed Rs.58 per manday as minimum wages till a revised rate of Rs.73 per manday was introduced in January 2006 under the Minimum Wages Act. During 2002-06 (in Almora and Tehri districts during 2002-06, in Haridwar during 2003-04 & 2005-06 and in Pauri and Dehradun districts during

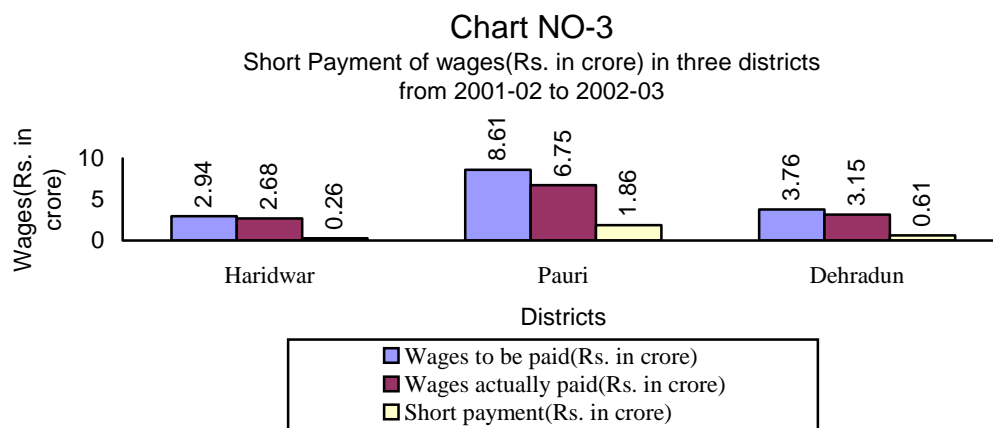
2003-06) a total of 189.61 lakh mandays were created (165.13 lakh mandays till January 2006 and 17.71 lakh mandays after January 2006). On the basis of the rates of wages applicable, the total wages payable works out to Rs.108.71 crore as against Rs. 139.43 crore actually paid. Thus, an excess payment of Rs.30.72 crore (**Appendix- 3.4**) was made as can be seen below.



The reason for excess payment could not be explained by the DRDAs. The reply from Government is awaited (December 2006).

3.3.8.11 Short payment of wages

In Haridwar, Pauri and Dehradun districts the wages paid during the year 2001-03 were below the rates fixed by the Government under the Minimum Wages Act. This resulted in short payment of wages of Rs. 2.73 crore. The details are given in the chart below:



The schemes emphasized that in case the executing agencies (ZPs, Blocks and VPs) do not pay the minimum wages, the District Panchayats, DRDAs and Kshetriya Panchayats shall withhold further release of funds to such implementing agencies and inform the authorities concerned for suitable action under the Minimum Wages Act. No such action was, however, initiated by the DRDAs concerned. The reply from Government is awaited (December 2006).

3.3.8.12 *Weekly payment not made*

The scheme stipulated weekly payment to labourers on a fixed day in a week, preferably a day before the local market was held. Scrutiny of muster rolls and cashbook of Gram Panchayats test checked in 25 blocks³ of five selected districts revealed that the executing agencies did not adopt any fixed time schedule/day for payments, which ranged from 15 to 30 days.

The scheme further stipulated distribution of food grains @ 5 kgs per manday on a fixed day in a week. Scrutiny of records (June 2006) of DRDAs, Rudraprayag and Nainital revealed that distribution of food grains to the workers was not made weekly. Food grains in lump ranging from 348 kgs to 649 kgs were issued on the same date instead of the prescribed 35 kgs per week. No enquiry had been conducted into the reason for issuance of such huge quantities of food grains on a single coupon.

Thus the object of the scheme to ensure regular and timely availability of cash and food grains to labourers was defeated. The reply from Government is awaited (December 2006).

Food grains

3.3.8.13 *Distribution of food grains as a part of wages*

The distribution of food grains as a part of wages under the scheme was based on the principle of protecting the real wages of the workers besides improving the nutritional standards of the rural poor families.

The position of authorization of food grains by the Central Government and its lifting and utilization by the executing agencies in the test checked districts during the year 2001-06 was as under:

Table-4

(Quantity in MT)

District	Total authorization of food grains	Food grains lifted	Food grains utilized	Unutilized food grains
Almora	44939.42	43865.42	34945.00	8920.42
Haridwar	25822.00	22879.56	21217.94	1661.62
Tehri	35898.00	33146.00	28797.00	4349.00
Pauri	27341.22	25250.46	24138.01	1112.45
Dehradun	28203.17	25531.74	20709.86	4821.88
Total	162203.81	150673.18	129807.81	20865.37
State	314561.00	266509.00	236627.00	29882.00

Source: MPRs & information collected from DRDAs

From the table it is evident that during 2001-06 against 150673.18 MT of food grains lifted, only 129807.81 MT (86 per cent) were distributed by the executing

³ Hawalbagh, Tarikhet, Bhukiyasaidn, Chaukutiya, Dwarhat (Almora); Bahaderabad, Roorkee, Narsen, Laksar, Bhagwanpur (Haridwar); Khirshu, Pauri, Kot, Pabo, Kalzikhhal (Pauri); Jaunpur, Bhilangna, Fakot, Chamba, Kirtinager (New Tehri); Raipur, Doiwala, Sahaspur, Vikas Nager, Kalsi (Dehradun).

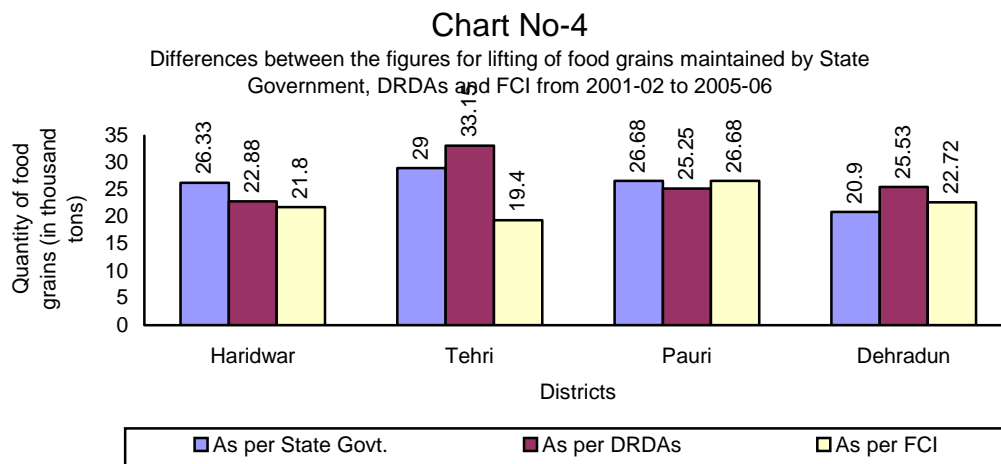
agencies (DRDAs), although, the lifting of food grains was based on the target for mandays generation approved under Annual Action Plan (AAP). As the achievement in mandays generated was higher (131%) than the target, the short utilization of food grains indicates the under payment of wages in terms of food grains. The reply from Government is awaited (December 2006).

3.3.8.14 Excess expenditure on transportation of food grains

Food grains of the scheme were to be transported from godowns of FCI to Fair price shops (FPS) at the standard freight rate of Rs.85/Qtl and bills submitted to DRDA for adjustments. Scrutiny of records (May 2006) of DRDA Uttarkashi revealed that an expenditure of Rs. 2.06 crore was incurred by District Supply Officer, Uttarkashi on transportation of 1,57,546 Qtl food grains from FCI godowns to various FPSs during 2002-03 to 2005-06 as against the admissible expenditure of Rs.1.34 crore. Thus an excess expenditure of Rs.72.29 lakh was incurred over and above the rates fixed by the Government. Government reply is awaited (December 2006).

3.3.8.15 Incorrect reporting

The State Government was required to report the progress of lifting, utilization etc. of food grains to the GOI. The State Government prepared the returns on the basis of information received from the DRDAs. Test check of records of selected districts (from 2001-02 to 2005-06) revealed the following differences between the figures for lifting of food grains under SGRY maintained by the State Government, DRDAs and FCI as shown in the chart below:

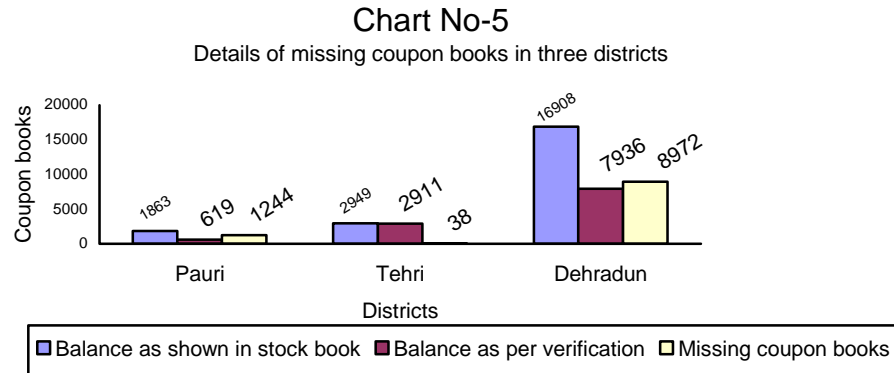


Thus the reports regarding food grains lifted were not reliable and needed to be reconciled. The reply from Government is awaited (December 2006).

3.3.8.16 Improper Accounting of Coupon Books

Distribution of food grains to the executing agencies under the scheme was done through coupon books provided by the DRDAs. These coupons are authorisations issued to the labourers for drawing food grains from FPS.

Test check of records in selected Districts revealed that no proper account of coupon books was kept in DRDAs. In Dehradun district alone as many as 21250 coupon books were found to be in duplicate. Test check carried out in three districts (Pauri, Tehri and Dehradun) also revealed that 10254 coupon books were found missing as shown in the chart below:



Thus the possibility of misuse of these duplicate and missing coupon books and food grains reaching other than the beneficiaries cannot be ruled out.

Instances of short and delayed distribution of food grains defeated the intended purpose of the scheme to protect the real wages of workers and ensure food security for rural poor. Besides, duplicate and missing coupon books may result in their possible misuse for lifting food grains from FPS for selling it in the open market at higher rates. The discrepancies in the quantity of food grains lifted as reported by different Government agencies like DRDAs, FCI show slackness in monitoring and corroborates the above observation. The reply from Government is awaited (December 2006).

Planning and Execution of Works

3.3.8.17 Creation of low priority community assets

Besides generation of additional wage employment, the scheme aimed at creation of productive community assets that are socially and economically beneficial for sustainable livelihood in rural areas. The SGRY guidelines illustrated the nature of assets, which were to be created at the District, Kshetriya and Gram Panchayat levels. At the District and Kshetriya Panchayat levels, priority was to be given to soil and moisture conservation, minor irrigation and such other works as were useful for watershed development. At the Village Panchayat level, community assets such as work sheds for SGSY beneficiaries, infrastructure for agriculture activities, desiltation and renovation of traditional village tanks were to be created on priority basis. The State Government also, in compliance with the guidelines issued (June 2003), emphasised that 50 per cent of the SGRY funds would be utilized for watershed development by the implementing agencies at all levels.

Test check however, revealed that the implementing agencies in disregard of the guidelines and State Government orders, incurred a major part of expenditure on construction of roads and dwelling units. It was also noticed that in the test-

checked districts, out of a total expenditure of Rs. 150.17 crore on creation of community assets, Rs.25.33 crore only (16.87 per cent) was earmarked for watershed development. The component wise expenditure during 2001-02 to 2005-06 is detailed in the table given below:

Table-5

(Rupees in lakh)

District	Total Expenditure	Roads	Clusters	Schools	Health Centres	Work -shed	Housing units	Panchayat buildings/ Other works	Water-shed
Almora	3220.85	162.49	31.69	58.74	Nil	Nil	Nil	Nil / 2157.73	810.20
Haridwar	1568.30	1025.30	Nil	Nil	Nil	Nil	Nil	Nil/ 38.39	504.61
Tehri	4554.42	2085.24	41.45	162.34	Nil	Nil	1274.27	Nil/ 45.00	946.12
Pauri	4317.46	1595.04	94.09	26.94	1.51	95.44	467.20	79.81/ 1944.24	13.19
Dehradun	1356.43	457.96	Nil	5.47	Nil	1.36	19.28	Nil / 613.70	258.66
Total	15017.46	5326.03	167.23	253.49	1.51	96.80	1760.75	79.81/ 4799.06	2532.78

Source: MPRs & information collected from DRDAs

3.3.8.18 Standard design and estimates not prepared

In order to facilitate the technical scrutiny of works, authorities at the District Panchayat and DRDA levels were to prepare and approve standard design and cost estimates of those items of works, which were common in nature. Test check, however, revealed that none of the selected District Panchayats or DRDAs prepared standard designs and estimates. Thus uniformity in cost estimates of works of a common nature was not ensured.

Miscellaneous Points

3.3.8.19 Non disposal of empty Gunny bags

As per the scheme, the gunny bags in which the food grains were received for distribution under the programme were to be disposed of in accordance with the prescribed procedure in the State and the sale proceeds used for making payments towards the transportation cost/handling charges. The State Government, fixing the category wise cost of empty bags, issued instructions (June 2003) to dispose of the same at the district level by a committee headed by the Chief Development Officer. However revised instructions were issued (May 2005) whereby the empty gunny bags available during 2005-06 were to be left with grain dealers in lieu of margin money⁴.

⁴ Margin money is profit per quintal given to grain dealer.

Test check of records in the five selected districts revealed that in spite of Government instructions, the empty gunny bags were not disposed of during 2001-02 to 2004-05 resulting in loss of their realisable value which amounted to Rs. 1.27 crore. The details are given in the table below:

Table-6

Year	Food grains distributed (Quantity in quintal)	No. of empty gunny bags (50kgs each)	Rate per empty gunny bags assuming "C" category	Value of gunny bags (lakh of rupees)
2001-02	1780.00	3560	Rs.6.44	0.23
2002-03	214651.30	429303	Rs.6.44	27.65
2003-04	369645.09	739290	Rs.6.44	47.61
2004-05	399294.90	798590	Rs.6.44	51.42
Total	985371.29	1970743	Rs.6.44	126.91

Source: MPRs & information collected from DRDAs

3.3.8.20 Contributions by the Village community

With a view to ensure people's participation and the feeling of community ownership of public assets, the scheme stipulated that the village community should be encouraged to contribute either in cash or kind for the development of rural infrastructure. The scheme further emphasized that the PRIs may even raise additional resources through appropriate cess/tax.

However, it was found that neither such attempt was made by any of the PRIs in test checked districts nor any contribution from village community received.

Thus the objective of people's participation in creation of community assets could not be achieved.

Monitoring and Evaluation of the programme

3.3.8.21 Poor Inspection of works

For effective implementation of the programme, the State government was to ensure that the officers at the State, District and Block levels closely monitor all aspects of the programme through site visits to the interior areas. A schedule of inspection prescribing the minimum number of field visits for each supervising level functionary was to be drawn up by the State Government and strictly adhered to. In compliance with the Central guidelines, the State Government fixed the schedule of programme only in February 2005.

Test check however, revealed that against the prescribed number of 14664 inspections, only 546 inspections (3.72 per cent) were carried out by the District level functionaries viz. Chief Development Officer, District Development Officer and Project Directors of DRDAs in five selected districts. Number of inspections carried out at Department and State level was not available in test checked districts.

Thus the desired level of monitoring of the effective implementation of the programme was not achieved resulting in irregularities mentioned in the review.

3.3.8.22 *Non-formation of Monitoring Committee at Grass root level*

As per the guidelines of the scheme, for every work sanctioned by the District, Kshetriya and Village Panchayats, a monitoring committee was to be constituted to closely monitor the progress and quality of the work. The committees were to have five to nine members to be nominated from amongst the social workers, retired educated persons including SC/STs and a women's representative. To select the members and convener of the committee, a meeting of the local beneficiaries was to be convened. The guidelines further envisaged that without the formation of the monitoring committee, the work could not be started.

Test check of 243 Gram Panchayats in 25 Kshetriya Panchayats of five selected districts⁵ revealed that with a few exceptions, monitoring committees had not been formed in any of the Gram Panchayats, yet works had been taken up and completed.

Thus transparency in execution and quality of the work was not ensured.

3.3.9 Conclusion

The main component of the scheme was wage employment to rural poor and creation of community productive assets. However, little priority was given to community assets. Road and brick soling works received undue priority over watershed management, minor irrigation, soil conservation etc. Thus the aim of development of self sustaining community assets as well as community involvement was defeated.

Weekly wages were not paid to the labourers weekly and lifting and distribution of food grains was neither satisfactory nor monitored properly.

Prescribed inspections by District and State functionaries for ensuring success of the scheme and that benefits reach the targeted community were not carried out.

There was also no transparency in selection and ensuring quality of works. No action was taken from time to time to review the progress of the scheme to identify problem areas for timely remedial action.

3.3.10 Recommendations

- The State Government should release its matching share within 15 days of the Central release for success of the scheme.
- Rush of expenditure towards the close of the year should be avoided and funds evenly distributed during the financial year.

⁵ Almora, Haridwar, Pauri, Tehri and Dehradun.

- While formulating the annual action plan at District and Kshetriya Panchayat level, priority should be given to soil and moisture conservation, minor irrigation, augmentation of ground water, traditional water harvesting structures and desiltation of village ponds.
- Standard designs and cost estimates should be prepared by the authorities at the District Panchayats and DRDAs to ensure economy and uniformity.
- The annual allocations for women, Scheduled Caste and Scheduled Tribe families and employment generation should be maintained for all three tiers of PRIs.
- Community involvement in projects and their future maintenance has to be emphasized.
- The State Government should effectively and regularly monitor progress reports on expenditure, mandays generation and distribution of food grains received from the DRDAs. Remedial action should then be prescribed. Prescribed monitoring of physical progress through field inspections at all levels should be done to ensure the desired outcome of the programme.
- State Government should also ensure that the targeted community is aware of the Right to Information Act.

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.4 FOOD SECURITY, SUBSIDY AND MANAGEMENT OF FOODGRAINS

3.4.1 Highlights

In accordance with the Central Government's food management strategy, the Government of Uttaranchal has undertaken to procure and distribute foodgrains to the targeted population through Public Distribution System (PDS) to provide food security and pay remunerative prices to the farmers. A review of the scheme revealed that on account of inordinate delay in finalisation of its accounts and their submission to the GOI, the Government suffered losses of subsidy claims and a large quantity of foodgrains was siphoned off from the distribution chain.

- *Due to non-submission of final accounts GOI did not release subsidy of Rs. 44.09 crore.*

[Paragraph: 3.4.8.2]

- *Subsidy of Rs. 5.40 crore lapsed, as prior approval for purchase of Custom Mill Rice through decentralized purchase scheme was not obtained.*

[Paragraph 3.4.8.3]

- *Foodgrains valuing Rs. 1.58 crore were distributed against duplicate ration cards.*

[Paragraph 3.4.10.3]

- *Government suffered a loss Rs. 94.89 lakh due to unauthorized distribution of rice under the Annapurna Scheme.*

[Paragraph 3.4.10.5]

- *There was wastage of foodgrains worth Rs. 71.15 lakh due to lack of monitoring.*

[Paragraph 3.4.10.6]

- *Foodgrains valuing Rs. 63.93 lakh were embezzled by store-in-charge.*

[Paragraph 3.4.10.7]

- *180 computers procured for monitoring the TPDS and various operations of the Department were lying idle due to non-supply of electricity.*

[Paragraph 3.4.11.2]

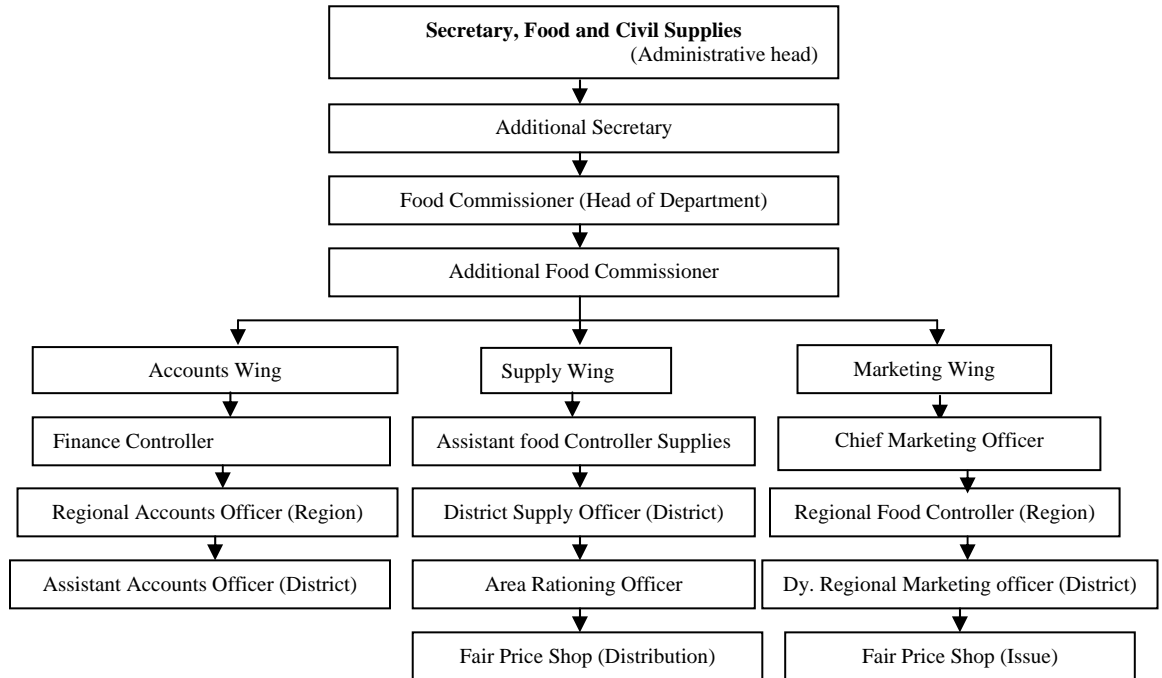
3.4.2 Introduction

The GOI's food management strategy involves procurement of foodgrains from the farmers at a Minimum Support Price (MSP), allocation of foodgrains so procured amongst States for distribution to the targeted population at subsidized Central Issue Price (CIP) under Public Distribution System (PDS) and Targeted Public Distribution System (TPDS) through Fair Price Shops (FPS). In order to make the TPDS more focused and targeted towards the poorest of the poor, the GOI launched (December 2000) Antodaya Anna Yojana (AAY) aimed at reducing hunger among the poorest segment of population by providing them foodgrains at a highly subsidized rate. Since the CIP of the foodgrains is lower than its Economic Cost (EC), the GOI provides subsidy to the agencies involved in execution of the food management strategy.

Procurement of foodgrains within the State serves the twin objectives of providing price security to the growers and food security to the people in addition to reducing the subsidy burden of the Central Government on account of cost of transporting foodgrains from outside the State.

3.4.3 Organisational set-up

Foodgrain management is done by the Food and Civil Supplies Department in the State. The organizational set-up of this Department is as depicted in the Chart on the next page:



3.4.4 Scope of Audit

A performance review of the operations of the Food and Civil Supplies Department with regard to its implementation of food security, subsidy and management of foodgrains during the period 2001-2006 was carried out in March-July 2006. The review included a test-check of records in the Offices of the Commissioner, Food and Civil Supplies, Dehradun, two Regional Food Controllers (RFCs) at Dehradun and Haldwani, 7 District Supply Officers (DSOs) out of 13 and 5 DRDAs out of 13. Besides, 10 per cent of Fair Price Shops (FPS) of each selected district were test checked.

3.4.5 Audit Objectives

The objectives of the performance audit were to assess whether:

- the system of procurement by the State was efficient;
- identification of beneficiaries and delivery to the target group was effective;
- the distribution system ensured that the people had access to foodgrains and actually got it when needed;
- there were leakages, diversion and pilferage of foodgrains, transportation bottlenecks etc. and
- the monitoring mechanism was effective.

3.4.6 Audit Criteria

The criteria for assessing the audit objectives were as follows:

- Guidelines of the Central Government relating to identification of beneficiaries;

- Procedures prescribed for procurement and distribution of foodgrains;
- Central Government norms for refund of subsidy to the State Government;
- Scale of issue of foodgrains prescribed by the Government of India;
- Government instructions on quality of food grains; and
- Norms for computerization in the Department.

3.4.7 Audit Methodology

Before commencing audit, discussions were held in March 2006 with the Secretary, Food and Civil Supplies Department in an entry conference and audit scope, objectives and criteria were discussed. Districts, and FPSs within them were selected using statistical sampling techniques. Test check of the records relating to the implementation of the scheme in the Offices of the Food Commissioner, RFCs and DSOs and replies furnished by them to audit memoranda and questionnaires were analysed to arrive at audit conclusions. The audit findings were discussed (December 2006) with the Secretary, Food and Civil Supplies Department and the views of the department have been incorporated in the review at appropriate places.

3.4.8 Audit Findings

Financial Management

3.4.8.1 Budget allotment and Expenditure

Table below indicates the budget provisions and expenditure incurred for implementation of TPDS and subsidy due, received and balance from the GOI for TPDS during 2001-2006.

Table-1

(Rupees in crore)

Financial Year	Allotment	Expenditure	Savings (-)	Subsidy		
				Due	Received	Balance
1	2	3	4	5	6	7
2001-02	277.06	276.73	(-) 0.33	11.23	10.01	1.22
2002-03	288.39	285.14	(-)3.25	73.15	64.79	8.36
2003-04	231.99	231.02	(-)0.97	36.03	29.61	6.42
2004-05	265.02	264.44	(-)0.58	108.68	92.73	15.95
2005-06	220.47	210.80	(-)9.67	123.70	111.56	12.14
Total	1282.93	1268.13	(-)14.80	352.79	308.70	44.09

Source: - Budget documents and records of F & S Department

Out of total budget allocation of Rs. 1,282.93 crore under TPDS during 2001-06, Rs. 1,268.13 crore were spent by the Department resulting in unutilized funds of Rs.14.80 crore.

Failure of the Department in procurement of targeted quantity of foodgrains during 2005-06 was the main reason for non-utilization of allotted funds (Rs.9.67 crore during 2005-06).

3.4.8.2 Non finalization of subsidy claims and subsidy recoverable

Since the CIP for distribution of food grains to the targeted population is lower than the cost of procurement and handling i.e. EC, the GOI provides subsidy to the agencies responsible for handling, storage, retention and distribution of the food grains.

As per provisions of the DCP scheme, the GOI reimburses 90 *per cent* of the subsidy if the claim is preferred on the basis of off take only. It however, reimburses an additional 5 *per cent* i.e. 95 *per cent* of the subsidy claim if the claim is preferred on the basis of actual distribution and is accompanied by the utilization certificates. The balance subsidy is released on receipt of final audited accounts which are to be submitted by the concerned State/UT within six months of the close of the respective marketing season. In case of default in submission of final audited accounts, 5 *per cent* additional subsidy released over 90 *per cent* is withheld and released only on receipt of the documents from the State/UT concerned.

It was noticed in Audit that subsidy amounting to Rs. 308.70 crore received from the GOI during 2000-01 to 2005-06 was provisional as final audited accounts were not submitted to the GOI since the formation of the State. As a result, a sum of Rs. 44.09 crore towards subsidy for the years from 2000-01 to 2005-06 was yet to be realized from the GOI thereby burdening the State exchequer.

The State Government replied (December 2006) that action would be taken against the audit firm, if profit and loss account is not finalized by 31 December 2006.

3.4.8.3 Lapsed subsidy

GOI prescribed a policy (October 2001) for the purchase of paddy under price support scheme for the Kharif Marketing Season (KMS) 2001-02. As per this policy, Custom Milled Rice (CMR) obtained from paddy purchased under the price support scheme would be delivered to Food Corporation of India (FCI) for central pool against credits received from the Reserve Bank of India (RBI) for kharif crop year 2001-2002. The above order did not provide for procurement of CMR for the State pool.

Prior approval for purchase of CMR through DCP scheme under State pool and its distribution was required to be obtained from the GOI and an MOU was to be signed with the GOI for the purpose. A proposal for fixation of EC was also to be submitted to the GOI accordingly.

Uttaranchal Government allowed (July 2002) the procurement of CMR in State pool up to 60 *per cent* of the total quantity of 25,790.284 MT of CMR obtained from paddy purchased under price support scheme during 2001-2002.

Subsidy from the GOI amounting to Rs. 5.40 crore on account of procurement of 10,374.523 MT CMR in state pool recovered from paddy procured under MSP

through DCP during 2001-02 and its distribution through TPDS to BPL could not be claimed because prior approval to this effect was not obtained from the GOI. Neither MOU was signed with the GOI nor a proposal for fixation of EC was submitted to the GOI. The entire subsidy amounting to Rs.5.40 crore had to be borne by the State Government.

The State Government replied (December 2006) that the GOI has been requested to accord *ex-post facto* sanction.

3.4.9.1 Procurement of foodgrains

Uttaranchal is one of the ten States, which has undertaken the responsibility of not only procuring food grains from within the State but also distributing the same to the targeted population under the PDS. In the State, Food Department, Co-operative Department, Agro-Units and FCI are the agencies involved in the procurement of food grains *viz.* wheat, paddy and levy rice. Under the scheme of DCP, the GOI determines the EC for each State as mentioned in **paragraph 3.4.2**. The difference between the EC, so fixed, and the CIP is passed on to the State as subsidy.

Quantity of paddy procured by different agencies against the targeted quantity of foodgrains during 2001-2006 is shown in the table below:

Table-2
Procurement of Paddy during Kharif Marketing Season 2001-2006 under MSP
(Quantity in MT)

Year	Target fixed	Quantity of paddy procured		Total quantity procured	Shortfall	Quantity of rice received from Paddy(67%)
		By Food Department	By Co-operative Department			
1	2	3	4	5	6 (Col. 2-5)	7
2001-02	-	28,081.890	11,177.236	39,259.126	-	26,303.614
2002-03	1,20,000	12,702.450	6,783.574	19,486.024	1,00,513.976 (84%)	13,055.998
2003-04	50,000	6,548.910	696.550	7,245.460	42,754.540 (86%)	4,854.440
2004-05	50,000	6,536.258	4,882.344	11,418.602	38,581.398 (77%)	7,650.463
2005-06	50,000	8,633.355	9,101.400	17,734.755	32,265.245 (65%)	11,874.230
Total	2,70,000	62,505.863	32,645.104	95,148.967	2,14,115.159 (79%)	63,745.745

Source: Departmental figures

Scrutiny of procurement records revealed that during 2002-06, there was 79 per cent shortfall in procurement of paddy against the targets fixed.

Table-3

Procurement of levy rice during Kharif Marketing Season 2001-2006

(Quantity in MT)

Year	Target Fixed			Total quantity of levy Rice procured	Shortfall (Col. 4-5)	Quantity delivered to State pool and Central pool against procurement	
	For State pool	For Central pool	Total target			State pool	FCI
1	2	3	4	5	6	7	8
2001-02	-	-	-	2,09,939.000	-	-	2,09,939.000
2002-03	-	-	2,50,000	2,19,054.746	30,945.254(12%)	1,04,106.746	1,14,948.000
2003-04	1,32,000	2,68,000	4,00,000	3,23,695.775	76,304.225(19%)	1,26,520.525	1,97,175.250
2004-05	1,35,000	2,65,000	4,00,000	3,08,370.747	91,629.213(23%)	1,22,261.747	1,86,109.000
2005-06	1,40,000	3,10,000	4,50,000	3,24,654.000	1,25,346.000(28%)	12,483.000	1,98,171.000
Total	4,07,000	8,43,000	15,00,000	13,85,719.268	3,24,224.692(22%)	3,65,372.018	9,06,350.25

Source: Departmental figures

During 2002-06 there was a shortfall of 22 *per cent* in the procurement of levy rice from the rice millers. Levy rice was procured from the rice millers on completely voluntary basis, which was the main reason for shortfall in procurement of levy rice against the target fixed.

Table-4

Procurement of wheat during Rabi Marketing Seasons 2001-2006 under MSP

(Quantity in MT)

Year	Target Fixed			Quantity delivered to State pool and Central pool against procurement		Total quantity of Wheat procured (Col. 5 +6)	Shortfall (Col. 4-7)
	For State pool	For Central pool	Total target	State pool	FCI		
1	2	3	4	5	6	7	8
2001-02	-	-	-	-	1,39,715.900	1,39,715.900	-
2002-03	-	-	1,68,000	-	1,83,845.700	1,83,845.700	-
2003-04	-	4,00,000	4,00,000	-	66,527.550	66,527.550	3,33,472.450(83%)
2004-05	85,000	1,15,000	2,00,000	23,805.721	30,223.429	54,029.150	1,45,970.850(73%)
2005-06	1,00,000	1,00,000	2,00,000	20,197.390	20,280.184	40,477.574	1,59,522.426(80%)
Total	1,85,000	615,000	9,68,000	44,003.111	4,40,598.763	4,84,602.874	6,38,965.726(80%)

Source: Departmental figures

Scrutiny of records revealed a sizeable shortfall of 80 *per cent* in the procurement of wheat during 2003-2006. Higher rates of wheat in open market than MSP was the main reason for shortfall in procurement of wheat. The farmers preferred to sell their produce in the open market instead of to the procurement agencies.

3.4.9.2 Blocking of funds on incomplete godowns

An expenditure of Rs.1.94 crore was incurred during 2001-02 to 2005-06 on the construction of 113 godowns which were lying incomplete. An expenditure of Rs.29.67 lakh (Garhwal region only) incurred on the rent of godowns hired during the period could have been avoided had the godowns been constructed on time.

The State Government replied (December 2006) that the work is in progress and will be completed by March 2007.

Thus due to delay in completing construction of godowns, the Department besides paying avoidable rent amounting to Rs. 33.60 lakh upto November 2006, will also incur extra cost due to escalation in cost of construction.

3.4.9.3 Losses in storage and transit

As per norms laid down by the GOI, transit and storage loss at the rate of 0.5 per cent of acquisition cost was permissible for arriving at the EC in respect of Uttaranchal.

During the period from 2000-01 to 2005-06, the State had to bear storage and transit losses of Rs. 1.42 crore incurred over and above the permissible limit of 0.5 per cent.

It was stated by the State Government (December 2006) that natural losses will be written off and other losses will be recovered from the responsible officials. However, loss proposed to be written off and recovered was not intimated.

3.4.9.4 Losses in RFC Garhwal Region

Net losses of Rs. 9.27 crore and Rs. 19.06 crore were shown in the balance sheets of Regional Food Controller (RFC), Garhwal region for the years 2000-01 and 2001-02 respectively. The main reason for losses was that while the GOI allowed transportation and handling charges at the rate of Rs. 27.75/qtl, the actual average charges on this account amounted to Rs. 85.00/qtl. Losses for the year 2002-03 onwards could not be ascertained because the Annual Accounts were yet to be finalized. No steps were taken by the Department to minimize these losses by claiming hill transport subsidy admissible to the State from GOI.

The State Government replied (December 2006) that proposal for hill transport subsidy will be sent to GOI. The reply is not tenable, as the matter was not taken up seriously, since the formation of the State.

3.4.9.5 Outstanding advances on account of supply of gunny bags

Advances paid to firms and individuals for supply of materials and store items should be adjusted upon receipt of materials/rendition of accounts/cash refund/recovery, at the close of each year after ensuring satisfactory supply, stock entry and installation certificates etc.

Out of Rs. 29.52 crore advanced to the Director General, Supplies & Disposal (DGS&D), Kolkata for supply of jute bags during 2000-01 to 2003-04, Rs. 28.65 crore was adjusted against material supplied, leaving a balance of Rs. 0.87 crore as on 31 March 2006.

The State Government replied (December 2006) that it is in correspondence with DGS&D Kolkata. The reply is not convincing, as the matter was pending since 2003-04.

3.4.10 Distribution of foodgrains

3.4.10.1 Identification of BPL beneficiaries

Uttaranchal Government had identified 4,16,925 Below Poverty Line (BPL) families in accordance with the provisions contained in the guidelines for BPL census 1997 as BPL census 2002 was not finalized in view of writ petition No. 196 of 2001 in the Hon'ble Supreme Court.

BPL families are provided 35 kg food grains per family per month at subsidised rates of Rs. 6.15 /kg rice and Rs. 4.65/ kg wheat.

3.4.10.2 Identification of AAY beneficiaries

AAY was launched on 25 December 2000 to serve the poorest of the poor families in rural and urban areas. The identification of these families was to be carried out by the State Government from amongst the number of BPL families within the State to cover 15.33 per cent of BPL households. The scheme stipulated distribution of 35 kg food grains (24.5 kg rice+10.5 kg wheat) per month per ration card at the rate of Rs. 2 per kg wheat and Rs. 3 per kg rice.

3.4.10.3 Distribution of foodgrains against duplicate ration cards

Table-5 gives the details of ration cards issued under different schemes of the State Government.

Table-5

Year	APL*	BPL	AAY
2001-02	17,31,362	4,16,925	-
2002-03	16,84,933	4,21,700	76,300
2003-04	16,86,630	4,21,680	76,300
2004-05	16,96,430	4,12,771	78,246
2005-06	17,29,149	4,10,551	78,246

* Above Poverty line.

Scrutiny of records revealed that 76,300 ration cards under AAY scheme were to be issued during 2001-02 as the scheme was started w.e.f. December 2000. As these ration cards were issued during 2002-2003, 76,300 families were deprived of the benefits of the scheme during 2001-02.

Out of 27,675 BPL families, 7,686 families were identified as AAY families in the year 2003-04 in Pauri district. These were not deleted from the BPL list till April 2005. Thus distribution of food grains against 1,946 ration cards continued in BPL list along with AAY list for two years, which resulted in distribution of food grains (5,721.24 qtl rice+2,951.96 qtl wheat) valuing Rs.1.58 crore against 1,946 duplicate ration cards.

The Government stated (December 2006) that it would ascertain the circumstances that led to duplicate ration cards with District Supply Officer Pauri.

3.4.10.4 Shortfall/excess in lifting and distribution of foodgrains

Scrutiny of records related to allocation, lifting and distribution of foodgrains for the year 2001-2006 revealed that there was sizeable shortfall in distribution with reference to lifting in APL category as mentioned in the table below. Excess quantity of wheat and rice was distributed vis-à-vis the quantity lifted under BPL category during the year 2002-03, 2003-04, 2004-05 and 2005-06 and under AAY category during the year 2001-02, 2002-03 and 2003-04. Similarly, excess quantity of rice was distributed vis-à-vis the quantity lifted under APL category during the year 2001-02, 2002-03 and 2003-04. This happened due to distribution of balance stocks of foodgrains of previous years.

Table - 6

(Quantity in MT)

BPL						
	Wheat			Rice		
	Allocation	Lifting	Distribution	Allocation	Lifting	Distribution
2001-02	56,719.95	32,010.89	NA	1,04,690.55	52,564.378	NA
2002-03	61,574.65	48,301.355	52,179.39*	1,10,490.85	81,021.622	84,504.20*
2003-04	63,600	39,159.81	59392.15*	1,13,520	79,921.912	94,510.14*
2004-05	63,600	60,666.256	62,637.945 *	1,13,520	1,14,333.316	1,12,487.4745
2005-06	56,624	56,133.966	57,731.1681*	1,09,800	1,05,918.292	1,10,322.3828*
AAY						
	Wheat			Rice		
	Allocation	Lifting	Distribution	Allocation	Lifting	Distribution
2001-02	3,990	2,741.302	5,155.46	9,366	7,185.877	5,641.50
2002-03	9,585.45	8,193.242	9188.01	22,465.05	20,325.538	19,210.71
2003-04	9,576	9,151.082	9552.36	22,476.00	20,382.785	21,664.26
2004-05	9,576	9,748.074	9,560.2393	22,476.00	22,488.003	21,632.105
2005-06	12,768	11,767.8557	11,277.2233	29,980.00	27,148.8833	26,119.2944
APL						
	Wheat			Rice		
	Allocation	Lifting	Distribution	Allocation	Lifting	Distribution
2001-02	1,29,290	2,688.449	2,600.176	65,282	144.776	1,695.37 *
2002-03	2,21,640	7,417.384	7,381.674	1,11,912	826.276	9,37.636 *
2003-04	2,21,640	17,415.815	16,664.766	1,11,912	1,716.19	1,762.579 *
2004-05	2,21,640	11,664.51	11,222.23	1,11,912	6,571.891	5,662.071
2005-06	1,40,592	2,024.509	25,835.114	1,92,960	16,417.532	14,119.005

Source: Departmental figures

* Excess distribution and lifting.

3.4.10.5 Unauthorized distribution of rice under Annapurna scheme

The Annapurna Scheme was launched by the Ministry of Rural Development, GOI in 2000-2001. Indigent senior citizens of 65 years of age or above who though eligible for old age pension under the National Old Age Pension Scheme (NOAPS) but are not getting the pension, are covered under the Scheme. 10 kgs of foodgrains per person per month are supplied free of cost to the beneficiaries under the scheme.

MOU was signed between the GOI and the State under DCP for distribution of levy rice/CMR to APL/BPL/AAY categories in accordance with Government

Order dated 29.10.2002. Rice for distribution under the Annapurna scheme of the GOI was to be purchased from FCI only and not from the State pool.

Contrary to the above, Government of Uttaranchal *vide* its order dated 4.1.2003 allowed the procurement of levy rice/CMR worth Rs. 94.89 lakh (8936.45 qtl) under the State pool for the Annapurna Scheme beneficiaries.

As this was not covered under the MOU signed with GOI no subsidy was paid by the GOI. Thus Government of Uttaranchal sustained a loss of Rs.94.89 lakh on purchase of rice for the Annapurna Scheme.

Government while accepting the audit observation (December 2006) stated that the rice was distributed to the beneficiaries out of State Pool by mistake.

3.4.10.6 Wastage of food grains due to lack of monitoring system

Monthly progress reports (MPRs) of stock contain details of receipt of foodgrains at interior godowns and issue of the same to FPS. Release of foodgrains to interior godowns was to be based on balances lying in the godowns.

Scrutiny of records revealed that foodgrains under APL category in various interior godowns were not lifted by the FPSs because market rates were lower than APL rates. The Department continued to release the foodgrains without taking into account the balances lying under APL category. This resulted in 9797.89 qtl food grains valuing Rs. 71.15 lakh becoming unfit for consumption in interior godowns¹.

Government stated (December 2006) that it would ascertain from the Regional Food Controllers of Garhwal and Kumaon regions the circumstances under which foodgrains became unfit for human consumption.

3.4.10.7 Foodgrains valuing Rs. 63.93 lakh embezzled by store-in-charge² in Bageshwar district

The PDS scheme envisaged that allotted quantity of food grains is transported from rail head/base godowns to interior godowns of the Department for distribution to beneficiaries of the scheme. Transported quantity and number of bags are recorded in Transport Delivery Receipt (TDR). Store-in-charge of interior godowns maintains records of receipt and issue of food grains alongwith cash deposits by retailers. Monthly returns are submitted to the concerned DSO & Regional Accounts Officer. Annual physical verification and periodical inspection are carried out to check the leakage and misappropriation of stock.

The Internal Audit of the Department, during the scrutiny (September/October 2004) of the records of DSO, Bageshwar noticed misappropriation of food grains to the tune of Rs.63.93 lakh committed by Store-in-charge of various godowns in the district as detailed in **Table-7**.

¹ Chamoli, Pauri, Rudraprayag, Bageshwar, Pithoragarh.

² Late Sri Balam Singh Thapa, Clerk, was store-in-charge of departmental godown at Bharai, Baghar, Karmi, Sharan and Urgia.

Table-7

(Amount in Rupees)

Name of godowns	Value of foodgrains misappropriated	Amount short deposited by retailers	Total Amount misappropriated
Bharari	21,93,641.36	1,09,750.70	23,03,392.06
Baghar	25,03,788.38	92,252.57	25,96,040.95
Karmi	5,808.00	64,143.28	69,951.28
Sharan	13,52,622.54	16,518.30	13,69,140.84
Urgia	17,326.60	37,590.02	54,916.62
Total	60,73,186.88	3,20,254.87	63,93,441.75

A case was filed in district court Bageshwar under IPC which is pending in the court due to death of the store-in-charge (November 2003). The case has been referred to CBCID for enquiry.

Scrutiny of the case revealed that shortage of staff, non-submission of returns and lack of physical verification and periodical inspection facilitated the misappropriation.

The Government stated (December 2006) that action will be taken as soon as CBCID inquiry is completed.

3.4.10.8 Non disposal of unserviceable bags

Government orders provide for the constitution of an advisory committee for disposal of unserviceable gunny bags of all centres in the region through auction.

Scrutiny of records (July 2006) of RFC, Haldwani revealed that 2,55,922 unserviceable bags were lying in Nainital, Champawat and Udham Singh Nagar districts which were due for disposal and whose storage was causing problems. Non disposal of these bags involves blocking of Rs. 7.68 lakh worked out at the rate of Rs. 3 per bag at which these had been disposed off (June 2000) in Kashipur.

The Government stated (December 2006) that the instructions are being issued for disposal of the unserviceable bags and condemned items.

3.4.10.9 Distribution of foodgrains at higher rates

As per instructions of the GOI the end retail price per kg at FPS level was to be fixed at a rate not more than 50 paise over the CIP for BPL population. In case of APL, retail price was to be fixed by limiting the margin to the actual expenses incurred. In respect of AAY, the end retail price was to be retained at CIP viz. Rs. 2 per kg for wheat and Rs. 3 per kg for rice.

Scrutiny of records of RFC Kumaun Region (June 2006) revealed that foodgrains were provided to the BPL population at a rate higher than the maximum permissible price of Rs. 4.65/kg for wheat and Rs. 6.15/kg for rice since 2000-01 as shown in the table for test checked centres:

Table-8

Rates charged from BPL beneficiaries (in Rs.)					
District	Centres	Wheat		Rice	
		Minimum	Maximum	Minimum	Maximum
Pithoragarh	Pangla	4.77	5.25	6.38	6.86
	Dharchula	4.77	6.13	6.38	7.74
	Berinag	4.77	5.50	6.38	7.11
	Gurna	4.77	5.83	6.38	7.44
	Moonakot	4.77	5.80	6.38	-
	Tejum	4.77	6.25	6.38	7.76
	Tawaghat	4.77	4.86	6.38	6.47
	Pangoon	4.77	5.05	6.38	6.66
	Dantoo	4.77	5.77	6.38	7.38
	Gangolihat	4.77	6.41	6.38	8.02
	Pithoragarh	4.77	6.53	6.34	8.10
	Champawat	Lohaghat	4.65	6.09	6.25
Barakot		-	4.91	-	6.41
Manch		-	5.55	-	7.15
Takli		-	6.15	-	7.75
Bageshwar	Garun	4.75	5.75	-	-

In reply, it was stated by the Government (December 2006) that clarification would be obtained from the District Magistrate concerned and action would be taken accordingly.

3.4.11 Internal Control System

3.4.11.1 No quality check done for stock of foodgrains

The Department established two laboratories in Garhwal and Kumaun regions since the formation of the State, to ensure quality of foodgrains under PDS.

Scrutiny of records of RFC, Kumaun region (June 2006) revealed that out of 16 centres, 15 centres had not sent samples of rice to the regional laboratory till 22 January 2006 in respect of purchase made during KMS 2005-2006. It was noted in audit that chemicals viz. methylene, hydrochloric acid and distilled water etc and instruments viz. Petri dish and hygrometers, required to be used in laboratory were not available in the laboratories. This indicates that the laboratories were not geared to conduct the required test. Hence the quality of food grain distributed could not be vouchsafed.

On this being pointed out, the Government stated (December 2006) that instructions would be issued to RFC concerned to ascertain the availability of equipments and maintain the quality of foodgrains.

3.4.11.2 Monitoring and Evaluation

Financial assistance was provided by the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, GOI, to State Governments/UTs under the Central Plan scheme "Training, Research and Monitoring" for organizing training courses on public distribution system and for the purchase of computers for linking the Directorates of Food and Civil Supplies of the States/UTs with the NIC network.

Audit scrutiny revealed that 180 computers valuing Rs.86.29 lakh, out of 243 computers installed under the scheme, were lying idle (May 2006) due to non-supply of electricity resulting in lack of training and non-transmission of State level reports for monitoring of TPDS through NIC-NET to the Central Government.

In reply it was stated by the Government (December 2006) that idle computers will be transferred to other departments as per their requirement.

3.4.12 Conclusion

Government did not finalize its accounts relating to lifting and distribution of foodgrains which led to the non-receipt of subsidy (Rs.44.09 crore). The State procured CMR without prior approval of the Government of India leading to lapsed subsidy. Government suffered heavy losses (Rs.5.40 crore) on account of difference in handling charges incurred and those compensated by the Government of India (Rs.85/qtl and Rs.27.75/qtl). Government failure to computerize various operations of the Department through NIC Net resulted in ineffective monitoring mechanism. Large scale losses, wastage, misappropriation and theft of foodgrains defeated the purpose of the scheme. Foodgrains were provided to the BPL population at a higher rate than the maximum permissible price. No action was taken from time to time to review the efficacy of implementation of the scheme to identify problem areas and prioritising remedial action.

3.4.13 Recommendations

- Government should ensure timely finalization of annual accounts to settle the pending subsidy claims.
- Computerization and office automation of the Department should be completed expeditiously for an effective on line monitoring of TPDS.
- Steps should be taken to reduce dependence on Central pool for foodgrains requirements for PDS and other welfare schemes.
- Government should strictly follow 'first in first out' (FIFO) method for issue of foodgrains from stores and accord priority for lifting of foodgrains lying in open storage.
- The distribution channel of food grains from base godowns to actual distribution point needs inbuilt controls such as periodical reconciliation, linking between the source and destination, supply with actual lifting etc.
- Government should adopt effective quality control, for rice and wheat procured for Central and State pools and also activate the test laboratories.
- Steps should be taken to obtain Hill Transport Subsidy (HTS) from the GOI.
- Annual verification of ration cards under APL, BPL and AAY should be done periodically.