

REPORT

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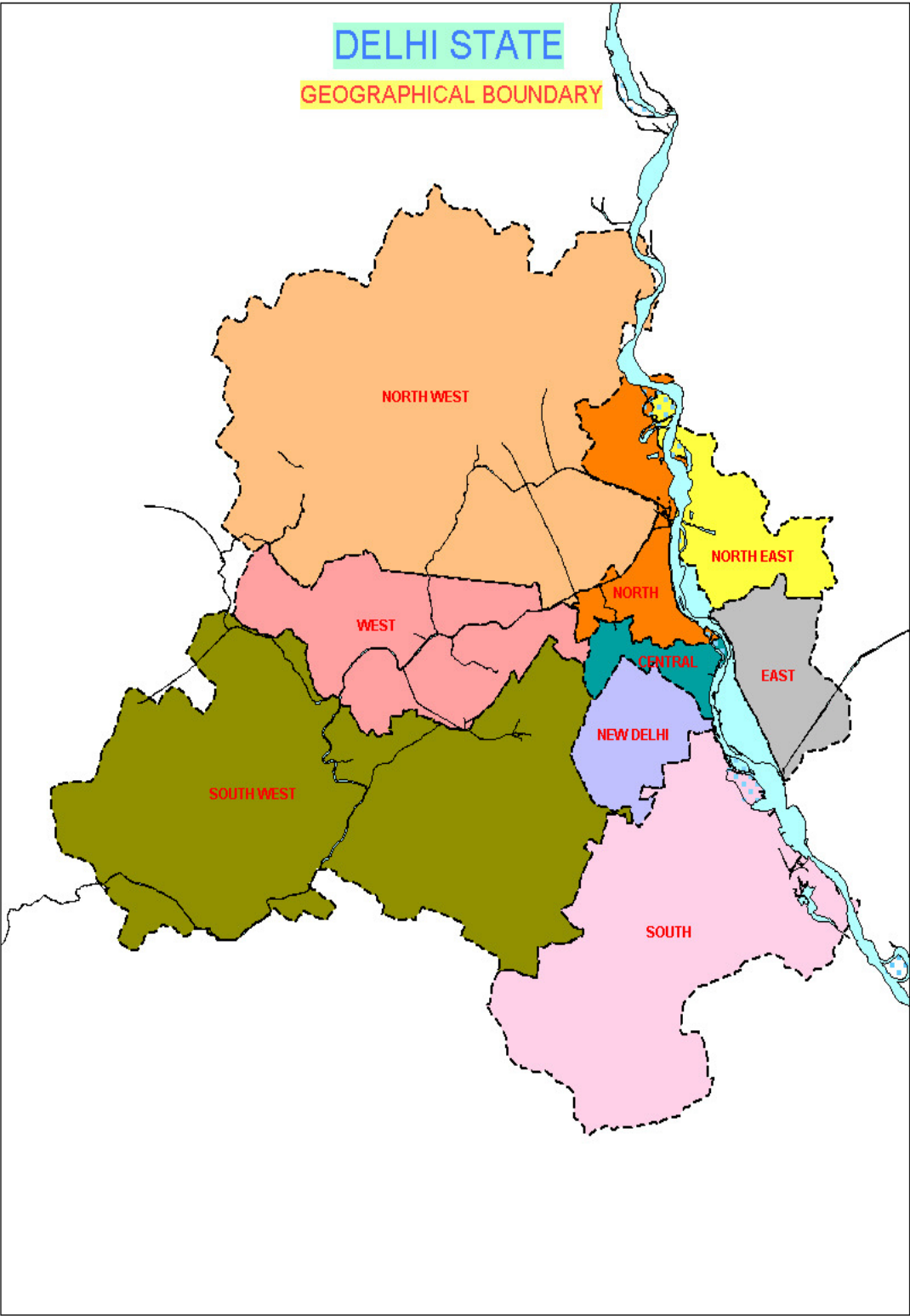
**MONITORING OF THE
FINANCIAL MANAGEMENT AND
PROCUREMENT RELATING TO
SARVA SHIKSHA ABHIYAN IN
DELHI**

SPONSORED BY

**MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPTT. OF ELEMENTARY EDUCATION & LITERACY)
GOVERNMENT OF INDIA**

**INSTITUTE OF PUBLIC AUDITORS OF INDIA
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ABBREVIATIONS

AIE	Alternative and Innovative Education
AWP&B	Annual Work Plan and Budget
BRC	Block Resource Centre
BSA	Basic Shiksha Adhikari
CRC	Cluster Resource Centre
DIET	District Institute of Education and Training
DPEP	District Primary Education Programme
DPO	District Project Office
EC	Executive Committee
ECCE	Early Childhood Care and Education
EGS	Education Guarantee Scheme
EMIS	Education Management Information System
IED	Integrated Education for Disabled
MCDA	Modern Cluster Development Approach
NCTE	National Council of Teacher Education
NPEGEL	National Programme of Education for Girls at Elementary Level
PAB	Project Approval Board
PMIS	Project Management Information System
PS	Primary School
PTR	People Teacher Ratio
SCERT	State Council of Education Research and Training
SIEMAT	State Institute of Education Management and Training
SMIS	State Management Information System
SIS	State Implementation Society
SPD	State Project Director
SPO	State Project Office
TLE	Teacher Learning Equipment
UCRC	Urban Cluster Resource Centre
UPS	Upper Primary Schools
VEC	Village Education Committee

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NEW INITIATIVES IN ELEMENTARY EDUCATION IN DELHI STATE

Some of the new initiatives and interventions designed/ planned in the field of elementary education in Delhi State in the last two years are as follows:

1. Teaching through CALTOONZ

UEE Mission has developed the course material for upper primary classes for helping the learners in overcoming their weaknesses by learning through CALTOONZ, a programme based on computer animation. The aim of the programme is to check the dropout rate of children by making the learning process more interesting and attractive in the Government schools.

2. YUVA – An Innovative Programme

UEE Mission has launched a new innovative programme for making learning joyful experience. The resource material has been developed for master trainers and teachers and they have been oriented in its usage for the classroom interventions. The Aim is to take life skill education and other related issues to the classrooms.

3. BaLA concepts

Every child needs a harmonious environment for personally development. However, the buildings of the schools of the Delhi Government are neither child-centric nor child-friendly. Realising this, it has been decided by Education Department that all the school buildings will be suitably developed with architectural designs in such a way that building itself acts as a learning aid. New school building at Savda Ghevra site has been designed as Building As Learning Aid (BaLA).

4. Dakhila Abhiyan and Automatic Admission

To facilitate the admission in the primary and the upper primary schools, schemes of automatic admission from class V to VI and online admission in schools of Directorate of Education, special campaign (Dakhila Abhiyan) was launched.

5. Student Evaluation and Monitoring

Monday unit test and Continuous and Comprehensive Evolution Programme (CCEP) were initiated for improvement of achievement levels of learners from Class V to VIII and at higher levels.

Annual re-examination introduced to all those students who failed to get an opportunity to appear in an examination as part of CCE procedure.

The online school monitoring system alongwith attendance of teachers and students has been developed and implemented in all the schools of Directorate of Education.

6. Bridge-Course for Street Children

The Government of Delhi has launched a campaign called: A Campaign for the Education of all children and adolescent who live and work on the streets under SSA. The campaign, every child for education, nutrition, residential hostels, health care and protection of homeless children of Delhi is under the broad umbrella of *Bhagidari* and more specifically under the '*School Chale Hum*' campaign under the Government of Delhi.

One centre in Saria Basi with an NGO Centre for Equity Studies has been started in December 2006 for street children.

HIGHLIGHTS

Some of the important findings as a result of the study undertaken by IPAI were as under:

- (i) Sarva Shiksha Abhiyan was started in Delhi in the year 2003 i.e. two years after its launching in 2001 in other states.

(Para 2.3)

- (ii) Two meetings of the Governing Body were held during the last five years ending 2006-07 as against once in a year.

(Para 2.4)

- (iii) The UEEM had a shortage of staff at the state and the district level. Only a few persons were managing all the affairs.

(Para 2.5)

- (iv) Cluster Resource Centres (CRCs) and Urban Resource Centres (URCs) were not functional, as the department has to work out the staff requirement.

(Para 2.6)

- (v) The release of funds by the Centre and State Government was not according to the sharing pattern. The release of funds was substantially lower as compared to plan outlay.

(Para 3.3)

- (vi) Percentage of utilization of available resources ranged between 42 and 77 per cent during 2004-05 to 2006-07 which resulted in unspent balance of Rs.1489.95 lakh as on 31st March, 2007. Huge unspent amount indicates over-pitching of the outlay and tardy implementation of the programme.

(Para 3.4)

(vii) Central Government and State Government had never released funds timely.

(Para 3.5)

(viii) During March 2007, UEEM released funds to the Delhi Bureau of Text Books for printing of YUVA which was meant for TLM Grant was a case of diversion of funds.

(Para 3.7)

(ix) There was a delay of 4 to 7 months in submission of utilization certificates. No utilization certificate for the year 2006-07 has been issued so far.

(Para 3.8)

(x) Heavy advances are outstanding against SCERT, DSIDC, EdCIL etc. In some cases advances were returned without incurring any expenditure after a period of 4 to 19 months.

(Para 3.9)

(xi) Funds released to MCD for household census of Out of School Children during March 2007 have not been utilized for want of norms.

(Para 3.10(ii))

(xii) Executive Committee had not discussed budget before approval by Project Approval Board in the year 2004-05 and 2005-06.

(Para 4.1)

(xiii) Total percentage of expenditure ranged from 20 to 58 only during 2004-2007. Shortfall in expenditure varied from 32 to 100 per cent in respect of 7 interventions.

(Para 4.3)

(xiv) There was a delay of 15 months in construction of 553 porta cabins including one toilet room. Most of the porta cabins were lying unused and in bad shape. No infrastructure has been raised to run these cabins. Expenditure of Rs.19.15 crore on construction of porta cabins failed to achieve the objective for which they were constructed.

(Para 5.4)

- (xv) There was a delay of 7 months in construction of two new primary school buildings. However, full payment of Rs.140 lakh was released in March 2007 before completion of work. No penalty clause was incorporated.

(Para 5.5)

- (xvi) Maintenance grant for repair of school building was not utilized in full in any of the years from 2004-05 to 2006-07. Grants were released at the fag end of the year.

(Para 5.10)

- (xvii) Instructions of UEEM were not followed by the schools in procuring the furniture. There was a delay in procuring the furniture, and no uniform procedure for the same was followed by the schools even after the receipt of the directions from the higher authorities.

(Para 6.3)

- (xviii) An advance of Rs.7.11 crore was released to Ed.CIL for procurement of equipment and furniture for Early Childhood Care Educational Centres, CRCs/ URCs and Computer Aided learning from SSA fund. Though equipment was supplied, furniture costing about Rs.2 crore was not supplied.

(Para 6.5)

- (xix) Single entry system of accounts was followed and books and forms of accounts based on this system were maintained.

(Para 7.3)

- (x) Bank reconciliation has not been carried out periodically.

(Para 7.4)

(xxi) There was a delay in preparation of Annual Accounts, Audit of Chartered Accountants and submission of Audited Accounts along with Audit Report to the Executive Committee each year.

(Para 7.5)

(xxii) Physical verification of Fixed Assets had not been carried out.

(Para 7.7)

(xxiii) 46 NGOs have stopped working, thereby Kshetras and Learning Centres allotted to them remained unattended. Payments made to such NGOs proved wasteful.

(Para 8.2)

(xxiv) During the years 2004-05 to 2006-07 it was proposed to train 43,880, 48,265 and 58,139 teachers against which 13138, 17543 and 41572 were trained respectively. There was unspent balance of Rs.971.35 lakh against budget allotment of Rs.1897.62 lakh.

(Para 10.2)

(xxv) The progress of Integrated Education of Disabled Children was very slow.

(Para 11.3)

CHAPTER-1

INTRODUCTION

1.1 Delhi State

The National Capital Territory of Delhi (NCT of Delhi) is the capital of India and a metropolitan city. It was given a status of a state (without full-fledged character) by passing the National Capital Territory Act in Parliament in 1991, which came into force in 1993. The NCT of Delhi is divided into 9 Revenue Districts, 27 Tehsils and 165 villages. The villages are, however, more urban in character compared to many of the designated "Urban" areas of the rest of India. According to 2001 census, total population of Delhi was 1.38 crore (male: 76.07 lakh and female: 62.43 lakh) and literacy rate was 81.67 per-cent (male: 87.33 per-cent and female: 74.71 per-cent). Whereas the rural areas literacy rate was 78.05 per-cent (male 86.6 per-cent and female: 67.39 per-cent). Continuous migration from neighbouring states for employment, livelihood and education is also a special characteristic of Delhi. For the purpose of micro-planning, the area of Delhi was divided into small pockets designated as 'Kshetras a unit for planning and implementation of SSA. Total number of kshetras are 1812.

1.2 Sarva Shiksha Abhiyan

The Sarva Shiksha Abhiyan (SSA) was launched in 2000-01 (16 November 2000) across the country as a mission mode flagship programme of Government of India, Ministry of Human Resource Development (MHRD) with the primary objective of Universalization of Elementary Education (UEE) by community ownership of the school system. The SSA Programme is also to provide an opportunity for improving human capabilities to all children

through community owned quality education. It is also designed to assume all other major Governmental educational interventions and existing scheme of elementary education to converge after Ninth Five Year Plan.

1.3 Aims and Objectives

The SSA is to provide useful and relevant elementary education to all children in the age group of 6-14 by 2010. Other objectives of the SSA are to:

- Encompass all children in schools, Education Guarantee Centres, Alternative Schools, Back-to-School Camps by 2003.
- Enable all children to complete five years of primary schooling by 2007.
- Enable all children to complete eight years of elementary schooling by 2010.
- Focus on Elementary Education of satisfactory quality with emphasis on education for life.
- Bridge all gender and social category gaps at primary stage by 2007 and at elementary level by 2010.
- Achieve universal retention by 2010.

1.4 Funding Pattern

The SSA is financed by both the Government of India and Government of Delhi in partnership in the ratio of 85:15 in the Ninth Five Year Plan, 75:25 in the Tenth Five Year Plan

1.5 Terms of Reference for Study

Government of India, Ministry of Human Resource Development (Department of School Education & Literacy), New Delhi vide Ministry's letter No. 15/4/2004-SSA (PR) dated 20 August 2007 engaged the Institute of Public

Auditors of India, New Delhi to undertake monitoring of financial management and procurement specially for implementation of the SSA programme which inter-alia included:

- (a) Its financial aspects and such operational aspects as had linkages with financial aspects.
- (b) Financial management, fund flow and auditing arrangements.
- (c) Monitoring and utilization of funds released to the State societies and financing of various activities at the State, district and school levels during 2004-05, 2005-06 and 2006-07.
- (d) Accounting of funds and maintenance of records.
- (e) Timely release of State share by the State Government and maintenance of expenditure level by the State Government

1.6 Profile of the Institute of Public Auditors of India

The Institute of Public Auditors of India is a registered society of professionals.

Its main aims and objectives are to:

- Promote education in the disciplines of auditing, finance and accounting in public bodies.
- Suggest ways for effective accounting and auditing in the Central and State Governments, Public Enterprises, Public Institutions, Government aided voluntary organizations and local bodies.
- Undertake and conduct studies, workshops, consultancy and research in these disciplines.
- Organise, finance and maintain schemes for studies and for conduct of professional examinations for the grant of diplomas, certificates and awards in these disciplines.
- Promote, plan and assist actively with the governments and its agencies for development of sound systems of accounting, auditing

and financial accountability of Panchayati Raj Institutions (PRI) and Municipalities and.

- Promote the highest standards of professional competence and practices in disciplines of auditing, accounting and public finance.

The Comptroller and Auditor General of India is the Patron of the Institute.

1.7 Methodology

A team was constituted to undertake the study of SSA programme in Delhi State. The team visited the following offices/schools:

- (a) State Project Office (SPO), Delhi.
- (b) Two District offices viz. East & North West.
- (c) State Council of Educational Research Training (SCERT), Delhi.
- (d) Two District Institute of Education and Training (DIET) at Pitampura and Anand Vihar.
- (e) Director of Education, MCD, Delhi.
- (f) 50 Primary and Upper Primary schools as detailed in *Annexure-I*.

Basic records maintained by SPO, the Office of Deputy Director (Education) and schools viz. cash books, pass books, vouchers, text book distribution registers, mid-day meal registers, etc. were scrutinized by the Team. Test check of physical verification of construction activities was carried out. Discussions were also held with State/District/School level functionaries responsible for the implementation of SSA Programme. Besides, limited interviews based on structural questionnaire with VKS, Chairman (Vidyalaya Kalyan Samiti), Principals, Teachers, Parents of students and students were also carried out.

The findings of the study on the above basis are contained and analysed in the succeeding chapters.

1.8 The Report has been prepared in accordance with the mandate given by the client organization and within the overall policy frame work of reporting laid down by the Central Council of the Institute. The views expressed in the Study Report are those of IPAI only and do not reflect in any manner that of the Indian Audit and Accounts Department.

CHAPTER-2

ORGANISATIONAL SET-UP

2.1 Elementary Education in Delhi is divided into four levels viz. Primary, consisting of first to fifth classes, Middle, consisting of sixth to eighth classes, Secondary, consisting of ninth-tenth classes and Senior Secondary, consisting of eleventh-twelfth classes.

2.2 As per framework drawn for implementation of S.S.A. Programme, there would be a State Mission Authority for Universalization of Elementary Education (UEE). The States have to set up the "State Level Implementation Society" (SIS), which will carry out monitoring and operational support tasks.

2.3 The Sarva Shiksha Abhiyan (SSA) was started in Delhi in the year 2003 i.e. two years after its launching in 2001 in other states. A society was formed and got registered in the name of "Universalisation Elementary Education Mission" (UEEM) under the Department of Education, NCT of Delhi for implementation of SSA programme.

2.4 The UEEM consists of Governing Body headed by Minister of Education of NCT of Delhi as Chairperson and 22 members comprising State Government Officers, Officers of MCD, NDMC, nominee of Ministry of Human Resource Development, Government of India and others. The Governing Body exercise all powers and have general control on all affairs of the Mission.

As per para 15(1) of the Memorandum of Association of the UEEM, the Governing Body should meet at least once in a year, preferably in October.

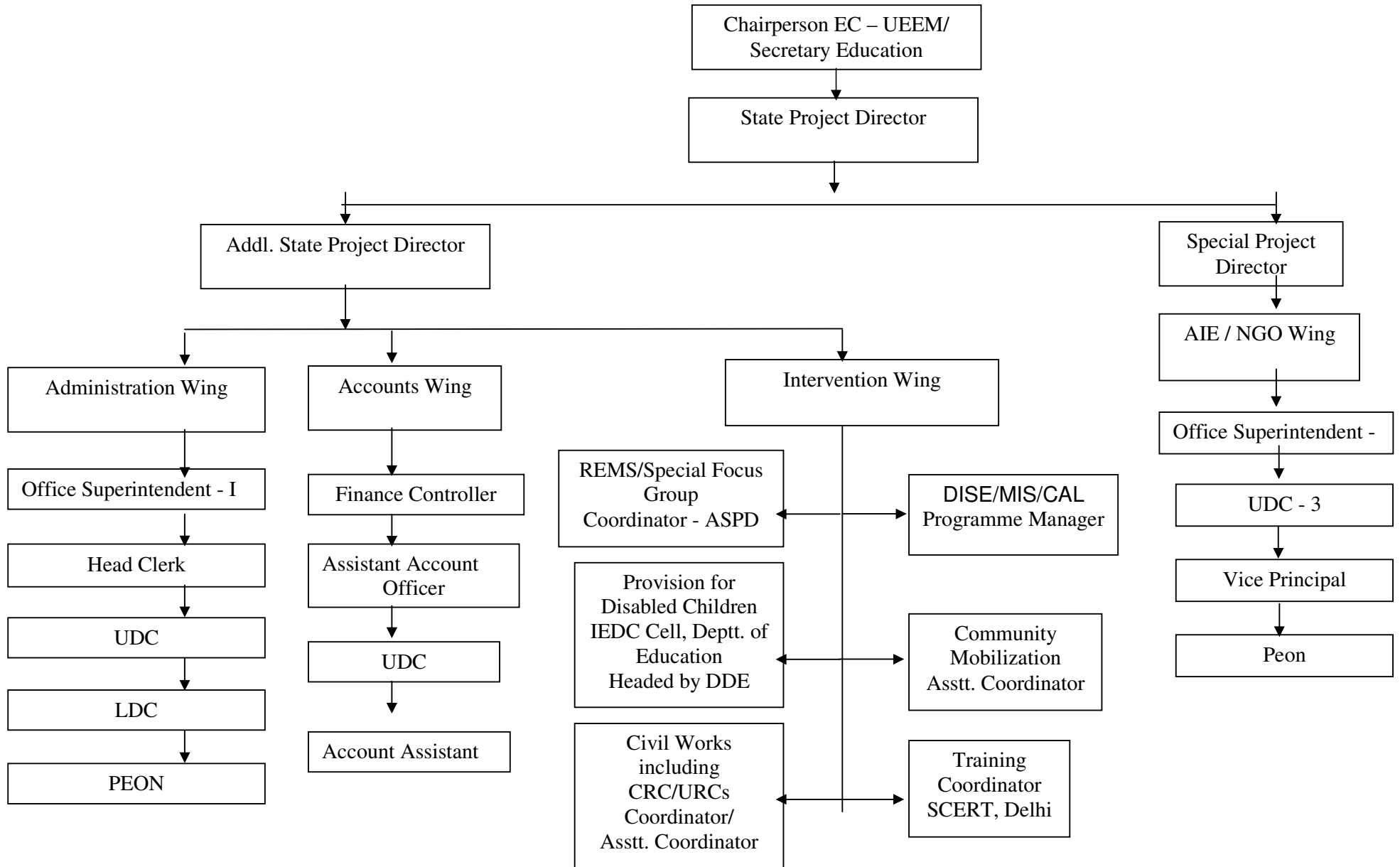
Only two meetings of the Governing Body were held during the last five years ending 2006-07.

The affairs of the Mission, subject to the rules and regulation of the Governing Body are to be administered by an Executive Committee headed by the Director of Education initially as Chairperson of the Executive Committee with other officers as its members. In July 2005, the Secretary (Education), Government of Delhi was made Chairperson after re-constitution of the Committee in accordance with the SSA guidelines. One of the Joint Directors of Education is working as State Project Director (SPD) for SSA. One official from SCERT of the rank of the Principal (DIET) is working in diverted capacity as Addl. State Project Director (ASPD) in UEEM at the State level. Besides, four retired officials of Directorate of Education and MCD have been working on contract basis as Special Project Director (NGO Cell), Coordinator (Civil Works), Asstt. Coordinator (Civil Works) and Asstt. District Coordinator (Monitoring) at UEEM.

The Finance Wing of the State Mission is headed by Accounts Officer of Directorate of Education as Finance Controller assisted by Asstt. Account Officer, one UDC and another account assistant on contractual basis. The Administrative wings are headed by Superintendents and assisted by ministerial staff. These officials have been drawn from the departments under Delhi Government. Three persons have been engaged on contractual basis for data entry work at UEEM Head office. The Dy. Directors of Education of

Directorate of Education, Delhi Government in each district hold the charge of district UEE Cell in ex-officio capacity of District Project Officer (DPO) and work with the help of their Education officer. The organizational chart is as under:

Organizational Chart of UEE Mission (SSA) Delhi



2.5 The UEE Mission has a shortage of staff at the State and District level. Only a few persons are managing all the affairs. There are no specialized programme personnel for areas like Out of School Children, Girls Education, Community Mobilization, Internal Audit, Accounts etc. Similarly, at District level there is no supporting staff to provide assistance to Dy. Director of Education holding charge of district UEE Cell in ex-officio capacity of District Project Officer (DPO).

There are no UEE Cells in MCD, NDMC and Delhi Cantonment Board for better coordination and effective implementation of SSA interventions as these local bodies are also running the schools in Delhi.

The Governing Body as well as the Executive Committee (EC) of UEEM from time to time also felt the need to strengthen the UEEM by making appointments on contract basis of specialized staff. The EC in its meeting held on 13 June, 2006 approved the proposal of appointment of 155 personnel of various categories in the UEEM, local agencies (MCD & NDMC) and district units. No action has been taken so far (December 2007)

2.6 136 Cluster Resource Centres (CRCs) were planned to be operationalized in the year 2006-07 in Government schools, MCD, NDMC and DCB schools. Similarly, 9 Urban Resource Centres (URCCs) in all the 9 DIETs were to be established. Both CRCs and URCs are not yet functional as the department has yet to workout the staff requirement for CRC's and URC's.

2.7 There is one State Council for Education Research and Training in Delhi which is providing training and orientation course to teachers (20 days In-service course for all teachers, 30 days orientation course for freshly trained recruits and 2 days training to community leaders) in collaboration with Nine District Institutes of Education & Training (DIET) from SSA fund.

2.8 Educational Profile

The educational profile is given in *Annexure-II*.

CHAPTER-3

FUND FLOW

3.1 Funding Pattern and Norms

Sarva Shiksha Abhiyan is financed by the Government of India and Government of NCT of Delhi, in partnership, in the ratio of 85:15 during the Ninth Plan upto 2002, 75:25 during the Tenth plan upto 2007 and at 65:35 for the first two years i.e. 2007-2008 and 2008-2009, 60:40 for the third year i.e. 2009-2010, 55:45 for the fourth year i.e. 2010:2011 and 50:50 thereafter for, 2011-12 onwards. The State Government will have to maintain its level of investment in Elementary Education as in 1999-2000. Government of India. Ministry of Human Resource Development (Department of School Education and Literacy), would release the approved funds in two installments every year viz. April and September subject to certain conditions which *inter-alia* include the following:

- Written commitment by the State Government regarding its contribution towards SSA;
- Commitment of the State Government to release its share within 30 days of release of funds by the Government of India;
- The State share of SSA is to be over and above the level of expenditure on Elementary Education incurred by the State in the year 1999-2000.
- Utilisation Certificate of funds released in the first instalment is furnished before the release of first instalment of subsequent year;
- The progress of expenditure is at least 50 per cent of funds released before release of second instalment.

In the NCT of Delhi, both the Central Government and State Government release funds directly to State Implementation Society (SIS), which in turn release funds to Dy. Director of Education for disbursement to the schools.

State Implementation Society also release funds to MCD, NDMC and Delhi Cantonment Board separately for disbursement to the schools under their control.

3.2 Level of Investment by the NCT of Delhi on Elementary Education

The Project Approval Board while approving the Annual Work Plans directed the State Government to maintain the level of investment on Elementary Education as in 1999-2000. It is observed that the level of expenditure on Elementary Education in 1999-2000 was higher in subsequent years as seen from the table below:

(Rs. in lakh)

Year	State Government's expenditure on Elementary Education		
	Plan	Non-Plan	Total
1999-2000	472.61	11034.62	11507.23
2004-2005	12768.97	15171.00	27939.97
2005-2006	12449.95	14866.00	27315.95
2006-07	N.A.	N.A.	N.A.

3.3 Funding Profile

The funding profile is summarized below:

(Rs. in lakh)

Year	Approved Plan outlay	Amount to be released by		Amount released by		Shortfall		Percentage of shortfall	
		Centre	State	Centre	State	Centre	State	Centre	State
2004-05	4224.68	3168.51	1056.17	--	176.87	3168.51	879.30	100	27
2005-06	6668.51	5016.38	1672.13	1019.09	653.91	3997.29	1018.22	20	39
2006-07	8456.46	6342.34	2114.12	4230.24	1199.28	2112.10	914.84	67	57

From the above table, it is clear that the release of funds by the Centre and the State Government was not according to the sharing pattern. The release of funds was substantially lower as compared to Plan outlay.

3.4 Available Resources and Expenditure

The following table indicates available resources, expenditure and unspent balances:

(Rs. in lakh)

Plant Outlay 2004-05	Heads	Receipts	Expenditure	Unspent balance	Percentage of utilization of available resources
4224.68	OB	1808.72			
	Centre Share	--			
	State Share	176.87			
	Misc Receipts	7.83			
	Total	2059.42	860.06	1199.36	41.76
2005-06 6688.51	OB	1199.36			
	Centre Share	1019.09			
	State Share	653.91			
	Misc Receipts	27.39			
	Total	2899.75	1886.02	1013.73	65.04
2006-07 8456.46	OB	1013.73			
	Centre Share	4230.24			
	State Share	1199.28			
	Misc Receipts	--			
	Total	6443.25	4953.30	1489.95	76.88

- Note:**
1. The figures for 2006-07 are unaudited.
 2. Expenditure includes pre-project expenses also.

The following were noticed:

- If we take into account the total funds available for funding interventions under SSA, the unspent balance with reference to the total receipts showed an upward trend and the percentage of utilisation of available resources ranged between 42 and 77 percent during 2004-05 to 2006-07.
- Low utilization of resources resulted in unspent balance of Rs.1489.95 lakh as on 31st March, 2007.
- Huge unspent amount indicates over-pitching of the outlay and tardy implementation of the programmes.

3.5 Delay in flow of funds

Funds from Central Government/ State Government to State Implementation Society

Table below depicts the extent of delay in the release of funds by Central/ State Governments of their respective shares:

(Rs. in lakh)

Date of Sanction	Central Share	Date of Receipt in SIS	State Share	Amount	Date of receipt by SIS	Delay		
	Amount		Date of Sanction					
A		B	C		D			Excluding Grace period of 30 days.
2004-05	-	-	-	176.87	15.3.05	Not released in view of unspent balance	Collected by hand	
2005-06	1000.00	9.12.05	13.2.06	347.57	1.3.06		16 days	38 days
	100.00	31.3.06	13.2.06	306.34 (Adjustment towards free text book)		Collected by hand	-	-
2006-07	2930.24	17.7.06	10.7.06	39.59	7.9.06	10 days	52 days	-

7.7.06								
26.3.07	1300.00	23.4.07	10.8.06	300.00	7.9.06	28 days	28 days	4 days
			15.1.07	347.45 329.29 (Adjustment towards free text book)	24.01.07		9 days	162 days
			29.3.07	182.95	30.3.07		1 day	--

The above table indicates that:

- In none of the years the Centre released funds in April and September as required in Para 2.4 of Framework for implementation of SSA. The delay from the date of sanction to actual receipt of funds ranged from 10 days to 28 days from Centre to State.
- During 2004-2005, the State Government sanctioned funds during March, 2005. State government did not sanction funds from the date of release of funds by the Centre as required in Para 2.9 of the framework for implementation of SSA. The delay ranged from 16 days to 52 days. State government took 162 days beyond grace period of 30 days in releasing funds after Centre released funds in 2006-07. (7.7.2006 to 15.1.2007).

3.6 Fund Flow from SIS to DDEs and others

Year	Receipt of funds		Release of Funds Including Expenditure by SPO			
	Date	Amount	From	To	No. of Installments	Time Taken (days)
2004-05	15.3.05	176,87,000 (State Govt.)	27.9.04		One	Since the Government of India had not released funds in April, 2004 in view of unspent balance, State Implementation Society (SIS) should have released funds in the month of May, 2004 SIS took 3 ¹ / ₂ months to release funds to the districts.
2005-06	9.12.05	1000.00				Release of funds at the fag

	(GOI) 1/3/06 (State)	347.57				end of the year.
	31.3.06 (GOI)	100.00	31.3.06		3	
2006-07	17.7.06 (GOI)	2930.24			3	Though SIS received funds from Government of India during July 2006, first release was made in December 2006 after delay of 5 months.
	7.9.06 (State)	39.59 300.00	9.12.06 18.12.06			
	24.1.07 (State)	347.05				
	26.3.07 GOI	1300.00	23.4.07			
	30.3.07 (State)	182.95	30.3.07			

- (i) According to para 89.3 of MFM&P State Implementing Society is required to release funds to districts within 15 days of its receipts from the Government of India and State Government.
- (ii) Funds were released in one installment during the year 2004-05 but in other years, these were released in 3 installments.
- (iii) During 2005-06, funds were released on the last day of financial year which was against the codal provisions as it did not serve any purpose as the same could not be spent during the year.

Year	Total Funds released during March	Funds released on the last date of financial year	
		Amount	%age to total release
2004-05	-	-	-
2005-06	815.12	55.69	7
2006-07	377.88	108.85	29

3.7 T.L.M. Grants for 2006-07 – Diversion of Funds

In accordance with Norms for Intervention under SSA vide No.11 – “Teacher Grant”, Rs.500 per teacher per year in Primary and Upper Primary Schools was to be allotted. However, this grant was not released to the teachers during the year 2006-07. UEE Mission decided in March 2007 to send funds to the tune of Rs.108.85 lakh to the Managing Director, Delhi Bureau of Text books, Janak Puri under “Expenditure sanction under TLM Grant for utilization in printing of YUVA Material for 21770 teachers (Primary and Upper Primary) working in schools of Directorate of Education Delhi. The books were yet to be received in the schools as of December 2007.

3.8 Utilization Certificates

In terms of para 101.14 of MFM&P the SIS is required to furnish Utilization Certificate (UC) in the prescribed format duly authenticated by the Chartered Accountant to the Government of India alongwith the Annual Statement of Accounts. UC is required to be furnished to the Central/State Government within 9 months of the close of the financial year as per para 101.16 *ibid*.

Year	Duly Authenticated by C.A. on	Delay Beyond 9 Months
2004-05	30.4.2006	4 Months
2005-06	6.8.2007	7 Months
2006-07		Audit is yet to be taken up

3.9 Treatment of release of funds as final expenditure instead of as advance.

An advance register was maintained for the year from 2004-05 to 2006-07. A perusal of the register revealed the following:

(i) Advance made to SCERT for imparting training of Teachers

The position of advances made to SCERT and Adjustment there against is as under:

(Rs. in Lakh)

Date	Advance Received	Date of Submission	Amount	Balance Retained
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		of U.C.		
30.4.04	15.75	16.12.04	19.90	
7.5.04	22.05			
17.1.05	150.00			
21.2.05	22.20	30.6.05	180.07	Refunded 28.3.05 – 6.17 27.6.05 – 3.86
	210.00		199.97	Nil
20.4.05	70.00			
23.4.05	238.00			
29.3.06	396.06	15.1.07	246.13	
	704.06		246.13	457.93
19.2.07	142.07	18.10.07	480.17	119.83 to be adjusted in 2007-08

- (i) Normally advances are received before imparting of teachers training. The course of training was about 20 days. From the statement above, there was abnormal delay in submission of utilization certificates. Some instances are given below:

Date of receipt Of advance	Date of submission of Utilisation Certificate	Delay	Balance at the end of the year (Rs. in Lakh)
30.4.2004	16.12.2004	7 months	
17.5.2004			
17.1.2005	30.6.2005	4 months	Nil
21.2.2005			
20.4.2005 to	15.1.2007	8 months to 19	457.93
29.3.2006		months	
19.2.2007	18.10.2007	7 months	119.83

In accordance with para 99.4 of M.F. & P, the details of advances of more than 1 lakh remaining utilized for more than 12 months at the district level will have to be monitored on a half yearly basis. The details of advances in Annexure XIV should be furnished to

Government of India immediately after the close of each half year. However, this important exercise was not conducted.

(a) An advance of Rs.6.56 lakh taken by SCERT for Community Leaders training on 24.3.2006 was refunded on 15.1.2007 (Rs.1.53 lakh) and 27.2.2007 (Rs.5.03 lakh) without incurring any expenditure. When there was no training course conducted, necessity for retaining funds for about 10-11 months needs justification.

(b) Rs.50 lakh taken by SCERT on 30.3.2006 (fag end of the year) for research, evaluation and monitoring work was refunded in full vide cheque No.552762 dt. 15.12.2006 i.e. after 9 months has no justification.

Again Rs.93160 taken by SCERT on 31.3.2006 for research evaluation refunded on 15.12.2006. So, these were the clear cases of diversion of funds.

The major outstanding advances are given below:

(Rs. in lakh)

Date	Advance Paid	To Whom	Purpose
31.3.06	6.00	MCD	Civil works
24.3.06 to 30.3.07	1385.00	DSIDC	Porta Cabin, Civil Works and SPS School
26.9.06	620.00	EdCIL	Supply of materials for Computers
29.3.07	69.70	EdCIL	CAL

No pursuance has been made nor any review conducted and recorded in the Register of Advances.

3.10 Selected Districts

(i) Dy. Director of Education, North West

SIS release funds to districts for subsequent disbursement to schools. On scrutiny of records/ registers, the following points were noticed:

- (a) During 2005-06, 7 to 10 days were taken and 14 days during 2006-07 in receiving funds by the DDE. DDE took 5 days in 2004-05, 17 days to 34 days in 2005-06 and 22 days in 2006-07 in disbursing funds to the schools.
- (b) Submission of Utilisation Certificate: Though funds amounting to Rs.19,19,000 were disbursed to schools on 4.10.2004, DDE sent Utilisation Certificate for Rs.18,65,000 on 28.10.2004. Unspent balance of Rs.54,000 was refunded on 16.3.2005. During 2006-07, funds amounting to Rs.7,28,000 were received on 7.2.2007 out of which Rs.6,33,000 was disbursed on 1.3.2007. No Utilisation Certificate for Rs.6.33 lakh has been sent and balance unspent amount of Rs.95,000 is yet to be refunded
- (c) DDE has not deputed any Education Officer for checking of vouchers/ records to any school.

(ii) Release of funds for Household Census 2007

UEE Mission vide their letter No.F.DE29/UEE/337 dt. 30.3.2007 contributed release of funds to the tune of Rs.29.25 lakh for distribution to 12 zones under MCD for conducting Household Child Census in accordance with direction of MHRD, Govt. of India. Secretary, Education/ Chairperson of EC-UEE Mission desired that this exercise may be coordinated by the MCD in collaboration with UEE Mission, DoE, NDMC and DCB and other stake holders. The funds were released as advance in March 2007. The amount was to be utilized on payment of honorarium and TA to enumerators and supervisors at different levels the norms for which will be communicated later. Even after lapse of 8 months, no norms have been finalized and communicated to the MCD so far. Hence the funds remained unutilized.

CHAPTER-4

BUDGET AND ACTUALS

4.1 Annual Work Plan & Budget (AWP&B)

As per Para 47 of Manual of Financial Management and Procurement, the Annual Work Plan and Budget should be submitted to Government of India by 15th March, every year and Project Approval Board should approve it by 15th April and communicate to the State Government by 25 April. The approval of AWP&B in time is necessary so that that first instalment of funds is released during April each year and the activities laid down in AWP&B are taken up well in time as per plan. However, these dates have not been adhered to as noticed from the following table.

The position of approval of Annual Work Plan and Budget were as under:

Year	Received from District Planning Teams	Sent to GOI	Approved by PAB	Conveyed to DDE and others
2004-05	NA	NA	16/09/2004	27/09/2004
2005-06	March 2005	20 – 30 April 2005	08/06/2005	24/01/2006
2006-07	February to March 2006	April 2006	18/05/2006	18/12/2006

It is observed as follows:

- Approval by PAB for AWP&B for 2006-07 was made on 18th May 2006 whereas Executive Committee has approved the same on 24th May 2006 in toto as the same could not be submitted earlier due to shortage of time.
- Though PAB approved the work plan and Budget for the years 2005-06 and 2006-07 in June 2005 and May 2006, funds from Government of India (GoI) were received in December 2005 and 31st March 2006 respectively and from State Government in February

2006 for the year 2005-2006. During 2006-2007, GOI released funds in July 2006 and March 2007 and State Govt. has released funds in July 2006, January 2007 and on 26th March 2007. Despite this, UEE released funds on 27th September 2004, 24th January 2006 and 18th December 2006 for 2004-05, 2005-06 and 2006-07 respectively which could be considered as abnormal delay.

4.2 Para 90 of Manual of Financial Management and Procurement provides for Final reporting. Quarterly reports will help in removing the bottleneck, if any, for the fast and effective flow of funds to the district and sub-district level.

The following returns were prescribed:

- (a) Quarterly fund flow and Cash forecast statement
- (b) Quarterly Progress Statement
- (c) Release of funds to the Districts

District wise expenditure

Item (a) is to be sent in the format given in Annexure VIII appended to Para 91.1 ibid. In this connection application indicates the expenditure incurred under different interventions for the State as a whole.

UEE Mission has sent two returns only viz.

- (a) Monthly monitoring for key items
- (b) Quarterly statement regarding information on EGS (Primary and Upper Primary).

Thus the provisions of the Manual were not being followed.

4.3 Intervention-wise expenditure

The table below indicates intervention-wise allotment and actual expenditure as reported against each for the years 2004-07.

(Rs. in Lakh)

S. No	Activity	2004-05		2005-06		2006-07	
		Allotted	Actual	Allotted	Actual	Allotted	Actual
1	Teachers					9.00	
2	School/Alternative Schooling Facility						
3	Upper Primary School						
4	Classroom						
5	Free Text Books (U.P.)			306.34	306.34	330.50	329.29
6	Civil Work	202.00		2111.60	10.20	3238.11	2435.00
7	Maintenance Grant	121.55	92.10	113.55	109.75	132.10	120.70
8	Upgradation of EGS						
9	TLE (U.P.)				193.98		0.20
10	School Grant	73.52	55.80	72.90	67.18	74.20	73.86
11	Teacher Grant	214.36	195.79	221.11	246.12	238.96	201.63
12	Teacher Training	307.18	210.00	704.06	792.29	887.52	600.00
13	SIEMAT			50.00	--	50.00	
14	Training of Community Leaders	4.40		6.56	-	8.80	8.80
15	Provision for Disabled Children	362.24		12.00	-	48.34	33.70
16	Research, Evaluation, Supervision & Monitoring	51.47	0.10	51.02	-	51.94	51.94
17	Management Cost	252.50	42.39	199.44	75.98	373.46	87.20
18	Innovative activities for Girls Education, ECCE, CAL	450.00	0.45	563.31	84.36	618.92	302.25
19	BRC/CRC	302.03		309.30	4.00	378.23	20.63
20	Intervention of Out of School Children	1883.43	281.09	1967.32	-	2016.18	688.10
21	Preparatory activity for micro-planning household survey						
	GRAND TOTAL	4224.68	877.72	6688.51	1890.20	8456.26	4953.30
	Advance to Districts		4.07				
			881.79				

	Grants released but received back	21.73	4.18	
		860.0	1886.0	4953.3
		6	2	0
	Percentage of expenditure to allotment	20.35	28.19	58.57

Source: Audited accounts for 2004-2005 and 2005-2006. Statement prepared by Accounts Wing for 2006-2007.

- It may be seen from the above table that percentage of expenditure to allotment ranged from 20 to 58 only during the years 2004-07.
- During 2004-2005, in respect of 7 items (Civil works, teacher training, training of Community leaders, disabled children, research and monitoring, innovative activities for girls education, ECCE, CAL and CRC) shortfall in expenditure varied between 32 to 100 per cent.
- Similarly during 2005-2006 shortfall in expenditure on six interventions (Civil works, SIEMAT, management cost, innovative activities, CRC, Disabled Children) ranged from between 0.5 to 100 per cent.
- In the case of six interventions in 2006-2007 (Civil Works, SIEMAT, Management cost, innovative activities, CRC, out of school children) shortfall in expenditure varied from 25 to 100 per cent.
- During the period 2004-2005 to 2006-2007 Civil works under SSA received an allotment of Rs.5551.71 lakh against which only Rs.2550.27 lakh could be spent. Civil works accounted for 28 per cent of the total allotment under SSA. The meager expenditure under this head is due to the fact that the delay was in execution of the works by DSIDC. Expenditure started from 2006-2007 which is unaudited. Earlier, there was no expenditure. Similarly, the expenditure under Disabled Children for 3 years was Rs.33.70 lakh against allotment of Rs.4225.8 lakh. These are critical components of SSA which need to be planned and executed effectively to make SSA successful.

(i) Budget and Actuals

(Rs. in lakh)

Year	Budget allotted	Expenditure	Difference	Percentage of expenditure to allocation
2004-05	4224.68	860.06	3364.62	20.35
2005-06	6688.51	1886.02	4802.49	28.19
2006-07	8456.26	4953.30	3502.96	58.58
Total	19369.45	7699.38	11670.07	39.75

From the above, it could be seen that against allotment of Rs.19369 lakh during 3 years, actual for the same period was Rs.7699 lakh which was about 40 per cent of the budget allotted. With this trend of expenditure, it would be difficult to assume that the targets as fixed in Annual Work Plan could be achieved, though the budget was approved as per work plan.

Some of the items are discussed below.

(i) Item No.6 – Civil works

Budget for 3 years Rs.5551.71 lakh

Actuals for 3 years Rs.2550.27 lakh

Variation Rs.3001.44 lakh

- No progress was made in respect of construction of rooms for CRCs during 2004-2005. The work of construction of 553 porta cabins was completed on 30.9.2007. Forty seven number of toilets are yet to be completed. SPS Primary School building at Sawada Ghewra Block A and B were constructed on 15.10.2007. SPS additional class rooms were completed in September 2007.

There was no expenditure during 2004-05 and nominal expenditure of Rs.10.20 lakh during 2005-06. During 2006-07, there was an expenditure of Rs.2435 lakh against the provision of Rs.3,238 lakh. This indicates slow progress in construction activity.

(ii) Item No. 13 - SIEMAT

Actuals

24.63 lakh

It was proposed to operate 136 CRCs, the construction for which is in progress. However, some furniture for CRC was acquired. No staff for looking after CRC has been engaged so far.

(vi) Item No.20 – Out of School Children

As against provision of Rs.5866.93 lakh for “out of school children, only 1761.38 lakh could be spent during 3 years which comes to 30 per cent of the allotment. 80000 children were reported to be out of school as of March 2006. Out of school children are now reported to be 30000 which was based on estimation and number of school children mainstreamed in the last 3 years. No household survey was conducted since 2003. Though the funds were provided to MCD in 2006-07 for this purpose, no norms have been communicated so far. Hence the funds remained unutilized and the work has not been started so far (2006-07).

4.4 Selected Districts

District Delhi North West

Activity-wise outlay approved and expenditure incurred against components earmarked for the years 2004-05, 2005-06 and 2006-07 was as under:

Budget & Actual – District Delhi North West

Year	Activity	Approved AWP&B	Actual expenditure	Refund
2004-05	School Grant	238000	232000	
	Repair & Maintenance	410000	360000	
	TLM	1271000	1273000	54000
		1919000	1865000	
2005-06	School Grant	336000	336000	
	Repair & Maintenance	635000	630000	5000
	TLM	1381000	1288500	92500

		2352000	2254500	97500
2006-07	School Grant	348000		U.C. not received so far
	Repair & Maintenance	380000		
		728000		

Year	Activity	Approved AWP&B	Actual expenditure	Utilization certificate not sent.
31/03/05	Furniture of CRC	30000		
31/03/06	Drinking Water	60000		
30/03/07	Repair Grant	240000		
		330000		

During 2006-07, no utilization certificate for school grant amounting to Rs.3,48,000 repair & maintenance grant amounting to Rs.3,80,000 furniture of CRC (31st March 2005) for Rs.30,000 drinking water (31st March 2006) for Rs.60,000 and repair grant (30th March 2007) for Rs.2,40,000 were furnished.

CHAPTER-5

CIVIL WORKS

5.1 Provision regarding civil works, maintenance and repair of school buildings and financial norms thereof are contained in para 26, 27 and Annexure – II respectively of MFM&P. The main contents of these norms are as under:-

- (i) Civil works like school buildings, additional classrooms, toilets, drinking water facilities, electrification, BRC/ CRC buildings etc. are to be taken up under SSA.
- (ii) Works like office buildings for SPO/ DPOs, play grounds, EGS/ AIE centres, etc. are not to be taken up under this programme.
- (iii) PAB has fixed an average of Rs.0.15 lakh and Rs.0.20 lakh for drinking water facilities and toilets respectively.
- (iv) Funds on civil works shall not exceed the ceiling of 33 per cent of the entire project cost. However, in a particular year's annual plan provision for civil works can be considered upto 40 per cent of the annual plan expenditure, within the over all project ceiling of 33 per cent.
- (v) Cost of construction of BRC and CRC buildings in any District should not exceed 5 per cent of the over all projected expenditure under the programme in any year.
- (vi) Engagement of contractors is not allowed except for the construction of multistorey urban schools.
- (vii) School Management Committee/ VEC/ Gram Panchyat Committee on Education will carry out civil works including maintenance & repair of school buildings.

(viii) Maintenance grant will be available only for those schools, which have existing building of their own.

(ix) Unit cost, where not specifically mentioned in the SSA norms, should be as per the PWD/ state schedule of rates.

5.2 The summary of civil works carried out during year 2004-05, 2005-06 & 2006-07 showing budget allocation & expenditure incurred with latest position as on October 2007 is given as under:

The Summary of Civil Works

Sl. No.	Items of Civil Works	In Nos.	Financial Unit/ Total Cost	Budget / AA&ES (Rs. in lakh)	Expenditure Incurred (Rs. in lakh)	Remarks for progress made to complete the work.
1	Construction of Rooms for CRCs	101	Rs.2 lakh per unit Total cost Rs.202 lakh	202	Nil	No progress in 2004-05 as the work was cancelled and Rs.202 lakh spilled over to 2005-06.
2	(a) Construction of Porta Type rooms with one room for toilet	553	(i) Porta cabins Rs.3.35 lakh (ii) Toilet room Rs.45 lakh Total Rs.3.80 lakh	2101.40	1915.27	No Porta Cabin was completed by DSIDC on deposit work during 2005-06, which was to be completed within 2 months i.e. by 31 st March 2006 as a special case. Rs.1986.11 lakh spilled over to 2006-07. The work of construction of 553 porta cabins completed on 30 th September 2007. However, 47 toilets are yet to be completed.
	(b) Water facilities in schools.	68	Rs.0.15 lakh per unit	10.2	10.2	The work was completed during 2005-06.
3	(a) SPS Primary school buildings at Sawada Ghewra Block 'A' & 'B'	Two buildings having 20 rooms in each building	Rs.70 LAKH per unit having 20 rooms. In addition 20 rooms have been transferred from SIS additional	140.00	140.00	The work was entrusted to DSIDC completed on 15 th October 2007 instead of 28 th February 2007

	(b) SPS Additional Classrooms	330	class rooms. Rs.3 lakh per room total Rs.990.00 Lakh	990.00	895.00	The work was entrusted to DSIDC as deposit work. The work was completed on 30 th September 2007 instead of completion date being 31 st March 2007.
	(c) Toilets	610	Rs.0.20 lakh per toilet Total Rs.122.00 lakh	122.00	NIL	The work has not yet started.

The following points were noticed during review of the progress of Civil Works.

5.3 Construction of Cluster Resource Center (CRCs)

Though the budget allocation amounting to Rs.202 lakh was made during year 2004-05 for construction of 101 rooms for CRCs @ Rs.2 lakh per unit, the work was not entrusted to any construction agency by UEE Mission, Delhi and Rs.202 lakh spilled over to the year 2005-06. The work proposed was subsequently cancelled on the ground that amount proposed per unit was not sufficient. Thus the planning made for civil work for CRC was not based on actual data.

5.4 Construction of 553 Porta Cabins alongwith toilets & ramps

UEE Mission planned to provide additional classrooms to existing school buildings of Directorate of Education, Municipal Corporation of Delhi and New Delhi Municipal Council and for construction of CRCs/ URCs at various locations at the earliest within two months time. Ministry of HRD had approved a budget of Rs.21.01 crore for construction of 553 Prefabricated porta cabins @ Rs.3.80 lakh per unit including one toilet with ramps. Since prefabricated porta cabins were not covered under NCTs schedule of rate, DSIDC was engaged to construct 553 porta cabins with one room toilet @

Rs.3.80 lakh per unit as a special case and administrative approval and expenditure sanction for Rs.21.01 crore was issued in January 2006 to DSIDC. As of March 2007 the corporation received payment of Rs.19.15 crore. No further payment have been made to the corporation, since work relating to toilets has yet to be completed and penalty clause had to be levied in view of the inordinate delay in the construction of porta cabins.

DSIDC was also to furnish progress of work on fortnightly basis, but, DSIDC had delayed the work beyond expectation as seen from the advertisement for NIT in leading English newspaper on 4th February 2006 only as under:

Pre- Bid	-	15 th February 2006
Last date of sale of tender	-	17 th February 2006
Date of opening of tenders	-	20 th February 2006
Time of completion of work	-	2 Months

The DSIDC had received three bids. M/S Sintex Industries Ltd of Gujrat met the specifications/ Technical Bid. of DSIDC and the work was awarded to M/s Sintex Industries Ltd in April 2006. UEEM had forwarded the list of 436 sites/ locations for construction of porta cabins with toilet blocks (Except list of 117) to DSIDC before the award of work to M/s Sintex Industries Ltd.

Construction of 553 porta cabins including one toilet room which was to be completed by March 2006 was completed (except 47 No. Toilets) in June 2007 and handed over to school authorities in September 2007; the delay in handing over worked out to 15 months. The penalty calculated at the rate of 22.5 per cent of the tendered amount of Rs.21.01 crore worked out to Rs.4.73 crore. The final payment to the DSIDC had not been made till date. This aspect may be kept in view by UEE Mission and DSIDC may be kept informed accordingly. The evaluation report given by NSIC was accepted by the UEE Mission. The plan of UEE Mission to provide additional rooms to school buildings of DoE, NDMC, MCD and cluster resources centers at various locations at the earliest possible time of two months, had not been fulfilled. In

case semi pucca structure (SPS) rooms had been planned instead of these Porta Cabins such SPS rooms constructed would have been more stable, having more life and economical also and would have been completed well within six months.

The purpose of construction of porta cabin initially was for additional classrooms and cluster resource centre and subsequently the purpose was changed to include early childcare education centers.

The purpose of construction of porta cabins in Directorate of Education, MCD and NDMC was changed for the use of 282 Early Child Care Education centers (ECCE) 126 Cluster Resource Center (CRC) and 145 additional classrooms for study purposes for students upto VIII class. The UEE Mission had not started ECCE and CRCs till date and most of the porta cabins were lying unused and in bad shape. The team visited 50 schools in Northwest District and East District and noticed that Porta cabins were constructed in 18 schools (Annexure-III). Out of 18 schools, Porta cabins in 6 schools were found in dilapidated condition/. Doors/ Windows were broken. In none of the 18 schools Porta cabins were put to use either for early child care centres or cluster resource centres. The porta cabins were not in use for study and training. Thus the purpose for which these were constructed had not been fulfilled. The team suggests that early action to start ECCE may be taken in order to implement SSA programme in full steam and to prepare all children between 3 to 5 years of age for class I admission and to bring them in mainstream and stop the dropout of children.

The same position is in case of CRCs and URCs. Though the Porta Cabins have been constructed for ECCE/ CRCs/ URCs the infrastructure to run these have not been raised as of December 2007. For running 282 ECCE, one teacher one helper has been planned by UEE Mission but no appointment of teachers or helper has been made till date. Porta Cabins are lying vacant and unutilized. Moreover, furniture has yet to be provided for the cabins.

For CRCs and URCs, there was requirement of two coordinators as projected by UEE Mission to run these centers. The UEE Mission had planned to have one teacher from the school system and one person on contract basis but nothing has come out till date and the plan has not been made effective. The porta cabins marked for these centers are lying vacant and un-utilized. The expenditure of Rs.19.15 crore on construction of porta cabins failed to achieve the objectives for which they were constructed.

Action needs to be taken to fill up these posts as per prescribed procedure at the earliest.

5.5 Construction of two new Primary School Building

The building of 2 New Primary Schools was to be constructed at Sawada Ghewra Block 'A' and 'B' with 20 rooms. The work was entrusted by Executive Committee of SSA, Delhi with the approval of Delhi Govt. to DSIDC as deposit work inclusive of 3 per cent contingencies and 5 per cent Departmental charges as per Delhi Government procedure for taking over Civil Work as deposit work.

Administrative approval and expenditure sanction for Rs.140 lakh was issued and conveyed to DSIDC in October 2006 with the condition that the construction would be completed in 3 months time from the date of release of first installment. The first installment of Rs.70 lakh was released in November 2006 and the scheduled date of completion of work was February 2007. The progress of work was 75 per cent as of March 2007 but 100per cent work was completed and handed over to UEE Mission (School Principals) in September 2007 only. The delay occurred by DSIDC was of 7 months. According to the agreement, 90 per cent payment was to be made in mid-stages of work and remaining 10 per cent was to be made after completion of work. However, full payment of Rs.140 lakh was released in March 2007 before completion of the

work. The photograph of the school building constructed with BaLA concept is attached as *Annexure-IV*.

The team suggests that the penalty clause must be incorporated in all such work orders. In this case had a penalty clause been incorporated, it would have worked out to Rs.14.70 lakh for delay in completion of work by 7 months @ 1.5 per cent penalty per month. The delay involved in construction of work was due to lack of supervision by DSIDC. The SSA Programme was planned to start education session w.e.f. April 2007 in the new building which could not be completed due to delay by DSIDC in spite of full payment made by UEE Mission before completion of work. The team suggests that UEE Mission may find alternative sources for execution of work well within the stipulated period and incorporate the penalty clause in each work order.

5.6 Construction of 330 SPS rooms at various sites of schools

UEE Mission had decided that the execution of Civil Work would be done by DSIDC in order to get the work completed as fast as possible. The PWD would take more time in completion of work. Accordingly administrative approval and expenditure sanction amounting to Rs.9.9 crore was issued to DSIDC by UEE Mission Delhi in November 2006 for construction of 330 semi pucca structure rooms in various schools of Directorate of Education, MCD. 80 rooms in DoE and 250 rooms in MCD were to be constructed. Among other conditions, time schedule for completion of work within 3 months from the date of release of first installment/ payment was mentioned.

The first installment 50 per cent of the amount of Rs.9.9 crore which comes to Rs.4.95 crore was released in December 2006 to DSIDC for completion of work by March 2007. While the position regarding completion of work was that no room was completed fully though the percentage of progress of work intimated by DSIDC to UEE Mission was 60 per cent of the work as of March 2007.

But with the expectation that the work will be completed by DSIDC in April 2007, UEE Mission had further released the balance amount of Rs.4.00 crore in March 2007 out of Rs.4.95 crore to DSIDC.

The construction of 330 SPS classrooms was completed in September 2007 and handed over to UEE Mission/ schools authorities in October 2007. There was much delay in completion of work by DSIDC. The penalty clause should have been incorporated in the administrative approval and expenditure sanction for delay in execution of work by the construction agency. Had the penalty clause incorporated in the Administrative & Expenditure sanction @ 1.5 per cent per month for the delay, the penalty would have worked out to Rs.89.10 lakh for the delay of six months involved in the construction of 330 SPS rooms by DSIDC.

The team suggests that in future penalty clause for the delay in construction part must be there in each Administrative Approval and Expenditure Sanction in order to put pressure on construction agency to complete the work well in time.

5.7 Construction of toilets and toilet blocks

The construction of 610 toilets and 89 toilet blocks under SSA during the year 2006-07 was decided but the construction work had not been assigned to any agency till date (December 2007). There appears no progress in implementing this work. Such works should have been taken up speedily to provide sufficient toilet facilities separately for boys and girls in each school building.

5.8 Suggestion

The team suggests that technical cell may be raised consisting of at least two civil engineers, one Asstt. Executive Engineer and one Junior Engineer. They may be appointed on contract basis. They could supervise the progress of civil works and point out the shortcomings and defects in construction of work

awarded to constructing agency and pursue the progress of work at site and get the work completed in time.

5.9 Maintenance grant for repair of school building

Summary of Maintenance grant for repair of school building is as under:

Year	Budget Allotted		Expenditure Incurred		Remarks
	No. of School	Amount (Rs. in lakh)	No. of School	Amount (Rs. in LAKH)	
2004-05	2431	121.55	1852	92.10	The grant was allotted @ Rs.5000 per school but could not be utilized in full due to merger. (Two shift in one school building)
2005-06	2271	113.55	2271	113.55	
2006-07	2642	132.10	2414	120.70	

The school maintenance grant is paid to the school authorities by State Project Office for the purpose of repairs and maintenance of school buildings and in order to complete the work well within one month from the date of release of grant. But it was noticed that the grant to the school authorities was released at the end of the year and the cheques were received by the schools in April of the following year, which is shown, as expenditure for the last year. The practice followed is not correct. The team suggests that SPD should ensure that the grant should be released and received by school authorities at least in the middle of each financial year.

PAB during the approval of AWP&B of Delhi for the year 2004-05 & 2006-07 stressed that VECs or equivalent bodies should be constituted and bank accounts opened to incur expenditure on various grants received by school authorities including maintenance grant and such expenditure had to be incurred only through these bodies as per SSA norms. This was, however, not done. The team suggests that necessary action should be taken to follow the method approved by PAB (Project Approval Board of SSA) and action taken as per the SSA norms by UEE Mission, Delhi.

CHAPTER-6

PROCUREMENT

6.1 Review of Purchase Records:

UEE Mission Delhi had not framed any specific procedure for procurement of stores and acquisition of assets of its own. The Mission had followed the State Government' procedure for procurement of stores at State Project office level.

6.2 The following procurement of stores were made during year 2004-05 to 2006-07 as per summary given below in the table:

S. No.	Item	Rs.in Lakh	Reference No.	Remarks
1	Chair P.V.C – 40, Office Table – 1, Chair for Coordinator Rs.10000 for 40 sites	4.00	F.DE.29/UEE/65/78-805 dated 31/03/05	No uniform procedure was adopted by HoS/ Principals in spite of instructions from UEE Mission.
2	Lap top –2, Projector with accessories	1.73	F.DE.29(5)/UEE/05/826 dated 14/12/2006	Supply of projector is awaited though the full payment has been made in advance.
3	Photocopier – 1 (Toshiba)	1.95	DGS&D. rate contract No. DC/IT – 3/AC – D/0G000/1206/DAO/4/P2 51 dated 24/07/06	Purchase had been made as per rate contract.
4	Almirah – 5, Almirah with locker – 1, Officer Table –4, Chairs 16, Revolving Chair – 1.	1.30	F.DE.29(5)/UEE/05/ from M/s. Delhi Consumers Cooperative Whole Sale stores Ltd.	Purchase had been made from the Delhi Govt. authorized agency.
5	Various items for drawing/illustrative Artists and Multimedia Programmers for Computer Aided Learning (CAL) Project.	13.35	F.DE.29(5)/UEE/05/3/ dated 07-09-2006	Purchases had been made from registered vendors of UEE Mission. 1. Laxmi Stores 2. Targus Technologies Pvt. Ltd. 3.Shobha Enterprises.
6	CALTOONZ (Books) 7000 Nos.	9.24	F.DE.29/5/3/UEEM LC/060/07340023371/097 4 dated 19-03-2007	Publication of books was done by Delhi Bureau of text books under Delhi Govt.
7	Furniture Items for ECCE Furniture Items for CRC/URC Computer and Furniture	200 20	F.DE.29/5/3/UEEM/697 dated 30/03/2006	Purchase had been made through Educational Consultants of India (Ed-CIL). Under Ministry of HRD.

Items for CAL Labs.	469		
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Some of the important purchase items are discussed below:

6.3 UEE Mission, Delhi had issued expenditure sanction amounting to four lakh only for purchase of furniture in the year 2004-05 for 40 Clusters Resource Centre in MCD Zone and under Directorate of Education, Delhi @ Rs.10,000 per CRC. Sanction for Rs.2.40 lakh was meant for 9 districts under Directorate of Education, Delhi for 24 CRC and for Rs.1.60 lakh for 16 Nos. of CRCs under MCD Zone @ 10,000 each for procurement of furniture.

In accordance with provisions of SSA, Delhi, following items of furniture were to be purchased:

- (i) 40 chairs (PVC) for trainees
- (ii) 1 office table (5` x 3`)
- (iii) 1 chair for CRC coordinator

It was noticed that school authorities had not purchased furniture according to instruction issued by UEE Mission.

Few examples are given below:

- (i) Sarvodaya Vidyalaya, Rani Jhansi Road, had purchased one office table and one chair only out of Rs.10,000 while there were instructions to school authorities to purchase 40 Nos. PVC chairs and one office table and one chair for coordinator, out of Rs.10000.
- (ii) In case of Sarvodaya Girls Vidyalaya, Daryaganj, it was noticed that 20. PVC chairs and one revolving chair was purchased out of Rs.10000.
- (iii) Dy. Director Education (Central) had also not followed the instruction of UEE Mission. They had purchased only 20 chairs each for 3 schools.

During the sample scrutiny of procurement it was noticed that the procurement was delayed inordinately. In case of Darya Ganj School, it was noticed that fund was received in April 2005 while purchases were made in February 2006 though there were instructions that the procurement of these items should be made in time within one month from the date of receipt of cheque by them as per SSA norms.

Thus, it is seen that no uniform procedure for procurement of furniture was followed by the authorities even after issue of directions/ guidelines by UEE Mission to them. UEE Mission had accepted UCs sent by the schools. In future, a uniform system of procurement as per Government rules may be adopted. It is also suggested that procurement may be planned each year in advance and purchase of stores made in bulk by S.P.D for supply at various sites which will be economical.

6.4 A purchase order was placed on National Informatics Services Ltd. (N.I.C.S. Ltd.) for procurement of following stores of UEE Mission in December 2007 for Rs.1.73 lakh.

1.	Lap.top (C.I)	2	Rs.1,19,180
2.	Projection System	1	Rs.49,712
	(a) Additional Cable		Rs.660
	(b) Ceiling Mount Kit		Rs.2,226
	(c) Projector Screen (7`x 5`)		<u>Rs.1,970</u>
	Total	Rs.	<u>1,73,748</u>

An advance of Rs.1,73,748 in favour of M/s NICS Ltd. was made for the above items as per their terms and conditions of purchase but it was noticed that the supply of Projection System including its accessories costing Rs.54,568.00 was not effected as of December 2007.

Procurement of Computers and related furniture for CAL Labs and furniture items for ECCE and CRC/URC

6.5 UEE Mission, Delhi had released an advance of Rs.7.11 crore to Educational Consultants Indian Ltd. (Ed.CIL) (Govt. of India Enterprises under Ministry of HRD) for procurement of equipments and furniture for Early Child Care Educational Centers, CRCs/ URCs and Computer Aided Learning (CAL) Labs from SSA fund in September 2006 as shown below:

Items For Use In	No. Of centers	Amount Rs. in crore	Month of Payment
1. Purchase of furniture for ECCE and CRC/ URC	443	2.20	September 2006
2. TV and Computer and related furniture for use in schools for CAL labs. Revised Cost of these items	700	4.00	September 2006
3. escalation in cost of computers and addition of 60 computers over and above the target of 700 computers	60	0.70	March 2007
4. Consultancy charges 40 per cent of the total consultancy charges.	--	0.07	March 2007
(a) For furniture ECCE and CRC/URC	--	0.14	March 2007
(b) Computer and Furniture for CAL Lab			
	TOTAL	7.11	

Ed.CIL had charged consultancy fee @ 7 per cent plus service tax on lump sum amount of total cost of equipment for providing procurement consultancy services out of which they claimed 40 per cent advance at the time of award of project titled "UEE Mission" (Delhi Government Procurement) and remaining amount at the time for completion of work. In this case 100 per cent advance payment of cost of equipment at the time of award was settled in the agreement made between SSA and Ed.CIL. The period for completion of procurement was given 5 to 8 months in the sanction letter dated March 2006. It would be seen that the payment of advance of Rs.7.11 crore was made during the period September 2006 to March 2007 including revised cost of computers and its related furniture and 40 percent advance of consultancy fees applicable but there was no progress in supply of these items as of March 2007. During the visits to various schools by the team it was noticed that computers, TV & related furniture for CAL Labs had been supplied to the schools but the furniture items costing Rs.2 crore required for ECCE and CRCs/

URCs had not been supplied till date and Porta Cabins were lying unfurnished and without use for the purpose for which they were constructed.

It shows that the Ed.CIL has not taken keen interest in the matter even after taking consultancy charges and cost of system and stores in advance.

6.6 The consultative core group/ SSA had released an amount of Rs.80,000 for procurement of sample equipment/ fixtures and fittings/ soft toys and learning material to equip the ECCE with these items also.

The following two agencies were involved in Development of Child Education in early age i.e. from 3 to 5 years. UEE Mission had paid an advance noted against each for Pilot model of Pre-Nursery & Nursery Classes.

- (i) Delhi Council for Child Welfare Rs.50,000
Civil Lines, New Delhi
- (ii) Principal, Raj Kumari Amrit Kaur Rs.30,000
Child Study Center RAK, Lady Irwin College, New Delhi.

These agencies had procured the stores as per the model sample for ECCE. However, there is nothing on record to show whether the stores have been accounted for by the UEE Mission.

CHAPTER-7

ACCOUNTS AND AUDIT

7.1 The “Manual on Financial Management and Procurement” inter-alia provides guidelines for maintenance of books of accounts and registers. Chapter IV of the Manual lays down the accounting procedure for recording monetary transactions of SIS in the Head quarter offices as well as in the subordinate offices. Some other important provisions of the Manual with regard to maintenance of books of accounts are as under:

7.2 Double Entry System of Accounts

- (i) Para 49 lays down that the accounts in respect of monetary transactions shall be maintained in the same manner as required in the State Government Office and double entry method based on mercantile system of accounting shall be followed.
- (ii) Para 50 enumerated the list of books of accounts and registers which are to be maintained in the Accounts departments.
- (iii) Para 52 stated that the books and forms of accounts shall be maintained in the forms in which these are maintained in State Government office and if some of the registers and forms are not in use in the State Government office the forms approved by the office of the State Society with the approval of State Project Director are to be followed.
- (iv) Para 77.2 lays down that cash book shall be maintained under double entry system.
- (v) Para 80 and 81 provide instructions of maintenance of journals and ledgers respectively.

7.3 Staffing Structure of Finance and Accounts Section

Para 83.1 of Manual of Financial Management and Procurement lays down the following staffing structure at State Level and District Level of Finance and Accounts and Internal Audit.

Name of the Post	Number of posts at State level (SPO)	Number of posts at District level (DPO)
(a) Finance & Accounts		
1. Controller of Finance	1	
2. Finance & Accounts Office	1	1
3. Senior Accountant, Junior Accountant, Senior Accounts Clerk	3	2
4. Cashier	1	1
(b). Internal Audit		
1. Audit Officer	1	--
2. Senior Auditors	2	--

During review of SSA, Delhi the Team observed as follows:

- (i) The Accounts officer of the office of Directorate of Education, Delhi was looking after the work of SSA in his capacity of Finance Controller in addition to his other duties. He was also one of the signatories to the cheques.
- (ii) The day-to-day work of Accounts section is looked after by one Assistant Accounts Officer, One UDC (both diverted from Education Deptt.) and one Accounts Clerk (on contract).
- (iii) Though there are nine districts in NCT, Delhi; SSA had no office of its own in these districts. The office of the Dy. Director of Education in each district assisted SSA as and when occasion had arisen in addition to its own duties. The Accounts Section sent cheques representing Repair & Maintenance grants, School grants and Teaching learning material grants in the name of Dy. Directors of Education of each district, they in turn remitted the amounts to the Principal of the concerned schools, obtained utilization certificates

from each school and forward consolidated utilization certificate alongwith unspent balance, if any, to the Accounts Section of SSA.

- (iv) SSA had no Internal Audit section of its own. The team of Directors of Audit, Delhi conducted internal audit of SSA some time in the month of July/ August 2007 [on the request of the Secretary cum Chairperson, UEEM] the Internal Audit Report still awaited (December 2007).

In view of the above the Team suggests that:

- The State Project Office, SSA, Delhi should take early steps to post staff in Accounts Section.
- The State Project Office should arrange periodical training of Accounts Personnel.
- The State Project Office should have its Internal Audit Section separate from the Directorate of Audit, Delhi for conducting audit of SSA, Head quarters office of the Dy. Directors and of Schools.

Some of features relating to accounts of SSA as observed by the Team are as under:

- (i) The State Government followed single entry system of accounts books and forms of accounts were based on this very system of accounts.
- (ii) The forms and registers adopted by SIS were in conformity with those used by the State Government.
- (iii) The accounts personnel posted at the Head Quarters of SSA, Dy. Directors of Education and DIET were either diverted from the office of Directorate of Education, Delhi or were on contract basis and as such had very little knowledge of double entry system of book keeping.
- (iv) As in the government accounting system, depreciation was not being provided under SSA.

- (v) The following records and registers which are very vital for double entry system of accounting were neither maintained in Head quarter office nor in Dy. Directors offices: -
- Journal Vouchers
 - Ledger
 - Monthly/ Quarterly Statements of Expenditure
 - Monthly Bank reconciliation statement
 - Register of investments and fixed deposits.
 - Register of advances.
- (vi) Financial Powers in regard to sanctioning of expenditure (except telephone bills) had not been delegated to any other subordinate officers. All expenditure except telephone bills was sanctioned by the Chairperson in the files. Thereafter cheques were prepared by the Accounts Section and got signed by two persons nominated for this purpose.
- (vii) The accounts were being prepared on Receipt basis and not on accrual basis. Accordingly provisions for out standing expenditure/ receipts were not made in the Income & Expenditure Accounts and in Balance Sheet. A sum of Rs.8 lakh out of Rs.16 lakh was recoverable against MIS Project of PWD as on 31 March 2005. On this analogy the amount had not been taken in the Income and Expenditure Accounts for the year 2004-05 and the Balance Sheet as on 31 March 2005.
- (viii) There was a difference of Rs.237010, between the figures of Canara Bank and those of Head Office as on 31 March 2006. On scrutiny it was noticed that this amount represented sum total of 43 cheques for the period from April 2005 to March 2007. Thus the validity of these cheques had expired long back but these had neither been cancelled nor revalidated (November, 2007).

- (ix) The Receipt and Payment Account and Income and Expenditure for the year 2006-07 and Balance Sheet as on 31March 2007 had not been prepared till date (November 2007) though a period of more than seven months had lapsed. The accounts section is still in the process of appointing a suitable firm of Chartered Accountant for this purpose.
- (x) The bank has not been deducting income tax at source on the amount of interest being credited in the balance of SSA year after year. The Accounts section is of the view that Interest income on FDs and Saving Bank A/c falls under section 10(23C) (iiiab) of the Income Tax Act, 1961 and as such is exempt from income tax.
- (xi) Honorarium to its own employees including Gazetted Officers is being paid year after year with the sanction of the competent authority. In one particular case Rs.58000 and Rs.42000 were sanctioned during 2005-06 and 2006-07 respectively to one Gazetted Officer but no income tax was deducted.

7.4 Bank Reconciliation with Canara Bank

SSA had been keeping huge balance in Saving Account with Canara Bank almost every month. However, no bank reconciliation is being carried out periodically.

The Team feel that bank reconciliation should be conducted regularly. For this purpose, bank reconciliation statement should be drawn in order to reconcile the bank balance with those shown by the Bank Book of Accounts Section. This is necessary to guard against the possibility of fraud and embezzlement.

7.5 Certification of Annual Statement of Accounts

The Annual Accounts of SIS are required to be audited annually by an independent Chartered Accountant in accordance with the provisions of the Society Registration Act. Para 101 of MFM & P lays down detailed procedure in regard to short listing of qualified and experienced firms of Chartered Accountants by issue of letters of invitation, audit of the annual accounts by any one of such firms, preparation of annual audited reports by 30 September every year, submission of the audited accounts alongwith audit report before the Executive Committee /Governing Body within next three months. The Executive Committee is further required to submit the report alongwith its observation to the State government within next 15 days and the State Govt. would there after forward it to Government of India for acceptance.

Rule 26(4) of the Rules & Regulations of UEE Mission provides that the accounts of the Mission as certified by the Chartered Accountant or any other person appointed by the Government in this behalf together with Audit Report thereon, shall lay before the Governing Body within nine months of the closing of accounting year of the Mission. Rule 28 further states that the financial year of the mission will be from 1 April to 31 March. In the above context, the team observed that there was a delay in the preparation of Annual Accounts, audit of accounts by Chartered Accountant, submission of audited accounts alongwith audit report etc. to the Executive Committee every year as may seen from the following table:

Financial Year	Last date of submission of balance sheet to EC (within 9 months)	Actual date of completion of audit by CA	Remarks
2004-05	30 December2005	05 January 2006	Considered and adopted by EC in its meeting held on 13 March 2006 vide Agenda Item No.16.
2005-06	30 December 2006	18May2007	Not considered till date by EC
2006-07	30 December 2007	NIL	Firm of CA is yet to be appointed

7.6 Computerization of Accounts

Accounts in the Accounts Section except Advance Register are computerized.

The functions of the Accounts Section in brief may be summarized as under:

- (i) On receipt of the sanctions of the competent authority/ Chairperson on the files of concerned section/ department, the Accounts Section prepare cheques in the name of the Party/ Parties concerned, record a brief note/ details of the cheques on the file and send the cheques alongwith files to the two signatories nominated for the purpose.
- (ii) The particulars of cheques, thereafter are fed into computer against the relevant code/ intervention.

The Accounts section, however, does not keep any papers in support of the cheques so prepared. Neither journal vouchers are prepared, nor photocopies of the papers containing sanctions of the competent authority are kept. At a later stage, therefore, it would be difficult to test check whether details/ Particulars of all the cheques were entered in computer and whether advances made to the staff members & others had been entered in the Advance Register.

Account Section also do not prepare monthly statements of expenditure and the bank reconciliation statement. More so, the sum totals of expenditure statements were not reconciled with the sum total of bank withdrawal as shown by the Bank Book. Accordingly in case, any expenditure was not entered into the computer or was entered wrongly, it would be difficult to detect and verify the same at a later stage.

7.7 Physical verification of Fixed Assets

Para 101 of MFM & P also provides that a statement showing a schedule of fixed assets held by the society should be sent to the Govt. of India and the State government alongwith the statement of accounts.

The team observed that the physical verification of fixed assets had not been carried out as of November 2007.

7.8 Internal Audit

Para 99 of MFM&P provides that SIS should introduce proper internal audit system and strengthen internal checks to ensure proper utilization of funds approved in AWP&B. Para 100 of the manual also lays down the norms for internal Audit of SSA. It further states that in case in house internal audit team is not available, qualified Chartered Accountants firm may be engaged for carrying out the internal audit.

The study team is of the view that since budget of SSA as shown below from 2004-05 onwards had been increasing year after year and had almost doubled during 2006-07 as against 2004-05, there is every justification that SSA must have its own Internal Audit System

Year	Budget Allocation (Rs. in lakh)
2004-05	4224.68
2005-06	6688.51
2006-07	8456.46

The study team also recommend that SSA must frame its own Internal Audit Manual in regard to audit of its various departments and schools.

In the absence of Journal vouchers, monthly expenditure statement code-wise/ intervention wise in the Accounts Section the Team was unable to test-check the correctness and accuracy of the figures of expenditure as recorded in the computer. The needful, therefore should be done and Accounts Section be advised:

- to keep basic records pertaining to expenditure incurred for audit purpose.
- to discontinue handing over of the cheques to the third parties.

- to prepare monthly statement of expenditure, bank reconciliation statements.
- to tally the figures of the monthly statement with those shown by the Bank book of the Section.
- to maintain control over expenditure by periodic review of funds released and expenditure incurred.
- to prepare annual accounts before 30 September each year and to comply with the provisions of Rule 26(4) of the rules and regulations of the UEE Mission.

CHAPTER-8

ALTERNATE LEARNING CENTRES AND ROLE OF NGOS

8.1 According to household survey, 2003, 187000 children (approximately) of the age group of 6–14 years were found out of school in the state of Delhi. The interventions under SSA in this regard provides mainstreaming of these children through EGS/ AIE. Education Guarantee Scheme envisages schooling facilities to these children within 1 Km of their habitation while Alternative and Innovative scheme provided to bridge the gap of their education for some time before bringing them to the mainstream of formal education system. The Executive Committee UEE Mission Delhi on the recommendation of Grants In Aid Committee decided to start the process of empanelling NGOs from May – June, 2003 onwards. The empanelled NGOs were allotted as many as 1812 kshetras to run Learning Centers (LCs) in these kshetras under EGS/AIE funding pattern.

The number of NGOs after their empanelment, however, did not remain stationary. During first six months of the start of the process, the number which at one time had risen to 202 upto September – October 2004, started decreasing. The reports of the Nodal Officers appointed by SSA received from time to time revealed that the number of functional NGOs had reduced to 185 by the end of March, 2005 and 156 upto September – October 2005.

8.2 The Project Approval Board of SSA while considering the Annual Work Plan and Budget for 2004-05, 2005-06 and 2006-07 had approved budget and physical target for out-of-school children and Alternative Learning Centres both primary and upper primary as shown below:

Year	Budget (Rs. In Lakh)	Expenditure (Rs. In Lakh)	Physical Targets	No. of Children Mainstreamed
2004-05	875.78(P) 1007.65(UP)	195.71(P) 85.29(UP)	103643(P) 68761(UP)	--
2005-06	620.96(P) 617.90(UP)	559.34(P) 232.85(UP)	73485 (P) 51492(UP)	54067

2006-07	549.25(P) 120.00(UP)	190.08(P) 3.07(UP)	65000(P) 10000(UP)	
Note:- SSA has recently informed Rajya Sabha in reply to a question that 85172 Out of School Children have been mainstreamed during 2003-07.				

In this connection, the Team observed as under:

8.2.1 As per records of SSA, NGO Cell, 46 NGOs (202-156) had stopped working or did not start their operation after empanelment. Accordingly, the kshetras and Learning Centres allotted to them remained unattended and no efforts were made to allot these kshetras and the learning centres to other NGOs.

No action was also taken to bring the children of the LCs of these NGOs who had left in the middle of academic session into the mainstream of formal education.

8.2.2 The payment made to such NGOs upto the date of their functioning proved wasteful as seen from *Annexure-V*. In selected districts i.e. East and North – West district Rs.60.21 lakh had been paid to 10 NGOs during 2003-2005 who had wound up 203 learning centers in which 7720 students were enrolled in the middle of the academic session.

8.2.3 No action in regard to withholding payment of bills, legal or other action as per Terms of Agreement was taken against such NGOs.

8.2.4 The terms and conditions inter-alia provided for forty out of school children at each LC, a certificate from the neighboring MCD school. Government/ Government recognized school that these children were not on their rolls. Minimum hours of teaching per academic year, the curriculum, syllabi and textual materials were to be approved by UEE Mission. LC teachers were to be trained by institutions like SCERT and DIET. Supervision and monitoring of LCs were to be done by the Directorate of Education and UEE Mission functionaries. Rate of permissible amount payable per annum per child was also prescribed. Fifty per cent of the children were to be

mainstreamed from each learning centre. The team observed that the said agreement did not provide for:

- (a) execution of agreement containing Terms & Conditions of empanelment on a suitable Judicial Paper duly notarized.
- (b) time limit i.e. one year or two years during which the agreement would remain in force.
- (c) any penalty 'clause' i.e. non payment, withholding payment of pending bills, forfeiture of security/ bond money, initiation of legal action etc. in case NGOs terminate the centres and stop functioning in the middle of the academic year.
- (d) observation of summer/ winter breaks, national holidays etc. in the Learning Centres and non payment clause for all such holidays.

8.3 Registration of LC children by NGOs on UEE Mission website

By May, 2005, UEE Mission had started its own Web-site and soon thereafter the Executive Committee, UEEM decided that all NGOs should be advised to register all the children enrolled in LCs on Departmental Web-site. The Chairperson, EC, UEE Mission accordingly ordered in July, 2005 that henceforth all the payments to NGOs would be subject to their furnishing details of L.C. students on web-based modules. The NGOs did not comply with the orders and as such their payments were withheld till further orders. However, the NGOs were granted some more time to comply with the conditions.

Further in order to substantiate the expenses of this exercise, the NGOs on their request were allowed payments in advance @ Rs.3 per child for all the children in the Alternative Learning Centres and they were advised to complete the entire process i.e. submission of CDs containing Photo, IDs of the learners within the promised scheduled period (February, 2006). However,

inspite of the relaxations given to the NGOs from time to time and advance payment for making CDs of Photo IDs etc., they did not complete the job. The Chairperson instead of taking action(s), legal or otherwise as per terms and conditions of agreement entered into with NGOs at the time of their empanelment granted them extension for submission of CDs containing Photo IDs of the learners. The last extension given to the NGOs was upto June, 2006 subsequently the contract with NGO's was terminated in July 2006.

8.4 Review Committee

In order to study the performance of the NGOs for the coverage of the target population of out-of-school children and to plan for the coverage of the remaining out-of-school children, a Review Committee was constituted with the approval of the Chairperson, EC – UEEM, to go into the working of the NGOs in detail, to grade their performance in running the ALCs and compliance of Web-based monitoring.

8.4.1 The Review Committee evaluated the performance of the NGOs and made the following recommendation:

- (a) To waive the condition of submission of CDs by NGOs by June 30, 2006;
- (b) To lower the percentage from 100% to 50% mainstreaming; and
- (c) To prepare list of NGOs into six categories – 'A' to 'F' based on their past performance.

In addition, the Review Committee prepared the following statistical data for the information of the, EC, UEE Mission and the Grants-in-Aid Committee (GIAC):

Sl. No.	Particulars/Actions	No. of NGOs	No. of Children
1.	Cheques prepared @Rs.3 per child.	155	98,531
2.	Cheques received for making CDs etc.	148	96,932
3.	Photo IDs submitted till August 2006	91	63,216

4.	Enrolment in LCs on web site as on 07-08-2006	104	78,422
5.	Mainstreamed children upto 31-08-2006	141	54,067
6.	Total Registration on Web site as on 07-08-2006	128	99,602

An analysis of the above statistical data would reveal the following:

- (i) Out of 155 NGOs, 148 NGOs only received cheques in respect of 96,932 children @ Rs.3 per child. The non collection of cheques by 7 NGOs in respect of 1599 children, thus, create doubts in regard to genuineness of figures of children in their LCs.
- (ii) Out of 155 NGOs, 91 NGOs had submitted photo IDs of 63,216 children only. Accordingly advance payment @ Rs.3 per child in respect of 33,716 children amounting to Rs.1,01,148 appears to have been paid *in-excess* to these NGOs.
- (iii) There is huge difference in the number of children registered on web site and those for whom CDs have been submitted till August, 2006. As many as 99602 children are shown as registered on web-site as on 07-08-2006 while Photo IDs have been submitted for 63,216 children only till August 2006. Again, enrolment in LCs on web-site till 07-08-06 was for 78,422 children.
- (iv) As against the population of 187000 children in the age group of 6-14 years reported in House-hold Survey 2003, only 54,067 children were brought into mainstream upto 31st August 2006 i.e. much less than the target figure of 50% per year. The children mainstreamed in formal schools were not verified by UEE officials on the basis of sample checking.
- (v) The LC ID children numbering 78,422 and the details of mainstreamed and not yet mainstreamed children need to be crosschecked with the data in CDs and those on web-site.

- (vi) The non-submission of photo IDs of the learners by 57 NGOs (148 minus 91) creates doubts in regard to correctness of the lists/ data submitted by them earlier. The discrepancy, if any in this regard may lead to overpayment to the NGOs.

The Team further observed that:

- (i) The Project, which started sometime in April/ May 2003 was initially for a period of two years. However, before its closure in July 2006, it had remained in operation for almost three years. The excess period of one year needs to be regularized by the Competent Authority.
- (ii) The population of 1,87,000 children in the age group of 6-14 years as per 2003 survey may have crossed the figure of 2 lakh of such children by the end of 2007. Accordingly, proper planning needs to be made well in advance to bring the remaining 1.5 lakh odd children into the mainstream in case GIAC of the State take a decision to continue or to up-scale the project.
- (iii) In compliance with the orders of the Govt. of Delhi for closure of all schools in Delhi due to prevailing unbearable hot weather conditions, SSA took a decision on 11 May 2006 to close all LCs with immediate effect till July 1, 2006.

It may be stated that hot weather did prevail in the years 2004 and 2005 and all government aided and private schools remained closed in these years too in the months of May and June but no such decision was taken to close the LCs and payment of the bills in these months submitted by the NGOs pertaining to summer and winter vacations etc. were made without any deduction.

(iv) UEEM has taken a decision to empanel NGOs afresh to run the Learning Centres and thereby to bring out of school children into the mainstream of formal education. Accordingly, applications have been invited from the interested parties/institutions in the month of October, 2007. The process of selection, approval and empanelment may take two to three months. In this regard the following are suggested for consideration:

1. Door to door, survey of out-of-school children should be started and completed within next two to three months so that all such children may be enrolled in the LCs of newly empanelled NGOs from April/May, 2008 academic session.

It is learnt that SSA had made an advance payment of Rs.29.25 lakh to the Director Education (MCD) on 30th March 2007 towards honorarium and TA to enumerators supervisors delayed for door-to-door survey of out of school children. The work had not been take up by MCD as of December 2007.

2. While drawing the Agreement containing Terms and Conditions with the NGOs in regard to running of Learning Centres, the inclusion of following clauses may be considered:
 - (a) agreement should be on non-judicial stamped Indian paper of appropriate value;
 - (b) a clause in regard to closure of LCs during summer/ winter breaks etc. and that no payment would be made to them for such holidays etc.

- (c) provision of uniform syllabus & learning material/ books for the learners of all the Learning Centres so that students of these centres on their admission to regular schools do not lag behind other students.
- (d) provision for training of the teachers of Learning Centres and as far as possible in the first year of the empanelment of the NGOs and that too in the beginning of the academic session. Further the training shall be at the cost of the NGOs.
- (e) the Agreement should be for a specific period.
- (f) legal action will be taken against such NGOs who close their Learning Centre in the middle of the academic session.
- (g) specific minimum percentage say 50% or more of the mainstreaming of the learners in each academic year.
- (h) close monitoring of the learners admitted in the regular schools in regard to their regular attendance, drop out, promotion to next class etc.
- (i) Government and MCD upper primary schools be advised to keep separate records of admissions, dropouts, promotions etc. of the students of the Learning Centres for subsequent statistical purposes.
- (j) the Agreement with the NGOs could be vetted by the law department.
- (k) the Nodal officers must inspect all the LCs under their jurisdictions at periodical intervals.

CHAPTER-9

SCHOOL VISITS AND UTILIZATION OF VARIOUS GRANTS

9.1 The norms of interventions under SSA provide for payment of following grants to the teachers and principals of the schools at the rates noted against each:

Sl. No.	Particulars	Rs. (p.a.)
1.	Teachers	500.00
2.	Principals/ Vice-Principals:	
	a) Maintenance and repair of school buildings	5000.00
	b) School Grants	2000.00

9.2 Teachers Grant

SSA envisages procurement and development of Teaching Learning Materials (TLM) such as text books, work books, teachers guide, teaching aids, learning aids, education kits etc. by assistant teachers and trained graduate teachers of all primary schools and upper primary schools which are helpful in developing the curriculum to the students in the classrooms. SSA released grant of Rs.500 per teacher per annum for 2004-05 and 2005-06. No grant was released during 2006-07. The grant in the first instance was released to the Dy. Director of each district who in turn released the grant by separate cheque/ cash to the principals/ Vice Principals of the schools for further disbursement to the teachers concerned.

The study team visited 50 selected schools (25 schools each in North-West and East District) including some MCD. Primary schools falling in these two districts and observed as under:

- (i) No norms had been issued by Director of Education/ SSA to teachers for utilization of the grant and in case any such norms were issued in the past, the same were overlooked.

- (ii) The teachers had purchased materials according to their own liking, which had no relation with their classroom day to day teaching e.g. costly dictionaries worth Rs.500 each, calculators, encyclopedia, etc. Further, the Principals/ Vice-Principals of the schools had not verified the cash memos submitted by the teachers. In 9 schools, 136 teachers had not submitted cash vouchers. Further cash vouchers in respect of school grant and maintenance and repair grant for the years 2004-2007 were not shown in 12 schools and 15 schools respectively as shown in *Annexure-VI*.
- (iii) There was no uniform system with regard to keeping of the materials in the schools and to handover the same to the schools in case of transfer/ retirement of the teachers.
- (iv) In 4 schools the Principals had failed to utilize the school grant and maintenance and repair grant as shown in *Annexure-VI* and as such the purpose for which the grants were paid remained unfulfilled.

9.3 Maintenance and Repair Grants

Under SSA norms maintenance and repair grant at the rate of Rs.5000 per school per annum was paid during 2004-07 to the principals/ Vice-Principals of those schools who had charge of existing school buildings. This Principle equally applied to the schools wherein two shifts – morning and evening were being run in the same building. The norms further provided that there must be specific proposal by the school committee for the grant and it must involve elements of the community contribution. However, there would be no distinction between major and minor work and both could be carried out within the limit of Rs.5000 per annum. The items of work generally

included in the maintenance and repair work of the school building were repair of boundary walls/ any part of the building including toilets, repair of water pipeline/ water storage tank/ drinking water facility, repair of electric fittings, cleanliness of school buildings including terrace, removal of garbage/ malba from school compound etc. However, replacement of broken window panes was not permissible.

During review of records of the selected schools of the two districts, the team observed that:

Sarvodaya Bal Vidyalayas were paid Rs.14000 in lump sum during March 2007 in two instalments of Rs.7000 each. The Principal of one of schools had spent the amount on purchase of cemented pots and flowers, meghar phones, first aid kit, wall clock, copper chock etc. from a supplier who normally did not deal in repairing jobs. Another Principal had spent the amount on purchase of office stationary and reference books e.g. Fundamental Rules (FRs), supplementary rules (SRs) and general rules etc. Similarly one principal of Sarvodaya Kanya Vidyalaya had spent part of the grant for 2005-06 on repair of tables, repair of back seats of chairs, door repair and grant for 2006-07 on purchase of two mikes, two trunks and replacement of window glasses etc.

9.4 School Grant

The school grant of Rs.2000 per annum per school, as per SSA norms was paid during 2004-07 to the principals/ Vice-Principals of primary and upper primary schools for repair and replacement of non-functional office equipments and in case the equipments were not in working order, the new equipments such as black board, public address system, tin boxes for keeping records could be purchased.

During test check of the records of the selected schools, the team noticed that the principals of some schools had spent the amount of grant partly on purchase of office books like Dixit's School Manual and leave rules etc. In

some cases the principals had spent the amount on repair of water cooler, office cabinet, staff room pigeon holes and on purchase of office chairs etc.

9.5 Physical Verification of Assets

Out of 50 schools visited by the team stock registers were not shown to the team by 20 schools.

Physical verification was not conducted on annual basis upto the year 2007 in 6 MCD schools visited by the team.

9.6 Interview of Parents, Teachers and Students

One parent of the student of class eight or below, one assistant teacher/ TGT and one student of primary/ upper primary class were interviewed to know about the facilities of drinking water, availability of rooms, play ground, use of TLM grant, Mid-day Meal, text books, games and presence of students and teachers in the classrooms etc. The team was informed that all these facilities were satisfactory. However, the parents and teachers in some schools pointed out that Delhi Administration must pay more attention towards safety and security of girls students.

9.7 Teacher People Ratio

The programme of SSA envisaged that there should be one teacher for every 40 pupils in each class, atleast two teachers in primary and three teachers in upper primary class. While reviewing the Pupil Teacher Ratio (PTR) in 50 schools of the two selected districts – East and Northwest, the team observed as follows:

- (i) The norms in regard to atleast two teachers in each primary class had been followed in all the selected schools.
- (ii) There were more than three teachers in each upper primary class in the schools.

- (iii) The pupil teachers ratio (PTR) in almost all the schools was less than 40 and was in the range of 33 to 38 students per teacher.

The team is of the view that since there were enough facilities of Government, MCD, NDMC, Aided and Public schools in each Kshetra lower pupil teacher ratio in Delhi was for the overall benefit of the students.

9.8 General

The Team further observed as under:

- (i) Grants received by cheques were found deposited in PTA accounts by most of the schools and accordingly while verifying the amount of grants, date of receipt etc. PTA account Pass Book and cash books had to be checked. In order to avoid mixing of SSA funds with PTA funds of the schools, it is suggested that principals may be advised to maintain separate account for SSA funds.
- (ii) The grants for 2005-06 were paid to schools as late as first week of March 2006 and those for 2006-07 in the first week of next year i.e. April 2007.
- (iii) Each Sarvodaya Kanya Vidyalaya had been paid a sum of Rs.7,000 during 2006-07. The object of this additional grant and the purpose for which it was given was not explained in writing to the principals. Accordingly the team could not check the utilization of this additional grant with the intended purpose.
- (iv) TLM grant for the year 2006-07 was not released. On enquiry, the team was informed that part of the grant (Rs.108.85 lakh) had been diverted towards payment of "YUVA" to the Delhi Bureau of Text Books. This diversion of funds, however, did not have the approval of the Executive Committee/ Government of India.

- (v) In order to watch utilization and use of the material purchased under TLM grant, it is suggested that the same should be entered in the consumable stock register of the school to watch its utilization.

CHAPTER-10

TRAINING AND QUALITY IMPROVEMENT

10.1 Teachers Training

The Teacher is the most critical link in the process of learning. Neither the background of the teacher nor their pre-service education equip them with the requisite skills to deal with real life situation in the class rooms and evolve teaching practices that would ensure that those children who are mostly socio-economically and Socio- educationally disadvantaged groups are learning. The in-service training programmes for teachers are designed to meet the needs of the teachers so that they in turn meet the needs of every child. In addition to training of teachers, SCERT also gives training to Community Leaders.

10.2 The training programme conducted by SCERT during years 2004-2005, 2005-2006 and 2006-2007 was as under:

Year	No. of Teachers proposed	Budget allotted (Rs. in lakh)	Actual No. of participants	Actual Exp.as per A/c (Rs. in lakh)	Shortfall of participants	Unspent balance (Rs. in lakh)
2004-05	43880	307.18	13138	203.83	30742	103.35
2005-06	48265	704.06	17543	242.27	30722	461.9
2006-07	58139	886.38	41572	480.17	6567	406.21

In the year 2004-05 the expenditure as per accounts was Rs.203.83 lakh while as per SCERT Utilization Certificate it was Rs.180.07 lakh which needs reconciliation.

During the year 2004-2005 there was plan to impart training to 43880 number of teachers for 20 days in a year and budget of Rs.307.18 lakh was allotted but actual participants were 13138 teachers and expenditure incurred was for

Rs.203.83 lakh. Thus 30742 teachers were left without training and budget for Rs.103.35 lakh remained unutilized.

In the year 2005-2006 there was planning for imparting training to 48265 teachers and budget of Rs.704.06 lakh was allotted. 17543 teachers received training of 20 days planned by SCERT/ DIETs and budget amounting to Rs.242.27 lakh was utilized. 30772 teachers were left without training during the year and budget of Rs.461.79 lakh remained unutilized.

During year 2006-2007, there was a approved plan of imparting training to 58139 teachers against which 41572 teachers were given training. The budget allotment was for Rs.886.38 lakh out of which Rs.480.17 lakh were spent. Thus, 6567 teachers were left untrained and Rs.406.21 lakh remained unspent.

Thus it is seen that SCERT had not been able to meet the target of imparting training to teachers for 20 days in a year. Efforts should be made by SCERT to impart training to all the teachers as per the approved plan. There should be full support from DoE, MCD and NDMC to spare teachers for training to be given by SCERT.

UEE Mission may take up the matter with SCERT to meet the target planned by the Mission. SSA programme will be successful only when all teachers are trained during each year as per the plan.

10.3 State Institute of Educational Management and Training (SIEMAT)

A SIEMAT is to be established with the mandate of coordinating policy planning, leadership development and management of planning in school education with responsibility for community partnership, research and training of departmental functionaries including the DIETs. The SIEMAT is to serve as a networking agency between all the bodies responsible for school education (MCD, DoE, NDMC, DCB) and other stakeholders. It will be an institute for capacity development of all educational administrators and managers. Leadership & Management Training of educational administrators of all

systems and of heads of school will be conducted through SIEMAT to strengthen leaders at all levels to achieve the goals of universalization of elementary education in Delhi.

For this purpose a provision of Rs.50 lakh was made in the budget during the year 2005-06 & 2006-07 out of which no expenditure was incurred during these years. The process of establishing SIEMAT has got delayed. Suitable action should be taken to start SIEMAT at an early stage.

10.4 Training of Teachers of the Learning Centers

The norms of Education Guarantee Scheme of MHRD, Govt. of India, specify the permissible amount per child per annum payable to the NGOs. This amount includes the followings:-

- (a) Honorarium to teachers
- (b) Training to teachers
- (c) Teaching Learning material for the learners.
- (d) Teaching learning material equipment in the Learning Centers
- (e) Contingency amount for center.

The norms further specify that the amount to be paid to the NGOs will be after deducting the amount spent on training if training is imparted by SCERT/ DIET/ UEE Mission.

From the records seen by the team it transpired that UEE Mission had paid an advance of Rs.6.40 lakh to SCERT for the training of 1280 teachers of NGOs @ Rs.500 per teacher. As against this advance, SCERT had spent an amount of Rs.4.12 lakh only and refunded the balance amount of Rs.2.28 lakh to SSA in February 2006. NGO cell of UEE Mission had confirmed that the amount spent on Training of Teachers of NGOs had not been deducted from the bills of NGOs.

The expenditure incurred on Training of Teachers of NGOs amounting to Rs.4.12 lakh may be recovered from the pending bills of NGOs concerned.

CHAPTER-11

MISCELLANEOUS

11.1 Children with special needs

The programme of SSA vide intervention No. 15 envisaged that every child with special needs irrespective of nature and degree of disability is provided education in a appropriate environment and that no child is left out of the existing system of education. However, the CWSN, who cannot be integrated into regular schools on account of their special disabilities, should be referred to the special schools. The SSA authorities of NCT of Delhi were required to spend an amount of Rs.1200 per child per year for providing special services to CWSN, EGS and AIE centers.

11.2. Identification of CWSN

The IEDC incharges of each school were required to send lists of children of classes I to VIII belonging to the following six categories to their District Coordinators (IEDC) for enrolment of these children in various camps being organized at district level each year:

- OH- Orthopedically Impaired.
- VI - Visually Impaired.
- HI - Hearing Impaired
- SI - Speech Impaired.
- MR/CP - Mentally Retarded
- MD - Multiple Disability

11.3 Budget provision and actual expenditure

The following table will show budget provision and actual expenditure incurred during the last three years:

Year	Budget provisions (Rs in Lakh)	Actual Expenditure (Rs in Lakh)	Remarks/Progress Made
2004-05	362.24	--	Budget was provided for 30186 children @ Rs.1200 per child. However, no expenditure was incurred during the year.
2005-06	12.00	12.00	Initially budget provision was made for 8000 children @ Rs.1200 per child. As against this, initially <u>1000 children</u> were proposed to be covered on a pilot basis as per decision taken by PAB while considering the AWP&B for 2005-06. This amount was sanctioned to MCD. They paid Rs.12 lakh to 1000 children in cash instead of providing special services.
2006-07	48.34	33.70	Budget provision was made for 4028 children @ Rs.1200 per child. However, 70% amount was utilized.

CWSN: Children with Special Needs, IEDC: Integrated Education of Disabled Children

Project Approval Board (PAB) while considering AWP&B for 2005-06 had made the following observations:-

- (i) In spite of three years of SSA in the State, the Progress of IED was very slow. Even identification of CWSN has not been done. The State should immediately undertake identification drives and assessment camps to assess the needs of the CWSN and start follow up action to address this issue.
- (ii) During 2005-06 under IED, Rs.12 Lakh was paid in cash to the beneficiaries, which was against the established SSA norms. This amount was adjusted while communicating the budget approval for the year 2006-07.

The Executive Committee in its meeting held on 21st September 2005 also discussed the issue of disabled children and decided as under:-

"To take the education of disabled children, all the four departments i.e. Education, Social Welfare Board, Labour and Health will sit together and decide the action plan/ strategy. In this regard 40 per cent money will be given by Social Welfare Board towards the welfare of these children. A separate work plan was to

be prepared by Social Welfare Department for these children". This decision is yet to be implemented as of December 2007.

11.4 In this connection the Team makes the following observations:-

- (i) During 2006-07 a sum of Rs.10.90 lakh was allotted towards assessment of CWSN. Out of this, a sum of Rs.7.03 lakh only (64%) was utilized.
- (ii) During 2006-07, the percentage of utilized amount towards 'Distribution of Equipments' to CWSN was as low as 16. A sum of Rs.1.73 lakh only was utilized out of Rs.10.90 lakh.
- (iii) Assessment camps may be organized on quarterly basis in each district to identify and assess the needs of CWSN and follow up action/ strategy may be drawn at the state level.
- (iv) There should be clear-cut "Demarcation of Work" between all the four state departments i.e. Education, Social Welfare Board, Labour and Health" so as to avoid overlapping of work and provide timely help/ facilities to CWSN.

11.5 Management cost

Para 37 of Manual on Financial Management and Procurement (MFM&P) lays down the types of expenditure which can be part of the management cost. Further, the total management cost should be less than 6 percent of the total cost. The expenditure of the following nature are part of management cost.

- (i) Staff payment – for this no new permanent post was to be created. The post created should be filled only through contract or through deputation. No permanent liability should accrue on the society or the State Government. In case the post is filled by deputation, no deputation allowance is admissible.

- (ii) Other items which are included in the management cost are the expenditure on data collection and EMIS operationalization and maintenance, office experts, hiring of experts under various interventions, provision of equipment including computer and its accessories for SPO, DPO and MIS, stationery, telephone, fax, photocopies, consumables, Pol, postage, vehicle hiring, TA/ DA of functionaries, recurring contingencies and miscellaneous cost. Total approved budget, allocated budget for management and actuals in respect of SSA Delhi for the three years 2004-07 are given below:

(Rs in Lakh)

Year	Total approved budget	Approved Budget for Management Cost	Actual Expenditure	6% of Total Budget	Difference (5-4)
1	2	3	4	5	6
2004-05	4224.68	252.50	42.39	253.48	211.09
2005-06	6688.51	199.44	75.66	401.31	325.65
2006-07	8444.46	373.46	87.20	506.67	419.47

Note: The expenditure for the year 2006-07 as shown in Col. No. 4 is provisional as the accounts for the year have not yet been audited.

From the above statement, it is evident that the expenditure on management cost was much less than 6 per cent for all the three years i.e. 2004-07. The major heads under which expenditure had been incurred were as follows:

- (i) Contractual staff of MIS & Hqrs.
- (ii) Hired vehicles
- (iii) Telephones
- (iv) Advertisements
- (v) Others miscellaneous including office stationery & photocopies etc.

11.6 As per Income Tax provisions, TDS @10.2 per cent or 10.3 per cent needs to be deducted from the payments made to contractual staff if the income exceeds Rs.20,000 in a year. It was seen that no TDS has been deducted from the payments made to the contractual staff. This needs clarification.

The details of some of the employees hired on contract are given below:

S.No	Name	Designation	Date of Appointment	Present Status	Remuneration @ Rs.
1.	Harsh Kumar	Asstt. Programmer	2.6.2003	Working	8,000 upto 9.Nov.2006 and Rs.10,000 thereafter.
2.	R.M. Mohla	ADC (HQ.)	1.2.2005	Working	7,875
3.	L.S. Narayanan	Coordinator (CW)	1.9.2006	Working	12,101
4.	S.S. Singhal	Asstt. Coordinator (CW)	1.9.2006	Working	9,547

The remuneration of all the persons mentioned above works out to more than Rs.20,000 per annum. Non-deduction of tax at source at the appropriate rate is violation of section 194 (j) of Income Tax Act.

11.7 Monitoring

For monitoring the progress of SSA, Govt. of India, Ministry of Human Resource Development has signed a MoU with "Center for Study of Developing Societies (CSDS). The MoU was signed on 8th August 2006 for a period of two years viz. 2006-07 and 2007-08. The key items to be monitored were as follows:-

- DISE research & evaluation
- Functioning of VKS – Vidyalaya Kalyan Samiti
- Staffing at state and district level
- Mid-Day-Meal Scheme.

- Opening of Schools, Civil Works, Text Books.
- School Grant, Teachers Training
- TLM – teaching learning material grants.
- EGS & AIE/NRBC/RBC
- Children with special needs.
- Any other issues related to SSA implementation.

As per Terms of Reference, Monitoring Agency was to furnish six monthly reports to SPO and GOI by 31st October and 30th April each year. The first half yearly report for the period of 1st April 2006 to 30th September 2006 was to be submitted by 31st October 2006 and 2nd half yearly report for the period 1st October 2006 to 31st March 2007 by 30th April 2007. Accordingly the agency should have submitted two half yearly reports for the year 2006-07. But as per minutes of the meeting of 30th August 2007 the agency did not carry out any monitoring during 2006-07. This fact was acknowledged by the representative CSDS and assured that they will carry out proper monitoring during 2007-08. But as of (December 2007) no report had been received.