

Chapter II

Performance Audits

School Education Department

2.1 National Programme of Mid Day Meal in Schools

2.1.1 Introduction

Nutritional Support to Primary Education (NSPE) popularly known as Mid Day Meal Programme (MDM Scheme) is a Centrally Sponsored programme launched all over India on 15 August 1995. The programme was intended to boost universalisation of primary education by increasing (a) enrolment (b) retention (c) attendance, with a simultaneous impact on the nutritional status of the children in primary classes country-wide. The guidelines of the programme were revised in September 2004 and June 2006. Amendments were also issued from time to time and the programme was renamed (September 2007) as ‘National Programme of Mid Day Meal in Schools’.

Scheme objectives

MDM scheme was implemented in all States and Union Territories of India to address two of the most pressing problems for the majority of children in India, namely, hunger and education by:

- improving the nutritional status of children in Primary and Upper Primary classes;
- encouraging poor children, belonging to disadvantaged sections to attend school more regularly and help them concentrate on classroom activities; and
- providing nutritional support to children in drought-affected areas during summer vacation.

Under MDM scheme, cooked food is served to children of Primary classes (I to V) and Upper Primary classes (VI to VIII) in all Government, Government aided and Local Body schools, Special Training Centres¹, and Madarsas and Maqtabas². The State Government extended MDM scheme to the children studying in classes IX and X of Government/Local Body/Government Aided Schools as a State Programme since October 2008. Further, the scheme laid (2006/2008) emphasis on providing cooked food with minimum 450 calories (Primary)/700 calories (Upper Primary) and 12 grams (Primary)/20 grams (Upper Primary) of protein content, while simultaneously providing for essential micronutrients and de-worming medicines.

2.1.1.1 Components under the scheme

Central assistance is provided to State Government for implementation of MDM scheme under various components *viz.*, cost of foodgrains, cost of transportation of foodgrains, cooking cost including cost of pulses, vegetables, oil, fat and fuel, honorarium to Cook-cum-helper (CCH), assistance for Management, Monitoring and Evaluation (MME), construction cost for Kitchen-cum-store and cost of provisioning/replacing utensils for cooking/serving.

¹ Centres under Education Guarantee Scheme (EGS)/Alternative & Innovative Education (AIE) and National Child Labour Project (NCLP) schools

² those supported under Sarva Shiksha Abhiyan Scheme

2.1.1.2 Organisational setup

The Programme is implemented in the State by School Education Department under control of the Principal Secretary to Government. Commissioner and Director of School Education (CDSE) is the State level Nodal Officer for implementation of the programme. The District Education Officer (DEO) is Nodal Officer at district level. At the Mandal level, the Mandal Education Officer (MEO) is responsible and at School level the supervision of the programme is entrusted to Head Master of the school. The implementation of the programme at School level is assigned to SHGs³/DWCRA⁴/SMCs⁵/NGOs⁶/Parent Teacher Association etc.



2.1.2 Audit Frame work

2.1.2.1 Audit Objectives

Performance audit of the scheme was carried out to verify whether,

- the scheme was being implemented in a planned manner as to cover all the eligible children;
- the scheme achieved its objective of enhancing enrolment, retention and attendance in primary education;
- the scheme achieved its objective of improving the nutritional status of children;
- funds allocated were being utilised in an economic and efficient manner; and
- implementation of the scheme was being effectively monitored.

2.1.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

- Scheme guidelines issued by GoI;
- Norms framed by State Government for expenditure under MDM scheme;
- Relevant orders, notifications, circulars, instructions issued by GoI/State Government;
- Annual Work Plan and Budget documents prepared by State; and
- Evaluation reports of various monitoring institutes (including NIRD⁷) on the scheme.

³ Self Help Groups

⁴ Development of Women and Children in Rural Areas

⁵ School Management Committees

⁶ Non-Government Organisations

⁷ National Institute of Rural Development

2.1.2.3 Scope and Methodology of Audit

A Performance Audit of the scheme ‘Nutritional Support to Primary Education’ was carried out earlier for the five year period 2003-04 to 2007-08 and the findings were included in the C&AG’s Report for the year ended 31 March 2008. Several lacunae in the implementation of the scheme were pointed out in that report and various measures were recommended for effective and smooth implementation of the scheme. The current Performance Audit of the scheme was conducted during September - December 2014 and June - July 2015 covering five year period 2010-15. As a follow-up, Audit assessed and evaluated the action taken by the Government on the Audit observations included in the Audit Report for the year ended 31 March 2008.

Audit methodology involved scrutiny of records relating to implementation of the scheme at offices of Commissionerate of School Education, District Education Officers, Mandal Education Officers and Schools in four⁸ out of 13 districts of the residuary State of Andhra Pradesh. An Entry Conference was held in June 2015 with the Principal Secretary, School Education Department, Commissioner of School Education and other departmental officers wherein audit objectives, methodology, scope, criteria and audit sample were explained. Audit Enquiries were issued, discussions were held with departmental authorities at various levels and photographic evidence was taken to substantiate audit findings where necessary. Audit findings were discussed in an Exit Conference (November 2015) with Principal Secretary, School Education Department, Commissioner of School Education and other departmental officers; opinion/replies of the Government have been incorporated at appropriate places in the report.

2.1.2.4 Audit Sample

Four out of 13 districts in the State were selected by Probability Proportional to Size without Replacement (PPSWOR) method. Four mandals (under Simple Random Sampling without Replacement (SRSWOR) method) and 30 schools (Primary, Upper Primary and High Schools) from each district were selected for detailed scrutiny.

2.1.2.5 Audit analysis of follow-up action by the Government on earlier Audit observations

The following major deficiencies in the implementation of the scheme were pointed out in the Audit Report for the year ended 31 March 2008.

- i. Non-utilisation of allocated scheme funds in full;
- ii. Excess lifting of rice from GoI by furnishing inflated enrolment figures by the State Government while seeking allotment of rice;
- iii. Absence of proper mechanism to assess actual utilisation of foodgrains, and large accumulation of rice stocks at Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL);
- iv. Excess claim of transportation charges by APSCSCL;
- v. Absence of proper system to ensure standard Fair Average Quality (FAQ) of foodgrains;

⁸ Chittoor, Guntur, Krishna and Prakasam districts

- vi. Inadequate infrastructure and basic amenities in the schools, short utilisation of GoI funds and lackadaisical approach towards construction of kitchen-cum-stores;
- vii. Non-provision of mid-day meal during summer vacations in drought prone areas;
- viii. Non-existence of a mechanism to monitor the impact of the scheme on health of children;
- ix. Critical information about the implementation of the scheme not being displayed by schools;
- x. Deficient monitoring/inspection of implementation of the scheme.

Performance Audit of MDM scheme for the period 2010-11 to 2014-15 revealed that most of the deficiencies pointed out in earlier Audit Report are not fully addressed and the deficiencies continued to exist.

Government, in its reply (November 2015), enumerated various measures being taken to streamline the implementation process in the residuary State of Andhra Pradesh.

Audit Findings

2.1.3 Planning and Coverage

2.1.3.1 Annual Work Plan and Budget

State Government prepares a comprehensive Annual Work Plan and Budget (AWP&B/Annual Plan) with detailed information of management structure, implementation processes, monitoring systems, target groups, infrastructure position, findings of evaluation studies, strategies to tackle problems, community participation, best practices and new initiatives, etc., in accordance with scheme guidelines.

Annual plan is to be prepared by the State Government based on information maintained at school level and aggregated at Mandal, District and State level. While preparing the Annual Plan in the month of January/February for ensuing year, DEO is to adopt actual figures of meals taken, rice utilised, funds utilised towards transportation charges, cooking cost, honorarium to CCHs, MME, etc., for the previous three quarters (April – December) and submit the same to CDSE for consolidation. Based on information received from DEOs, the CDSE submits a consolidated annual plan to Programme Approval Board (PAB) of MDM, GoI based on which PAB estimates and allocates funds for various components and foodgrains. Accordingly, Central share of funds/foodgrains will be released after adjustment of balances available with the State.

Scrutiny of Annual Plans revealed that the enrolment figures of children in Government, Government aided and Local Body schools shown in Annual Plan for the year 2010-11 were adopted for 2011-12 as well without any change, indicating an *ad hoc* approach towards preparation of annual plans.

Audit scrutiny of records of CDSE, in comparison with records of DEOs in the test checked districts, revealed discrepancies (as shown in Table-2.1) between number of institutions serving mid-day meal, enrolment of children, meals served as per DEOs records and the figures projected by CDSE in the Annual Plans indicating that the bottom up approach was not followed in preparation of annual plans.

Table-2.1

District	Component	Primary			Upper Primary		
		As per DEO records	Furnished by CDSE to GoI	Difference	As per DEO records	Furnished by CDSE to GoI	Difference
Chittoor	Institutions	20617	20765	148	5564	5545	-19
	Enrolment	950031	963904	13873	557059	592194	35135
	Meals served	135457071	135530397	73326	71213241	81090020	9876779
Guntur	Institutions	14644	14643	-1	4355	4357	2
	Enrolment	1066264	1064064	-2200	635613	637813	2200
	Meals served (Period 2012-15)	82408188	82861119	452931	58874923	53550195	-5324728
Krishna	Institutions	12209	12169	-40	4826	4801	-25
	Enrolment	779377	836140	56763	445831	526165	80334
	Meals served	119131704	125201082	6069378	73316776	73342235	25459
Prakasam	Institutions	14616	14360	-256	4059	4045	-14
	Enrolment	1036564	1014711	-21853	407316	422105	14789
	Meals served	135785180	144921958	9136778	51136811	56695396	5558585

Source: Records of CDSE and DEOs

In the absence of a bottom up approach to planning, the basic objective of arriving at a credible assessment of actual ground level requirement could not be achieved. Further, due to non-projection of actual position of institutions, enrolment of children, meals served, in the Annual Plans submitted to GoI instances of short/excess release of funds and foodgrains cannot be ruled out.

Government replied (November 2015) that the annual plans were prepared based on Unified District Information System for Education (U-DISE) data and stated that the issue would be re-examined with reference to data available with DEOs. It was further stated that a mechanism was put in place for integrating U-DISE data and Aadhaar seeded child information data to avoid discrepancies and duplication.

2.1.3.2 Coverage of Schools/Children

As per the MDM scheme guidelines, nutritious cooked mid-day meal is to be provided to every child of Primary and Upper Primary classes in all Government, Government aided and Local Body schools, Special Training Centres and Madarsas and Maqtabas.

There are 47,945 schools in the State running Primary and Upper Primary classes during 2014-15. All Primary and Upper Primary schools in the State were covered under MDM scheme during 2010-15 except a few residential schools where meals are provided by schools.

Coverage of children under MDM in the State during 2010-15 ranged from 83 per cent (2012-13 and 2014-15) to 93 per cent (2011-12). In the sampled districts, the coverage was lowest (70 per cent) in Krishna district during the year 2011-12. In 28⁹ out of 120 schools test checked, coverage of children was less than 80 per cent, ranging between

⁹ Guntur: 2 (64 to 67 per cent); Krishna: 6 (39 to 79 per cent); and Prakasam: 20 (35 to 79 per cent)

35 per cent and 79 per cent. The Head Masters of eight¹⁰ out of the 28 schools where coverage was less than 80 per cent attributed the poor coverage of students to poor quality of rice.

Although the data on the number of children availing mid-day meal assumes great significance since it directly impacts scheme implementation in terms of assessment of requirement of foodgrains and funds and their release, the scheme did not contain any provision to enable children to either opt for or opt out of the mid-day meal. In the absence of this vital data, the coverage of children and projection of requirements in the Annual Plans are bound to be inaccurate.

Government replied (November 2015) that steps were being taken to obtain data with regard to number of students opted for MDM and students actually taking MDM through bio-metric attendance system for daily monitoring.

2.1.3.3 Coverage of children in drought-affected areas

As per MDM scheme guidelines, GoI provides assistance for cooked mid-day meal during summer vacations to school children in areas declared by State Government as drought-affected based on proposals, if any, made in the Action Plans by State Government.

During 2011-15, Government declared 123 (2013-14) to 460 (2011-12) mandals as drought-affected mandals¹¹. Government issued notifications declaring the drought mandals usually during the months of November - January every year and the DEOs/CDSE could consider the details of these mandals while preparing annual plans. Scrutiny revealed that proposals were not included in the Annual Plans for providing mid-day meal to students of these mandals during summer vacation. Out of 16 mandals test checked, 12 mandals were declared as drought mandals in one or more years during 2011-15. Test-check of schools revealed that mid-day meal was not provided to children in any of these mandals during summer vacation.

Government replied (November 2015) that MDM was not implemented in summer vacation/drought prone areas due to absence of specific orders. The reply is not convincing as the provisions in the guidelines are clear in this regard.

Government however, assured that the issue would be rectified in preparation of annual plans and MDM would be provided during summer vacation in drought prone areas in future.

2.1.3.4 Requirement vis-à-vis sanction of kitchen-cum-stores

Audit scrutiny of records revealed that the State Government misrepresented the requirement of kitchen-cum-stores while seeking Central assistance as shown in the Table-2.2.

¹⁰ Guntur: 2; Krishna: 1; and Prakasam: 5

¹¹ 2011-12: 460 mandals; 2012-13: 218 mandals; 2013-14: 123 mandals; and 2014-15: 238 mandals

Table-2.2

Total no. of schools in the State in 2011-12 (as per 2012-13 Annual Plan)	45,493
No. of schools wherein kitchen-cum-stores already existed as of 2006-07	15,075
No. of schools where mid-day meal is served by NGOs through centralised kitchen during 2011-12	1,142
No. of schools requiring kitchen-cum-stores (45,493-(15,075+1,142))	29,276
No. of schools for which financial assistance received from GoI under Phase-I (2006-08)	31,213
No. of schools for which excess financial assistance claimed under Phase-I (31,213 - 29,276)	1,937
No. of schools for which financial assistance claimed under Phase-II (2011-12)	13,103

Source: AWP&Bs, Educational Statistics 2006-07 and Records of CDSE

As can be seen from the above table, State Government obtained financial assistance for construction of kitchen-cum-stores for 31,213 schools as against the actual requirement in 29,276 schools (excess: 1,937 schools) under phase-I itself. Government obtained sanction for another 13,103 schools under phase-II. This clearly indicated deficiencies in reliability of data, which in turn adversely impacts the credibility of the planning process.

Government attributed (November 2015) the difference to merger of Primary/Upper Primary schools with Upper Primary/High school schools in 2009.

However, though there was an excess sanction of kitchen-cum-stores in first phase itself, Government needlessly sought sanction for additional kitchen-cum-stores in second phase. Government in its reply did not offer specific remarks regarding additional requirement of kitchen-cum-stores in second phase.

2.1.4 Funds Allocation and Utilisation

GoI provides 100 *per cent* financial assistance for three components of the scheme *viz.*, cost of foodgrains, transportation charges of foodgrains and MME. In respect of the components of cooking cost and honorarium to CCHs, the cost is shared between GoI and State Government in the ratio of 75:25.

During the five year period 2010-15, GoI provided Central assistance of ₹2,695 crore for implementation of the MDM scheme. Out of this, State Government released ₹2,574.37 crore¹² to the districts towards various components of the scheme. Further, as against ₹1,728.60 crore provided by the State Government towards its share, only an expenditure of ₹1,157.07 crore (67 *per cent*) was incurred. Budget provision *vis-à-vis* expenditure under the MDM scheme during the five year period 2010-11 to 2014-15 is given in the Table-2.3.

¹² Cost of foodgrains: ₹ 249.04 crore, Transportation cost: ₹ 52.57 crore; Cooking cost: ₹ 1,400.31 crore; Honorarium to Cook-cum-Helpers: ₹ 577.81 crore; MME: ₹ 2.99 crore and Kitchen-cum-stores: ₹ 291.63 crore

Table-2.3

(₹ in crore)

Year	Central share		State share		Total	
	GoI releases	Expenditure	Budget Provision	Expenditure	Budget Provision*	Expenditure (Percentage)
2010-11	478.92	465.58	291.38	169.48	1034.03	635.06 (61)
2011-12	851.91	510.51	413.92	298.92	1191.61	809.43 (68)
2012-13	612.33	702.24	426.35	327.90	1269.97	1030.14 (81)
2013-14	443.74	466.08	461.26	282.73	1151.13	748.81 (65)
2014-15	308.10	429.96	135.69	78.04	809.58	508.00 (63)
Total	2695	2574.37	1728.60	1157.07	5456.32	3731.44 (68)

Source: Appropriation Accounts of respective years

* includes provision for Central assistance

Note: Figures for (total) budget and expenditure include Central share under the group head 'Centrally Sponsored Schemes' and State share under the group head 'Matching State Share' for classes I to VIII and 'Normal State Plan' for classes IX and X

Government was not able to fully utilise the funds allocated for MDM scheme in any of the last five years. Unutilised funds in this regard ranged from ₹239.83 crore (2012-13) to ₹402.32 crore (2013-14). Further, State Government did not utilise Central assistance fully and ₹120.63 crore (4.48 per cent) of unutilised funds were lying with the Government.

Failure to release GoI funds in full by State Government for implementation of the scheme coupled with non-release of its matching share of ₹90 crore towards construction of kitchen-cum-stores hampered the provision of infrastructure required for preparation/serving of mid-day meal and monitoring, management and evaluation (MME) activities as discussed in paragraphs 2.1.6 and 2.1.10.

Government, in its reply (November 2015), stated that non-utilisation of allocated funds in full was observed in the months of March and April due to administrative reasons. Government also stated that efforts were being made to utilise funds released towards kitchen-cum-stores and kitchen devices. Proposal to transfer funds directly to implementing agencies accounts from State level was also under consideration to avoid delay in release of funds.

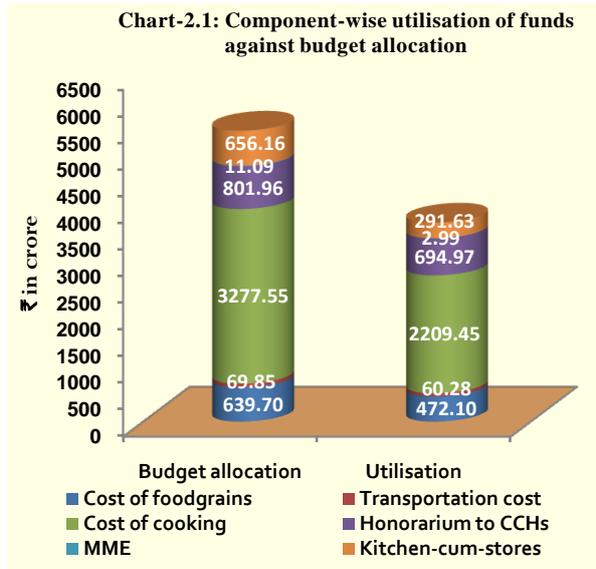
2.1.4.1 Component-wise utilisation of funds

Audit analysis with regard to the allocation *vis-à-vis* utilisation of funds under various components of the programme revealed that allocated funds were not utilised in full by the State Government under any component during 2010-15 as shown in Chart-2.1. Unutilised funds under these components¹³ ranged from 13 to 73 per cent. Component-wise budget provision and utilisation details are given in **Appendix-2.1**.

¹³ Cost of foodgrains: 26 per cent, Transportation cost: 14 per cent, Cost of cooking: 33 per cent, Honorarium to CCHs: 13 per cent, MME: 73 per cent and Kitchen-cum-stores: 56 per cent

Audit analysis further revealed the following:

- i. State Government released only 67 per cent (₹ 809 crore¹⁴) of budget provision (₹ 1,207 crore) towards its share for *cooking cost* component during five year period 2010-15.
- ii. During 2010-14, as against the requisite matching State share of ₹ 192.61 crore towards *honorarium to CCHs*, the State released only ₹ 117.16 crore (61 per cent) while it did not contribute its share during 2014-15 for this purpose.



Government replied (November 2015) that State matching share was released by the end of 2014-15 and no amounts were pending. Audit however, observed from the Appropriation Accounts that matching State share was not released by the Government during 2014-15.

- iii. During 2010-15, ₹ three crore (27 per cent) was only utilised out of budgetary allocation of ₹ 11.09 crore towards *Monitoring, Management and Evaluation (MME)* of the MDM scheme.
- iv. GoI sanctioned *kitchen-cum-stores* in two phases. For Phase-I, 100 per cent assistance was provided by GoI and for Phase-II the unit cost (₹ 1,50,000) was to be shared on 75:25 basis (GoI: ₹ 1,12,500 and State Government: ₹ 37,500).

Scrutiny revealed the following:

- During 2006-08, GoI sanctioned (Phase-I) construction of 50,529 kitchen-cum-stores to the composite State of Andhra Pradesh. Of these, 31,213 relate to the residuary State of Andhra Pradesh for which GoI released ₹ 187.28 crore to the State. Audit observed that, despite availability of GoI funds, State Government released only ₹ 60.80 crore to the implementing agencies, retaining the balance amount of ₹ 126.48 crore.
- GoI instructions (January 2008) stipulated that any additional cost beyond the sanctioned unit cost of ₹ 60,000 per kitchen-cum-store should be borne by State Government through convergence with other infrastructure development programmes like Backward Regions Grant Fund (BRGF), Members of Parliament Local Area Development Scheme (MPLADS), etc. Although State Government enhanced (November 2011) the unit cost for 27,417 kitchen-cum-stores sanctioned under Phase-I from ₹ 60,000 to ₹ 75,000, State Government

¹⁴ including provision for serving of mid day meal to students of classes IX and X

had not released any amount towards additional unit cost estimated at ₹41.13 crore for 27,417 kitchen-cum-stores even as of March 2015.

- During 2011-12, GoI sanctioned (Phase-II) 24,754 kitchen-cum-stores to the composite State of Andhra Pradesh and released its share of ₹278.48 crore to the State. However, against 24,754 sanctioned by GoI, State Government sanctioned (February 2013) only 23,801 kitchen-cum-stores for implementation out of which 13,103 relate to the residuary State of Andhra Pradesh. The difference 953 kitchen-cum-stores were not sanctioned to any district as of September 2015. Against ₹196.55 crore (GoI share: ₹147.41 crore and State Government share: ₹49.14 crore) of funds required for 13,103 kitchen-cum-stores, Government released only ₹125.05 crore. Of this amount so released, ₹63.02 crore was lying in PD accounts of Chief Planning Officers of respective districts. Thus, State Government had retained GoI funds to the extent of ₹22.36 crore and further, State Government had not released its share of ₹49.14 crore even as of March 2015.
 - Although GoI specifically instructed (March 2012) that the funds released for Phase-II construction works should not be used for Phase-I construction works for which funds had already been released, CDSE issued (January 2014) instructions to the district authorities to utilise the funds released under Phase-II for Phase-I construction works. It was observed that an amount of ₹13.91 crore intended for Phase-II were utilised for Phase-I works in the State.
- v. **Kitchen devices:** During 2006-08 and 2012-13, GoI released ₹23.96 crore for provisioning of kitchen devices to 47,927 schools. Out of this, an amount of ₹14.69 crore was utilised while leaving ₹9.27 crore unspent as of March 2015. Further, GoI funds ₹23.05 crore released in 2012-15, for replacement of kitchen devices in 46,103 schools, were not utilised by the State as of July 2015.
- vi. **Non-utilisation of GoI funds towards LPG subsidy:** GoI released (March 2013) an amount of ₹23.34 crore as recurring Central assistance for reimbursement of additional cost (beyond subsidy) incurred by the implementing agencies for procurement of unsubsidised LPG cylinders under MDM scheme for the year 2012-13. State Government was to contribute its share (₹7.78 crore) and release the funds to the implementing agencies. Scrutiny revealed that State Government had neither passed on the Central share nor the State share, to the implementing agencies. Details of schools in respect of which unsubsidised cylinders were used and to whom the money was to be reimbursed were also not available with CDSE.

Government, in its reply (November 2015), stated that the DEOs have been instructed to furnish the details of schools where unsubsidised cylinders were used; and action would be taken to release the unsubsidised cost after compilation of relevant data.

2.1.5 Management of foodgrains

Under MDM scheme, foodgrains are supplied free of cost by GoI at 100 grams and 150 grams per child per school day for children studying in Primary (Classes I to V) and Upper Primary (Classes VI to VIII) classes respectively. GoI allocates foodgrains for the State as a whole based on the annual allocation approved by PAB. In turn, the State makes district-wise allocations separately for Primary and Upper Primary classes as per the requirement. Local depots of the Food Corporation of India (FCI) supply foodgrains and payments were made at district level. In the State, Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL) is the nodal agency for lifting and transportation of rice. In addition, the State is required to make its own arrangements for supply of foodgrains to provide MDM to the children of Classes IX and X.

2.1.5.1 Allocation of foodgrains

As per the scheme guidelines, the State Government was to furnish to PAB of GoI, by January/February every year, a district-wise request for allocation of foodgrains based on average number of children who had availed of mid-day meal in the preceding year. The PAB after scrutiny of the proposal was to approve the allocation of the foodgrains for the State as a whole.

Audit observed from the Annual Plans of State Government and minutes of PAB (GoI) that GoI has been sanctioning allotment of foodgrains and cooking cost based on average number of children availed MDM (with reference to meals taken and number of school working days). Audit examined Annual Plans of DEOs of test checked districts and those consolidated by CDSE at State level and observed that CDSE projected average number of children availed MDM incorrectly in the Annual Plans submitted to GoI which resulted in excess release of foodgrains as detailed below.

Table-2.4

District	Average No. of children availed MDM as reported by C&DSE to GoI			Average No. of children actually availed MDM as per DEO Records			Variation		
	PS	UPS	Total	PS	UPS	Total	PS	UPS	Total
Chittoor	841781	504434	1346215	841431	442333	1283764	350	62101	62451
Guntur	509300	329670	838970	508444	364045	872489	856	-34375	-33519
Krishna	759240	456173	1215413	740107	455736	1195843	19133	437	19570
Prakasam	902603	352845	1255448	843317	318171	1161488	59286	34674	93960
Total	3012924	1643122	4656046	2933299	1580285	4513584	79625	62837	142462

Source: AWP&B reports of C&DSE and DEOs

Thus, in the test checked districts, there was net excess projection of **average number of students availed MDM** (1,42,462) in Annual Plans of CDSE (46,56,046) against average number of students availed MDM (45,13,584) as per Annual Plans of DEOs.

This resulted in excess allotment of 3,825 MT of rice (cost: ₹ 2.18 crore¹⁵) during 2010-15 in the four test checked districts alone as detailed in **Appendix-2.2**.

Government replied (November 2015) that the annual plans were prepared based on the enrolment figures from U-DISE data of previous year hence there was a variation of enrolment figures in subsequent/current year. Government however, had not explained the discrepancy between enrolment figures of same year projected in annual plans and those maintained by DEOs.

2.1.5.2 Lifting of foodgrains - Large balances with lifting agency

As per Para 3.8 (i) of MDM scheme guidelines the State nodal agency engaged for lifting and transportation of foodgrains is responsible for lifting foodgrains from FCI godowns and delivering them to designated authority at the taluk/block level.

Based on allotments made to schools, the District Managers (DMs) of APSCSCL supply rice to schools through Fair Price Shop (FPS) dealers from Mandal Level Stockist (MLS) points.

Audit scrutiny of records at APSCSCL revealed that there were substantial balances of rice with the lifting agency (APSCSCL) ranging from 42,440 MT (2010-11) to 96,078 MT (2014-15). Details of allotment, lifting, off-take (i.e., rice supplied to schools) and balances of rice during 2010-15 are given in the table below.

Table-2.5

(in MT)

Year	Opening balance	GoI allotment	Lifting from FCI	Off-take	Closing balance
2010-11	33696.404	75079.149	74522.607	65778.711	42440.300
2011-12	42440.300	96280.562	93722.113	63633.913	72528.500
2012-13	72528.500	82113.347	81061.288	63597.234	89992.554
2013-14	89992.554	66784.350	60388.963	61860.700	88520.817
2014-15	88520.817	76162.586	75915.326	68358.171	96077.972
Total		396419.994	385610.297	323228.729	

Source: Data furnished by APSCSCL and FCI, Hyderabad

It can be seen from the table that every year during the three year period 2012-15, opening balance of rice stock was in excess of stock supplied to the MLS points/schools. It was further observed that School Education Department paid ₹ 57.15 crore¹⁶ during 2010-14 towards cost of foodgrains (₹ 50.51 crore) to FCI and transportation charges (₹ 6.64 crore) to APSCSCL, although these quantities of rice were not actually received by the Department.

¹⁵ 3,825 MT X ₹ 5,706.5 per MT = ₹ 2,18,27,362.50 i.e., ₹ 2.18 crore

¹⁶ cost of rice: 88,520.817 MT X ₹ 5,706.50 per MT = ₹ 50.51 crore; cost of transportation: 88,520.817 MT X ₹ 750 per MT = ₹ 6.64 crore (2014-15 figures not included due to non-finalisation of accounts)

Scrutiny of CDSE records revealed stock balances mentioned in Annual Plans were not in conformity with that of APSCSCL records. Against the opening balances of rice stocks ranging from 33,696 MT to 89,992 MT in APSCSCL records (as mentioned in the table above), the opening balance as per CDSE Annual Plans varied between ‘NIL’ (2011-12) and 18,407 MT (2013-14) during the period 2010-15 and the difference ranged from 18,924 MT (2010-11) to 77,201 MT (2014-15).

This indicates absence of control mechanism at various levels to assess actual requirement, to ensure release of foodgrains as per the allotment, lack of reconciliation and reporting of balances available, resulting in accumulation of large quantities of rice with the lifting agency.

Government replied (November 2015) that a control mechanism is being put in place at different levels to ensure proper release of foodgrains as per allotment to facilitate auto reconciliation and reporting of available balances.

2.1.5.3 Delivery of rice to the school point

As per MDM scheme guidelines, State Government is to make foolproof arrangements to ensure that the foodgrains were carried from the taluk/block level to each school in a timely manner. Further, as per Para 2.3 (ii) of the guidelines, GoI reimburse actual cost incurred on transportation of foodgrains from nearest FCI godown to the school point subject to a ceiling of ₹750 per MT.

Audit observed that APSCSCL has been submitting transportation claims at ₹750 per MT to DEOs without furnishing actual expenditure incurred. Accordingly the DEOs made payment at flat rate without ascertaining the actual expenditure. Moreover, the rice stock was supplied only up to FPS point instead of school point, despite payment of transportation charges at ₹750 per MT. In 47¹⁷ (out of 120) test checked schools it was noticed that rice was being brought to school by Head Masters/Self Help Groups (SHGs)/Cook-cum-helpers (CCHs) on their own.

Government accepted (November 2015) audit observation. Regarding incurring transportation cost by Head Masters/CCHs, it was replied that the sale proceeds of empty gunny bags were utilised to transport the rice stock from FPS dealer to school point. It was however, observed in audit that account relating to sale proceeds of gunny bags was not maintained by the schools and the school authorities stated that the gunny bags were returned to FPS dealers. Incidentally, the total value of empty gunny bags relating to four test checked districts alone worked out to ₹2.64 crore¹⁸ for the period 2010-15.

2.1.5.4 Utilisation of foodgrains

GoI allocates foodgrains for the students of Primary and Upper Primary classes. Requirement of rice was to be met from the State plan for students of Classes IX and X. Scrutiny of records in the test checked districts revealed that in Krishna and Guntur

¹⁷ Chittoor: 21, Guntur: 19, Krishna:4 and Prakasam: 3

¹⁸ Foodgrains utilised: 1.32 lakh MT; No. of bags required (each bag contains 50 kg of rice): 26.40 lakh; Value of gunny bags (at ₹ 10 per bag): ₹ 2.64 crore

districts, 8,404 MT and 3,849 MT of rice was released during the five year period 2010-15 for classes IX and X from GoI allocation.

Government replied (November 2015) that, in certain occasions of immediate requirement, rice supplied by GoI was utilised for classes IX and X and the same was reimbursed at later dates. Audit scrutiny however, did not find recorded evidence regarding reimbursement.

2.1.5.5 Maintenance of buffer stock

As per Para 2.6 of guidelines for decentralization of payment of cost of foodgrains to FCI at District level issued (February 2010) by the GoI, the District administration would ensure that every consuming unit maintains a buffer stock of foodgrains required for a month to avoid disruption due to unforeseen exigencies.

During test-check of records of the sampled schools, Audit noticed that buffer stock was not maintained in 96¹⁹ schools and in 41²⁰ instances closing stock was reflected as a negative figure. In such cases, the schools/SHGs made their own arrangements to get the foodgrains from the nearby schools/FPS dealer on reimbursement basis.

Inadequate buffer stock at schools despite availability of sufficient stock with the lifting agency indicate poor management of foodgrains supply system.

Government attributed (November 2015) the lapses to space constraints in schools and assured that maintenance of sufficient buffer stock would be ensured through Management Information System (MIS) being put to use.

2.1.5.6 Quality of foodgrains

As per the MDM scheme guidelines 2006, the FCI was required to issue foodgrains of best quality available, which would in any case be at least of Fair Average Quality (FAQ). This would be ensured by District Collectors after joint inspection by a team consisting of FCI and nominees of district administration.

In the test checked districts, no such joint inspections were conducted during the five year period 2010-15. Further, as per the decision taken by the Steering-cum-Monitoring Committee (SMC), rice bags containing the MDM rice having Fair Average Quality (FAQ) variety should be marked with the unique symbol as 'MDM rice' so that school authorities could identify that the rice is supplied for MDM. However, no such symbol was marked in 79²¹ out of 120 schools test checked. Further, Head Masters of 22²² out of 120 test checked schools stated that quality of rice was poor.

Government while accepting audit observation stated (November 2015) that a pilot project is being planned in three districts viz., Ananthapuramu, Prakasam and Vizianagaram to involve village organisation to improve quality of foodgrains. Government also stated that APSCSCL was requested to supply the MDM rice in a bag of separate colour with MDM logo.

¹⁹ Chittoor: 17, Guntur: 29, Krishna: 30 and Prakasam: 20

²⁰ Chittoor: 17, Guntur: 22 and Krishna: 2

²¹ Chittoor: 26, Guntur: 18, Krishna: 7 and Prakasam: 28

²² Chittoor: 3, Guntur: 14 and Prakasam: 5

2.1.6 Infrastructure facilities

Provision of essential infrastructure is one of the components of mid-day meal programme. It includes kitchen-cum-store, kitchen devices, storage containers of foodgrains and adequate water supply for cooking/drinking, gas based cooking, etc. The responsibility for creation of infrastructure and procurement of kitchen devices lies with the State Government.

Audit noticed that the provision of infrastructure required for preparation/serving of mid-day meal was inadequate. During 2010-15, 56 per cent of funds allocated for construction of 'kitchen-cum-store' remained unutilised and there was no budgetary provision for procurement/replacement of kitchen utensils and to provide gas connections.

It was observed that State level data about availability of these infrastructure facilities were not available with the Department. Details of availability of this infrastructure in the sampled districts are given in the table.

Table-2.6

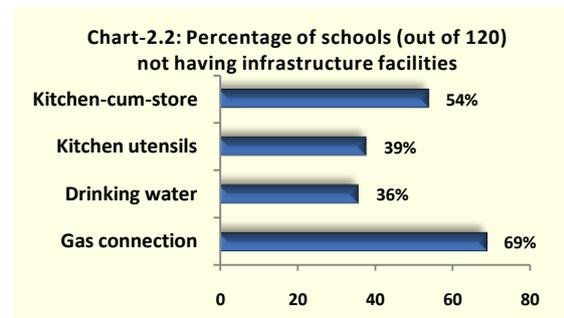
District	Number of schools	Kitchen-cum-store (%)	Kitchen devices (%)	Gas based cooking (%)	Drinking water (%)
Chittoor	5091	3893 (76)	4335 (85)	2906 (57)	4913 (97)
Guntur	3695	909 (25)	323 (9)	585 (16)	3695 (100)
Krishna	3305	446 (13)	2365 (72)	2766 (84)	3033 (91)
Prakasam	3596	1384 (38)	546 (15)	0 (0)	3596 (100)

Source: Records of DEOs

It can be seen from the table above that the availability of kitchen-cum-store was below 40 per cent in three out of four test checked districts. Kitchen devices were not available in 91 and 85 per cent of schools in Guntur and Prakasam districts respectively. LPG facility was not available in any of the schools in Prakasam district.

Although provision of drinking water facility in the schools was reported as hundred per cent in Guntur and Prakasam districts, physical verification revealed that the facility was not provided in 12 and 16 (out of 60) sampled schools of the districts respectively.

Out of 120 sampled schools, most of the schools did not have kitchen-cum-store (65²³), kitchen utensils (47²⁴), drinking water (43²⁵) and Gas connection (83²⁶) as shown in the Chart-2.2 alongside.



²³ Chittoor: 10, Guntur: 19, Krishna:12 and Prakasam: 24

²⁴ Chittoor: 12, Guntur: 21, Krishna:4 and Prakasam: 10

²⁵ Chittoor: 2, Guntur: 12, Krishna: 13 and Prakasam: 16

²⁶ Chittoor: 16, Guntur: 24, Krishna: 13 and Prakasam: 30

2.1.6.1 Construction of kitchen-cum-store

Kitchen-cum-store is a vital part of essential infrastructure required for providing MDM in schools. The provision of kitchen-cum-store had also been made mandatory under Right to Education Act 2009. Cooking of food in open area due to non-availability of kitchen-cum-store could lead to food poisoning, other health hazards and fire accidents.

Scrutiny revealed that out of 31,213 kitchen-cum-stores sanctioned by GoI under Phase-I, as of August 2015, construction of only 7,129 kitchen-cum-stores (23 per cent) was completed; 1,275 (four per cent) were in progress (total expenditure incurred: ₹ 53.57 crore). With regard to Phase-II, 2,182 (17 per cent) were only completed and 3,530 (27 per cent) were in progress against 13,103 sanctioned (total expenditure incurred: ₹ 24.18 crore). Remaining kitchen-cum-stores sanctioned under Phases I and II are yet to be taken up.

Out of total 13,260 kitchen-cum-stores sanctioned in the four test checked districts under both the phases, construction of 9,315 (70 per cent) kitchen-cum-stores were taken-up. Of these 2,586 (28 per cent) were completed, 868 are under progress and 5,861 (63 per cent) kitchen-cum-stores are yet to be started as shown in the table.

Table-2.7

District	No. of units sanctioned	No. of units taken-up	No. of units completed	No. of units in progress	No. of units yet to be commenced
Chittoor	3521	1553	823	297	433
Guntur	3556	3466	909	402	2155
Krishna	2735	2735	446	68	2221
Prakasam	3448	1561	408	101	1052
Total	13260	9315	2586	868	5861

Source: Information furnished by DEOs

During physical verification, it was observed that due to non-availability of kitchen-cum-stores cooking is done in open area/classrooms/implementing agencies' houses/ outside the school premises (as shown in the images).



Classroom used as Kitchen: Municipal Corporation High School, Greampet, Chittoor



Cooking is being done in open place in Government High School (Boys), Vinukonda, Guntur

Government attributed (November 2015) the delays in construction of kitchen-cum-stores to inadequate unit cost for Phase-I. Audit however, observed that even after enhancement of unit cost in Phase-II and provision of funds by GoI in 2011-12, there was no much progress; construction of only 17 per cent of kitchen-cum-stores was completed under Phase-II. Government further stated that construction work would be expedited.

2.1.6.2 Convergence with other development programmes

As per Para 2.5 of MDM scheme guidelines, the programme has to be implemented in close convergence with several other development programmes²⁷ implemented by GoI so that all the requirements for implementation of the scheme inter alia like kitchen-cum-store, etc., could be provided to all schools in the shortest possible time frame.

Audit however, observed that the State Government did not converge the activity of construction of kitchen-cum-store under MDM scheme with other development programmes which would have resulted in value addition of the content of the scheme.

Government replied (November 2015) that necessary instructions were issued to DEOs to tap funds from NREGS etc., to complete the construction of kitchen-cum-stores without delay.

2.1.6.3 Kitchen devices

GoI provides assistance at an average cost of ₹5,000 per school for provisioning cooking devices (Stove, Chulha, etc.), containers for storage of foodgrains and other ingredients and utensils for cooking/serving and replacement of kitchen devices.

It was observed that despite availability of GoI funds (₹32.32 crore), kitchen devices were not provided/replaced in the State during the period 2010-15 due to non-provision/release of funds by the State Government.

Government stated (November 2015) that process of allocation of funds (provided by GoI) between the two States i.e., Andhra Pradesh and Telangana is under process and assured replacement of all old devices in a phased manner.

2.1.7 Serving of mid-day meal to children

State Government is responsible for providing nutritious cooked mid-day meals uninterruptedly to the Children of Primary classes (I to V) and Upper Primary classes (VI to VIII) in all Government, Government aided and Local Body schools, Special Training Centres and Madaras and Maqtabas. Further, State Government extended MDM to cover children studying in Classes IX and X from 2008 onwards.

²⁷ Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Basic Services for Urban Poor (BSUP), Sarva Shiksha Abhiyan (SSA), etc.

2.1.7.1 Quality of meals served

(i) Tasting of meal before serving

As per Para 4.3 of MDM scheme guidelines 2006, and point (ii) of guidelines issued (July 2013) by GoI (Ministry of Human Resource Development) on quality, safety and hygiene, food prepared was required to be tasted by 2 – 3 adults including at least one teacher before it was served to children and a record to this effect be kept in a register maintained for the purpose.

Audit however, observed in all the sampled schools that though the food was stated to have been tasted by teachers, there was no recorded evidence in support of their claim.

Government, in its reply (November 2015), stated that instructions had been issued to maintain day-wise record of persons who have tasted the meal.

(ii) Testing of food samples

As per MHRD guidelines (July 2013) all States were required to engage Council of Scientific and Industrial Research (CSIR) institutes/National Accreditation Board for Laboratories/recognised labs for carrying out sample checking of MDM to ensure quality meal to the children with minimum calories and hygiene.

Audit scrutiny in the test checked districts however, revealed that sample checking of MDM was not carried out through such accredited institutes/laboratories. Thus, serving of quality meal to children could not be ensured as envisaged.

Government replied (November 2015) that appropriate agency would be identified and positioned in each district at the earliest and steps were being taken to engage laboratories/accredited institutions for testing of food samples.

(iii) Food poisoning cases

Audit scrutiny of DEOs records revealed that lack of adequate monitoring and poor infrastructure facilities for cooking and storage, non-involvement of mothers of the children in checking the quality of the food being served and feeding to children resulted in recurring food poisoning cases in schools as detailed below:

- In ZPHS, Sankaralayapeta, Pedda Panjani Mandal, Chittoor district 125 students suffered with stomach pain after taking MDM (July 2014). The food samples sent to the Food Analyst-cum-Chief Public Analyst, State Food Laboratory, Hyderabad for testing revealed that six (out of 13) ingredients²⁸ were found unsafe. Rice was one of the six items and the Rice sample contained Salmonella, a pathogen injurious to health.
- In ZPHS, Panapakam, Chandragiri Mandal of Chittoor District 96 students were hospitalised after taking mid-day meal (December 2013) reportedly due to the food served contained an insect.

²⁸ Red chilli, Chilli powder, Dhanian powder, Rasam powder, Horsegram (Ulavalu) and Rice

- During September 2012 (two schools) and February 2014 (one school) in Guntur district total 110 students²⁹ in three schools fell sick after consuming mid-day meal.

Government replied (November 2015) that the cooking agencies were replaced wherever such incidents occurred to ensure quality; and also stated that instructions would be issued to cook food within the school premises in hygienic conditions.

2.1.7.2 Engagement of NGOs under MDM scheme

Scheme guidelines (September 2010) provide for entrustment of cooking and serving of MDM through centralised kitchen for a cluster of schools in urban areas, where there is a space constraint for setting up school-kitchens in individual school.

NGOs were engaged in implementation of MDM scheme through centralised kitchens in six districts³⁰ of the State. Audit observed that:

- (i) In violation of guidelines, supply of food under MDM scheme was entrusted to NGOs in Chittoor district, including 38 schools where kitchen-cum-stores are available and in 252 schools where sufficient land was available for construction of kitchen-cum-stores. The existing infrastructure remained unutilised, and the objective of encouraging community participation in the scheme was ignored.
- (ii) Cooked food was to be supplied within 30 minutes and the maximum distance of schools from the centralised kitchen can only be 20 km as advised (February 2013) by the MHRD. The norms were not adhered to, as 370 schools³¹ covered by NGOs in two districts were more than 20 km from the centralised kitchen; distance from the centralised kitchen to farthest school ranged from 22 to 45 km and travel time ranged between 2 to 3 hours.

Thus, transporting of cooked meal over a distance above 20 km, with travel time more than 30 minutes, defeated the intention of serving hot and palatable meals to the children.

Government replied (November 2015) that the issue would be reviewed with the district authorities.

2.1.8 Cook-cum-Helpers

GoI made (November 2009) a separate provision for payment of honorarium to Cook-cum-Helper (CCH) under MDM scheme at the rate of ₹ 1,000 (GoI: ₹ 750 and State: ₹ 250) per month for each CCH for 10 months in a financial year (leaving the summer vacation) so that teachers were not involved in cooking and serving process. One CCH was to be engaged in a school having up to 25 students, two CCHs for schools having 26 to 100 students and one additional CCH for every additional 100 students.

²⁹ ZP High School, Ponugupadu, Phirangipuram (M) (September 2012): 54; MPUP School, Irukupalem Village, Muppalla (M) (February 2014): 40; MPP School, Kornepadu, Vatti Cheruku (M) (September 2012): 16

³⁰ Ananthapuramu, Chittoor, East Godavari, YSR, SPS Nellore and Visakhapatnam

³¹ SPS Nellore: 202 schools; Chittoor: 168 schools; Details of NGOs in Ananthapuramu, East Godavari, YSR and Visakhapatnam districts were not made available

2.1.8.1 Engagement of Cook-cum-Helpers

GoI sanctions total number of Cook-cum-Helpers (CCHs) based on the Annual Plan submitted by State Government and releases its share.

Audit observed the following:

(a) During the years 2012-13 to 2014-15, Government obtained GoI sanction for 3,05,516³² CCHs. However, as observed from MIS reports, Government engaged only 2,61,805³³ CCHs in the State. Thus, despite availability of Central assistance, Government had either not engaged CCHs fully or had excess projected requirement of CCHs by 43,711 CCHs in Annual Plans leading to excess claim of ₹ 32.78 crore. Further, this had a cascading effect on claims towards MME at 1.8 per cent of honorarium (excess claim being ₹ 57.59 lakh) to CCHs to be allocated to State Government.

(b) There was a mis-match about the number of CCHs engaged between CDSE records and DEO records (during the period 2012-15). In three out of four sampled districts (except Chittoor), number of CCHs engaged as per CDSE was in excess than those reported by DEOs as shown in the table.

Table-2.8

Period	District	Number of CCHs	
		As per CDSE	As per DEO
2012-15	Chittoor	26521	26659
	Guntur	20507	20244
	Krishna	25884	23762
	Prakasam	19851	18977

Source: Records of CDSE and DEOs

Government, in the reply (November 2015), assured that correct database of CCHs would be maintained at all levels through MIS system.

2.1.8.2 Training to CCHs and DRPs

As per Ministry guidelines (July 2013) training programmes to CCHs and District Resource Persons (DRPs) were to be conducted for managing safety of foodgrains and for ensuring hygienic cooking of MDM.

No such training programmes were conducted in test checked schools and no funds were provided for this purpose. Thus, none of the CCHs was trained in preparation of meals of required nutritional values in hygienic conditions in tune with intended objective of the scheme.

Government replied (November 2015) that it was planned to train CCHs at District and Mandal level now.

2.1.9 Impact of the scheme on educational indicators

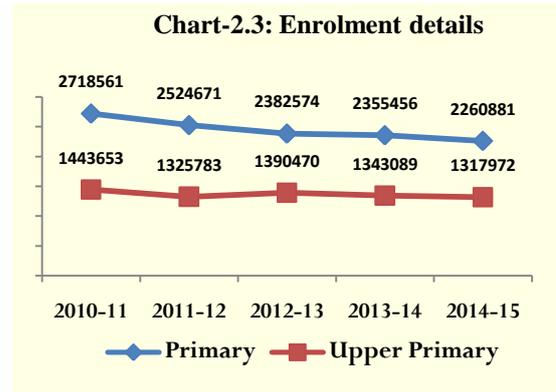
MDM scheme was intended to boost universalisation of elementary education by increasing enrolment, retention and attendance.

³² 2012-13: 1,01,309; 2013-14: 1,02,108; 2014-15: 1,02,099

³³ 2012-13: 86,188; 2013-14: 87,887; 2014-15: 87,730

2.1.9.1 Impact on enrolment

Enrolment in mid-day meal provided schools in the State displayed decreasing trend during the period covered under Performance Audit (2010-15). The enrolment of 27.19 lakh (Primary) and 14.44 lakh (Upper Primary) children during 2010-11 came down to 22.61 lakh (Primary) and 13.18 lakh (Upper Primary) during 2014-15 (17 and nine per cent decrease respectively) as shown in the Chart-2.3 alongside.



In four sampled districts Audit noticed that overall enrolment of 14.10 lakh children in 2010-11 decreased to 13.43 lakh (4.75 per cent) in 2014-15. During the audit of sampled schools, it was observed that the enrolment of 16,616 children in 2010-11 decreased to 15,165 children (8.73 per cent) in 2014-15.

Government, in its reply (November 2015), attributed the decreasing trend to parents' preferring English medium education and perceiving higher quality of private education.

2.1.9.2 Census of 'Out of School' children

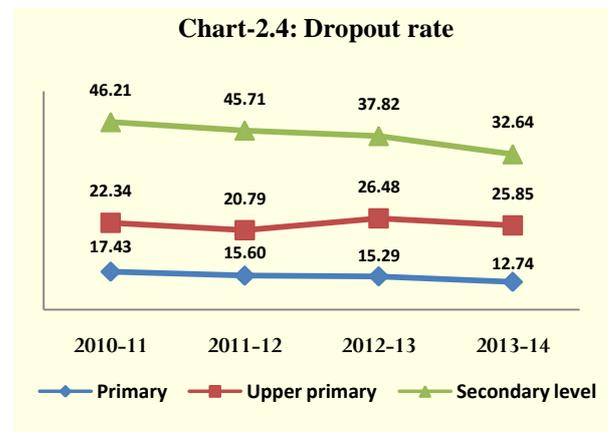
School teachers at village level are conducting door-to-door survey during summer vacation to ascertain the data of school-age children studying in Government/Private schools and 'out of school' children.

It was observed from the Educational Statistics that the Gross Enrolment Ratio³⁴ (GER) in the State for Primary stage decreased from 101 in 2011-12 to 99 in 2013-14. In respect of Upper Primary (Classes VI-VII), GER decreased from 89 in 2011-12 to 80 in 2013-14. This not only shows increasing trend of 'out of school' children, but also gap in transition of Primary to Upper Primary stage.

2.1.9.3 Retention of students

The scheme is aimed at encouraging poor children, belonging to disadvantaged sections to attend school more regularly and help them concentrate on classroom activities.

The dropout rate of students at Elementary Level was above 12 per cent at Primary level, above 20 per cent at Upper Primary level and above 32 per cent at High School level during 2010-14 at State level as shown in Chart-2.4. As seen from the educational statistics, the dropout rate in respect of Primary stage decreased from 17 to 13 during the period 2010-14 whereas for Upper Primary it increased from 22 (2010-11) to 26 (2013-14) during that period.



³⁴ Gross Enrolment Ratio (GER) is the percentage of enrolment in classes I-V, VI-VII and VIII-X to the estimated children in the relevant age-groups

However, it was observed that dropout rate was only five *per cent* in the sampled schools. Out of 79,412 children³⁵ (PS, UPS & HS) enrolled during 2010-15, 75769 (95 *per cent*) children continued in the school up to last working day. Thus, there was a dropout of 3,643³⁶ (five *per cent*) children during the period 2010-15. The highest dropout rate was noticed in Guntur (six *per cent*) district.

2.1.9.4 Impact on attendance

In three (out of four) test checked districts during 2010-15, it was noticed that the average attendance for Primary level ranged from 81 (Krishna district: 2011-12) to 97 *per cent* (Chittoor district: 2013-14); it was between 63 (Krishna district: 2010-11) and 88 *per cent* (Prakasam district: 2013-14) for Upper Primary and for High Schools it was between 54 (Krishna district: 2011-12) to 89 *per cent* (Prakasam district: 2013-14). The average daily attendance was lowest in Krishna district with 81 *per cent* at Primary level and 63 *per cent* at Upper Primary level (2011-12).

The gap in transition of students from Primary level to Upper Primary level as evident from GER data as explained above; and increasing dropout rate from Primary to Upper Primary and from Upper Primary to Secondary level is alarming and indicated a downward retention trend of students in schools despite implementation of MDM scheme.

Government, in its reply (November 2015), did not explain the reasons for increase in dropout rate from Primary to Upper Primary and from Upper Primary to Secondary level.

2.1.10 Monitoring and Evaluation

2.1.10.1 Monitoring of programme/impact parameters

The MDM scheme would need to be monitored to assess (i) programme parameters, such as the manner in which the programme was being implemented in terms of whether all children were regularly getting a meal of satisfactory quality, and (ii) impact parameters, such as the effect, if any, on improving children's nutritional status, regularity of attendance, and retention in and completion of primary education.

During the five year period 2010-15, ₹ three crore (27 *per cent*) could only be utilised out of budgetary allocation of ₹ 11.09 crore towards MME component in the State.

Persistent deficiencies like non-supply of quality (FAQ) rice, non-ensuring of prescribed nutritional level of children, food poisoning incidents, delay in construction of kitchen-cum-store, non-supply of kitchen devices, retaining substantial balances of rice stock at MLS points, etc., indicate lack of effective monitoring system on implementation of MDM scheme.

During the Exit Conference (November 2015), CDSE stated that action would be taken to strengthen the monitoring mechanism.

³⁵ Chittoor: 17,444, Guntur: 27,418, Krishna: 18,520; and Prakasam: 16,030

³⁶ Chittoor: 242, Guntur: 1,674, Krishna: 895 and Prakasam: 832

2.1.10.2 Steering-cum-Monitoring Committees

MDM scheme guidelines, 2006 stipulate setting up of Steering cum Monitoring Committees (SMCs) at the State, District and Mandal levels to oversee the implementation of the programme.

SMCs were not constituted at any level in the State till 2010-11. When this was reiterated by GoI (September 2010), the State issued orders for constitution of SMCs at State, District and Mandal levels only in March 2011. Audit scrutiny revealed that the State and District level SMC meetings were not being conducted as per GoI stipulations as detailed below.

Stipulation	Observation
<p>State level SMC meetings</p> <p><i>As per the directions (August 2010) of GoI, State level SMC meetings were required to be conducted at least once in six months. Later, GoI issued (March/May 2011) instructions to conduct State level SMC meetings at least once in every quarter.</i></p>	<p>State level SMC meetings were conducted four times only during 2010-15 as against the requirement of 16 times as per norms.</p>
<p><i>As per MDM guidelines, nominated members³⁷ by the Chairman of the SMC were to be included in the composition of the State level SMC.</i></p>	<p>The State level SMC constituted³⁸ by the State Government had not included these members.</p>
<p>District level SMC meetings</p> <p><i>As per the GoI directions (August 2010) the district level SMC meetings were required to be held every month to review the scheme under the Chairmanship of District Collector.</i></p>	<p>In the four test checked districts, two to six meetings were conducted against the requirement of 12 meetings per annum in each sampled district during 2010-15.</p>

Government stated (November 2015) that conducting SMC meetings regularly would be ensured henceforth.

2.1.10.3 Monitoring on management of foodgrains

As per Para 5.1 of guidelines for decentralisation of payment of cost of foodgrains to FCI at District level issued (February 2010) a monthly meeting was to be held by the District administration with District Manager, FCI or his representative and all other concerned officials in the last week of the month to resolve all the issues pertaining to lifting, quality of foodgrains and payments; and a report be submitted to the State Headquarters by 7th of the succeeding month.

³⁷ (i) two experts in the area of nutrition, (ii) four persons of whom at least two shall be women with significant contribution/achievement in the area of nutrition/mobilisation/school education/child health, (iii) representatives of 3 - 5 districts, (iv) at least one representative of teachers

³⁸ SMC included 21 members - Chief Secretary to Government (Chairperson), Secretaries/Heads of other line Departments (17), representatives of GoI and FCI (2) and public representative (1)

In the test checked districts, no such meetings were conducted. As a result, the issues such as underweight of rice bags, non-maintenance of buffer stock at schools, non-supply of rice to school point, etc., could not be resolved.

Government replied (November 2015) that conduct of District Vigilance & Monitoring Committee meetings as per schedule and MDM review would be ensured.

2.1.10.4 Inspections of schools

As per Para 6.2 of MDM scheme guidelines, the Officers of District, Sub-Divisional, Mandal/Tahsil/Taluka/Block and other suitable levels should visit in each quarter on an average 25 per cent of the schools covered under MDM scheme and all schools/EGS/AIE centres provided MDM should be visited at least once in every year.

During 2010-15, only 50 per cent (2010-11: 24,749 schools) to 81 per cent (2013-14: 38,646 schools) were inspected each year.

In the four sampled districts it was observed that, except in Krishna district, inspections conducted were far below the prescribed norms as detailed in the table. In respect of Krishna district, coverage ranged from 83 (2010-11) to 91 per cent (2014-15).

Table-2.9

District	Period	Number of Inspections	
		to be conducted	conducted (%)
Chittoor	2014-15	5091	172 (3)
Guntur	2012-13	3301	603 (18)
	2013-14	3296	895 (27)
	2014-15	3285	975 (30)
Prakasam	2013-14	3651	1031 (28)
	2014-15	3591	1483 (41)

Source: Records of DEOs

In the absence of periodical inspections, the issues such as preparation of food in unhygienic condition, lack of drinking water facility, incomplete kitchen-cum-store, etc., remained unresolved in most of the schools.

Government, in its reply (November 2015), stated that there were 80 per cent vacancies in inspecting officers (viz., MEO/DEO) posts and these posts were handled by making full additional charge arrangements. It was however, assured that monthly visits and inspections at district and mandal level teams would be ensured.

2.1.11 Conclusion

This review revealed a number of deficiencies in the implementation of the MDM scheme in the State. There was adhocism seen in the entire planning process; and the annual plans had not been formulated on a bottom up based approach to planning. The very basis of the annual plans were questionable since the basic data to which these plans rested left much to be desired in terms of their reliability and credibility. There were clear instances of mis-presentation of data relating to the claims made for setting up of kitchen-cum-stores under the scheme. Instances of incomplete release of funds by the State Government, not only of the GoI releases but largely of the State share was bound to adversely impact the implementation and execution of the scheme.

Ineffective management of foodgrains under the scheme led to retention of substantial balances with the lifting agency and minus balances at schools. Reconciliation of figures of foodgrains allotted, lifted, off-take was not carried out by School Education Department. Mid day meal was not provided to children in drought affected areas during summer vacations.

There were discouraging trends noted especially with reference to educational indicators which pointed to the fact that dropout rates of students at Upper Primary level was above 20 per cent during the period 2010-11 to 2013-14.

Procedure prescribed in scheme guidelines for ensuring utilisation of Fair Average Quality (FAQ) of rice for mid-day meal to children was not complied with. As is evident from the frequency of meetings conducted the performance of Steering cum Monitoring Committees needed strengthening, so as to enhance effectiveness of monitoring of scheme implementation.

2.1.12 Recommendations

Audit recommends for consideration that:

- (i) Planning process should be based on sound database and credible indices, so as to ensure a bottom up formulation of annual plans.
- (ii) State Government should ensure that funds, both of GoI and State are released in full, and in a timely manner.
- (iii) With a view to enhance infrastructural facilities like kitchen-cum-stores, supply of safe drinking water convergence with other schemes viz., Integrated Child Development Services (ICDS), Sarva Shiksha Abhiyan (SSA), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) should be ensured.
- (iv) Monitoring mechanism should be strengthened and inspections should be carried out as prescribed in guidelines. Deviations should be identified and followed up with corrective action.

Government accepted (November 2015) the recommendations of Audit and assured that appropriate steps would be taken to streamline the system.

2.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

2.2.1 Introduction

Literacy and education play a central role in human development and impact overall socio economic development. Higher levels of literacy and education lead to better attainment of health and nutritional status, economic growth, population control, empowerment of the weaker sections and community as a whole.

Government of India (GoI) launched (September 2009) 'Saakshar Bharat', a Centrally Sponsored Scheme, during the XI Plan period, aimed at promoting and strengthening adult education in the country, especially of women, by extending educational options to those adults in the age group of 15 years and above. Primary goals of the Saakshar Bharat are:

- to improve overall literacy rate to 80 *per cent*
- to reduce gender gap in literacy to 10 *per cent*

The broad objectives of the scheme are as follows:

Basic Literacy	To impart functional literacy and numeracy to non-literate and non-numerate adults.
Basic Education	To enable newly-literate adults to continue their learning beyond basic literacy and acquire equivalence to formal educational system.
Vocational Skills	To impart relevant skill development programmes to improve earning and living conditions.
Continuing Education	To promote a learning society by providing opportunities for continuing education.

As per Census-2011, literacy rate in Andhra Pradesh State is 67.40 *per cent*, which is lower than the national average of 72.99 *per cent*. The literacy rate in the State varies from 58.89 in Vizianagaram district to 74.63 in West Godavari district. There is also a considerable gender gap of 14.80 percentage points between male (74.80 *per cent*) and female (60 *per cent*) literacy rates in the State.

Although the scheme was launched by GoI in September 2009, it commenced in the State after one year i.e., in September 2010. The scheme, which was initially up to March 2012, was extended up to March 2017. Of the stated objectives, the State Government implements only (i) Basic Literacy programme (BLP) and (ii) Continuing Education programme (CEP) in ten districts³⁹ of the State identified by the National Literacy Mission Authority (NLMA), the apex body for monitoring the implementation of the programme in the country. BLP aims to 'impart functional literacy to non-literate adults'. It is implemented in the State in a phased manner and five phases⁴⁰ were completed as of August 2015. CEP involves establishment of Adult Education Centres

³⁹ Ananthapuramu, Chittoor, Guntur, Kurnool, Prakasam, SPS Nellore, Srikakulam, Visakhapatnam, Vizianagaram and YSR districts where female literacy rate was 50 *per cent* or below

⁴⁰ Phase-I: 2010-11; Phase-II: 2011-12; Phase-III: 2012-13; Phase-IV: 2013-14; Phase-V: 2014-15

(AECs) at Gram Panchayat (GP) level to provide a learning environment, so that learners (neo literates and school dropouts) are encouraged to continue with their literary aspirations.

The scheme intended to cover 1.02 crore non-literates in the combined State of Andhra Pradesh at a cost of ₹ 877.23 crore. Of this, 53.56 lakh non-literates relate to the residuary State of Andhra Pradesh to be covered at a cost of ₹ 463.16 crore.

2.2.1.1 Responsibility Centres

Andhra Pradesh State Literacy Mission Authority (SLMA) is the nodal agency for implementing the programme in the State. Office of the Director of Adult Education acts as the Secretariat for SLMA. The SLMA reviews the activities in monthly monitoring meetings and reports to NLMA and the State Government. Adult Education Centres (AECs) at GP level are to provide institutional, managerial and resource support to literacy and lifelong education at grass root level. Literacy programmes are conducted by Voluntary Teachers through literacy centres in the villages. Responsibility centres at various levels *viz.*, at State, District, Mandal and Village are shown below:

State level	<ul style="list-style-type: none"> • Implementing agency: APSLMA (SLMA) • Responsibility entrusted to: Director of Adult Education
District level	<ul style="list-style-type: none"> • Implementing agency: Zilla Lok Shiksha Samiti (ZLSS) • Responsibility entrusted to: Deputy Director of Adult Education
Mandal level	<ul style="list-style-type: none"> • Implementing agency: Mandal Lok Shiksha Samiti (MLSS) • Responsibility entrusted to: Mandal Coordinator
Village level	<ul style="list-style-type: none"> • Implementing agency: Gram Panchayat Lok Shiksha Samiti (GPLSS) • Responsibility entrusted to: Village Coordinator

2.2.2 Audit Framework

2.2.2.1 Audit Objectives

Performance audit of implementation of BLP (a component of the scheme) was carried out with the objective of assessing whether,

- State Government carried out a survey to identify the non-literates and mapped their learning needs Gram Panchayat-wise.
- Approaches advocated by GoI for implementing functional literacy programme had been followed by the Government.
- Learners had acquired the skills specified by GoI to progress to the next level.

2.2.2.2 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Saakshar Bharat Mission guidelines;
- Action Plans and Budget;
- Andhra Pradesh Financial Code;
- Programme Accounts Manual; and
- Orders, notifications, circulars, instructions issued by NLMA/State Government/SLMA from time to time

2.2.2.3 Audit Scope and Methodology

Performance audit was conducted during December 2014-August 2015, covering implementation of BLP during the period 2010-15 in the sampled units. An Entry Conference was held in December 2014 with the Director, Adult Education wherein audit objectives, methodology, scope and criteria, audit sample, etc., were discussed and agreed to. Audit methodology involved scrutiny of relevant files/records at SLMA, ZLSSs, MLSSs and GPLSSs and discussions with officials concerned at various levels. Audit findings were discussed with the Principal Secretary to Government in School Education Department, Director of Adult Education and other departmental staff in the Exit Conference (November 2015); replies of the Government have been incorporated at appropriate places in the Report.

2.2.2.4 Audit Sample

Performance audit of the scheme was conducted in four districts of the State *viz.*, Chittoor, Guntur, Kurnool and Visakhapatnam; and three mandals from each district selected on the basis of the highest female non-literates. Two Gram Panchayats (GPs) were selected from each mandal for detailed study based on the highest and the lowest female non-literates identified. List of sampled units is given in **Appendix-2.3**.

Audit Findings

2.2.3 Survey and Planning

2.2.3.1 Identification of non-literates

The programme entails identification of non-literates through a survey, area-wise mapping of their learning needs. Government conducted a household survey in 2010-11 and the survey data was uploaded to the Saakshar Bharat (SB) portal. The survey identified 84.89 lakh non-literates (Male: 38.55 lakh; Female: 46.34 lakh) in ten districts of the State in which the scheme is implemented. GoI fixed (2011) a target of covering 53.56 lakh non-literates under this programme by 2016-17. Scrutiny of household survey data (97.17 lakh⁴¹ records) in respect of four test checked districts provided (August 2015) by SLMA was analysed and the following was noticed.

⁴¹ Chittoor: 27.55 lakh, Guntur: 24.37 lakh, Kurnool: 26.46 lakh, Visakhapatnam: 18.79 lakh

- (i) Although the database contains 53 columns for each record of household data including a column for unique ID, this column was left blank in all the test checked districts. As such, the possibility of duplicate entries cannot be prevented in the database.
- (ii) There were many duplicate entries in the data mainly due to absence of any logical control for its prevention. Details of the same person (i.e., name, father's name, door number, name of the village, name of the mandal) were entered more than once ranging from 30 (Visakhapatnam) to 999 (Kurnool) times.
- (iii) Out of 97.17 lakh records (household survey data) in four test checked districts, 6.45 lakh records contain junk data i.e., without having full particulars of non-literates identified. Even the junk data was repeated up to a maximum number of 247 (Chittoor) to 999 (Kurnool) times in these districts.
- (iv) Out of 97.17 lakh (household survey data) records of data available in four test checked districts, 17.50 lakh records related to persons having educational qualifications of matriculation or above up to post graduation. Of these, 2.35 lakh (13.4 per cent) persons were identified as 'required Basic Literacy'.

In view of the above, reliability of the survey and correctness of the data of non-literates identified could not be assessed. It was also evident that mapping of learning needs of surveyed persons was not accurate. Further, a master survey data/list was not being maintained at GP level, which would be the benchmark against which the beneficiaries enrolled could be linked with the numbers identified in the survey and watch whether they successfully completed the programme.

While accepting the above observations Government attributed (November 2015) the inaccuracies in database to inexperienced field level functionaries who conducted the survey; erroneous data entry by the private agencies engaged for the job and lack of computer facilities at mandal level for verification. Government also stated that data could not be corrected due to non-provision of edit option by GoI.

In the absence of mechanism to check the enrolment of identified non-literate to the programme and watch his/her completion of the programme, it was not ensured that all the identified non-literates were made literate.

2.2.3.2 Data discrepancies

The data of the non-literates identified plays key role in preparation of action plans at each level and for implementation of the programme. Scrutiny revealed that there were discrepancies between data of non-literates furnished by the Director of Adult Education (DAE) and that furnished by District implementing agencies (ZLSS) as given below.

Table-2.10

District	Number of non-literates identified (in lakh)	
	DAE	ZLSS
Chittoor	9.78	9.63
Guntur	9.86	8.94
Kurnool	12.43	11.50
Visakhapatnam	9.20	7.80
Total	41.27	37.87

Source: DAE and ZLSS records

Government accepted (November 2015) the variations, stating that updations and corrections made by the district authorities after furnishing of the survey data to the Director were not intimated to him.

During scrutiny of records of GPs, it was noticed that enrolment was more than the number of non-literates identified in four out of 24 test checked GPs as detailed in the table.

Table-2.11

District	Name of GP (Mandal)	Identified	Enrolled in five phases
Kurnool	Peddakottalla (Kallur)	243	510
Kurnool	Sivaramapuram (Kurnool Rural)	194	600
Visakhapatnam	Sampathipuram (Anakapalli)	183	585
Chittoor	Chennampalli (Yerpedu)	272	400

Source: Records of test checked GPs

While accepting the discrepancies, Government attributed (November 2015) the inconsistencies to migration of people and stated that correct data would be available only at the village level.

Due to inconsistencies observed between data at ground level *vis-à-vis* the higher levels, reliability of the data, of non-literates identified and those stated to have been covered under the programme, is doubtful.

2.2.3.3 Planning

GPs are responsible for micro planning in respect of preparation of action plan at their level. Micro plan is to be formulated considering all activities of the Programme i.e., survey, data collection, mass mobilisation, training schedules of different levels of functionaries, procurement and distribution of teaching learning materials, evaluation of learning outcome of the learners, budgetary requirement, etc. GP level micro plans are to be aggregated at mandal level for mandal level plan, mandal level plans are to be aggregated for district level plan and district level plans are to be aggregated for State level Plan, duly adding budget requirements for activities at each level. The State plan is to be submitted to NLMA for administrative and financial sanctions and release of funds accordingly.

Scrutiny revealed that although, State level action plans were prepared and approved by NLMA, district level plans based on which the State plans were prepared were not made available to audit. Thus, it was not ensured that State plans were prepared duly aggregating the district level plans as required by guidelines. Further, contrary to guidelines, micro plans were not prepared by any of the 24 GPs verified in audit.

Government accepted (November 2015) that district and GP level action plans were not called for preparation of State plan. Government also stated that GP level plans were automatically generated in the website based on the data uploaded. However, such plans were neither found in the web site nor furnished by the ZLSSs and GPs.

Thus, the planning of the programme lacked bottom up approach as envisaged in the guidelines.

2.2.4 Implementation of programme

2.2.4.1 Non-compliance with programme guidelines/instructions

Scrutiny of records relating to the programme implementation in the sampled units revealed the following:

- (i) As per guidelines, the programme requires imparting teaching of about 300 hours spreading over three months or beyond, depending on the motivation of the learner and local conditions. However, the Voluntary Teachers (VTs) did not maintain attendance registers. Although the Village Coordinators (VCOs) maintained the attendance registers, there was no indication of duration of teaching activity. Therefore, Audit was unable to verify the fact of completion of stipulated minimum duration of teaching activity.
- (ii) As per the instructions of SLMA, various registers/reports *viz.*, Daily Work Register, Monthly Self-Appraisal reports, Stock Issue register, etc., are to be maintained by the VCOs. However, reports/registers *viz.*, Monthly Self-Appraisal reports, Daily Work Register, monthly vignanam⁴² programmes conducted, constitution of resource group at AEC, review meetings conducted with minutes, visits to AEC by supervisory staff, etc., furnished to District office by GP and Mandal level functionaries were not made available in any of the test checked GPs/Mandals to assess the performance of VCOs and MCOs. Thus, it was not verifiable in audit whether the implementing agencies had followed the stipulated monitoring mechanism at various levels.
- (iii) In Chittoor and Guntur districts, cash books maintained by ZLSS was not closed at regular intervals, entries were not attested by DDO; cash book figures were not reconciled with bank figures.

Government stated (November 2015) that VCOs had discontinued in some villages and they had not handed over the records to their successors. However, Government had not offered any remarks on poor maintenance of records at ZLSS.

Due to non-compliance to programme guidelines/instructions at GP and Mandal levels it could not be verified in audit that the scheme was implemented effectively for achievement of the Scheme objectives.

2.2.4.2 Supply of TLM and literacy kits

As per guidelines, Teaching Learning Material (TLM) kits have to be supplied to all GPLSSs before commencement of each phase of the programme, for distribution to non-literates enrolled. These kits help in keeping track of the progress made by each learner-volunteer group, ensuring the momentum of learning is not lost and that learning takes pace suitable to the learner. Scrutiny revealed the following.

- (i) In all the four test checked districts, it was noticed that TLM kits for the fourth phase of the programme which commenced in November 2013 were supplied in

⁴² Programme for creating awareness in different fields *viz.*, pulse polio, importance of casting vote, etc.

December 2013. Similarly, in three out of four test checked districts (except Guntur) it was noticed that for the fifth Phase of programme commenced in January 2015, TLM kits were supplied during March-April 2015. Thus, the learning process took place without TLM in fourth and fifth phases largely.

- (ii) Further, ZLSS/MLSS/GPLSS had not maintained details of dates of issue of the TLM kits to the enrolled learners. As a result, it was not ensured that kits were issued to all the learners and were issued in time.
- (iii) In Kurnool District, literacy kits were not supplied to 87,480 enrolled non-literates during fourth phase depriving them of learning process of writing skills.

Government accepted (November 2015) the delays and attributed the delays mainly to delay in transportation of material from mandal level to GP level and also to delay in finalisation of tenders.

Due to non-supply/delay in supply of TLM, the objective of learning formal education with prescribed books/pictorials was not fulfilled.

2.2.4.3 Vocational Skill Development Programme

Besides Basic Literacy Programme and Continuing Education Programme, the State implemented Vocational Skill Development Programme (VSDP) in only one year during 2011-12. With a view to improve earning and living conditions, SLMA decided (December 2011) to conduct VSDP for the benefit of learners in each GP. The programme was to be conducted for 30 days covering 25 beneficiaries in each GP.

As per the records relating to VSDP implementation in the sampled districts about 1.06 lakh beneficiaries⁴³ were to be covered under this programme. As per the guidelines, it was to be ensured that the beneficiaries covered under VSDP were enrolled for next phase of BLP. Scrutiny revealed that details of beneficiaries enrolled for BLP among those covered in VSDP were not on record in any of the test checked GPs.

Scrutiny further revealed that:

- a) VSDP programme was not implemented in 1,048⁴⁴ GPs out of total 4,239⁴⁵ GPs in the four test checked districts, depriving the non-literates in those GPs of availing of the opportunity of skill development and also in motivating them for BLP.
- b) In Chittoor, Visakhapatnam and Guntur districts, an expenditure of ₹ 1.19 crore was only incurred out of ₹ 2.00 crore released (May 2011). Although the funds were to be utilised by June 2012, an amount of ₹ 0.81 crore remained unutilised as of May 2014.
- c) Although stipulated in guidelines, follow-up activities for post training programmes were not taken up in any district to ensure that all the trainees joined BLP.

⁴³ Chittoor: 0.35 lakh; Guntur: 0.25 lakh; Kurnool: 0.22 lakh; Visakhapatnam: 0.24 lakh

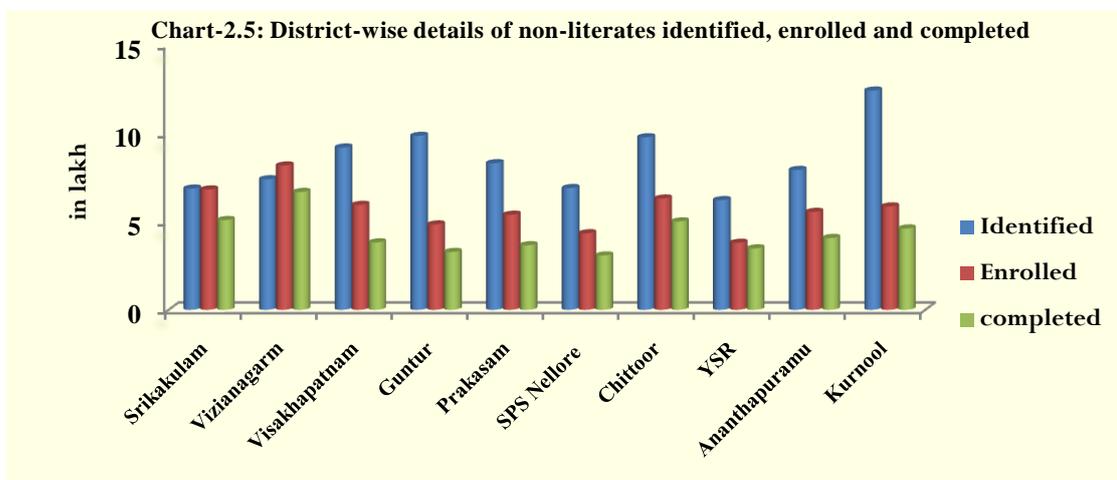
⁴⁴ Chittoor: 58 GPs; Visakhapatnam: 794 GPs; Guntur: 196 GPs

⁴⁵ Chittoor: 1,381 GPs; Kurnool: 898 GPs; Visakhapatnam: 944 GPs; Guntur: 1,016 GPs

Government stated (November 2015) that GoI had not provided any funds for this component and, hence, it was not implemented in all the villages. Government, however, accepted that funds released by SLMA for VSDP out of its programme cost were not fully utilised by ZLSS.

2.2.4.4 Enrolment and completion

Out of 84.90 lakh non-literates identified in the survey, GoI aimed to cover 53.56 lakh non-literates in the State by 2016-17. Against this target, 57.04 lakh non-literates (i.e., beyond target) were enrolled in the State during 2010-15, out of which 42.79 lakh (75 per cent) non-literates completed the Basic Literacy Programme. District-wise details of non-literates identified, enrolled under the programme and the beneficiaries who completed BLP during 2010-15 in five phases are given in the chart.



Enrolment of non-literates for BLP ranged between 47 per cent (Ananthapuramu) to 111 per cent (Vizianagaram) of the non-literates identified. The large variation in enrolment from district to district indicated that planning was not linked to ground level needs for uniform improvement throughout the State to achieve its final objective.

Further, the number of beneficiaries who completed BLP was less than 70 per cent of enrolment in Visakhapatnam, Guntur and Prakasam districts. However, it was less than 50 per cent of identified beneficiaries in Guntur and Kurnool districts even after completion of five phases.

However, scrutiny of enrolment details and details of non-literates that completed basic literacy as furnished by the DAE and that by ZLSS in test checked districts to the end of fourth phase revealed discrepancies. In the four districts together, the DAE had claimed excess coverage of 0.37 lakh non-literates. Details are given in the Table-2.12.

Table-2.12

District	Number of non-literates enrolled and completed (in lakh)					
	DAE		District implementing agencies		Difference	
	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed
Chittoor	5.43	4.53	5.28	4.22	0.15	0.31
Guntur	4.27	2.91	4.09	2.78	0.18	0.13
Kurnool	5.32	4.20	5.32	4.20	0	0
Visakhapatnam	5.42	3.42	5.37	3.49	0.05	(-)0.07
Total	20.44	15.06	20.06	14.69	0.38	0.37

Source: Details furnished by DAE, ZLSSs

The data inaccuracies indicate inadequate coordination at various levels in implementation of the programme. As a result, the claims of achieving the target/success would be doubtful.

Scrutiny also revealed the following.

- During scrutiny of records of ZLSS, Kurnool it was noticed that in 18 GPs the programme was continuing even after completion of **100 per cent** enrolment of identified non-literates. This also shows that coverage was inflated. The ZLSS, Kurnool stated that dropouts and semi literates were also enrolled for this activity for improvement of literary skills. Reply of ZLSS was not satisfactory as the Basic Literacy Programme is not meant for improvement of skills.
- ZLSS, Chittoor district claimed that 100 per cent of female non-literates enrolled in the district during 2nd phase of programme completed BLP. However, scrutiny of records of GPs revealed that 51 out of 287 female non-literates enrolled in six test checked GPs in the district did not complete the programme.
- Out of 24 test checked GPs, female dropout rate was more than 40 per cent during 3rd phase in six GPs, during 4th phase in four GPs. Maximum female dropout rate of above 80 per cent was noticed in Chodavaram and Gandhavaram GPs of Chodavaram mandal in Visakhapatnam district in all the four phases.
- It was noticed in three out of the four test checked districts (except Guntur) that female dropout rate increased from 21 to 30 per cent from 1st to 4th phase of the programme. As a result, the increasing enrolment of females from year to year may not have any positive impact towards reducing gender gap in literacy.

Government stated (November 2015) that the figures would be reconciled with the district level data.

2.2.4.5 Assessment and Certification

As per Para 57 of the guidelines, assessment and evaluation of progress of non-literates has to be done by conducting periodical tests at State level by engaging local school teachers. However, such evaluation reports were not made available to audit in three out

of four test checked districts (except in Kurnool district). In the absence of such details audit could not assess the progress made in respect of non-literates who completed BLP.

Further, SLMA will have to devise, in consultation with NLMA, suitable mechanism for assessment of actual competency achieved by learners in literacy skills. On successful completion and achievement, the learner will have to be issued a certificate jointly signed by specified authorities. In the absence of comprehensive data on non-literates/dropouts/repeaters/achievements and progress made in implementation of BLP was not assessable.

2.2.5 Financial Management

Both NLMA and State Government release funds directly to SLMA's bank account; funds are transferred from SLMA to bank accounts of ZLSS/MLSS/GPLSS directly. The funds so transferred are drawn and utilised by ZLSS/MLSS/GPLSS based on authorisations given by SLMA. The scheme cost of ₹463.16 crore was to be shared between GoI (₹347.37 crore) and State Government (₹115.79 crore) in 75:25 ratio. Year-wise details of funds released and expenditure incurred as of March 2015 are shown in table below:

Table-2.13

Year	Releases				Expenditure	Closing Balance
	Opening Balance	GoI releases	State matching share	Total		
2010-11	69.00	84.67	23.00	176.67	36.46	140.21
2011-12	140.21	64.55	49.74	254.50	172.17	82.33
2012-13	82.33	116.06	0.00	198.39	119.31	79.08
2013-14	79.08	69.22	38.68	186.98	130.19	56.79
2014-15 (up to 1 st June 2014)	56.79	-	-	56.79	22.46	34.33
2014-15	32.09*	34.32	23.51	89.92	21.02	68.90

Source: Records of SLMA;

Figures shown up to 1 June 2014 relate to composite State of Andhra Pradesh

* For the year 2014-15, opening balance of ₹32.09 crore (including interest component) has been taken based on GoI orders (October 2014) issued consequent on bifurcation of the state.

Out of ₹537.98 crore stated to have been released by GoI (₹403.48 crore) and State Government (₹134.50 crore) for implementation of the programme up to 1st June 2014, an amount of ₹283.60 crore (GoI: ₹212.70 crore and State: ₹70.90 crore) was allocated (September 2014) to the residuary State of Andhra Pradesh. However, it was noticed in audit that out of ₹70.90 crore of State share allocated to residuary State of Andhra Pradesh, only an amount of ₹58.74 crore was released prior to 1st June 2014. Out of the balance of ₹12.16 crore, State Government released an amount of ₹12.07 crore (included in ₹23.51 crore shown against 2014-15 in the above table) in 2014-15.

Including releases made during 2014-15, an amount of ₹329.27 crore (GoI: ₹247.02 crore, State share: ₹82.25 crore) was released to the State out of which an amount of ₹274.94 crore was expended on the scheme up to March 2015.

Scrutiny revealed that although State's matching share should be released soon after release of GoI share, State Government released its share of funds with delays ranging from 2 to 13 months. This has resulted in delayed payment of honorarium and allowances to Mandal Coordinators (MCOs)/Village Coordinators (VCOs) as noticed during audit of test checked GPs. Government accepted (November 2015) the delays in release of State share.

2.2.5.1 Advances pending adjustment

During 2010-15, SLMA released advances amounting to ₹ 75.85 lakh to ZLSSs towards transportation charges of TLM, survey, vehicle hire charges and tour advances. The advances released were to be adjusted as early as possible by submission of vouchers for the amount spent duly refunding the unspent balances. Scrutiny revealed that out of ₹ 75.85 lakh advanced an amount of ₹ 51.43 lakh⁴⁶ unadjusted as of August 2015. Of this an amount of ₹ 35.52 lakh was pending for more than three years.

Further, in the test checked districts of Chittoor and Visakhapatnam it was noticed that out of ₹ 1.59 crore and ₹ 26.60 lakh of advances released (2010-15) by ZLSSs to MLSSs for conducting of National Institute of Open Schooling (NIOS) examinations, imparting training to MCOs, VCOs and VTs etc., huge amounts of ₹ 1.57 crore (98.8 per cent) and ₹ 11.22 lakh (42 per cent) remained unadjusted in the two districts respectively even as of August 2015. The Deputy Director, ZLSS, Chittoor stated that action would be taken to trace the vouchers and adjust the advances.

Government accepted (November 2015) the pendency of advances and also stated that action was initiated to settle the advances.

- (i) The ZLSS, Chittoor entrusted the work of computerisation to DRDA, Chittoor and fixed a rate of 35 paise per record for computerisation of survey data. However, in violation of the Management Committee's decision, ZLSS authorities paid the charges at one rupee per record. Against the amount of ₹ 2.46 lakh payable at the rates approved, ZLSS paid an amount of ₹ 7.02 lakh to DRDA resulting in excess expenditure of ₹ 4.56 lakh. Government accepted (November 2015) the excess payment and stated that action was initiated to recover the amount.
- (ii) Honorarium amounting to ₹ 16.10⁴⁷ crore was not paid to VCOs/MCOs in the four test checked districts as of March 2015. Similarly, the Fixed Travelling Allowance (FTA) payable to MCOs at ₹ 500 per month amounting to about ₹ 25.43⁴⁸ lakh was not paid to 215 MCOs in four test checked districts despite availability of funds. Non-payment of honorarium/FTA for longer periods may have an adverse impact on quality of activities and ultimately of the programme. While accepting the audit finding, Government attributed (November 2015) the lapses to delay in submission of performance certificates and processing of files at mandal level; it, stated that the system was now streamlined.

⁴⁶ 2010-11: ₹ 3.10 lakh, 2011-12: ₹ 32.42 lakh, 2012-13: ₹ 0.65 lakh, 2013-14: ₹ 15.00 lakh, 2014-15: ₹ 0.26 lakh

⁴⁷ Chittoor: ₹ 7.10 crore; Guntur: ₹ 3.97 crore; Kurnool: ₹ 3.52 crore; Visakhapatnam: ₹ 1.51 crore

⁴⁸ Chittoor: ₹ 9.24 lakh; Guntur: ₹ 7.69 lakh; Kurnool: ₹ 2.65 lakh; Visakhapatnam: ₹ 5.85 lakh

- (iii) In Visakhapatnam district, during 3rd phase, 2.25 lakh out of 2.50 lakh literacy kits were supplied (October 2012) without eraser and sharpener. Although they were supplied (April 2014) later separately, they were not distributed (August 2015). The expenditure of ₹ 7.47 lakh incurred on these items remained unfruitful.

2.2.5.2 Non-collection of Utilisation Certificates

As per the guidelines, SLMA is responsible for collection of Utilisation Certificates (UCs) from the districts and submission of a consolidated UC to NLMA. It was observed that SLMA submitted year-wise consolidated UCs for ₹ 251.83⁴⁹ crore for the years 2010-11 to 2014-15, without collecting UCs from the districts for the amounts utilised. In view of advances pending adjustment, correctness of the UCs submitted to NLMA cannot be ensured.

Government stated (November 2015) that accounts were audited up to GP level; expenditure details were available with the SLMA and SLMA accounts included figures up to GP level; and hence consolidated UC was submitted to NLMA. However, it was noticed that annual accounts of SLMA did not exhibit any amount as outstanding advances/advances pending adjustment. In view of the advances pending adjustment noticed at ZLSS/MLSS (refer Paragraph 2.2.5.1), the reply of the Government is not convincing.

Thus, there was no assurance that these funds stated to have been spent were actually spent and utilised for the intended purpose.

2.2.5.3 Fund and Accounts Management System (FAMS)

The scheme has adopted internet-based ‘Fund and Accounts Management System’ (FAMS) with a view to (i) manage and monitor fund flow (ii) maintain accounts at all levels (iii) provide instant and easy access to accounts, and (iv) provide NLMA/SLMA a complete view of expenditure on activities. As per the accounting manual, the expenditure particulars are to be uploaded to FAMS on monthly basis.

The benefits of the FAMS *inter alia* include availability of latest information facilitating the policy makers and executing officials in taking timely decisions, anytime/anywhere availability of finance/accounts related data. The FAMS was made operational from August 2010 in the State.

Audit scrutiny of expenditure comparison reports (8 July 2015) generated through FAMS website relating to the sampled districts revealed inconsistency in total expenditure between cash book figures and that of bank figures. These expenditure details were in turn not in conformity with ZLSS figures. Details are shown in Table-2.14.

⁴⁹ 2010-11: ₹16.22 crore; 2011-12 : ₹84.90 crore; 2012-13: ₹56.31 crore; 2013-14: ₹58.81crore; 2014-15: ₹35.59 crore

Table-2.14

(₹ in crore)

District	Expenditure as per cash book (as uploaded)	Expenditure as per bank (as uploaded)	Expenditure as per ZLSS
Chittoor	16.54	33.54	33.96
Guntur	12.16	37.21	23.98
Kurnool	12.25	24.17	23.29
Visakhapatnam	7.79	23.72	21.31

Source: Saakshar Bharat FAMS website and records of ZLSSs

Audit scrutiny of SLMA records revealed that data upload to FAMS was lagging behind by more than one year (as of November 2014) in respect of ZLSSs of nine⁵⁰ districts except in Kurnool where data was uploaded up to July 2015. At Mandal and GP levels also there were consistent delays in uploading data into FAMS. In GPs data was uploaded only up to January 2012. Director, Adult Education attributed (November 2014) non-uploading of data at mandal/GP level to lack of computers/net facility. The reply is however, silent about delay at ZLSS level.

Government accepted the delays and stated (November 2015) that FAMS was not working in the State at present after bifurcation of the State of Andhra Pradesh.

As a result of these delays, the basic objective of introducing FAMS remained unachieved.

2.2.6 Monitoring

As per SLMA instructions, officers at various levels were to visit the subordinate units at periodical intervals to monitor implementation of the programme. The instructions, stipulate that Project Officer (PO)/Assistant Project Officer (APO) has to be on tour for 20 days and visit 40 AECs in a month. These officials should also make 10 night halts during visits to AECs.

Test-check of daily tour programmes of APOs revealed that there were short falls in number of tour days ranging between 3 to 20 (Chittoor) and 4 to 9 (Visakhapatnam); visits to AECs ranging between 3 to 40 (Chittoor), 6 to 37 (Kurnool) and 18 to 24 (Visakhapatnam); and night halts ranging between 1 to 10 (Chittoor) and 8 to 10 (Visakhapatnam).

While accepting the shortfalls, Government attributed (November 2015) the failure to shortage of staff and heavy workload.

2.2.6.1 Supervisory manpower

The Deputy Directors play a vital role in implementation of the programme at District level and are entrusted with the task of efficient utilisation of funds, constant monitoring and evaluation at field level functionaries viz., MLSS and GPLSS, including timely action in achieving the targets.

⁵⁰ SPS Nellore: June 2013; Guntur, Prakasam, Srikakulam, Vizianagaram: January 2014, Chittoor: February 2014, Ananthapuramu, Visakhapatnam: April 2014, YSR: April 2014

Project Officer and Supervisor provide motivation, training and guidance in running of various adult education programmes; supervise and monitor the implementation of programmes under the overall control of ZLSS.

Mandal Coordinators (MCs) frequently visit adult literacy centres in the mandals; they organise and supervise the running of AECs, daily routine work of various adult literacy programmes in the mandal.

- i. Against the sanctioned strength of 14 posts of Deputy Director the post was vacant in four districts⁵¹. Against the sanctioned strength of 22 Project officers (PO) 12 posts were vacant; against the sanctioned strength of 122 posts of Supervisors 82 (67 *per cent*) were vacant in the State as of November 2015. Vacancies in supervisory posts for longer periods would affect monitoring the programme performance, enrolment and dropout of enrolled non-literates.
- ii. Although two PO posts were sanctioned for Chittoor district, both were vacant as of August 2015. There was only one Supervisor each in Guntur and Visakhapatnam districts against 12 and six sanctioned respectively. There are four and five Supervisors against 13 and 11 sanctioned in Chittoor and Kurnool districts respectively.
- iii. Similarly the VCOs, who are essential for running the programme at GP level, were not engaged in 384⁵² (eight *per cent*) GPs against 4,650 sanctioned in Chittoor and Visakhapatnam districts.

Government accepted (November 2015) the audit finding and stated that Deputy Director and Supervisor posts were not filled for want of decision at Government level; stated that instructions were issued to fill other vacancies at MLSS and GPLSS level.

2.2.6.2 Internal Audit

The Programme Accounts Manual of Saakshar Bharat Mission stipulates appointment of internal auditors as a management aid to ensure the true and fair record of accounts. The SLMA may identify, with the help of NLMA, competent organisations. The audit is to be carried out in two phases of six months each ending 30 September and 31 March.

Scrutiny revealed that internal audit was conducted in two out of the ten districts of the State during 2015-16 covering execution of the programme (2010-2015). Thus, internal audit was largely neglected in the first five years of the programme. The Director, Adult Education stated (September 2015) that action would be taken to conduct internal audit in the remaining eight districts by March 2016.

Government replied (November 2015) that there was no provision for internal audit in the funding pattern of the programme and hence internal auditors were not appointed. However, this was in violation of the Manual provisions and internal audit had been conducted in two districts.

⁵¹ Ananthapuramu, Krishna, SPS Nellore and YSR districts

⁵² Chittoor: Requirement - 2762, Vacant - 279; Visakhapatnam: Requirement - 1888, Vacant - 105

2.2.7 Impact of implementation

Although statistical figures in the sampled districts depict significant achievement against target, Audit was however, unable to assess actual outcome of programme implementation in terms of improvement in literacy rate and reduction in gender gap in literacy due to the lacunae observed in the household survey (conducted in 2010-11) data and absence of mapping of the beneficiaries enrolled and beneficiaries who completed the programme successfully, beneficiaries' continuing education, etc.

2.2.8 Conclusion

Implementation of the programme aimed at promoting and strengthening the adult education suffered from systemic lapses, inconsistencies/inaccuracies in data maintained at various levels. The survey data which formed basis for identification and coverage of non-literates was not fool proof. Action plans were prepared without support of micro level planning at GP level. There were discrepancies between data at SLMA level and that of district level offices with regard to non-literates identified and enrolled for the programme; details of non-literates who have actually completed the programme. There were considerable vacancies in supervisory posts responsible for monitoring of implementation of the programme. The FAMS established for monitoring funds and related activities was not effectively used. Internal Audit was not conducted in eight out of ten districts during the entire period of execution of the program. The rate of dropouts of female non-literates from the literacy programmes was alarming.

2.2.9 Recommendations

- (i) As intended in the survey, non-literates identified may be attached with a unique ID and the progress made by the beneficiary in BLP/continuing education be mapped against it for more accuracy of data relating to coverage of beneficiaries.
- (ii) Action Plans should be prepared at each level, especially at Gram Panchayat level, annually for fixing realistic targets and for effective implementation of the programme in a planned manner.

Government accepted (November 2015) the recommendations and assured of compliance.