

Chapter - 2

Performance Audit

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Chapter 2: Performance Audit

Panchayat and Rural Development Department

2.1 Mid-Day Meal Scheme

Executive Summary

The National Programme of Nutritional Support to Primary Education (commonly known as the Mid-Day Meal Scheme) was launched as a centrally sponsored scheme on 15 August 1995. The scheme was intended to boost the universalisation of primary education by increasing enrolment, retention and attendance and simultaneously improving nutritional levels of students in primary classes. The scheme provides for distribution of cooked meals with nutritional value of 450 calories, 12 grams of protein content and adequate quantities of essential micronutrients, like iron, folic acid, vitamin-A, etc. The scheme was extended to Upper Primary Stage (Class VI to VIII) from 2008-09.

The overall responsibility for providing nutritious, cooked mid day meal lie with the State Government. In Madhya Pradesh, Mid Day Meal Programme Council under the Panchayat and Rural Development Department implement MDMS in the state. The performance audit of MDMS for the period 2010-11 to 2014-15 revealed the followings:

- During the period 2010-11 to 2014-15, State MDM Council incurred expenditure of ₹ 4,974.36 crore out of available fund of ₹ 5,191.59 crore on implementation of the scheme.

(Paragraph 2.1.8.1)

- There were instances of diversion of funds amounting to ₹ 7.68 crore in seven out of ten test-checked districts. MDMS funds were utilised for the purposes such as, Milk Supply Scheme, Mahatma Gandhi National Rural Employment Guarantee Scheme, District Rural Development Agency accounts etc. Out of these, ₹ 4.55 crore could not be recouped to MDMS fund as on 31 March 2015.

(Paragraph 2.1.8.2)

- One of the objectives of MDMS is to encourage poor children, belonging to disadvantaged sections, to attend school more regularly. The State Government neither formulated any criteria to identify poor children belonging to disadvantaged sections nor conducted any survey to identify such children.

(Paragraph 2.1.9.1)

- The enrolment of children in the MDMS covered schools registered a consistent decline over the years from 111.19 lakh children in 2010-11 to 92.51 lakh children in 2014-15. Further, there was decrease in average daily attendance of students from 80.10 *per cent* in 2010-11 to 75.67 *per cent* in 2014-15 for primary classes. Similarly, for upper primary classes it decreased from 79.67 *per cent* in 2010-11 to 75.02 *per cent* in 2014-15. Thus, the impact of MDM to encourage students to attend school was not seen as envisaged in the scheme guidelines.

(Paragraphs 2.1.9.2 and 2.1.9.3)

- There were disruption in serving mid day meals. As per information furnished by 300 schools of ten test checked districts, we noticed that the MDM was not served on 7,759 school working days, ranging from 1,024 days to 1,767 days during the review period.

(Paragraph 2.1.9.8)

- As per scheme guidelines, MDM should be complemented with appropriate interventions of micronutrient supplementations and de-worming medicines, through administration of six monthly dose for de-worming and Vitamin-A supplementation, weekly Iron and Folic Acid supplement, Zinc and other appropriate supplementation depending on common deficiencies found in the local area. During audit of test checked 300 schools we found that the health check-ups were not carried out in 187 schools and micronutrients were not distributed in 192 schools.

(Paragraph 2.1.9.9)

- In the test checked schools, there were deficiencies in observance of safety and hygiene standards. Schools checked in audit were lacking in infrastructural facilities like kitchen sheds, proper utensils etc.

(Paragraph 2.1.9.10)

- State and District level Steering cum Monitoring Committees did not meet as per prescribed schedule to review the implementation of scheme.

(Paragraph 2.1.10.2)

2.1.1 Introduction

The National Programme of Nutritional Support to Primary Education (commonly known as the Mid-Day Meal Scheme) was launched as a centrally sponsored scheme on 15 August 1995. The scheme was intended to boost the universalisation of primary education by increasing enrolment, retention and attendance and simultaneously improving nutritional levels of students in primary classes. The programme initially focused on children at the primary stage (class I to V) in Government, local body and Government-aided schools. It was extended in October 2002 to cover children studying in the Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) Centres and in April 2008 to recognised Madarasas/Maktabs supported under Sarva Shiksha Abhiyan.

Initially the scheme provided for distribution of dry rations or Daliya/Porridge. In September 2004, Ministry of Human Resource Development revised guidelines for the Scheme to provide cooked mid day meal with 300 calories and 8-12 grams of protein content. In addition to free supply of food grains, the revised scheme provided central assistance for cooking cost and management, monitoring and evaluation costs. Nutritional support to students at the primary stage was also to be provided during summer vacation in drought-affected areas.

The scheme was further revised in September 2006. The objectives of the revised Mid day Meal Scheme (MDMS) were:

- (i) Improving the nutritional status of children in classes I-V in Government, local body and Government aided schools and EGS/AIE centres.
- (ii) Encouraging poor children belonging to disadvantaged sections to attend school more regularly and helping them to concentrate on classroom activities.
- (iii) Providing nutritional support to children of primary stage in drought-affected areas during summer vacation.

In the revised guidelines of September 2006, the nutritional value of the cooked mid day meal was increased to 450 calories and the protein content to 12 grams. The revised guidelines also provided for adequate quantities of essential micronutrients, like iron, folic acid, vitamin-A, etc. The scheme was extended to Upper Primary Stage (Class VI to VIII) from 2008-09.

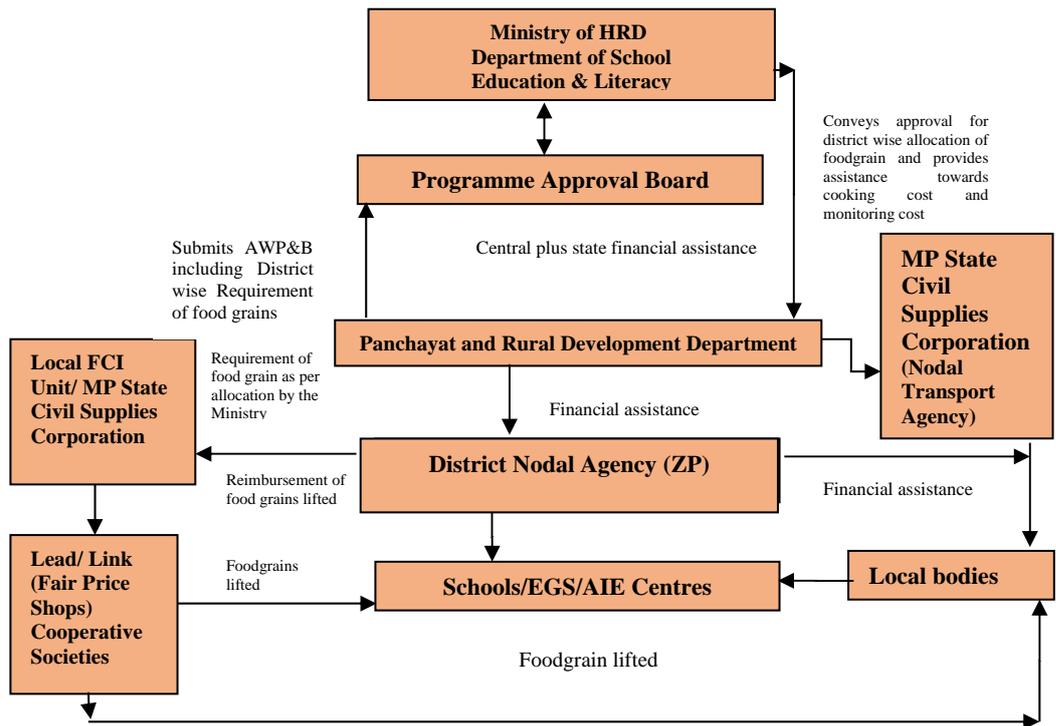
2.1.2 Organisational set up

MDMS is being run by the Ministry of Human Resource Development (Department of School Education and Literacy). However, the overall responsibility for providing nutritious, cooked mid day meal lie with the State Government. In Madhya Pradesh, Panchayat and Rural Development Department (PRDD), under Additional Chief Secretary (ACS), is the nodal department for implementation of MDMS in the state.

Madhya Pradesh Mid Day Meal Programme Council, a registered society under Madhya Pradesh Society Registration Act, 1973, was constituted in February 2007 as an agency under PRDD for implementation of MDMS in the State. MDM council is headed by State Coordinator. At district level, district collector is responsible for overall implementation of MDMS and the Chief Executive Officer of Zila Panchayat is coordinating officer of PRDD. Further, at Block level, Chief Executive Officer, Janpad Panchayat is responsible for implementation of the programme through Parent Teacher Associations (PTAs)/ Non-Government Organisations (NGOs) / Self Help Groups (SHGs) at school level. In rural areas of Madhya Pradesh SHGs of poor and weaker sections women have been given implementation work of MDM at school level.

The scheme is also monitored at school level by Block Resource Coordinator/ Cluster Resource Coordinator, District Programme Coordinator under Sarva Shiksha Abhiyan (SSA). The organisational set up is shown in **Chart-1**:

Chart-1



2.1.3 Audit objectives

Performance audit was conducted to assess whether:

- the funds allocated were being utilised in an economic and efficient manner;
- the scheme was being implemented in a planned manner so as to cover all the eligible primary and upper primary level school 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 in the primary/upper primary classes; and
- the implementation of the scheme was being effectively monitored.

2.1.4 Audit Criteria

The performance audit of MDMS was assessed with reference to:

- Scheme guidelines on National Programme of Nutritional Support to Primary Education 2006;
- Guidelines for decentralisation of payment of cost of Food grains to Food Corporation of India (FCI) at District level under MDMS (February 2010);
- Guidelines to ensure quality, safety and hygiene under MDMS (dated 22 July 2013);
- Norms framed by State Government for expenditure under MDMS;

- Various orders, notifications, circulars, instructions issued by MHRD/State Government;
- Annual Work Plan and Budget for MDMS;
- General Financial Rules; and
- Evaluation reports of the scheme.

2.1.5 Scope of audit and sampling

Implementation of MDMS for the period 2010-11 to 2014-15 was reviewed through a test check of records of 10 out of 50 districts. Eight districts were selected by Probability Proportional to Size without Replacement (PPSWOR) sampling method with size measure as number of schools in the district. Two districts (Gwalior and Vidisha) were selected at the request of Additional Chief Secretary (ACS), PRDD. In these 10 districts, 300 Schools (273 schools in rural areas and 27 schools in urban areas) of 32 Blocks were selected by Simple Random Sampling without Replacement (SRSWOR) sampling method. Details are shown in *Appendix-2.1*.

2.1.6 Audit approach and Methodology

The Performance Audit work commenced with the issue of audit engagement letter on 02.03.2015. An entry conference was held with ACS, Government of Madhya Pradesh, PRDD, Bhopal on 17.03.2015 to discuss audit objectives, criteria and selection of districts and schools. The Performance Audit was conducted during March- July 2015. The result of audit was discussed in an exit conference (September 2015) and response of Government has been suitable incorporated.

2.1.7 Lessons learnt and sensitivity to error signals

Performance Audit of the functioning of the MDMS in the State during the period 2003-04 to 2007-08 was conducted earlier and the results were reported in para 3.2 of Comptroller and Auditor General's Report for the year 2007-2008 (Civil). The para wise replies of PRDD were furnished to the Public Accounts Committee in October 2010. The performance audit report was not discussed in Public Account Committee (May 2015). Major shortcomings and department's replies on them is given in **Table-1**:

Table-1: Showing details of major shortcomings pointed out in previous Audit Report and replies submitted by PRDD.

Sl. No.	Shortcomings pointed out in previous audit report	Reply of Government
1.	Base line survey not conducted.	No reply
2.	Non improvement of attendance and decline in retention of students in school.	Due to implementation of the mid day meal, there is regularity in attendance.
3.	Quality of food grains not ensured as food grain sample were not collected/reported.	Quality of food grains is inspected by a committee nominated by district collectors.
4.	Instances of non-payment of transportation charges to PTAs.	Matter is related to Madhya Pradesh State Civil Supplies Corporation. Efforts have been made for payment of transportation claims of other agencies.

Sl. No.	Shortcomings pointed out in previous audit report	Reply of Government
5.	Instances of non/short distribution of cooked meals.	Non/short distribution of cooked meals was due to shortage of food grains, lack of infrastructure or other local problems.
6.	Non/short distribution of micronutrients.	Efforts were made for convergence with health department, but the distribution of micronutrients affected due to their inaction.
7.	Shortfall in meetings of Steering cum Monitoring Committees at district and block level.	Non-conducting of SMC meetings at Block level had no effect on monitoring of the scheme, as the scheme was reviewed regularly at district level.
8.	Instances of deficient infrastructure.	Efforts were being made regularly for progress in construction of kitchen sheds.

Performance Audit of MDMS for the period 2010-11 to 2014-15 revealed that most of the deficiencies as pointed out in earlier CAG's report were still persisting, as discussed in succeeding paragraphs.

Audit findings

2.1.8 Financial Management and Planning

The MDMS is mainly financed by the Ministry of Human Resources Development. Central assistance is provided to the state by way of:

- i) Supplying free food grains (wheat/rice) @100 grams/150 grams per child per school day in primary/upper primary;
- ii) Reimbursing the actual cost incurred in transportation of food grains from nearest FCI godown subject to ₹ 75 per quintal;
- iii) Providing assistance for cooking cost per child per school day at the following rates given in **Table-2**:

Table-2: Rates of cooking cost

(Amount in ₹)

Period	Primary Schools			Middle Schools		
	Centre	State	Total	Centre	State	Total
April 2010	2.12	0.67	2.79	3.02	1.01	4.03
April 2011	2.17	0.72	2.89	3.25	1.09	4.34
July 2012	2.33	0.78	3.11	3.49	1.16	4.65
July 2013	2.51	0.83	3.34	3.75	1.25	5.00
July 2014	2.69	0.90	3.59	4.04	1.34	5.38

(Source: AWP&B of the state)

In addition to cooking cost, assistance of ₹ 1000 per month honorarium to cook-cum-helper is shared between the Centre and State on 75:25 basis.

- iv) Providing assistance for cooked Mid-Day Meal during summer vacations to school children in areas declared by State Government as "drought-affected";
- v) Providing assistance to construct kitchen cum store in a phased manner up to a maximum cost of ₹ 60,000 per unit;
- vi) Providing assistance in a phased manner for provisioning and replacement of kitchen devices at an average cost of ₹ 5,000 per school; and

- vii) Providing assistance to state for Management, Monitoring and Evaluation (MME) at the rate of 1.8 *per cent* of total assistance.

MDMS assigns importance to the preparation of Annual Work Plan & Budget (AWP&B) by State based on information maintained at school level and aggregated at the Block, District and State level. This plan is presented before the Programme Approval Board (PAB) of the Ministry. After approval of AWP&B, the Ministry releases 1st instalment of central assistance in April/May each year. The Ministry releases 2nd instalment in September/October based on progress of expenditure incurred out of the first instalment. The fund flow chart is given below:-



2.1.8.1 Availability and Release of fund for MDMS

PRDD is responsible for drawal and disbursement of Central and State shares. Funds received under various components of the scheme *viz.* cooking cost, honorarium for cook cum helper, MME, cost of food grains and cost of transportation are deposited in a bank account of State MDM Council. The funds from the State MDM Council are directly e-transferred into nodal bank account for MDMS maintained at *Zila* Panchayats. *Zila* Panchayats transfer these funds for cooking cost in accounts of implementing agencies and funds for cook cum helper's honorarium in School Management Committee's (SMC) account. Cost of food grains is e-transferred to FCI/MPSCSC¹ account.

During the period 2010-11 to 2014-15, State MDM Council incurred expenditure of ₹ 4,974.36 crore out of available fund of ₹ 5,191.59 crore on implementation of the scheme.

Status of funds received and released by State MDM Council during 2010-11 to 2014-15 is given in **Table - 3**:

Table -3
Details of funds received and released by State MDM Council

Year	Opening Balance	Receipt	Total available fund	Expenditure	Closing Balance
2010-11	155.06	861.00	1,016.06	995.73	20.33
2011-12	20.33	979.72	1,000.05	947.39	52.66
2012-13	52.66	1,027.87	1,080.53	978.85	101.68
2013-14	101.68	1,054.66	1,156.34	1,126.58	29.76
2014-15	29.76	908.85	938.61	925.81	12.80

(Source: information collated from cash book maintained at State MDM Council.)

2.1.8.2 Diversion of scheme funds

As per para 5.1(8) of MDMS guidelines, the scheme funds were not be diverted to purposes other than MDMS.

¹ FCI - Food Corporation of India, MPSCSC- Madhya Pradesh State Civil Supplies Corporation

Seven test checked districts diverted MDMS fund of ₹ 7.68 crore on execution of other schemes

We noted instances of diversion of funds amounting to ₹ 7.68 crore in seven test checked districts (Anuppur, Bhopal, Dhar, Mandasaur, Rajgarh, Sidhi and Vidisha) as detailed in *Appendix –2.2*. The MDMS funds were utilised for the purposes such as, Milk Supply Scheme, Mahatma Gandhi National Rural Employment Guarantee Scheme, District Rural Development Agency accounts etc. Out of the above diverted amount ₹ 4.55 crore could not be recouped to MDMS fund as on 31 March 2015.

Thus, the provisions of guidelines were not adhered to by the district authorities.

During exit conference (September 2015), Government replied that the instructions have been issued to CEO, Zila Panchayats of the concerned districts for adjustment.

2.1.8.3 Non-maintenance of records by SHGs/ PTAs

Government of Madhya Pradesh, Panchayat and Rural Development Department issued instructions (September 2007) for SHGs to maintain Register of food grains, Cash Book, Bill/Vouchers folder and Stock Register of utensils.

During inspection of 300 schools of ten test checked districts, we found that 198 SHGs and three PTAs had not maintained Register of Food Grains, Cash Book and Vouchers Folders and 26 SHGs and three PTAs had not produced these records for audit. Thus, instructions of PRDD for maintenance of these records were not followed. Details are shown in *Appendix- 2.3*.

During exit conference (September 2015), Government replied that the necessary instructions have been issued to the SHGs for maintenance of necessary records and certification of annual accounts by Chartered Accountant.

Recommendation

Utilisation of food grains and appropriateness of cooking cost claims by SHGs/PTAs should be watched to prevent leakage of benefits under MDMS.

2.1.8.4 Balances lying with implementing agencies not included in unutilised balances of districts

As per para 5.1(9) of the guidelines, unspent balances should be worked out after considering balances of stock and cash at all level i.e. State, District, Block and Schools.

- Scrutiny of records of MDM Council revealed that interest of ₹ 16.22 crore on unutilised funds was kept in bank at State level as on 31 March 2015.

- During scrutiny of records of test checked districts, we found that unutilised balances of ₹ 4.09 crore was lying idle in the accounts of implementing agencies of five test check districts (Dhar, Jabalpur, Rajgarh, Sehore and Sidhi) as on 31 March 2014. Out of this, ₹ 1.55 crore had been recovered in District Rajgarh during 2014-15, while an amount of ₹ 2.54 crore was still (July 2015) lying in the accounts of implementing agencies. Details are shown in *Appendix- 2.4*.

201 SHGs/PTAs engaged in cooking and serving MDM at schools did not maintain records of food grains/funds provided to them

Unutilised balance of ₹ 4.09 crore was lying idle in the accounts of implementing agencies of five test-checked districts. Interest income of ₹ 15.54 crore was not reported to GoI

- We also noticed that interest of ₹ 15.54 crore (*Appendix-2.5*) accrued on unutilised funds with test-checked districts was not reported to GOI for adjustment in first instalment of ensuing year.

Thus, proper control over unutilised funds lying with implementing agencies was not ensured.

During exit conference (September 2015), Government stated that accrued amount of interest and unspent balances of scheme funds at District/Block and Schools level would be consolidated with amount of interest accrued at State level and would be intimated to GOI.

2.1.8.5 Non clearance of transportation bills of food grains

State Government by its order dated 08.06.2005, authorised MPSCSC as nodal agency for transportation of food grains from 2005-06 onwards. The amount of transportation charges ₹ 75 per quintal which was to be shared among other distributing agencies², was paid to MPSCSC up to 2012-13. However, from 2013-14, the MPSCSC was paid only ₹ 38 per quintal of transportation charges and ₹ 37 per quintal was released to Zila Panchayats for clearance of transportation claims of lead/link societies, SHGs and PTAs.

(i) During scrutiny of records of ten test checked districts, we found that the allocation of funds for transportation of food grains amounting to ₹ 130.46 lakh remained unutilised in the accounts of ZP as on 31 March 2015. Details are shown in *Appendix 2.6*.

(ii) As per revised instructions of MPSCSC (April 2013), food grains were supplied to the lead/link societies from the MPSCSC supply centre, instead of lifting food grains from FCI base depot to MPSCSC supply centres and then to fair price shops. We observed that State Government released ₹ 11.73 crore during 2013-15 to MPSCSC towards transportation charges of food grains @ ₹ 38 per quintal for transportation of food grains from FCI base depot to MPSCSC supply centre. As MPSCSC did not lift food grains from FCI base depot, the payment made to MPSCSC was not regular.

During exit conference (September 2015), Government replied that necessary revision in rates of transportation charges in new Decentralised Procurement Scheme would be decided after consulting MPSCSC.

2.1.8.6 Irregular release of cook-cum-helper honorarium to NGO

As per para 3.9.1 of MDMS guidelines, Non-Government Organisation (NGO) should be engaged on no profit basis. NGO should have financial and logistic capacity to supply the Mid Day Meal on the requisite scale. Audit scrutiny revealed that an NGO (*Akankchha Samagra Vikas Samiti*) was engaged for cooking and providing MDM in schools in Gwalior city.

As per clause 4 of agreement made with NGO (December 2011), infrastructure facilities such as place, machine, cooks etc are to be managed by the NGO itself. As per agreement no amount was to be paid for it by the ZP Gwalior. However, we found that an amount of ₹ 42.07 lakh was irregularly

² MPSCSC- ₹ 38, Lead /Link cooperative societies ₹ 23, Fair price shops ₹ 09, PTA ₹ 05.

released by ZP Gwalior to NGO for payment of cooks engaged in central kitchen during 2012-13 and 2013-14.

During exit conference (September 2015), Government stated that, CEO ZP, Gwalior has been instructed for necessary action.

2.1.8.7 Non preparation of annual accounts of State MDM Council

As per para 35 of regulation of Madhya Pradesh MDM Council, the council shall prepare its annual accounts and these accounts should be audited by Chartered Accountant (CA).

During scrutiny of records of state MDM Council, we noticed that the annual accounts were not prepared and got audited during review period.

On being pointed out, Joint Commissioner, State MDM Council replied (May 2015) that process for preparation of annual accounts was in progress. During exit conference (September 2015), Government replied that the work of audit of annual accounts was assigned to CA for the period 2010-11 to 2014-15.

2.1.8.8 Non recording of transactions in cash book

As per rule 11 of Madhya Pradesh Zila Panchayat (Accounts) Rules, 1999, a cash book in the format of Zila Panchayat Lekha- 3 should be maintained and all receipts and payments were to be entered and certified by CEO Zila Panchayat or any other officer nominated by him.

During the scrutiny of records of Zila Panchayat, Gwalior, it was noticed that cash book for the year 2014-15 relating to MDMS was not prepared and maintained by the accounts section. Thus, transactions carried out during the year could not be verified.

In exit conference (September 2015), Government stated that CEO, ZP Gwalior has been instructed for maintenance of Cash book up to date.

2.1.9 Implementation of scheme

2.1.9.1 Non identification of poor children belonging to disadvantaged sections

As per para 2.2.1 (ii) of MDMS guidelines 2006, one of the objectives of MDMS is to encourage poor children, belonging to disadvantaged sections, to attend school more regularly and help them to concentrate on classroom activities. It was noticed that State Government did not formulate any criteria to identify poor children belonging to disadvantaged sections neither did it conduct any survey to find out such children.

In the absence of any criteria or survey, one of the main objective of MDMS to encourage poor children, belonging to disadvantaged sections to attain schools could not be achieved.

During exit conference (September 2015), Government replied that necessary instructions have been issued to all districts for survey of children as recommended by audit.

Recommendation

Data of schools, enrolment and survey of school going age group of children should be utilised in planning purposes.

2.1.9.2 Impact on enrolment

MDMS was launched with the aim of attracting children to school and bringing improvement in enrolment. We observed that the enrolment of students during 2010-11 was 111.19 lakh, which by 2014-15 (i.e. during five years) decreased to 92.51 lakh as detailed in **Table - 4**:

Table - 4: Showing details of decrease in enrolment in MDM covered schools

Sl. No.	Year	Enrolment in MDM covered schools	Decrease in enrolment in comparison to previous year (enrolment of previous year minus enrolment of current year)	per cent
1	2010-11	1,11,18,960	-	-
2	2011-12	1,08,02,279	3,16,681	-2.85
3	2012-13	1,02,91,879	5,10,400	-4.72
4	2013-14	99,62,326	3,29,553	-3.20
5	2014-15	92,51,038	7,11,288	-7.14
Overall Decrease in enrolment during 2010-15			18,67,922	-16.80

(Source: Data furnished by State MDM Council)

Enrolment declined by 16.80 per cent in MDM covered government schools, while it increased by 37.90 per cent in non MDM covered schools

Further, during analysis of data provided by *Rajya Shiksha Kendra* (RSK) of students of age group (6 to 14) for the State, we found that between 63,591 to 1,26,485 children were neither enrolled in Government Schools nor in private institutions during 2011-12 to 2014-15. Details are shown in **Appendix-2.7**.

Analysis of data collected from RSK regarding enrolment in Primary and Middle Schools not covered under MDMS for the period 2011-15 revealed that the enrolment of students in these schools during 2011-12 was 34.86 lakh, which by 2014-15 (i.e. during four years) increased to 48.08 lakh as detailed in **Table - 5**:

Table - 5: Showing details of enrolment in schools not covered under MDMS

Sl. No.	Year	Enrolment in school not covered under MDM	Increase in Enrolment (per cent)
1	2011-12	34,86,444	-
2	2012-13	38,22,075	9.63
3	2013-14	41,63,267	8.93
4	2014-15	48,08,023	15.49
Total increase during 2011-12 to 2014-15			37.90

(Source: Data furnished by RSK)

As evident from **Table-4** and **Table-5**, enrolment in MDM covered schools and private schools in primary/upper primary levels during 2011-15 registered opposite trends. While enrolment increased by 37.90 per cent in non MDM covered schools, it declined by 16.80 per cent in Government schools.

During exit conference (September 2015), Government replied that the enrolment of students decreased due to 25 per cent reservation in admissions in private schools for under privileged sections under Right to Education Act.

The fact remains that there is a growing section of population which prioritises quality education over free meals. Further, it also shows that a free meal, by itself is not a sufficient condition to retain children in school, unless accompanied with improvement in teaching/learning outputs.

2.1.9.3 Decrease in average attendance of primary/upper primary classes

As per para 2.2.1 (ii) of MDMS guidelines the objective of the scheme was to encourage poor children, belonging to disadvantaged sections to attend the schools more regularly and help them to concentrate on class room activities.

During scrutiny of data furnished by the State nodal department, we noticed that the average daily attendance of the students decreased gradually from 80.10 per cent in 2010-11 to 75.67 per cent in 2014-15 for primary classes. Similarly, for upper primary classes it decreased from 79.67 per cent in 2010-11 to 75.02 per cent in 2014-15. Details are given in **Table - 6**:

Table-6: Showing details of decrease in average daily attendance of students

Sl. No.	Year	Primary classes		Upper primary	
		Schools	Average daily Attendance (Per cent)	Schools	Average daily Attendance (Per cent)
1	2010-11	85,748	80.10	28,445	79.67
2	2011-12	86,083	78.23	29,106	78.34
3	2012-13	86,142	77.09	29,790	75.87
4	2013-14	86,142	76.47	30,565	75.23
5	2014-15	85,933	75.67	31,104	75.02

(Source: data furnished by State MDM Council)

Average daily attendance of the students decreased from 80.10 per cent to 75.67 per cent in primary classes and, for upper primary classes, it decreased from 79.67 per cent to 75.02 per cent during 2010-11 to 2014-15

Scrutiny of data furnished of test checked districts showed the fluctuation in average annual attendance. The average attendance was found highest up to 92 per cent in district Dhar in the year 2010-11 and lowest up to 60 per cent in district Vidisha during 2012-13. Details are shown in **Appendix 2.8**.

During audit of 300 test checked schools, we found highest average attendance i.e. 82 per cent in district Anuppur and the lowest i.e. 33 per cent in district Gwalior on the day of audit inspection. The attendance on the day of audit inspection was lesser than that reported by the districts, except in case of district Anuppur. Details are shown in **Appendix 2.9**.

Thus, the impact of MDM to encourage students to attend school was not seen as envisaged in the scheme guidelines.

During exit conference (September 2015), Government stated that necessary instructions have been issued to the School Education Department for increasing attendance in schools.

2.1.9.4 Difference in the data of number of schools and enrolment of students furnished by PRDD and SSA

As per orders of PRDD (September 2012), the responsibility for providing school level data for MDM portal was assigned to school-in-charge and BRC at block level under SSA. The monthly data entry work was to be monitored by Collector/CEO ZP at district level.

On comparison of data furnished by PRDD and RSK³, we found a wide variation in the number of schools covered under MDMS and in the number of students enrolled during 2010-15. Details of differences are given in **Table - 7**:

³ Rajya Shiksha Kendra

There was a wide variation in figures of PRDD and SSA in the number of schools and number of students enrolled in MDM covered schools

Table - 7: Showing details of difference in data furnished by PRDD and RSK

Sl. No.	Year	No. of schools			Enrolment		
		PRDD	RSK	Difference	PRDD	RSK	Difference
1	2010-11	1,14,193	1,11,747	2,446	1,11,18,960	1,06,59,878	4,59,082
2	2011-12	1,15,189	1,13,514	1,675	1,08,02,279	1,03,19,633	4,82,646
3	2012-13	1,15,932	1,14,092	1,840	1,02,91,879	99,74,647	3,17,232
4	2013-14	1,16,707	1,15,883	824	99,62,326	96,04,061	3,58,265
5	2014-15	1,17,037	1,14,231	2,806	92,51,038	86,55,291	5,95,747

(Source: Data furnished by RSK and PRDD)

The above difference in the data shows lack of proper monitoring and absence of coordination between two departments.

During exit conference (September 2015), Government replied that information of schools and enrolment of students covered under MDMS is collected by ZPs through in-charge *Zila Shiksha Kendra* under SSA which is collated at State level for preparation of AWP&B. Necessary instructions have been issued to all CEO, ZPs to ensure that there should not be any differences in the data in future.

Recommendation

Department should establish a system to capture reliable data on the actual number of children availing MDM to implement the scheme economically and efficiently.

2.1.9.5 Allocation of food grains

As per Para 5.1(3) of the MDMS guidelines 2006, the State Government was to prepare a comprehensive AWP&B with detailed district wise information on the average number of children who have availed MDM in the previous year. The requirement of food grains and central assistance towards cooking cost for the current year should be compiled in AWP&B at State level and was to be approved from Programme Approval Board (PAB).

During scrutiny of data furnished by the state MDM Council, we observed that the allocated food grains for the period 2010-15 were not lifted from FCI/Madhya Pradesh State Civil Supplies Corporation (MPSCSC). Out of 11,75,103 MT of allocated food grains during 2010-15, only 10,31,267 MT of food grains were lifted for MDMS. The unlifted allocation remained between 5.45 per cent and 15.94 per cent of total allocation, as detailed in *Appendix 2.10*. Thus, allocation of food grains was not based on actual requirement.

During exit conference (September 2015), Government replied that the food grains were allocated on the basis of average attendance of students of last year approved by PAB, whereas districts lifted food grains on the basis of actual attendance and requirement.

2.1.9.6 Non maintenance of buffer stock of food grains

As per para 2.6 of guidelines issued by MHRD (February 2010) for decentralisation of payment of cost of food grains to FCI at district level, districts administration was to ensure that every consuming unit maintains a buffer stock of food grains required for a month to avoid disruption due to unforeseen exigencies.

During scrutiny of MDMS records of 300 schools in ten test checked districts, we noticed that there was no mechanism for maintenance of buffer stock of food grains at schools.

During exit conference (September 2015), Government stated that necessary instructions for maintenance of buffer stock had already been issued.

Compliances of Government orders were not ensured by the implementing agencies.

2.1.9.7 Non collection and non-maintenance of samples of food grains

In test checked districts, records related to samples of food grains lifted from FCI were not maintained at district level

As per para 3 of guidelines for decentralisation of payment of cost of food grains to FCI at district level, District Collector/CEO of Zila Panchayat was to ensure that food grains of at least Fair Average Quality (FAQ) are received from FCI depot. The samples (in triplicate) of stocks proposed to be lifted was to be drawn jointly in the presence of the representative of State Government and the FCI.

During the scrutiny of records of ten test checked districts, we found that the records related to samples of food grains lifted from FCI were not maintained at district level. Thus, FAQ of food grains could not be ensured at the district level.

During exit conference (September 2015), Government replied that necessary instructions are included in sanction orders of food grains and instructions for ensuring FAQ standards of food grains had been issued to MPSCSC time to time.

Recommendation

Regular samples of food grains should be collected for ensuring FAQ of food grains.

2.1.9.8 Disruption in serving of cooked meals

MDMS provides that every child attending the school shall be served mid day meal on all school days. Para 3.3 of the MDMS guidelines, 2006 envisages that State Government is to prescribe State specific norms and modalities for ensuring regular and uninterrupted provision of nutritious cooked meals.

In test checked districts MDM was disrupted for 7,759 school working days during review period

Scrutiny of records and as per information furnished by 300 schools of ten test checked districts, we noticed that the MDM was not served on each school working days. The disruption in serving of MDM was: 1,687 days in 66 schools (2010-11), 1,751 days in 73 schools (2011-12), 1,767 days in 74 schools (2012-13), 1,530 days in 73 schools (2013-14), 1,024 days in 55 schools (2014-15). Details are given in **Appendix 2.11**.

During inspection of 300 test checked schools of ten districts, we found that MDM was not served on the day of inspection in 17 schools of five districts (Bhopal, Rajgarh, Mandasaur, Sidhi and Vidisha) due to non-cooking of meals by SHGs or closure of schools on working days. Details are given in **Appendix 2.12**.

In District Bhopal, District Programme Coordinator (DPC) issued instructions regarding supply of meals to all schools in the city on the basis of 50 per cent of last years enrolment, if attendance of students in the schools of city found

to be increased, on the recommendation of BRC it should be served on the basis of increased attendance. We observed that cooked meal was supplied to all schools in the city by an NGO through centralized kitchen set up. Data furnished by the NGO revealed that the demands for required quantity of meals in respect of 24 schools in 2013-14 were not fulfilled, as details in *Appendix 2.13*.

Thus, continuity of serving of MDM on each working day was not ensured by the implementing agencies.

During exit conference (September 2015), Government replied that the matter would be enquired and the necessary action would be taken in this regard.

Recommendation

State Government should circulate detailed guidelines taking into account common obstacles which may come in the way of regular and uninterrupted supply of cooked meals.

2.1.9.9 Administration of Micronutrients and health checkups

Para 4.5 of guidelines prescribed that MDM should be complemented with appropriate interventions micronutrient supplementations and de-worming medicines, through administration of (a) six monthly dose for de-worming and Vitamin-A supplementation, (b) weekly Iron and Folic Acid supplement, Zinc and (c) other appropriate supplementation depending on common deficiencies found in the local area.

During audit of test checked 300 schools we found that the health check-ups were not carried out in 187 schools and micronutrients were not distributed in 192 schools as detailed in *Appendix 2.14*.

Recommendation

State Government may ensure regular health checks as prescribed and document the results of such health checks in order to ascertain the improvement in nutritional levels of children.

2.1.9.10 Non observance of safety and hygiene standards

MDM programme requires that safety and hygiene standards must be set and practiced with rigour. During joint inspection of test checked schools of ten districts, following shortcoming in observance of safety and hygiene standards were noticed:

- As per para 4.2 of the MDMS guidelines 2006, kitchen cum store is a vital part of the MDMS. Absence of kitchen cum store or inadequate facilities would expose children to food poisoning and other health hazards. In 108 test checked schools, we found that MDM was not cooked in Kitchen Sheds. It was found cooked in class rooms in 26 schools, in the house of president of SHGs in 42 schools and at other places in 40 schools.
- As per para 4.1 of MDMS guidelines 2006, food grains must be stored in the place away from moisture, in air tight containers/bins to avoid infestation. In test checked schools, we found that in 230 schools food grains were not stored in kitchen sheds/ schools and in 177 schools food grains were not stored in proper container. Food grains were found stored in bags. In 88

Regular health check-ups were not carried out in 187 test-checked schools and micronutrients were not distributed in 192 test-checked schools

There were deficiencies in observance of safety and hygiene standards in providing MDM

schools sufficient number of utensils for storing and serving of MDM were not found. Food grains (Rice) was found pest infected in district Anuppur.



Larvae infected rice at M S Khodri, Block-Jaithari, District Anuppur, dated 07.04.2015

- The scheme guidelines (Annexure 10 of Para 4.4) emphasised the need to involve mothers of the children in checking the quality of the food being served to the children in the school. In test checked school, we noticed that in 183 schools, mother's rosters were either not maintained or incomplete.
- In 79 schools soaps/towels for washing hands before meals were not found at the place of source of water.
- During inspection of central kitchen at Bhopal we noticed that *Rotis* cooked in electric machines were not properly baked.



Half baked *Roti* served by NGO at Primary School Vijay Nagar Bhopal city, Dated 12.03.2015

- MDM was cooked by using firewood in 19 schools of seven test checked districts, though these schools were provided LPG connections, as detailed in **Appendix 2.15**. However, Project Officer, ZP, Gwalior stated that Gas Agencies are at distant locations from schools, so the problems are faced in getting the cylinders refilled.

During exit conference (September 2015), Government replied that the necessary instructions have been issued to districts for observance of safety and hygiene specifications.

2.1.9.11 Construction of Kitchen Sheds

As per para 2.3 (v) of the MDMS guidelines 2006, the Central Government will provide assistance to construct Kitchen-cum-store in a phased manner so that the construction of kitchen sheds may be completed in two to three years. As per sanction orders of kitchen cum store room the work was to be completed within three months from the date of sanction.

- (i) During scrutiny of data furnished by State MDM Council, we noticed that total 1,00,751 kitchen sheds were sanctioned during 2006-07 to 2014-15, out of which 86,680 units were completed up to 2014-15 and 7,662 units were

under construction. Construction of 6,409 units had not yet started (May 2015). Details are shown in *Appendix 2.16*.

(ii) In number of cases funds were advanced to Gram Panchayats for construction of kitchen sheds but the funds were neither utilised by Gram Panchayats for construction nor was the same returned. We found 60 such cases of Revenue Recovery (RRC) of ₹ 34.35 lakh in four test checked districts⁴ under provisions of Section 92 of Gram *Swaraj Adhiniyam 1993*.

(iii) Apart from Bhopal, Gwalior, Indore, Jabalpur and Ujjain Municipal Corporations (MCs), where centralised kitchen set up were already in existence, funds of ₹ 6.60 crore were released for construction of centralised kitchens in nine other MCs⁵ in 2011-12. However, centralised kitchens could be operationalised in only two districts (Burhanpur and Khandwa) as on July 2015. In remaining seven districts, central kitchens were not completed (July 2015).

During exit conference (September 2015), Government stated that the necessary compliances would be carried out as pointed out in audit.

2.1.9.12 Non convergence of MDMS with other development programmes

As per para 2.5 of the MDMS guidelines 2006, convergence is required towards infrastructural elements viz. Kitchen-cum-store, water supply, kitchen devices and school health programmes.

During scrutiny of Annual Work Plan and Budget (AWP&B) at State level, we found that the work of construction of kitchen sheds in the state was not converged with other government programmes except 2,927 kitchen cum stores (i.e. three *per cent* of 98,458 kitchen cum store constructed) which were constructed under convergence with other schemes up to March 2015.

- As per AWP&B for 2015-16, the kitchen devices were obtained through convergence only in 210 schools out of total 1,14,456 schools over the State during review period.
- Programme of health checkups and distribution of micronutrients were also not found converged with MDMS.

During exit conference (September 2015), Government stated that as per recommendation of audit, proposal for funds from other development schemes would be initiated under convergence. Health Department is also being instructed for regular health check-ups and supply of micronutrients to students.

Recommendation

Convergence of MDMS with other development schemes need to be planned.

MDMS was not converged with other rural development schemes for infrastructure development

⁴ Anuppur 16 units amount ₹ 9.11 lakh, Gwalior 36 units amount ₹ 21.60 lakh, Mandsaur one unit amount ₹1.54 lakh, Sehore seven units amount 2.10 lakh.

⁵ Burhanpur ₹ 60 lakh, Dewas ₹ 90 lakh, Katni ₹ 60 lakh, Khandwa ₹ 90 lakh, Ratlam ₹ 60 lakh, Rewa ₹ 120 lakh, Sagar ₹ 60 lakh, Satna ₹ 60 lakh and Singroli ₹ 60 lakh.

2.1.10 Monitoring and Inspection

2.1.10.1 Capacity Building

Posts of Task Managers and Quality Monitors were not filled at State and District level

State MDM Council sanctioned one post of Task Manager and two posts of Quality Monitors in each district in 2006-07. As per orders of Panchayat and Rural Development Department (April 2009), Programme Officers, Task Managers and Quality Monitors would be on tour for at least 20 days in a month, so as to carry out minimum one inspection of schools in a year.

During scrutiny of records of State MDM Council, we noticed that the posts of Task Manager and Quality Monitors were not filled at State level.

We further noticed that in six districts (Ashoknagar, Jhabua, Narsinghpur, Neemuch, Panna and Sheopur) neither the posts of Task Manager nor the post of Quality Monitors were filled. In four test checked districts (Anuppur, Mandasaur, Rajgarh and Sidhi), we found that the posts of Task Managers were not filled. The posts of Quality Monitors were vacant in seven test checked districts⁶. Details are shown in **Appendix 2.17**.

During exit conference (September 2015), Government stated that process for appointment against vacant post is in progress.

Recommendation

Task Managers and Quality Monitors should be appointed at State as well as at District level for proper monitoring of the scheme.

2.1.10.2 Inadequate number of meetings of Steering cum Monitoring Committees (SMCs)

Prescribed number of SMC meetings were not held at State and District levels to oversee implementation of MDMS

As per orders of Ministry of Human Resource Development dated 30 August 2010, meeting of SMC at district level shall be held every month and the meetings at State level shall be held every six months wherein a review of the SMCs meetings held at District level was to be done apart from its normal functions. SMCs were required to oversee the implementation of MDMS.

During scrutiny of data furnished by State MDM Council and test checked districts, we found that the SMCs did not meet as per schedule. At State level, SMCs met five times⁷ against scheduled 10 meetings during review period of five years. The details of minutes of SMC meetings held at districts were not included in the agenda (2011-12 to 2014-15) for discussion in SMC at State level. Further, the SMCs meetings at district level did also not followed the prescribed frequency, as detailed in **Appendix 2.18**.

During exit conference (September 2015), Government replied that meetings of SMC at state and district level would be held regularly for proper monitoring and evaluation of scheme.

⁶ Anuppur, Dhar, Mandasaur, Rajgarh, Sehore, Sidhi and Vidisha.

⁷ Year 2010-11- Details of meetings not provided, year 2011-12- No. of meetings: one, year 2012-13- No. of meetings: two, year 2013-14- No. of meetings: one, year 2014-15- No. of meetings: one.

Recommendation

Regular meetings of State and District level Steering cum Monitoring committees may be ensured so as to review the implementation of scheme regularly.

2.1.10.3 Inspection of MDMS

As per para 6.2 of the MDMS guidelines inspection of schools should be planned and conducted. The submission of findings in SMCs meeting in the form of reports should also be ensured and at least one inspection should be carried out in each school in a year by dedicated staff of MDM.

We observed in ten test checked districts that norms relating to inspections were not followed. The inspection diaries and inspections reports were not found compiled by the Task Managers and Quality Monitors. Details are shown in *Appendix 2.19*.

During exit conference (September 2015), Government replied that instructions were issued to districts for regular inspections as per norms.

2.1.10.4 Lack of grievance redressal Mechanism

As per para 2.8 of annexure 11 part-B of the MDMS guidelines, there should be a grievance redressal mechanism established at various levels for execution of the scheme.

Scrutiny of available adverse press reports at various news web sites revealed that on six occasions 236 students fell ill after having MDM in six districts during 2013-14 and 2014-15. No information to confirm these facts and action taken on these reports was made available to audit by the State MDM council (July 2015). However, the fact that 53 children of Government Primary/Middle School, Balapura (Block-Ichhawar, District-Sehore) fell ill after having MDM on 15 August 2014 was confirmed from the records of Zila Panchayat, Sehore. CEO, ZP Sehore submitted its action taken report to State MDM Council stating that SHG and cooks responsible for providing MDM in the school were removed.

In exit conference (September 2015), Government stated that instructions were issued to the districts for preparation of district emergency plan and for submission of action taken report to State MDM Council through e-mail within 24 hours.

2.1.11 Conclusion and Recommendations

- There were instances of diversion of funds amounting to ₹ 7.68 crore in seven out of ten test-checked districts. Out of these, ₹ 4.55 crore could not be recouped to MDMS fund as on 31 March 2015.
- SHGs engaged in serving MDM at schools had not prepared essential records. Thus, utilisation of food grains and cooking cost could not be ensured.

Utilisation of food grains and appropriateness of cooking cost claims by SHGs/PTAs should be watched to prevent leakage of benefits under MDMS.

- The State Government neither formulated any criteria to identify poor children belonging to disadvantaged sections nor conducted any survey to

identify such children. Thus, out of school children of age group 6-14 could not be brought under the scheme.

- The enrolment of children in the MDMS covered schools registered a consistent decline over the years from 111.19 lakh children in 2010-11 to 92.51 lakh children in 2014-15 and there was decrease in average daily attendance of students from 80.10 *per cent* in 2010-11 to 75.67 *per cent* in 2014-15 for primary classes. Similarly, for upper primary classes it decreased from 79.67 *per cent* in 2010-11 to 75.02 *per cent* in 2014-15. Thus, the impact of MDM to encourage students to attend school was not seen as envisaged in the scheme guidelines.

- There was a difference in the data of schools and enrolment of students covered under MDMS furnished by PRDD and SSA, which shown lack of proper monitoring and absence of coordination between two departments.

Department should establish a system to capture reliable data on the actual number of children availing MDM to implement the scheme economically and efficiently.

- Samples of food grains lifted from FCI/MPSCSC were not collected at district level.

Regular samples of food grains should be collected for ensuring FAQ of food grains.

- There were disruption in serving mid day meals. The MDM was not served on 7,759 school working days, ranging from 1,024 days to 1,767 days in the five years covered under review.

State Government should circulate detailed guidelines to remove obstacles for regular and uninterrupted supply of cooked meals.

- In test checked 300 schools, health check-ups were not carried out in 187 schools and micronutrients were not distributed in 192 schools.

State Government may ensure regular health check-ups as prescribed and document the results of such health check-ups to ascertain the improvement in nutritional levels of children.

- In the test checked schools, there were deficiencies in observance of safety and hygiene standards. Schools checked in audit were lacking in infrastructural facilities like kitchen sheds, proper utensils etc.

- MDMS was not converged with other development programmes as construction of kitchen cum store rooms, kitchen devices with SSA and Programme of health checkups and distribution of micronutrients with Health Department.

Convergence of MDMS with other development schemes need to be planned.

- A number of posts of Task Manager and Quality Monitor were vacant at State and District level.

Task Managers and Quality Monitors should be appointed at State as well as at District level for proper monitoring of the scheme.

- State and District level Steering cum Monitoring Committees did not meet as per prescribed schedule to review the implementation of scheme.

Regular meetings of State and District level Steering cum Monitoring committees may be ensured so as to review the implementation of scheme regularly.

Public Health and Family Welfare Department

2.2 Implementation of Combating HIV/AIDS Programme

Executive Summary

Government of India launched a centrally sponsored programme, National AIDS Control Programme (NACP) Phase-I, in 1992 to combat the Human Immuno-deficiency Virus (HIV) infection and Acquired Immuno-Deficiency Syndrome (AIDS). National AIDS Control Organisation (NACO) was constituted to implement the Programme. NACO implemented subsequent phases of the programme NACP-II during 1999-2006 and NACP-III during 2007-12. The current phase, NACP-IV, is to be implemented over the period 2012-2017.

With a view to implement the programme in Madhya Pradesh, Madhya Pradesh State AIDS Control Society (MPSACS) was registered in 1998. MPSACS is a registered society under the Chairmanship of Principal Secretary, Public Health and Family Welfare Department (PHFWD). A Performance Audit of the implementation of Combating HIV/AIDS Programme in the state during the period 2010-11 to 2014-15 revealed the following:

- During the period 2010-11 to 2014-15, MPSACS incurred expenditure of ₹ 128.10 crore against ₹ 141.78 crore available for implementation of the programme. We noted that 30 to 63 *per cent* of the available funds were not utilised by MPSACS for implementation of various components of the programme during 2010-15.

(Paragraphs 2.2.5 and 2.2.6)

- The main objective of NACP-IV was to reduce new HIV infections by 50 *per cent* (2007 Baseline of NACP-III). However, we noted increase in new HIV infection cases. During the year 2011-12, new HIV infection cases were 4972, whereas 5348 new cases were reported in 2014-15.

(Paragraph 2.2.7)

- There were 17 Anti-Retroviral Therapy (ART) centres and 37 Link ART centres in the State. Out of total 38,268 reported adult HIV patients in the State, 30,484 patients were registered in these ART centres. Against this, 20,668 patients had started ART, of which only 13,213 patients were continuing their treatment.

(Paragraph 2.2.7)

- As per mapping data 2008, 48,785 high risk population and 1,25,834 migrants were residing in the State. 204 Targeted Intervention (TI) Projects for high risk groups (HRGs) and 32 TI projects for Bridge Population were implemented during 2010-15. Out of which, 79 TI Projects were closed by MPSACS due to their unsatisfactory performance. Further, targets fixed for coverage of HRGs and bridge population through TI projects were not achieved during 2010-11 to 2014-15.

(Paragraph 2.2.8)

- Sexually Transmitted Infections (STI) and Reproductive Tract Infections (RTI) enhance chances of acquiring and transmitting HIV infection manifold. As against the target for coverage of 10.74 lakh people with STI/RTI symptoms during 2010-11 to 2014-15, achievement was 9.90 lakh. There was inadequacy of drugs, manpower and physical infrastructure in STI clinics of 12 sampled districts.

(Paragraph 2.2.10)

- The success of blood safety programme critically depends on the setting-up of blood storage unit (BSU) and hence NACP-III proposed to set up BSUs at all CHCs. We noted that BSUs were not set up in 62 out of 75 CHCs of 12 test-checked districts. Further, seven out of 13 blood banks in these districts were functioning without a valid renewed license.

(Paragraph 2.2.11)

- As against targets for 39.30 lakh counselling/HIV testing of vulnerable population and pregnant women at Integrated Counselling and Testing Centres (ICTCs), achievement was 36.71 lakh during 2010-15. We noted inadequacy of testing kits, physical Infrastructure and human resource in ICTCs of 12 test-checked districts.

(Paragraph 2.2.13)

- Under Prevention of Parent to Child Transmission (PPTCT) programme, all estimated HIV positive pregnant women are covered to eliminate transmission of HIV from mother-to-child. We noted that the number of positive mothers increased in successive years during 2010-15. Further, HIV testing of babies from positive mothers was not ensured as per prescribed guidelines.

(Paragraph 2.2.14)

- During NACP-III (2007-12), total expenditure of ₹ 8.53 crore was incurred in the State on implementation of programme. However, mid-term or end-term evaluation of the programme was not conducted by State. MPSACS was also not aware of any mid-term/end-term evaluation of NACP-III conducted by NACO.

(Paragraph 2.2.18)

2.2.1 Introduction

Government of India launched a centrally sponsored programme, National AIDS Control Programme (NACP) Phase-I, in 1992 to combat the Human Immuno-deficiency Virus (HIV) infection and Acquired Immuno-Deficiency Syndrome (AIDS). National AIDS Control Organisation (NACO) was constituted to implement the Programme. NACO implemented subsequent phases of the programme NACP-II during 1999-2006 and NACP-III during 2007-12. The current phase, NACP-IV, is to be implemented over the period 2012-2017 and it aims to reduce new infections by 50 per cent and provide comprehensive care and support to all people living with HIV (PLHIV) and treatment services to all those who require it. According to HIV Estimation 2012, the adult (15-49 age group) HIV prevalence continued its steady decline

from the estimated level of 0.33 *per cent* in 2007 to 0.27 *per cent* in 2011 at national level.

In Madhya Pradesh, HIV prevalence declined from 0.11 *per cent* in 2007 to 0.09 *per cent* in 2011. The estimated number of PLHIV/AIDS was 0.40 lakh in the State as per HIV Estimation 2012. Based on the epidemiological and vulnerability criteria, Madhya Pradesh was categorized as highly vulnerable State. Out of 51 districts of the State, 5 districts are in Category 'A' (high prevalence), 3 districts in Category 'B' (concentrated epidemic), 24 districts in Category 'C' (low prevalence with increased vulnerable populations) and 19 districts in Category 'D' (low prevalence and low/unknown vulnerability).

2.2.1.1 Institutional Arrangement

With a view to implement the programme in Madhya Pradesh, Madhya Pradesh State AIDS Control Society (MPSACS) was registered in 1998. MPSACS is a registered society under the Chairmanship of Principal Secretary, Public Health and Family Welfare Department (PHFWD). For day-to-day working of MPSACS, an executive committee was constituted at State level with a Project Director of MPSACS as its Secretary. District AIDS Prevention and Control Unit (DAPCU) for categories 'A' and 'B' category districts and District AIDS Control Societies (DACS) for categories 'C' and 'D' category districts were responsible for implementing the Programme at district level under the chairmanship of District Collector through the Chief Medical and Health Officer (CMHO) of the district.

In view of implementation of the programme at district level, Anti-Retroviral Therapy (ART) centres were established for providing Anti Retroviral (ARV) Drugs and Opportunistic Infections (OIs) drugs among PLHIV/AIDS. Targeted Intervention Projects (TI- Projects) were implemented through Non-Government Organisations (NGOs) for coverage of persons related to High Risk Groups (including female sex worker, men having sex with men and intravenous drug users) and bridge population (including truckers and migrants). STI/RTI (Sexually Transmitted Infection/Reproductive Tract Infection) clinics were established in Government Hospitals/TI Projects for testing and treatment of STI infections. Integrated Counselling and Testing Centres (ICTC) were set up in Government Hospitals for providing counselling and testing services to suspected HIV patients.

State Government was providing building and basic infrastructure for STI/RTI clinics, ART centre and ICTCs. Consumable and testing kits for these facilities were provided by NACO through MPSACS. Further, drugs and manpower for these centres were partially provided by MPSACS and partially by State Government.

2.2.2 Audit objectives

The audit objectives were to ascertain whether the:

- Funds were allocated and released in an adequate and timely manner and programme finances were managed efficiently for implementation of NACP;
- Programme was implemented as per the guidelines and targets were achieved; and

- Adequate Institutional arrangements were in place for achieving planned activities.

2.2.3 Audit criteria

The audit criteria for the Performance Audit were derived from the following sources:

- Financial Rules and Financial Management Guidelines issued by the National AIDS Control Organisation (NACO);
- Scheme Guidelines, circulars and instructions issued by the NACO;
- Approved Annual Action Plan, Annual Reports, Administrative Reports etc; and
- Survey reports and procedures prescribed by NACO for monitoring and evaluation of the schemes.

2.2.4 Coverage, Scope and Methodology of Audit

The Performance Audit covered the period of five years from 2010-11 to 2014-15. 25 *per cent* of the districts i.e. 12 districts¹ (subject to a minimum of two from each category) were selected on the basis of Simple Random Sampling Without Replacement (SRSWOR) method. The office of the Project Director (PD) MPSACS, four DAPCUs, eight DACSs, 31 ICTCs, five ART Centres, seven Link ART Centers, 19 STI/RTI Clinics, 13 Blood Banks and 23 TI Projects of 12 sampled districts were covered as detailed in *Appendix-2.20*.

An entry conference was held in March 2015, wherein the audit objectives and methodology were discussed with the PD, MPSACS. Exit conference was held with Principal Secretary, PHFWD in September 2015 and their replies/views have been suitably incorporated in the Performance Audit.

2.2.5 Implementation of Project Financial Management

The programme is a fully Centrally Sponsored Scheme and the grants are released by National AIDS Control Organisation (NACO) directly to MPSACS during 2010-11 to 2013-14 and through State Treasury System from 2014-15. MPSACS released these funds to DAPCUs, DACSs and TI Projects operated by Non-Government Organisations (NGOs).

During the period 2010-11 to 2014-15, MPSACS incurred expenditure of ₹ 128.10 crore against ₹ 141.78 crore available for implementation of the programme. The position of grants released and expenditure incurred during the year 2010-11 to 2014-15 was as under:

¹ Balaghat and Harda (A category), Bhopal and Indore (B category), Barwani, Khandwa, Khargone and Sehore (C category) and Ashoknagar, Dindori, Jhabua and Raisen (D category)

Table-1: Funds available and expenditure incurred in the State

(₹ in crore)

Year	Approved Action Plan by NACO	Opening Balance	Grant received during the year from NACO	Bank Interest	Total Fund Available	Expenditure during the year	Closing Balance	Saving (percent)
2010-11	36.80	15.26	29.64	0.48	45.38	19.29	26.09	57
2011-12	38.20	26.09	24.21	0.72	51.02	25.78	25.24	49
2012-13	34.12	25.24	17.28	0.77	43.29	18.66	24.63	57
2013-14	47.34	24.63	9.06	0.52	34.21	32.46	1.75	5
2014-15	55.61	1.75	43.62	0.22	45.59	31.91	13.68	30
Total	212.07		123.81	2.71	141.78²	128.10		

[Source: MPSACS]

Under utilization of funds during 2010-15 was five to 57 per cent at State level and three to 76 per cent at districts level

As evident from **Table-1**, optimum utilisation of funds could not be ensured and five to 57 per cent of funds could not be utilised at State level. During the scrutiny of records of 12 test-checked districts, we noticed that three to 76 per cent funds could not be utilised due to delay in receipt of funds from MPSACS, non-implementation of various activities and vacancy against the posts during 2010-15 at district level. Due to delay in release of funds to field functionaries and delay in submission of utilisation certificates by field functionaries to MPSACS, 11 to 62 per cent funds were utilised in the last month of the respective financial years.

In the financial year 2014-15, NACO granted second and final instalment of ₹ 13.62 crore in the month of September 2014, but this instalment was not released by State Government to MPSACS and blocked in Personnel Deposit Account as on 31st March 2015. Thus, this instalment could not be utilised by MPSACS.

In the exit conference, Principal Secretary stated that delay in release of fund by NACO and delay in submission of utilisation certificates by district units were the main reasons for short utilisation of funds as well as rush of expenditure in the last month of the financial year.

2.2.5.1 Formulation of Budget and preparation of Annual Action Plan

Bottom-up approach was not adopted during preparation of budget and annual action plan

As per para 5.1 of Operational Guideline for Financial Management of NACO, there should be a bottom-up approach in respect of planning of activities as inputs for the preparation of budgets at the State AIDS Control Society (SACS) level. The activity plan should be prepared based on the inputs from various implementing units. In this respect, a budget circular should be given to all implementing units so that they communicate their requirements well in time.

However, it was noticed that neither budget circulars were issued to implementing units nor inputs were received from these units before formulation of budget and preparation of Annual Action Plan by MPSACS. Hence, bottom-up approach in respect of planning at State and district level was not adopted.

In the exit conference, Principal Secretary stated that available data, feedback received from the districts were also used for preparation of Annual Action Plan. Reply was not acceptable as the test-checked DAPCUs and DACSs

² Opening balance of 2010-11 (₹ 15.26 crore) + total grant received (₹ 123.81 crore)+ bank interest (₹ 2.71 crore)

stated that inputs for preparation of budget and annual action plan were not taken by the MPSACS.

Recommendation

Optimum utilisation of financial resources may be ensured and bottom up approach may be adopted in planning process.

2.2.6 Programme Implementation

Prevention was the mainstay of the NACP strategy. The programme was focused on saturating the HRGs and highly vulnerable/bridge populations and the large number of young women and men in the general community who constitute almost 40 *per cent* population of the country. Accordingly, setting-up of Targeted Intervention (TI) sites to cover HRGs and bridge population, STI/RTI Control and Prevention Services, Safe Blood Transfusion Services, Condom Promotion, HIV Counselling and Testing Services and Care, Support and Treatment Services for People Living with HIV (PLHIV) were the main focus of the programme to achieve the intended goal.

Component wise allocation of funds and expenditure during 2010-11 to 2014-15 in respect of the major activities are detailed in **Table-2**:

Table-2: Component wise allocation and usage of funds

(₹ in crore)

Sl. No.	Component/sub-component	Allocation	Expenditure	Saving	Percentage of saving
1.	Care, Support and Treatment (CST)	15.78	10.04	5.74	36%
2.	Targeted Intervention (TI)	69.44	38.73	30.71	44%
3.	Link Worker Scheme (LWS)	14.94	8.14	6.80	46%
4.	Sexually Transmitted Infection (STI)	6.58	4.21	2.37	36%
5.	Blood Safety	19.54	13.67	5.87	30%
6.	Integrated Counselling and Testing Centre (ICTC)	34.45	22.38	12.07	35%
7.	Information, Education and Communication (IEC)	31.06	15.80	15.26	49%
8.	Sentinel Surveillance/ Strategic Management Information System (SMIS)	2.41	0.88	1.53	63%
	Total	194.20	113.85	80.35	41%

[Source: MPSACS]

From the above table it is evident that MPSACS could not utilise 30 to 63 *per cent* of the available funds for implementation of various components of the programme during 2010-15. This was indicative of poor financial management for achieving the intended targets of the programme, which is discussed in succeeding paragraphs.

2.2.6.1 HIV Sentinel Surveillance (HSS)

In order to provide critical data on the progression of the epidemic geographically among various sections of the population and to plan appropriate strategies, sentinel surveillance was carried out by establishing sentinel surveillance centers in all districts. HSS was to be carried out once a year to look at prevalence of HIV infection. The nature and sites for HSS

were STD Clinic for STD Sentinel Group, TI sites run by NGO for HRGs and Bridge Population and ANC Clinic for Pregnant Women Sentinel Group.

As informed by MPSACS, three rounds of HSS were organized during the year 2010-15, as detailed in **Table-3**:

Table-3: Status of HSS during 2010-11 to 2014-15

Year	Nature of HSS Group	Total number of district	Total number of district covered	Total number of Sentinel sites	Total targets for sample collection	Sample Actually collected	Total HIV positive found
2010-11	ANC, STD, HRG	50	45	56	19,550	18,924	177
2011-12	No Surveillance						
2012-13	ANC	50	47	47	18,800	18,771	26
2013-14	No Surveillance						
2014-15	ANC	51	49	49	19,600	Surveillance was in process as of October 2015.	

[Source: MPSACS]

All districts of the state were not covered under HSS due to non-availability of infrastructure

- Under HSS, five districts (Alirajpur, Dindori, Jhabua, Singrauli and Umaria) during 2010-11, three districts (Jhabua, Singrauli and Umaria) during 2012-13 and two districts (Agar Malwa and Umaria) during 2014-15 were not covered due to non-availability of staff and infrastructure for collection of stipulated sample size.
- The number of HIV positive cases found was less in the year 2012-13 in comparison to 2010-11. However, this was due to non-coverage of STD and HRG sentinel group.

In the exit conference, Principal Secretary stated that as per the policy, guidelines and directives of NACO were followed by MPSACS to organise the HSS.

2.2.7 Care, Support and Treatment (CST)

All PLHIV patients were not registered in ART centres

The main aim of CST component of NACP was to provide comprehensive services to PLHIV with respect to free Anti-Retroviral Therapy (ART), psychosocial support, prevention and treatment of Opportunistic Infection (OI) including tuberculosis and facilitating home-based care and impact mitigation. CST services are provided through ART Centres. ART centres were set up based on prevalence of HIV in the district/region, volume of PLHIV detected and capacity of the institution to deliver ART related services. Link-ARTs were also established mainly at ICTCs in the district/sub district level hospitals and linked to a Nodal ART centre within accessible distance. There were 17 ART and 37 Link ART centres in the State.

Under the phase NACP-III, it was noticed that against the target for providing ART to 5,900 PLHIV, ART was provided to 7,147 PLHIV. The main objective of NACP-IV was to reduce new HIV infections by 50 per cent (2007 Baseline of NACP-III). However, we noted from the information provided by MPSACS that there was increase in new HIV infection cases. During the year 2011-12, new HIV infection cases were 4,972, whereas new reported cases were 5,186 during 2012-13, 5,040 during 2013-14 and 5,348 during 2014-15.

2.2.7.1 Status of patients registered on ART

The position of targets and achievements for registration on ART and status of registered patients was as below:-

Table-4: Status of patients registered on ART and alive on ART

Year	Target for Registration on ART (cumulative)	Status of adult HIV patients			Status of Pediatric HIV patients		
		HIV Patients Registered in ART (cumulative)	No. of patients whose ART was started (cumulative)	Patients alive on ART (cumulative)	HIV Patients Registered in ART (cumulative)	No. of patients whose ART was started (cumulative)	Patients alive on ART (cumulative)
2010-11	14,000	15,174	9,236	5,021	1,139	542	317
2011-12	17,000	20,301	12,652	7,147	1,495	720	465
2012-13	23,000	25,043	16,103	9,018	1,849	918	606
2013-14	30,000	25,803	16,767	11,175	1,855	970	717
2014-15	32,000	30,484	20,668	13,213	2,032	1,159	840

[Source: MPSACS]

Audit scrutiny revealed the following:

- The cumulative targets for registration of PLHIV in the ART centre was 32,000 only, while 38,268 adult HIV cases and 2,794 paediatric HIV cases were reported by ICTC upto March 2015. MPSACS informed that some patients were tested for two or three times in ICTCs, hence, reported number of cases was more but persons in actual numbers were less. Thus, there was absence of any mechanism to restrain the registration of same PLHIV more than once, which resulted in reporting of inflated data of PLHIV by ICTCs.
- Against the total 20,668 adult patients whose ART was started, only 13,213 (64 per cent) patients were alive (actively in contact of ART centres) on ART. Similarly, in case of paediatric patients, against the total 1,159 patients whose ART was started only 840 (72 per cent) patients were alive on ART. Hence, there was lack of follow up of moved away patients.
- Drug adherence was the key to the success of ART programme as well as to the prevention of HIV drug resistance. According to guidelines drug adherence rate of patients was to be maintained at 95 per cent and above. During the year 2010-15, the rate of drug adherence rate at state level was ranged from 88 to 96 per cent and at district level (12 sampled districts) it was 70 to 99 per cent. Separate data of drug adherence rate among the pediatric patients was not maintained.
- According to guideline of ART services, each PLHIV registered in ART Centre have to undergo Cluster of Differentiation-4 (CD-4) tests with regular interval of six months. Audit Scrutiny of CD-4 tests of patients of five ART and seven Link-ART Centres of 12 sampled districts (**Appendix-2.21**) revealed that 37,076 CD-4 tests were done as against the requirement of 42,500 tests. Further, out of 466 patients referred by seven Link ART centres of 12 sampled districts, only 322 patients reached to Main-ART for CD-4 testing and obtained drug regimen. Thus, there was lack of co-ordination between Link-ART and Main-ART.

In the exit conference, Principal Secretary stated that drugs counselling were provided to the patients before initiation of ARV, however, some did not continue the treatment due to their own believes, financial conditions, distance from ART. List of loss to follow-up patients were provided to community support centre of PLHIV. Required CD-4 test could not be done due to non-availability of test kit/break-down of CD-4 test machine.

2.2.7.2 Availability of Drugs and Human Resource

All ART centres are provided with ARV drugs by NACO through their respective SACS. Some OIs drugs were to be supplied by the institution where ART centre is located and remaining OIs drugs were to be procured and supplied by NACO/SACS. According to the reporting format of ART centre, 12 and 10 types of ARV drugs were scheduled as Adult and Paediatric ARV respectively and 24 types of drugs were scheduled as OIs drugs. During the scrutiny of information provided by five ARTs and six Link-ARTs, inadequacy of adult and paediatric ARV and OIs drugs were noticed as detailed in *Appendix-2.22*. The insufficiency of required drugs affected the ART services.

Inadequacy of drugs and manpower were noticed in ART centres

Further, according to the guidelines, the ART centres were to be equipped with a team of medical, para-medical and supportive staff. However, as against the sanctioned 139 posts, 42 posts (30 per cent) were lying vacant in 17 ART centres as detailed in *Appendix-2.23*.

In the exit conference, Principal Secretary stated that some ARV drugs are not in use or phased out from the programme, but their name still mentioned in ART formats. Hence, these medicines were reported as not available. He further stated that the recruitment process for vacant post is under progress.

Recommendation

All PLHIV may be registered in ARTs and moved away patients may be re-linked with ARTs. ART reporting formats may be revised to exclude the name of phased out drugs.

2.2.8 Targeted Interventions for HRGs and Bridge Population

The main objective of TI was to improve health-seeking behaviour of HRGs and reduce their risk of acquiring Sexually Transmitted Infection (STI) and HIV infections. The bridge population (truckers and migrants) play a key role in the spread of HIV infection from HRGs to general population due to the nature of their work and mobility. Targeted Intervention Projects (TI-Projects) were implemented through Non-Government Organisations (NGOs). TI for HRGs include Female Sex Workers (FSW), Men who have Sex with Men (MSM), Transgender (TG) and Intravenous Drug Users (IDU). TI for bridge population includes high risk behaviour truckers and migrants. TI NGO provided services, such as, behaviour change communication, condom promotion, safe needles and syringes for IDU, STI care, referral for HIV testing, syphilis testing and referral for ART.

Against the targeted coverage of 37,747 HRGs and 98,750 bridge populations, 34,444 persons of HRGs and 1,01,125 persons of bridge population were covered under the phase NACP-III (2007-12). Further, under the phase NACP-IV (2012-17) targeted coverage of 43085 HRGs and 1,67,000 bridge populations was planned.

During the year 2010-15, ₹ 38.73 crore was utilized against the available fund of ₹ 69.44 crore under TI component. Scrutiny of records revealed that:

- Survey of HRGs and bridge population was not conducted since 2008-09 to identify and classify the locations and number of HRGs

(Female Sex Workers, Men who have sex with Men, Injecting Drug Users) and bridge population (migrant labour and truckers) in order to ascertain the priorities under annual action plan. Hence, the programme was implemented without updation of data on actual number and location of HRGs and Bridge population.

- TI projects were not implemented in 11³ districts (Category 'C' four districts and Category 'D' 7 districts) due to less number of HRGs reported in the survey of 2008-09.

- According to norms, working period of TI-project was limited to two years and further extension was provided subject to their satisfactory evaluation report. In this regard, we noticed that during 2010-15, out of 236 TI Projects, 79 were closed by MPSACS due to their unsatisfactory performance. Further, 176 running TI Projects refunded their grant of ₹ 3.92 crore to MPSACS without utilisation due to vacant posts in the projects and non-implementation of various activities related to capacity building and community mobilisation.

- According to terms of reference with TI NGO, it was the responsibility of TI to hand over the unspent balance of project, fixed assets created from grant and all other records/documents related to project within 15 days of closure of the projects. In this regard, we have noticed that out of 79 closed TI project, 30 TI projects did not return or adjust their unspent balance of ₹ 44.04 lakh. Further, 28 closed TI NGOs did not return their fixed assets of ₹ 22.40 lakh procured from the grant provided by MPSACS. Thus, MPSACS did not ensure settlement of advances released for NACP-III (2006-11), as a result advances of ₹ 44.04 lakh released to 30 TI-projects were still pending even after lapse of four to five years.

In the exit conference, Principal Secretary stated that proposal for coverage of uncovered districts was under consideration and the recovery process of balance amount with the closed TIs had been initiated.

2.2.8.1 Coverage of HRGs and bridge population

(i) As per mapping data 2008, 48,785 HRGs (FSW-28418, MSM-13,346, IDU-7,021) and 1,25,834 migrants were residing in the State and 204 TI projects for HRGs and 32 TI projects for Bridge Population were implemented during 2010-15. Year-wise targets for coverage of HRGs and bridge population through TIs are detailed in **Appendix-2.24**.

We noted that targets fixed for coverage of HRGs as well as bridge population could not be achieved during the year 2010-15 and the shortfall ranged from 11 per cent to 23 per cent in case of HRGs and 52 per cent for migrants.

(ii) According to guidelines it was the main task of TI-Projects to motivate the HRGs for testing and treatment of STI and HIV infection. Each person of HRGs was to be referred to STI clinics and ICTC within the interval of three and six month respectively. Information regarding referral cases in respect of 14 test-checked TI projects of 12 sampled districts is detailed in **Table 5**:

³ Agar Malwa, Alirajpur, Anuppur, Ashoknagar, Bhind, Damoh, Dindori, Mandla, Neemuch, Shahdol and Umaria.

79 TI-Projects were closed due to poor performance and closed TI did not return unspent balance to MPSACS

Targets for coverage of HRGs and Bridge population were not achieved by the TI Projects

Table-5: Status of coverage and referral of HRGs in the test-checked districts

Year	Referral to STI Clinic			Referral to ICTC		
	No. of cases of HRGs referred	No. of cases of HRGs visited	Shortfall	No. of cases of HRGs referred	No. of cases of HRGs visited	Shortfall
2010-11	4,511	4,271	240	2,449	1,869	580
2011-12	3,868	3,637	231	4,590	2,671	1,919
2012-13	4,324	4,146	178	3,943	3,140	803
2013-14	9,339	8,055	1,284	8,650	6,777	1,873
2014-15	18,904	16,999	1,905	15,927	11,706	4,221
Total	40,946	37,108	3,838 (9%)	35,559	26,163	9,396 (26%)

[Source: Test-checked TI Projects]

As evident from **Table-5**, nine *per cent* HRGs in referral cases of STI services and 26 *per cent* HRGs in referral cases of ICTC services did not visit at the testing centres during 2010-15. Thus, the objective of motivation of HRGs for testing and treatment was remained unachieved.

In the exit conference, Principal Secretary stated that the service utilization under these projects is less due to migration, deaths, lack of interest among HRGs etc. He further stated that more efforts would be taken to cover drop out HRGs in future.

2.2.9 Link Worker Scheme

Link Worker Scheme (LWS) was a community-based outreach strategy to address HIV prevention counselling, referral and care needs of HRG and vulnerable population in rural areas.

2.2.9.1 Implementation of Link Worker Scheme

(i) As per provision of LWS guideline, 100-150 most at risk villages in the districts were to be identified for implementation and these villages were to be divided into cluster of 4-6 villages. Village level work force (Supervisors, link workers and volunteers) was to be equipped for coverage of vulnerable population, high risk individuals, youths and women of rural and difficult to reach areas. Further, a State or regional level lead agency was to be identified as lead NGO. However, in such States where LWS was implemented directly by SACS through implementing NGOs, the concept of lead NGO was not to be considered.

During the year 2010-13, LWS was implemented in the State through two lead NGOs viz. Voluntary Health Association of India (2010-12) and LEPR (March to December 2013). As per records provided by MPSACS, total fund of ₹ 9.28 crore (VHAI ₹ 4.79 crore, LEPR ₹ 4.49 crore) were released to these lead NGOs for implementation of scheme, out of which ₹ 3.97 crore (VHAI ₹ 1.5 crore, LEPR ₹ 2.47 crore) was refunded without any utilisation and ₹ 0.19 crore were still pending for adjustment from VHAI even after lapse of three years.

However, information related to implementation, target and achievements, coverage of area and population by these lead NGOs during 2010-13 was not available with MPSACS. Thus, implementation of the scheme through lead NGOs could not be assessed in audit.

In the exit conference, Principal Secretary stated that lead NGOs were selected by NACO and they were reporting to NACO directly, hence, records could not

LWS scheme was not implemented successfully through lead NGOs

be made available. The reply is not acceptable, as lead NGOs were responsible to submit progress reports (financial and physical) to MPSACS as per contract signed between lead NGOs and MPSACS.

House hold survey for collecting demographic details of each household was not conducted

(ii) The scheme was taken over by MPSACS from December 2013 and implemented in the 12 districts⁴ (including all A and B category districts) through 12 implementing NGOs. Against the target for coverage of 79,780 persons⁵ under Situational Need Assessment (SNA), 73,600 person were covered during 2013-15. Scrutiny of records revealed that:

- According to guideline, a house hold survey to collect demographic details of each household was to be conducted by the link worker for strategic purposes. In this regard, it was noticed that house hold survey was not conducted during the period 2013-15.
- Under the provision of guideline, personnel involved in implementing LWS were to undergo three step modular training to understand HIV in the rural context. However, 2nd and 3rd module training were not conducted so far.
- The scheme was implemented in 12 districts, of which four districts (Balaghat, Bhopal, Harda and Indore) were test-checked in audit. We noticed that against the target for coverage of 47,191 persons under SNA, 40,837 person were covered during 2013-15.
- Link workers were responsible for co-ordinating the linkage between communities and service institutions (ICTC, STI/RTI clinics). However, 42 and 48 *per cent* referred cases of HRGs in four test-checked districts did not visit STI clinics and ICTCs respectively for their testing and treatment as detailed in **Appendix-2.25**. The shortfall in visit of HRGs to service institutions reflects failure on the part of link workers, their supervision, related NGOs and MPSACS.

In the exit conference, Principal Secretary stated that expected target could not be achieved due to frequent changes/modifications in the strategies adopted by NACO. He further stated that link workers could not be trained in the absence of State Training Resource Agency. Efforts would be taken to cover maximum rural population through extending STI and ICTC services with co-ordination of National Health Mission (NHM).

2.2.10 STI/RTI Control and Prevention

Sexually Transmitted Infections (STI) and Reproductive Tract Infection (RTI) enhance chances of acquiring and transmitting HIV infection manifold. Hence, Control and prevention of STI/RTI was one of the key prevention strategies for HIV. Under this component, availability of testing and treatment service alongwith trained man-power and availability of essential drugs and infrastructure was to be ensured.

Against the targets for coverage of 6.81 lakh adults with STI symptoms and treatment of 2.16 lakh HRGs in STI episodes, the achievements were 3.95

⁴ Balaghat, Bhopal, Chhindwara, Dewas, Harda, Indore, Jabalpur, Mandasaur, Panna, Rewa, Tikamgarh and Ujjain.

⁵ Comprising HRGs, Bridge population, Vulnerable population, population covered under ANC and Orphan Vulnerable Children.

lakh and 1.99 lakh respectively under the phase NACP-III (2007-12). Further, the target for coverage of 8 lakh adults with STI symptoms and treatment of 3 lakh HRGs in STI episodes was planned under the phase NACP-IV (2012-17).

During the year 2010-15 against the available fund of ₹ 6.58 crore, only ₹ 4.21 crore could be utilized under this component. The deficiencies noticed during the course of performance audit were as follows:-

2.2.10.1 Availability of STI/RTI services

According to STI/RTI guidelines, these services were to be provided at District (Medical Colleges and District Hospital) and Sub-district (Community Health Centres and Primary Health Centres) level. The service delivery at district level was entirely supported by NACO through SACS and at sub-district level all activities were to be carried out in convergence with NACO and National Health Mission (NHM).

As per information provided by MPSACS, STI/RTI services were being provided in all Medical Colleges, District Hospitals, CHC and PHC. However, the information obtained from 12 sampled districts did not confirm this fact, as these services were not available in 67 out of 70 CHCs and any of 271 PHCs. Thus, availability of STI/RTI services at CHC and PHC level was not ensured with the convergence of NHM.

2.2.10.2 Physical Targets and Achievement

The annual targets and achievement with reference to coverage of STI/RTI episodes is detailed in **Appendix-2.26**. As against the target for coverage of 10.74 lakh people with STI/RTI symptoms during 2010-11 to 2014-15, achievement was 9.90 lakh. Further, the shortfall against the targets in 19 test-checked STI clinics of 12 sampled districts ranged from 6 to 57 per cent.

CMHOs of 12 sampled districts stated (April to June 2015) that scarcity of man power and physical infrastructure were the main cause to non-achievement of targets.

2.2.10.3 Availability of Physical Infrastructure and Drugs at STI Clinics

The guidelines for Strengthening STI/RTI Services envisage minimum infrastructure, equipment, consumables for general and waiting area, consultation and examination room and laboratory of STI clinic. It was noticed in 19 test-checked NACO supported STI clinics of 12 sampled districts that there were inadequacy of furniture (*viz.* waiting chairs, examination couch etc.), equipment (*viz.* vaginal specula, forceps, weighing scales etc.) and consumables (*viz.* disposable needles and syringes, testing kits etc.) required for testing, consultation and examination of STI patients.

Further, according to guidelines, all STI clinics have to maintain adequate stocks of STI/RTI pre-packed kits and essential STI/RTI drugs and a minimum of a three month stock of all kits and drugs should be maintained at all times. In this regard, it was noticed that except District Hospital Balaghat, Dindori and CHC-Mandideep (Raisen) all type of drugs were not available in rest of test-checked 16 STI/RTI clinics of 12 sampled districts.

Thus, availability of minimum infrastructure as well as stock of drugs at STI/RTI clinics was not ensured.

In the exit conference, Principal Secretary stated that availability of infrastructure depended upon existing facility of concerned health centre and there was a provision of one time grant for gap filling of existing infrastructure. In case of non-availability of drugs it was stated that due to irregular supply of colour coded drug kits from NACO these were not available, however, the supply of generic medicine would be ensured with the convergence of NHM.

2.2.10.4 Human resource and Capacity Building

The human resource needed for providing STI/RTI services at different levels of service provision is defined in the guidelines. Accordingly, adequate deployment of man-power was to be ensured at each STI/RTI clinics. The status⁶ of man-power in 19 test-checked STI/RTI clinics of 12 sampled districts was as below:-

Table-6: Statement showing availability of human resource at STI/RTI clinics

Sl. No.	Name of posts	Required	Working	Shortfall
1.	Medical Officer	20	16	4
2.	Staff Nurse/Lady Health Visitor	19	3	16
3.	Medico-social Worker/Counsellor	19	19	0
4.	Laboratory Technician	19	4	15

[Source: Test-checked STI/RTI clinics]

Under the programme a robust training and support system was to be developed to ensure quality of services at all levels. Accordingly, medical, para-medical and primary health care providers such as ASHA, health worker (male and female) were to be trained in syndromic case management. It was noticed that training programmes for syndromic case management were not organised to primary health service provider in six⁷ out of twelve test-checked districts. The position of target and achievement of training for entire state during 2010-15 is detailed in *Appendix-2.27*, which revealed shortfall of 39 per cent towards training targets.

In the exit conference, Principal Secretary stated that the shortage of human resource especially medical officers is prevalent in the entire state and the recruitment of other human resources would be done through NHM. Training targets could not be achieved due to shortage of man power.

Recommendation

Availability of physical infrastructure, essential drugs and human resource may be ensured at STI/RTI clinics.

2.2.11 Blood Safety

NACP was primarily responsible for ensuring provision of safe and quality blood for healthcare with a aim to wipe off the scarcity of blood and other blood component by increasing regular Voluntary Blood Donation (VBD) and promoting blood component preparation and availability along with rational use of blood in health care facilities.

⁶ As reported by sampled districts during April to June 2015.

⁷ Ashoknagar, Dindori, Indore, Jhabua, Khandwa and Khargone

During NACP-III (2007-12), 9,16,526 blood units were collected during the period 2007-12. Further, 83 *per cent* blood was collected through VBD against the target of 90 *per cent*.

During the year 2010-15, an amount of ₹ 19.54 crore was earmarked under this component against which only ₹ 13.67 crore was utilized. Further, it was noticed that against the target for collection of 12.46 lakh blood units, 11.81 lakh blood units were collected during the period 2010-15. However, following shortcomings were noticed in audit:

2.2.11.1 Availability of Blood Bank and Blood Storage Unit (BSU)

The success of blood safety programme critically depends on the setting-up of Blood Storage Unit (BSU). Hence, NACP-III (2006-11) proposed to set up BSUs at all CHCs.

We noticed that 62 NACO supported blood banks were established in all districts of the State, except two districts *viz.* Anuppur and Ashoknagar. However, BSUs were not established in 62 out of 75 CHCs of 12 sampled districts.

Further, as envisaged in the guidelines, all blood bank services are required to be licensed from Controller, Food and Drug Administration (CFDA). In this regard, state level information related to license of blood banks was not provided to audit by MPSACS. However, it was noticed in 12 sampled districts that out of 13 blood banks, seven were functioning without having a valid renewed license since three to 17 years.

In the exit conference, Principal Secretary stated that BSUs are being established with the support of health department and renewal of license for blood bank is under process.

2.2.11.2 Availability of Infrastructure and Human Resource

According to reporting formats for blood banks 27 types of equipment and 20 types of test kits and laboratory consumables were prescribed for well-functioning of blood banks. We have noticed in 13 test-checked blood banks of 12 sampled districts that there was inadequacy of test-kits (*viz.* hepatitis, VDRL test kits etc.) as well as equipment and laboratory consumables (*viz.* cell counter, refrigerated centrifuge, deep freezer etc.).

NACO provides one counsellor and one lab technician in NACO supported blood bank services. We have noticed that against the requirement of 13 lab technicians, six posts were lying vacant in 13 test-checked blood banks of 12 sampled districts. Thus, in the absence of sufficient laboratory consumable, test-kits and lab technician the purpose of blood safety could not be achieved.

In the exit conference, Principal Secretary stated that scarcity of laboratory consumable, equipment and test-kits existed due to lack of supply by NACO as well as State Government. He further informed that vacant posts of lab technician could not be filled due to ban imposed by NACO.

Recommendation

Availability of physical infrastructure, testing kits and human resource may be ensured at blood bank services.

Most of blood bank services were functioning without renewal of license

Shortages of equipment, test kits, laboratory consumables and man power were noticed at blood banks

2.2.12 Condom Promotion

Condom promotion was the mainstay of HIV/AIDS prevention under the NACP due to the fact that unprotected sex is the biggest cause of HIV transmission. According to guidelines, significant efforts were to be made to promote consistent use of condoms for preventing HIV transmission in terms of enhancing the availability and accessibility of condoms, raising awareness and increasing condom off take from condoms outlets.

Against the target for distribution of 230.76 lakh condoms, only 68.06 lakh condoms were distributed under the phase NACP-III (2007-12). Further, under the phase NACP-IV (2012-17), the target for distribution of 126.37 lakh condom was planned.

During the year 2010-15, targets were fixed for distribution of condoms through free distribution and social marketing programmes. The status of condom distribution is given in **Appendix-2.28**. We noted that condom distribution targets were significantly reduced from 295.00 lakh in 2010-11 to 79.06 lakh in the year 2014-15. Against the target, the achievement ranged from 18 to 69 *per cent* during 2010-11 to 2014-15. Thus, sincere efforts were not made to promote consistent use of condoms for preventing HIV transmission.

In the exit conference, Principal Secretary stated that condoms were supplied to TI projects by MPSACS on the condom demand calculated as per standard formula which is based on the per day sexual encounters of HRGs. Sometime HRGs not working, migrated, less encounters made than surplus condoms were available with TI-Projects.

2.2.13 HIV Counselling and Testing Services

NACP is offering HIV counselling and testing services with a goal to identify as many PLHIV, as early as possible, and linking them appropriately and in timely manner to prevention, care and treatment services. These services include services under Integrated Counselling and Testing Centres (ICTCs), Prevention of Parents to Child Transmission (PPTCT) and HIV-TB (Tuberculosis) Co-ordination.

2.2.13.1 Integrated Counselling and Testing Centres (ICTCs)

Functions of ICTC include early detection of HIV, provision of basic information on modes of transmission and prevention of HIV/AIDS for promoting behavioural change and reducing vulnerability, and linking PLHIV with other HIV prevention, care and treatment services.

Audit scrutiny revealed that ICTCs in 30 Civil Hospital, 269 CHCs and FICTCs in 522 PHCs were yet to be established as detailed in **Appendix-2.29**.

In the exit conference, Principal Secretary stated that 83 more ICTCs and 239 FICTCs would be started in 2015-16 for enhancing HIV testing services in rural areas.

2.2.13.2 *Targets and achievement*

Year-wise targets were set for testing of HIV among vulnerable population and pregnant women. Under the phase NACP-III (2007-12), against the targets for coverage of 9.67 lakh persons of vulnerable population and 8.46 lakh pregnant women, the ICTC services were provided to 7.05 lakh persons of vulnerable population and 6.53 lakh pregnant women. The status of testing and HIV positive for the period 2010-15 is detailed in **Appendix-2.30**. Audit scrutiny revealed the following:-

Targets of testing and counselling of general clients and pregnant women were not achieved

- As against targets for 39.30 lakh counselling/HIV testing of vulnerable population and pregnant women at ICTCs, achievement was 36.71 lakh during 2010-15. However, targets set for testing of vulnerable population and pregnant women could not be achieved except in the year 2012-13.
- One of the important activities under TI is referral of HRGs and bridge population to ICTC for early detection of HIV infection and necessary counselling for behavioural changes. Audit scrutiny revealed that there was shortfall of 39 to 70 *per cent* in referral services of targeted population to ICTC during 2010-11 to 2014-15, as detailed in **Appendix 2.31**.
- Out of total HIV testing in ICTCs as well as counselling provided, the ratio of clinically suspected cases and voluntary visited cases was 90:10, as detailed in **Appendix 2.32**.
- Against the 36.92 lakh persons pre-counselled by ICTCs, 35.13 lakh were tested and 33.94 lakh persons were post counselled in ICTCs. Though, pre and post counselling is required in both the positive and negative cases, 1.19 lakh persons could not be counselled against their HIV status and behavioural change.

In the exit conference, Principal Secretary stated that targets for referral of HRGs to ICTC could not be achieved because HIV testing is voluntary and if anyone not giving consent for testing, ICTC cannot test and similarly if any person is not willing for post test counselling this cannot be done.

2.2.13.3 *Availability of Physical infrastructure and Human Resource*

Shortage of test kits, PEP drugs, infantometer and other equipment were noticed in ICTCs

As envisaged in the guidelines, highest standards of quality were to be maintained by ICTCs in respect of services provided by them. The status of availability of facilities in 31 test-checked ICTCs of 12 sampled districts was as follows:-

- All four types of HIV test kits required for ultimate testing results were not available in any test-checked ICTC. PEP⁸ drugs, which were required to protect from HIV exposure were not available in 17⁹ out of 31 test-checked ICTCs.
- Infantometer, which is used in PPTCT services, was available only at ICTC-Waraseoni (Balaghat) out of 31 test-checked ICTCs.

⁸ Post-exposure prophylaxis

⁹ Balaghat- DH, Katangi, Lalburra and Waraseoni, Bhopal- Hamidiya Hospital and J P Hospital, Harda- DH, Khirikiya and Timarani, Indore- M G M Medical Collage, Jhabua, Khadwa, Khargone- Barwah, Maheshwar and Sanawad and Raisen- DH and Mandideep.

Fund of ₹ 1.25 crore for strengthening of ICTC/FICTCs could not be utilised

- In respect with material and equipment required in blood collection centre at ICTCs, the deficiency of vials and tubes for blood collection, needles and syringes etc. was noticed in 23 ICTCs.
- The minimum requirement for furniture and equipment for a counselling room in an ICTC is defined for one-on-one and one-on-group counselling with an atmosphere of privacy. However, infrastructure (*viz.* chairs for visitors, TV and DVD player, condom use demonstration models etc.) required for counselling and communication with visitors was deficient in 15 ICTCs.
- GoI released (2011-12) funds of ₹ 1.93 crore for strengthening of ICTCs/FICTCs with HIV testing kits, equipment and consumables, out of which ₹ 1.25 crore was lying un-utilized at MPSACS (₹ 0.66 crore) and district CMHOs (₹ 0.59 crore) level after lapse of 3 to 4 years.
- ICTCs required a team of skilled persons consisting of the manager¹⁰ (medical officer), counsellor, lab technician and district supervisor in high prevalence districts. However, out of total 163 functional ICTCs, 27 and 34 ICTCs were functioning without posting of Counsellor and Lab Technician respectively and 8 ICTCs had vacancies against both the posts. The posts of District Supervisors were lying vacant in Balaghat and Harda districts, both are the high prevalence districts.

In the exit conference, Principal Secretary stated that communication aids material, drugs and tests kits are being given to all ICTCs and to fill up the vacant posts recruitment process is in progress.

2.2.14 Prevention of Parent to Child Transmission (PPTCT) Services

The aim of the PPTCT programme was to offer HIV testing to pregnant women (universal coverage) in the country, so as to cover all estimated HIV positive pregnant women and eliminate transmission of HIV from mother-to-child. As per information provided by MPSACS, PPTCT services were provided in all 163 functional ICTCs. The status of coverage of pregnant women through PPTCT services is given in *Appendix-2.33*. Audit scrutiny revealed the following:-

- Against the target of 22.74 lakh for testing of pregnant women 18.11 lakh (80 *per cent*) were tested and the number of positive mothers increased in successive years during 2010-15.
- HIV exposed infants born to infected women have to undergo DNA-PCR (Deoxyribonucleic Acid-Polymerase Chain Reaction) tests using Dried Blood Spot (DBS) and whole blood specimen. The tests are done at 6 weeks of birth, repeated at 6 months if previous tests were negative and again after 12 months if previous tests were negative. Final confirmation of HIV status was done using three rapid anti-body tests at 18 months at the ICTCs.

We noticed that out of 1,218 live birth from positive mothers, 50 were found positive in testing at 6 week. Out of remaining 1,168 babies, only 341 babies were tested at 6 months of which 74 were found positive. Further, out of remaining 1,094, only 348 babies were tested at 18 months of which 73 were found positive. The reasons for non-testing of the remaining 746 children

¹⁰ deployed from regular staff of concerned hospital/health facility.

could not be ascertained in audit. Thus, the programme could not achieve the intended purpose.

Further, 20¹¹ out of 31 test-checked ICTCs records related to testing of babies at the interval of 6 to 18 months were not maintained.

- According to NACP guidelines, the duties of the outreach worker (ASHA, ANM and Anganwadi worker) were to mobilize pregnant women for PPTCT services, ensure institutional delivery and ARV (Anti Retro Viral) prophylaxis to both the mother and the baby. However, we noticed in 31 ICTCs of 12 sampled districts that outreach services were being provided in only 14 ICTC¹² by either outreach worker or counsellor of ICTC and no outreach services was provided in remaining 17 ICTCs.

In the exit conference, Principal Secretary stated there were only 12 DBS sample collection site in the State and patients are required to travel these sites for sample collection. However, parents of patients were not visiting due to various reasons, viz. financial constraints, distance from home to sample collection sites, poor health condition of newborn or mother and sometimes sample collection kits were not available at collection site, hence, required number of babies could not be tested.

Recommendation

Availability of physical infrastructure, testing kits and human resource may be ensured for PPTCTs.

2.2.15 HIV-TB Co-ordination

HIV-TB together is a fatal combination with extremely high death rate among PLHIV. TB is the commonest Opportunistic Infection (OI) in HIV-infected individuals. Hence, it was important to have collaboration between NACP and Revised National TB Control Programme (RNTCP) to reduce morbidity and mortality of PLHIV.

Annual targets were set at State level for HIV testing of registered TB patients in ICTCs. Year-wise targets for HIV testing of registered TB patients were not achieved during 2010-15, except in 2011-12, as detailed in **Appendix-2.34**. Details of death occurring due to co-infection of HIV-TB were not available at MPSACS level.

During the scrutiny of information provided by test-checked 12 ICTC and 12 RNTCP located at same District Hospital, we have cross verified the number of patients referred by RNTCP to ICTC and *vice versa* for testing of HIV-TB co-infection. The outcome of cross verification as detailed in **Appendix-2.35**, revealed mismatch in number of referral case. As against the number of HIV patients referred to RNTCP by ICTC and referral cases received at RNTCP, the difference was of 2,311 patients (12,593-10,282). Similarly, against the TB

¹¹ Balaghat- DH, Barwani, Bhopal- BMHRC and Hamidiya Hospital, Dindori, Harda- Khirikiya and Timarni, Indore- Depalpur, Mangilal Hospital and MGM Medical Collage, Jhabua, Khandwa, Khargone- Barwah, DH, Maheshwar and Sanawad, Raisen- DH and Mandideep, Sehore- Ashta and DH.

¹² Ashoknagar, Balaghat-DH, Katangi, Lalburra and Waraseoni, Bhopal- BMHRC and J P Hospital, Dindori, Khandwa, Khargone-Sanawad, Raisen- DH and Mandideep, Sehore- Astha and DH.

patients referred to ICTC by RNTCP and referral cases received at ICTC the difference was of 18,705 patients (39,468-20,763). This indicated lack of monitoring in reference to HIV-TB cross referral. It was also noticed that none of the health facilities tracked the number of patients died due to co-infection of HIV-TB.

In the exit conference, Principal Secretary stated that for better co-ordination between RNTCP and NACP, charge of District Nodal Officer, AIDS Control Programme would be given to District TB Officer.

Recommendation

Collaboration between ICTCs and RNTCP needs to be strengthened.

2.2.16 Information, Education and Communication (IEC)/ Mainstreaming

Communication was the key to generating awareness on prevention as well as motivating access to testing, treatment, care and support. Communication in NACP IV was directed to increase knowledge among general population (especially youth and women) and sustain behaviour change in at risk populations (HRGs and bridge populations). Against the available fund of ₹ 31.06 crore for IEC/mainstreaming, only ₹ 15.80 crore were utilized during the year 2010-15.

We noticed the following during the performance audit:-

Targets for coverage of general and risk population were not set

- NACP recognises that HIV/AIDS has to be on agenda of development policy, implementation of activity and formation of budget of every government department. We noticed that during 2010-15 against the allocation of fund of ₹ 1.89 crore for mainstreaming the HIV/AIDS issue among government departments through training, orientation programme and workshop, only ₹ 0.26 crore could be utilised. We noted that all the activity related to mainstreaming were carried out by the various department by their own budget, hence, these funds could not be utilized. Thus, the budget allocation for IEC activities was not based on actual requirement.
- The targets set for mass media campaign (telecast and broadcast on television and radio, advertisement in news papers etc.) were achieved during the year 2010-15. However, no target for coverage of general and risk population were fixed. Hence, the extent of coverage could not be ascertained.

2.2.17 Institutional Strengthening and Capacity Building

NACO recognized the importance of the need of adequate, skilled and competent human resources at all levels of programme implementation. The aim of NACP was to build capacity of the programme managers at State and district level in leadership and strategic management, technical and communication skills. Scrutiny of records revealed the followings:

- MPSACS was required to deploy Project Director, Additional Programme Director, Finance controller, Accountant, Programme Assistant, etc. for programme management and financial control. We noticed that 16 out

of 54 posts were lying vacant as of March 2015. At DAPCUs level, five¹³ posts were lying vacant against the requirement of 24 posts.

- The posts of Monitoring and Evaluation (M&E) Officer and Epidemiologist, which were required for planning, implementation and reporting for M&E activities and analysis of critical data received through reporting format, were lying vacant at MPSACS level.
- Staff at all level was to be trained in Strategic Information Management (SIM) training, followed by component specific training to ensure that the officer is familiar with the technical and managerial issues related to their job. We noticed that no targets were fixed for training during 2010-12. During the year 2013-15, 1,136 personnel could be imparted training against the target of 2,439.

In the exit conference, Principal Secretary stated that the recruitment process for vacant posts is under progress and the desired targets for training could not be achieved due to vacant posts.

2.2.18 Monitoring and Evaluation

- According to NACP-III guideline, State was required to constitute a State Council on AIDS (SCA), headed by Chief Minister. SCA was to set policy guidelines and review the state's performance including mainstreaming by key departments. However, it was noticed that SCA was not constituted in the State.
- As envisaged in the para 15.7 of NACP-III guidelines, external programme evaluations were to be undertaken at mid-term and at the end of the programme. These were to take place at the national, state and district levels.

During NACP-III (2007-12), total expenditure of ₹ 8.53 crore was incurred in the State on implementation of programme. However, mid-term or end-term evaluation of the programme was not conducted by State. MPSACS was also not aware of any mid-term/end-term evaluation of NACP-III conducted by NACO.

In the exit conference, Principal Secretary stated that evaluation report of NACP-III was not available with the MPSACS and formation of SCA was in progress.

2.2.19 Conclusion and recommendations

- During the period 2010-11 to 2014-15, MPSACS incurred expenditure of ₹ 128.10 crore against ₹ 141.78 crore available for implementation of the programme. We noted that 30 to 63 *per cent* of the available funds were not utilised by MPSACS for implementation of various components of the Approved Annual Plan during 2010-15.

Optimum utilization of financial resources may be ensured.

- A large number of PLHIV were not registered in ART centre and such patients whose ART was started were not continuing with the treatment.

¹³ Monitoring and Evaluation Assistant-3 posts and District ICTC Supervisor-2 posts.

All PLHIV may be registered in ART centres and moved away patients may be relinked with ARTs.

- Targets fixed for TI projects of HRGs and bridge population could not be achieved. Significant numbers of TI projects were closed due to poor performance.
- ART centres, ICTCs and STI/RTI clinics were not fully equipped with the required physical infrastructure, essential drugs and human resource.

Availability of physical infrastructure, testing kits, essential drugs and human resource may be ensured at all facility centres.

- Despite target to establish Blood Storage Units at CHCs level during NACP III (2007-12), it could not be set up in all CHCs which defeated the objective of safe blood transfusion.

Efforts may be made for establishment of Blood Storage Units at CHCs level.

- There was increase in new HIV infection cases. During the year 2011-12, new HIV infection cases were 4,972, whereas 5,348 new cases were reported in 2014-15. The number of positive mothers also increased in successive years during 2010-15. Further, HIV testing of babies from positive mothers was not ensured as per prescribed guidelines.

It may be ensured that sample collection sites may be established within accessible reach for testing of babies from HIV positive mothers.

Higher Education Department

2.3 Framework for setting up of Private Universities

Executive Summary

Madhya Pradesh State Legislature enacted (May 2007) *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Adhiniyam, 2007* (Act) to provide the regulatory frame work for establishment and incorporation of self-financed private universities in Madhya Pradesh. In exercise of powers conferred under the Act, State Government established (October 2009) Madhya Pradesh Private University Regulatory Commission (MPPURC) Bhopal. MPPURC consist of a Chairman and two full time members and it functions under the general control of the Visitor (the Governor). MPPURC is responsible for evaluating the proposals and the project report of sponsoring bodies for establishment of private universities. The State Government, if satisfied, considering the report submitted by the MPPURC may establish the private university. A Performance Audit of the framework for setting up of private universities in the state revealed the following:

- The Act provides that project report to establish a private university shall contain information regarding financial resources of sponsoring body along with the audited accounts for the previous five years. However, the application format prescribed under Rule 3(2) of the *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008* provides for requirement of the audited accounts of sponsoring body for the past three years. Thus, there was inconsistency in prescribing statutory requirements for submission of audited accounts of sponsoring bodies, which led to non-uniformity in submission of applications by sponsoring bodies.

(Paragraph 2.3.7.2)

- Six sponsoring bodies did not have required 20 hectare land for educational purpose, as prescribed under the Act. Despite this, MPPURC in its report to State Government recommended setting up of these six private universities. Department also established them without ensuring removal of these deficiencies by sponsoring bodies.

(Paragraph 2.3.7.3)

- As per Act, admissions and commencement of classes shall not be started till publication of first Statute and Ordinance. However, seven private universities started their educational courses before approval of first Statute and Ordinance.

(Paragraph 2.3.7.5)

- MPPURC did not frame any regulation for performance of its functions. It could not develop any mechanism to monitor standard of teaching in private universities. There was no follow up monitoring on various undertakings submitted by sponsoring bodies for setting up of private universities.

(Paragraph 2.3.8.1)

- There was absence of monitoring mechanism for the oversight of MPPURC with reference to action taken by private universities on various shortcomings pointed out by UGC during its inspection.

(Paragraph 2.3.8.2)

- MPPURC informed that it could not perform its various monitoring activities related to private universities due to lack of man power.

(Paragraph 2.3.9.3)

2.3.1 Introduction

Madhya Pradesh State Legislature enacted (May 2007) *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Adhiniyam, 2007* (Act) to provide for establishment and incorporation of self-financed private universities in Madhya Pradesh for imparting higher education and to regulate their functions. In exercise of powers conferred under the Act, State Government made *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008*.

As per the Act, the general objectives for establishment of private universities are to provide instructions, teaching and training in higher education and to make provisions for research, advancement and dissemination of knowledge, to create higher levels of intellectual abilities, to establish state of the art facilities for education and training, to create centres of excellence for research and development and for sharing knowledge and its application, etc. As of March 2015, 15 private universities have been established in Madhya Pradesh, as detailed in *Appendix-2.36*

2.3.2 Regulatory framework for setting up of private universities

The Act provides for establishment of a Regulatory Commission for the purpose of providing a regulatory mechanism for setting up of private universities and for working as an interface between the State Government and the central regulatory bodies for the purpose of ensuring appropriate standards of teaching, examination, research, etc. In exercise of powers conferred under the Act, State Government established (October 2009) Madhya Pradesh Private University Regulatory Commission (MPPURC) Bhopal. MPPURC consist of a Chairman and two full time members and it functions under the general control of the Visitor (the Governor).

MPPURC is responsible for evaluating the proposals and the project report of sponsoring bodies for establishment of private universities. After inquiry and evaluation of the proposals, if MPPURC is of the opinion that an opportunity to establish a private university be given to the sponsoring body, it makes its recommendation to State Government. State Government may thereupon issue letter of intent (LoI) to sponsoring body.

The LoI contains certain conditions, which *inter alia* include, conditions with reference to establishment of main campus, minimum required land for the main campus, minimum built-up area for administrative purposes and the academic programme, submission of an undertaking relating to prescribed requisites of establishing private universities. The sponsoring bodies are

required to fulfill these conditions of LoI for establishing a private university in the State.

After receiving the compliance report of the sponsoring body on LoI, MPPURC examines the same and on being satisfied, it sends its report to the State Government. The State Government may, after receipt of the report from MPPURC, ask the University Grant Commission (UGC) for inspection of the proposed private university. UGC shall submit the report within a maximum period of three months or else the State Government may take such decision as it may deem fit. The State Government, if satisfied, considering the report submitted by the MPPURC and inspection report of the UGC, if any, may establish the private university.

One of the conditions for establishing private universities is that the admission and conduct of classes shall not be started till concerned Statutes and Ordinances are approved. For the purpose, private universities submit its First/Subsequent Statutes and First/Subsequent Ordinances to MPPURC for approval.

These Statutes and Ordinances may be related to matters, viz., the constitution, power and functions of governing body, the Board of Management, the Academic Council etc, the terms and conditions of appointment, powers and functions of the Vice-Chancellor, Registrar, Chief Finance and Accounts Officer, other officers and teachers etc., creation of posts and procedures for their abolition, accounting policy and financial procedures, course fee, details of courses of study to be prescribed for the degrees, diplomas and certificates of the private university, admission of students and condition for award of fellowships, scholarship, stipends, medals and prizes, etc.

2.3.3 Organisational Set- up

MPPURC functions under the general control of the Visitor (the Governor). Higher Education Department (Department), headed by Principal Secretary, is responsible at state level for establishment of private universities. The State Government may issue directions on matters of policy to the Regulatory Commission which shall be binding.

2.3.4 Audit objectives

The audit objectives of the Performance audit were to ascertain whether:

- setting up of private universities conformed to codal provisions;
- institutional arrangements for setting up of private universities were functioning efficiently and effectively with reference to the Act and subsequent amendments; and
- monitoring mechanism was adequate to ensure adherence of norms of University Grants Commission and related regulatory body or regulatory council to maintain the standards of degrees, diplomas, certificates and other academic distinction provided by private universities.

2.3.5 Audit criteria

The audit criteria for the Performance Audit were derived from the following sources:

- The *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Adhiniyam, 2007*;
- The *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Dwitiya Sansodhan Adhiniyam, 2013*;
- The *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008*;
- UGC Act 1956, UGC (Establishment and maintenance of standards in Private Universities) Regulation, 2003;
- Periodical monitoring reports; and
- Amendments, Notifications, Rules, Orders and Instructions issued by the Government from time to time.

2.3.6 Audit Scope, Coverage and Methodology

An entry conference was held on 17th March 2015 with the Commissioner, Higher Education Department to discuss the audit objectives, criteria and audit coverage of the Performance Audit. The records of MPPURC and the Higher Education Department, Bhopal in respect of establishment of all 15 existing private universities (*Appendix-2.36*) in the State for the period 2007-08 to 2014-15 were test checked between March 2015 and July 2015. The exit conference was held with the Principal Secretary, Higher Education Department on 9th September 2015. The replies of the Department have been suitably incorporated.

Audit findings

2.3.7 Setting up of private universities

2.3.7.1 *Non-evaluation of the proposals by the Higher Education Department*

State Government, vide notification of February 2008, authorised Higher Education Department to perform the duties of the Regulatory Commission till constitution of State Regulatory Commission under Section 36 of the Act. Audit scrutiny revealed that Department received seven applications from respective sponsoring bodies between November 2007 and June 2008 for establishment of private university. However, these proposals were not evaluated by the Department. On establishment of MPPURC (October 2009), these seven applications were forwarded to MPPURC during January/February 2010. Thus, Department did not take any action on the proposals of sponsoring bodies for a period ranging from 21 to 26 months (*Appendix-2.37*), which delayed the establishment of these private universities.

The Department in the exit conference (September 2015) stated that the proposal of private universities were scrutinised by MPPURC after its

commencement of practice. Therefore, delay was due to procedure for statutory obligations.

Reply of the Department is not tenable as the Department was empowered to perform the duties of the Regulatory Commission till constitution of MPPURC.

2.3.7.2 *Inconsistency in prescribing the statutory requirements for audited accounts of sponsoring bodies*

Section 4 (2) (b) of the Act provides that project report to establish a private university shall contain information regarding financial resources of sponsoring body along with the audited accounts for the previous five years. However, the application format prescribed under Rule 3(2) of the *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008* provides for requirement of the audited accounts of sponsoring body for the past three years. Thus, there was inconsistency in prescribing statutory requirements for submission of audited accounts of sponsoring bodies. This inconsistency led to submission of three years accounts in three applications of sponsoring bodies (Sarvjanik Jankalyan Parmarthik Nyas, Bhopal, A.K.S. Charitable Trust, Satna and Ritnand Balved Education Foundation, New Delhi), four years accounts in five applications (Jayprakash Seva Sansthan Trust, New Delhi, All India Society for Electronics and Computer Technology, Bhopal, Devi Shakuntala Thakral Charitable Foundation, Bhopal, Samta Lok Sansthan Trust, Gwalior and Ayushamati Education and Social Society, Bhopal) and five years accounts in other seven applications for establishment of private universities.

The Department in the exit conference (September 2015) accepted the anomaly and stated that application format has been corrected on lines of the Act.

2.3.7.3 *Issuance of LoI and verification of its compliance*

As per Section 7 of the Act, LoI issued by the Government shall contain various conditions, such as, establishment of main campus, Endowment fund, minimum land & built-up area and an undertaking relating to prescribed requisites of establishing private universities. MPPURC examines the compliance report of sponsoring bodies and on being satisfied, it sends its report to the State Government. The Government, if satisfied after considering the report of MPPURC, shall establish the private university. Audit scrutiny of issuance of LoI and compliance thereof revealed the following:-

(a) *Non-provision of time limit for issuance of LoI and verification of compliance report*

Section 6 (2) of the Act provides that, after receiving the recommendations from MPPURC the State Government may issue LoI to sponsoring body with regard to establishment of private university. However, no time frame for issuing LoI has been prescribed in the Act. Audit scrutiny revealed that in one case, Department issued LoI to sponsoring body on the same day of receiving the recommendation of MPPURC. However, in other fourteen cases, time taken to issue LoI ranged between 13 to 171 days (*Appendix-2.38*).

Section 8 of the Act further provides that sponsoring body shall submit compliance report and undertakings along with the relevant documents to MPPURC in compliance of conditions of LoI. However, there was no prescribed time limit for MPPURC to examine the compliance report. It was noted that MPPURC took 411 and 164 days respectively to examine compliance report of sponsoring bodies of two private universities, namely A.K.S. University, Satna and Shri Vaishnav Vidyapeeth Vishwavidyalaya, Indore.

The Department in the exit conference (September 2015) stated that sufficient time is required for statutory verification in some cases and variation of time is justified. Department, however, accepted that some flexible time limit may be prescribed in the regulation.

Recommendation

State Government may prescribe time limit to issue LoI and to scrutinize compliance report on LoI.

(b) *Establishment of private university without ensuring fulfillment of conditions of LoI*

- As per one of the conditions of LoI, sponsoring body should procure a minimum 20 hectares of land for the main campus to be established and submit its ownership papers along with the compliance report to MPPURC. The requirement of land was subsequently reduced to 10 hectares by *Madhya Pradesh Niji Vishwavidyalaya (Sthapana avam Sanchalan) Dwitiya Sansodhan Adhiniyam 2013*.

Six private universities were established without ensuring removal of deficiencies regarding non-availability of requisite land for educational purposes

MPPURC requests concerned District Collector for verification of land details furnished by sponsoring bodies with their compliance report. Scrutiny of related reports of District Collectors revealed that six sponsoring bodies did not have required 20 hectares land for educational purpose (*Appendix-2.39*). In case of four sponsoring bodies, their entire 20 hectares land was for other than educational purposes, whereas two sponsoring bodies had 3.94 hectares and 5.15 hectares land respectively for educational purposes. Despite non-availability of requisite land for educational purposes, MPPURC in its report to State Government recommended setting up of these six private universities. Department also established them without ensuring removal of these deficiencies by sponsoring bodies.

On being pointed the Chairman, MPPURC stated (July 2015) that the documents regarding land use for educational purposes would be called for from the private universities and would be submitted.

The Department in the exit conference (September 2015) replied that change of land use for educational purpose will be taken as mandatory and would be adhered to.

Recommendation

MPPURC and the Department may ensure availability of land for educational purpose before establishment of private university.

- Audit scrutiny revealed that Ayushmati Education and Social Society Bhopal (the sponsoring body) did not furnish two mandatory undertaking to

the effect – (i) that it shall fulfil the minimum criteria in terms of programme, faculty, infrastructure facility, financial viability, etc laid down from time to time by the regulatory bodies, and, (ii) that it shall frame the programme or study leading to graduate and post graduate degree or diploma which shall conform to the relevant regulation and norms of the University Grants Commission or the concerned statutory bodies. However, MPPURC in its report to State Government recommended for setting up proposed private university of Ayushmati Education and Social Society Bhopal. The Department also established the university without ensuring the fulfillment of the conditions of the LoI.

The Department in the exit conference (September 2015) stated that undertaking had been taken from sponsoring body which was now available on record. However, the fact remain that the undertakings were not available with MPPURC at the time of establishment of private university.

2.3.7.4 Inspection of the proposed private university by the UGC

Section 8(5) of the Act provides that the State Government, may after the receipt of the report from MPPURC on compliance report on LoI, ask the UGC for inspection of the proposed private university, and the UGC shall submit the report within a maximum period of three months, or else the State Government may take such decision as it may deem fit.

During scrutiny of records related to inspections by the UGC we noticed that:

(i) Higher Education Department requested (06.07.2013) the Secretary UGC New Delhi for inspection of Infrastructure, Building, Land, Staff, Library and status of courses of proposed Sri Satya Sai Private University of Technology and Medical Science, Sehore. However, even before expiry of three months of its request to the UGC for inspection of proposed private university, Department established the private university on 17.09.2013, which was in contravention of the provisions of the Act.

(ii) Jaypee University, Guna was established in April 2010, whereas Department requested UGC for the inspection of Infrastructure, Building, Land, Staff, Library and status of courses of the proposed private university in July 2010.

The Department in the exit conference (September 2015) stated that this provision requires revision of the section 8(5) of the Act in light of the UGC Regulation 2003.

Reply is not acceptable as the period of three months is provided to the UGC for inspection of the proposed private university, however, one private university was established by amending the schedule before expiry of three months and in another case request was sent after establishment of private university.

2.3.7.5 Functioning of private universities before publication of concerned Statute and Ordinance

Section 7 (iv) (m) read with section 35 of the Act provides that the admissions and conduct of classes shall not be started till concerned Statutes and

Ordinances are approved. All Statute, Ordinance and Regulations shall come into force from their publication in the official Gazette.

Scrutiny of records revealed that seven private universities had started their educational courses before approval of their first Ordinance and Statute (*Appendix 2.40*). However, MPPURC had not taken any action against these seven private universities for breaching the provisions of the Act.

The Department in the exit conference (September 2015) stated that functioning of these private universities commenced due to some misunderstanding in the wording of LoI issued to sponsoring bodies in some cases at initial stages that has already been corrected. The Commission has taken initiative to check this in future. Strict attention would be paid to this aspect.

Recommendation

MPPURC may ensure that no private university could commence its educational courses before publication of concerned Ordinance and Statute.

2.3.8 Monitoring of operation and management of private universities

2.3.8.1 Lack of monitoring by MPPURC

As per Section 36(10) of the Act, it shall be the general duty of the MPPURC:

- i. to take all such steps as it considers necessary for determination and maintenance of standards of teaching, examination and research in the private university;
- ii. to ensure that private universities collect only such fees and other charges, which cover the cost of education imparted by them and also give a reasonable surplus to enable them to maintain assets and carry out further expansion;
- iii. to ensure that the teachers of the private university have at least the minimum educational qualifications prescribed by the UGC or other regulatory bodies;
- iv. to ensure that the staff of the private university is appointed in conformity with the statutes, ordinances and norms or guidelines prescribed by the UGC and other concerned statutory bodies; and
- v. to ensure that students enrolled in the private university are not exploited and no unethical means are adopted to collect undue or excessive fee from them.

Audit scrutiny revealed that MPPURC could not carry out its general duty as prescribed in the Act, which are discussed in succeeding paragraphs.

- *Non-framing of regulation for performance of functions*

Rule 12 (1) of *MP Niji Vishwavidalaya (Sthapana avam Sanchalan) Rules 2008* stipulates that MPPURC shall lay down the procedures for performance of its functions and the administration and management of the Commission in the form of Regulation.

Contrary to statutory provisions, seven private universities started their educational courses before approval of their first Statute and Ordinance

MPPURC did not frame required regulations to perform its functions

Audit Scrutiny revealed that no regulations had been framed by MPPURC for performance of its functions and the administration and management of the Commission till March 2015.

In response to the audit observation, MPPURC stated that framing of regulations were under process.

- ***Non monitoring of standards of teaching in private universities***

Audit scrutiny revealed that MPPURC had not developed mechanism to watch over minimum qualifications of faculties and availability of minimum number of faculties in private universities to ensure standard of teaching in accordance with the norms of the UGC.

The Department in the exit conference (September 2015) stated that MPPURC would be instructed to strengthen and ensure standards of teaching in private universities.

- ***Non monitoring of follow up action on undertakings by sponsoring bodies***

As per Section 7 of the Act, LoI issued by the Government shall contain various conditions, such as, establishment of main campus, Endowment fund, minimum land & built-up area and various undertakings. Section 8 of the Act further provides that sponsoring body shall submit compliance report and undertakings along with the relevant documents to MPPURC in compliance of conditions of LoI.

Audit scrutiny revealed that MPPURC did not monitor the follow up action by sponsoring bodies with reference to the undertakings furnished with the compliance report on the LoI. Neither any inspection for this purpose was conducted nor was any periodical report obtained from the private universities.

The Department in the exit conference (September 2015) stated that commission was formulating strategy for regular inspection.

- ***Non monitoring of phased outlays of capital expenditure of sponsoring bodies***

Section 4(2) (f) and (g) of the Act stipulates that sponsoring body shall submit the information regarding phased outlays of capital expenditure proposed for five years and its sources of finance. Audit scrutiny revealed that phased outlays of capital expenditure for infrastructural development were submitted with the project report by all the 15 sponsoring bodies (**Appendix-2.41**). However, MPPURC did not devise any mechanism to ascertain whether infrastructural developments were as per the proposed capital expenditure.

The Department in the exit conference (September 2015) stated that MPPURC was formulating strategy for regular inspection.

- ***Non monitoring of expenditure from income of endowment fund***

Section 11 (3) of the Act provides that income from endowment fund shall not be utilised for recurring expenditure of the private university except development of infrastructure of the private university. However, MPPURC had not kept watch over the expenditure from income generated by the private universities from the investment of the endowment fund.

MPPURC did not monitor various activities of private universities viz., standards of teaching, follow up action on undertaking of Sponsoring bodies, expenditure out of income of endowment fund etc.

The Department in the exit conference (September 2015) stated that MPPURC would be instructed to have mechanism for periodical inspection.

- ***Non maintenance of records related to complaint cases***

Audit scrutiny revealed that no consolidated records were maintained in respect of the complaints received in MPPURC. It could not provide information of complaints received in MPPURC during the last five years.

The Department in the exit conference (September 2015) stated that MPPURC would be instructed to prepare complaint register.

Recommendation

MPPURC may make regulations for performance of its functions, administration and management of the Commission. The monitoring mechanism of MPPURC may be strengthened to ensure fulfillment of its general duty prescribed under the Act.

2.3.8.2 *Periodic inspection by the UGC and rectification of deficiencies by MPPURC*

Section 39 (1) of the Act provides that the UGC may cause periodical inspections of private university, and for this purpose the UGC may call for all relevant information from the concerned private university. Further, as per Section 36 (1) of the Act, MPPURC shall act as an interface between the State Government and the central regulatory bodies for the purpose of ensuring appropriate standards of teaching, examination, research, extension programme, protection of interest of the students and reasonable service conditions of the employees.

As per information provided by MPPURC, seven out of fifteen established private universities had been inspected by the UGC up to 31-03-2015. However, MPPURC had obtained only one report (Jaypee University, Guna) till March 2015. In response to audit observation, MPPURC informed (September 2015) that four more reports¹ have been obtained and two inspection reports (A.K.S. University, Satna and AISECT University, Raisen) were yet to be received.

MPPURC stated in their reply (September 2015) that UGC report of Jaypee University Guna was received before March 2015 and no action was required in view of positive remarks of UGC. In other four cases, where shortcomings had been pointed out by the UGC, instruction would be issued to private universities to remove weaknesses. MPPURC further stated that a letter would be issued to the UGC for providing the inspection reports of private universities as it was not being sent by them to MPPURC.

As evident from above, there was lack of monitoring mechanism for the oversight of MPPURC with reference to action taken by private universities vis-à-vis various shortcomings pointed out by UGC during its inspection.

¹ ITM University Gwalior, Oriental University Indore, People's University Bhopal, Sri Satya Sai University of Technology and Medical Sciences, Sehore.

2.3.8.3 Appointment of officers in the Private Universities

As per Section 14 of the Act, the private university shall have the officers namely, (a) the Visitor (b) the Chancellor (c) the Vice-Chancellor (d) the Registrar (e) the Chief Finance and Accounts Officer and (f) such other officers as may be declared by the Statutes of the private university.

During scrutiny of records and information made available by MPPURC related to appointment of officers in the private universities we noticed that the details of appointment of Chancellor, Vice-Chancellor and Registrar were available in MPPURC, however, no record was made available regarding posting of Chief Finance and Accounts Officer and other officers as declared by the Statutes of the private universities.

The Department in the exit conference (September 2015) stated that instructions have been issued to MPPURC to ensure appointment of officers in private universities by sponsoring bodies.

2.3.8.4 Annual Report and audited accounts of Private Universities

Section 38 of the Act provides that annual accounts including balance sheet of the private university shall be prepared and audited at least once every year by the auditors appointed by private university for the purpose. Copy of the annual accounts together with the audit report shall be submitted to the governing body. Copy of the annual accounts and audit report along with the observations, if any, of the governing body shall be submitted to the Visitor and MPPURC. MPPURC shall examine the annual report, accounts and audit report. The directions of MPPURC on the subject arising out of the annual report, accounts and audit report of the private university shall be binding on private university.

During scrutiny of records of MPPURC it was noticed that annual report, audit report and annual accounts were being submitted by the private universities to MPPURC. However, no record was found to be maintained regarding its examination in MPPURC.

The Department in the exit conference (September 2015) accepted and admitted that Government is aware of the shortcomings in MPPURC which could not be corrected in time and now action has been initiated.

2.3.8.5 Delay in deposition of one per cent of fees collected from the students

Section 12 of the Act and as amended in 2013 provides that one *per cent* of the fee collected from the students shall be deposited with MPPURC within 30 days from the last date fixed for admission to the concerned course in such manner as may be prescribed and MPPURC shall credit the amount of fees received from the private universities within 15 days in the treasury.

As per Rule 9 (3) of *MP Niji Vishwavidhyala (Sthapana Avam Sanchalan) Rules, 2008*, information with regard to fees collected from the private universities and deposited in Government treasury, and penal interest, if any, imposed and deposited in Government treasury, and other relevant information in this regard for every financial year shall be maintained in the office of MPPURC. Information of penal interest shall be kept in the format as

prescribed under the Rules. However, the rates of panel interest has not been prescribed.

During the period from 2010-11 to 2014-15, ₹ 466.99 lakh were received and deposited by the MPPURC in the treasury on account of one *per cent* of fees collected from students by private universities.

During test check of records of MPPURC we noticed that:

1. Amity University, Gwalior deposited (October 2013) one *per cent* of fees amounting to ₹ 1.05 lakh collected from the students for the session 2011-12. Similarly Peoples University, Bhopal deposited (June 2015) one *per cent* of the fees amounting to ₹ 67.05 lakh collected from students for the session 2014-15 after stipulated time period of 30 days. It was also noticed that RKDF University, Bhopal had not deposited one *per cent* of fees collected from the students for the session 2014-15 to MPPURC as of July 2015. However no action regarding imposition of penal interest was taken by MPPURC.

2. Further, we noticed that Jaypee University, Guna deposited ₹ 13.01 lakh on 17-09-2010 and ₹ 5.41 lakh on 17-1-2011 in MPPURC but the total amount of ₹ 18.42 lakh was deposited by MPPURC in treasury on 31-03-2011 after delay of 180 and 58 days respectively which was beyond the prescribed time limit of 15 days.

3. It was also noticed that there was no mechanism in MPPURC to ascertain the correctness of the one *per cent* of fees deposited by the private universities in MPPURC.

The Department in the exit conference (September 2015) accepted and admitted that (1) MPPURC would be instructed to standardize the process more precisely. However, on the recommendation of audit, MPPURC initiated process to impose penalty on the private universities for delay payment of one *per cent* of fees collected from the students. The Sri Satya Sai University of technology and Medical Sciences, Sehore was penalized and the University has deposited ₹ 51004/- as penalty. (2) MPPURC would be instructed to follow rules and regulation strictly. (3) Commission has decided to verify the information on form-D through audited financial statements in the future.

Recommendation

The MPPURC may impose penal interest on private universities for delay in deposition of one per cent of total fees collected from the students in MPPURC.

2.3.9 Institutional arrangements of MPPURC

2.3.9.1 Non preparation of budget by MPPURC

As per Rule 21, MPPURC is required to prepare a budget in respect of ensuing financial year through estimated receipts and expenditures and copies thereof shall be forwarded to the Higher Education Department with a view to obtain due appropriation by the State legislative Assembly.

During scrutiny of records of MPPURC it was noticed that budget for pay, travelling allowance, office expense etc. were neither prepared nor had been

forwarded to the Higher Education Department by MPPURC with a view to obtain due appropriation by the State Legislative Assembly . However, Budget was allotted to MPPURC by the Department. The detail of allotment by the Department and expenditure incurred by MPPURC therefrom is given in **Table-1:**

Table 1: Allotment and Expenditure of MPPURC during 2010-15

(Amount in ₹)

Year	Allotment	Expenditure
2010-11	4,50,000	2,76,002
2011-12	84,93,000	45,18,607
2012-13	81,15,000	53,00,505
2013-14	85,74,185	75,04,140
2014-15	68,21,000	57,12,929

The Department in the exit conference (September 2015) stated that MPPURC would be instructed to prepare budget estimates and place before the Department in future.

2.3.9.2 Management of endowment fund.

As per Section 11(1) of the Act, sponsoring body shall establish an endowment fund of five crore rupees within fifteen days after receiving of the LoI. Rule 5(1) of the *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008* provides that MPPURC shall invest the endowment fund in the form of fixed deposit in a Scheduled Bank, keeping in view of the various parameters for ensuring liquidity, security and profitability of the funds.

Scrutiny of records of MPPURC revealed that MPPURC did not ascertain profitability at the time of investing the endowment fund in the form of fixed deposit. Comparative rates offered by various banks were not obtained. It was further noticed that, on ten occasions, MPPURC had invested the endowment fund in the form of Fixed Deposit in the scheduled bank after 11 to 140 days of receipt of endowment fund, which resulted into loss of interest amounting to ₹ 22.05 lakh (approx.) to MPPURC (*Appendix 2.42*).

The Department in the exit conference (September 2015) stated that MPPURC will be instructed to invest endowment fund timely and preparation of comparative chart before making of fixed deposit in the banks.

Recommendation

MPPURC may fix deposit the endowment fund of ₹ 5.00 crore immediately after receiving it from sponsoring body to ensure maximum profitability.

2.3.9.3 Manpower management of MPPURC

As per Section 36 of the Act MPPURC shall consist of a Chairman and two full time members, out of which one member shall be member academic and another member shall be member administration, and not exceeding two part time members. MPPURC shall have a full time or part time secretary.

During the course of audit it was noticed that before establishment of MPPURC in 2009, a cell was created in the Department for implementation of

the Act for which 17 posts² at various levels were sanctioned. However, after establishment of MPPURC in 2009, these posts were not transferred to MPPURC. MPPURC requested the Department in 2014 for transfer of these posts. In response to audit observation, MPPURC informed that it could not perform its various monitoring activities related to private universities due to lack of manpower.

The Department in the exit conference (September 2015) stated that 15 posts have been sanctioned for appointments of these posts which would soon be finalised.

2.3.10 Conclusion and Recommendations

- *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Adhiniyam, 2007* provides that project report to establish a private university shall contain information regarding financial resources of sponsoring body along with the audited accounts for the previous five years. However, the application format prescribed under Rule 3(2) of the *Madhya Pradesh Niji Vishwavidyalaya (Sthapana Avam Sanchalan) Rules, 2008* provides for requirement of the audited accounts of sponsoring body for the past three years. Thus, there was inconsistency in prescribing statutory requirements for submission of audited accounts of sponsoring bodies, which led to non-uniformity in submission of applications by sponsoring bodies.

- Six sponsoring bodies did not have required 20 hectare land for educational purpose, as prescribed under the Act. Despite this, MPPURC in its report to State Government recommended setting up of these six private universities. Department also established them without ensuring removal of these deficiencies by sponsoring bodies.

MPPURC and the Department may ensure removal of deficiencies by sponsoring body before establishment of private university.

- As per Act, admissions and commencement of classes shall not be started till publication of first Statute and Ordinance. However, seven private universities started their educational courses before approval of first Statute and Ordinance.

MPPURC may ensure that private university should commence its educational courses after publication of concerned Ordinance and Statute.

- MPPURC did not frame any regulation for performance of its functions. It could not develop any mechanism to monitor standard of teaching in private universities. There was no follow up monitoring on various undertakings submitted by sponsoring bodies for setting up of private universities.

- MPPURC has not kept watch over the phase wise capital expenditure, expenditure made by private universities from investment of the Endowment fund.

² OSD-01, Superintendent/Section Officer-02, Finance Assistant/Accountant-02, Programmer-02, Data Entry Operator-02, Stenographer-03 and office Boy-05.

- There was absence of any monitoring mechanism for the oversight of MPPURC with reference to action taken by private universities on various shortcomings pointed out by UGC during its inspection.

MPPURC may make regulations for performance of its functions, administration and management of the Commission. The monitoring mechanism of MPPURC may be strengthened to ensure fulfillment of its general duty prescribed under the Act.

- MPPURC could not perform its various monitoring activities related to private universities due to lack of man power.

Social Justice Department

2.4 Implementation of Social Security Pension Schemes

Executive Summary

To provide social security to vulnerable sections of the society, particularly those living Below Poverty Line (BPL), Government of India (GOI) introduced the National Social Assistance Programme (NSAP) as a Centrally Sponsored Scheme (CSS) in August 1995. It is one of the flagship welfare programme of GOI that comprises four social welfare benefit schemes, viz. Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS) and National Family Benefit Scheme (NFBS).

State Government has also implemented Samagra Social Security Pension Scheme (SSSPS) w.e.f. 1981 for the old destitute persons aged 60 years or more, the BPL widow of age between more than 18 years and 39 years, BPL deserted women of age between more than 18 years and 59 years, and school going disabled BPL children aged 6 to 18 years with disability of 40 per cent or more.

The Performance Audit of implementation of 'Social Security Pension Schemes' covering the period 2010-11 to 2014-15 revealed the following:

- During 2010-11 to 2014-15, GoI released ₹ 3,600.42 crore to State Government for implementation of NSAP, out of which expenditure of ₹ 2,490.84 crore was incurred.

(Paragraph 2.4.7.1)

- As per NSAP guidelines, States were strongly urged to provide an additional amount at least equivalent to the assistance provided by the Central Government so that the beneficiaries could get a decent level of assistance. However, State Government did not make any contribution under IGNWPS, IGNDPS and NFBS. State Government was providing ₹ 75 p.m. as additional pension to the age group of 65 to 79 year in IGNOAPS alongwith ₹ 200 p.m. central assistance.

(Paragraph 2.4.7.2)

- As required under NSAP guidelines, annual verification of the existing beneficiaries was not conducted by Special Verification Team. The pension amounting to ₹ 7.74 crore pertaining to 1.49 lakh beneficiaries was paid with one to 16 months delay from due date. Further, pension amount of ₹ 1.32 crore was not credited in the pensioners' account due to wrong bank details uploaded on pension portal by *Janpad Panchayats* and ULBs.

(Paragraphs 2.4.7.6, 2.4.7.7 and 2.4.7.8)

Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

- There were 14.37 lakh beneficiaries of IGNOAPS in the State as on March 2015. Expenditure of ₹ 1,694.43 crore was incurred under IGNOAPS during 2010-15.

(Paragraph 2.4.8.1)

- The pension cases were sanctioned to beneficiaries under IGNOAPS without adequate scrutiny of documents such as date of birth certificate, name in BPL list and verification report.

(Paragraph 2.4.9.1)

- As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 16.16 lakh persons in the State, who were eligible for IGNOAPS, but were not getting benefits of scheme. Thus, a large number of eligible persons were yet to be covered under the scheme. Department stated that the instructions had been issued for sanction of pension to these persons after physical verification and scrutiny of their documents.

(Paragraph 2.4.9.2)

Indira Gandhi National Widow Pension Scheme (IGNWPS)

- There were 4.81 lakh beneficiaries of IGNWPS in the State as on March 2015. Expenditure of ₹ 391.58 crore was incurred under IGNWPS during 2010-15.

(Paragraph 2.4.10.1)

- The pension cases were sanctioned to beneficiaries under IGNWPS without adequate scrutiny of documents such as death certificate of husband, date of birth certificate, name in BPL list, verification report.

(Paragraph 2.4.11.1)

- As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 1.70 lakh persons in the State, who were eligible for IGNWPS, but were not getting benefits of scheme.

(Paragraph 2.4.11.3)

- Pension was paid at the old rate of ₹ 200 instead of enhanced rate of ₹ 300 per month from October 2012 to March 2013, due to delayed implementation of GoI circular for payment of enhanced rate pension.

(Paragraph 2.4.11.4)

Indira Gandhi National Disability Pension Scheme(IGNDPS)

- There were 0.98 lakh beneficiaries in the State as on March 2015. Expenditure of ₹ 176.28 crore was incurred under IGNDPS during 2010-15.

(Paragraph 2.4.12.1)

- The pension cases were sanctioned to beneficiaries under IGNDPS without adequate scrutiny of documents such as disability certificate, date of birth certificate, name in BPL list, verification report.

(Paragraph 2.4.13.1)

- As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 0.12 lakh persons in the State, who were eligible for IGNDPS, but were not getting benefits of scheme.

(Paragraph 2.4.13.2)

- Pension was paid at the old rate of ₹ 200 against enhanced rate of ₹ 300 per month from October 2012 to March 2013, which led to short

payment of pension to 2.02 lakh beneficiaries under IGNDPS.

(Paragraph 2.4.13.3)

National Family Benefit Scheme (NFBS)

- There were 1.95 lakh beneficiaries in the State during 2010-11 to 2014-15. Expenditure of ₹ 217.07 crore was incurred under NFBS during 2010-15. The assistance cases were sanctioned to beneficiaries without adequate scrutiny of documents such as date of birth certificate of deceased person, name in BPL list and verification report under NFBS.

(Paragraphs 2.4.14.1 and 2.4.15.1)

- The lump sum assistance was paid at the old rate of ₹ 10,000 against enhanced rate of ₹ 20,000 from January 2013 to March 2013, which led to short payment of assistance of ₹ 910.40 lakh to 9,104 beneficiaries under NFBS.

(Paragraph 2.4.15.2)

Samagra Social Security Pension Scheme (SSSPS)

- There were 8.64 lakh beneficiaries in the State as on March 2015. Expenditure of ₹ 1,106.95 crore was incurred under SSSPS during 2010-15.

(Paragraph 2.4.17.1)

- The pension cases were sanctioned under SSSPS to beneficiaries without adequate scrutiny of documents such as certificate of declaring landless and destitute, death certificate, disability certificate, name in BPL list and verification report.

(Paragraph 2.4.18.1)

2.4.1 Introduction

To provide social security to vulnerable sections of the society, particularly those living Below Poverty Line (BPL), Government of India (GOI) introduced the National Social Assistance Programme (NSAP) as a Centrally Sponsored Scheme (CSS) in August 1995. It is one of the flagship welfare programme of GOI that comprises several social welfare benefit schemes, viz. (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS), and (iv) National Family Benefit Scheme (NFBS). The eligibility criteria for these pension schemes are given in *Appendix 2.43*.

State Government has also implemented Samagra Social Security Pension Scheme (SSSPS) for the old destitute persons aged 60 years or more, the BPL widow of age between more than 18 years and 39 years, BPL deserted women of age between more than 18 years and 59 years, and school going disabled BPL children aged 6 to 18 years with disability of 40 *per cent* or more.

2.4.2 Organisational Set-up

Social Justice Department is responsible for implementation of Social Security Pension Schemes in the State. The Principal Secretary is the administrative head of Social Justice Department (Department) at State level. The

Commissioner is the head of the Department and is assisted by one Mission Director, *Samagra Samajik Surksha* Mission. The Department has seven Divisional Offices each headed by a Joint Director and 43 Deputy Director at district level.

2.4.3 Audit Objective

The broad objectives of performance audit were to assess whether:

- funds provided by the Central and State Government were adequate and optimally utilised for targeted/eligible/bonafide beneficiaries/pensioners and there was no diversion of fund;
- the system of identifying targeted beneficiaries/pensioners under each scheme was in place and was working efficiently;
- pension schemes were implemented effectively and intended benefits passed on to the targeted eligible/bonafide beneficiaries; and
- monitoring and internal control was adequate and effective.

2.4.4 Audit Criteria

Audit criteria were derived from the following sources:

- Scheme guidelines and instructions issued by GOI and State Government from time to time;
- Budget manual, Annual Action Plans of the State, Budget and Outcome Budgets of Department; and
- Annual verification reports of State and Districts levels conducted for confirmation of existing beneficiaries.

2.4.5 Audit Coverage, Scope and Methodology

The implementation of Social Security Pension Schemes for the period 2010-11 to 2014-15 was reviewed in the Performance Audit through a test check of records in 14 selected districts¹ out of 50 districts and two *Janpad Panchayats* and two urban local bodies in each sampled district. The selection of districts including two *Janpad Panchayats* and two urban local bodies one having higher number of beneficiaries and another having lower number of beneficiaries in each selected district was done as per Simple Random Sampling Without Replacement method.

The records of Commissioner, Social Justice Department at State Level, Offices of Joint Director/Deputy Director at district level, Chief Executive Officers (CEOs), *Zila Panchayat*, CEO, *Janpad Panchayat*, Commissioner, *Nagar Nigam* (NN)/Chief Municipal Officer (CMO), Urban Local Bodies (ULB) were test checked as detailed in **Appendix 2.44**.

An entry conference was held on 2nd June 2015 with the Mission Director, *Samagara Samajik Surksha* Mission, wherein the audit objectives and audit criteria were appraised to the Department. In the exit conference held on

¹ Bhopal, Chhatarpur, Chhindwara, Dindori, Jabalpur, Jhabua, Katni, Rewa, Sagar, Shahdol, Shajapur, Sheopur, Shivpuri and Ujjain.

29th October 2015, audit findings were discussed with the Mission Director on behalf of Secretary of Social Justice Department, and their replies/views have been incorporated suitably in the review.

2.4.6 Audit Evidence

The primary audit evidence was information gathered from the records of Directorate and auditee units and their replies. Besides, information were also gathered from websites of NSAP, Ministry of Rural Development (MORD), GOI and *Samagra Samajik Suraksha* Mission (Pension Portal) etc.

2.4.7 Audit Findings

CEO, *Janpad Panchayat* in rural area and Commissioner, Municipal Corporation/CMO, Municipality in urban areas were the designated officers for sanction of social security pensions. The applicant could submit its application to the designated officer. On receipt of application, CEO, *Janpad Panchayat* would obtain requisite report from *Gram Panchayat* and Commissioner/CMO of ULBs would obtain inspection report from any subordinate officer. In cases where the applications were submitted to *Gram Panchayat*, the recommendation of *Gram Panchayat* would be sent to CEO *Janpad Panchayat* for sanction. The savings account of beneficiaries in bank/post office was to be opened before issue of sanction order by the designated officer.

Social Justice Department prepares budget and allocates funds to CEO, *Zila Panchayat* for distribution of pensions. CEO, *Zila Panchayat* was responsible for payment of pension in urban areas and CEO, *Janpad Panchayat* in case of rural areas. For payment of pension to eligible beneficiaries, bills enclosing list of beneficiaries and bank account details were presented to the concerned treasury for crediting of pension amount in the Bank/Post Office account of pensioners.

National Social Assistance Programme (NSAP)

2.4.7.1 Financial Arrangement for NSAP

NSAP was implemented as the State Plan scheme since the year 2002-03 and funds were released as Additional Central Assistance to States. Accordingly, Ministry of Finance released funds to the States Consolidated Fund as single allocation for all the schemes i.e. IGNOAPS, IGNWPS, IGNDPS and NFBS and with the freedom given to States to allocate to the individual sub-schemes as per requirement. NSAP again became a Centrally Sponsored Scheme from 1st April 2014 and scheme wise funds are released from the year 2014-15 to all States.

During 2010-11 to 2014-15, GoI released ₹ 3,600.42 crore to State Government for implementation of NSAP, out of which ₹ 2,490.84 crore was incurred.

2.4.7.2 Matching share under NSAP not contributed

As per Para 2.4.1 of guidelines of NSAP, States were strongly urged to provide an additional amount at least equivalent to the assistance provided by the Central Government so that the beneficiaries could get a decent level of assistance.

Matching share under NSAP was not contributed except ₹ 75 p.m. in IGNOAPS

We noted that State Government was providing an amount of ₹ 75 p.m. as additional pension to the age group of 65 to 79 year in IGNOAPS alongwith ₹ 200 p.m. Central assistance. State Government did not make any contribution under IGNOAPS, IGNDPS and NFBS.

In the exit conference, the Mission Director stated that it was decided (2006) to give ₹ 75 per month of state share to the age group of 65 to 79 years in IGNOAPS in view of financial status of State.

2.4.7.3 Blockage of fund

As per circular (November 2012) of Finance Department, Government of Madhya Pradesh, Centralised Drawal System was adopted by Department for distribution of various pension and assistance under NSAP and SSSPS to the beneficiaries w.e.f. 01.04.2013. Under this drawal system, DDO wise budget was not allotted and treasury officer were releasing payment to beneficiaries by drawing directly from budget available at the treasury server of Budget Controlling Officer. Accordingly, CEO, Zila Panchayat and CEO, Janpad Panchayat were presenting bills for pension and the list of beneficiaries in the concerned treasury for crediting pension amount in the Bank/Post Office account of pensioners.

Prior to Centralised Drawal System, a lump sum budget for various pension schemes was provided by State to Districts. After drawal of pension amount from treasury, amount for disbursement was transferred to Janpad/ULBs on basis of estimated number of pensioners. In view of changed system of payment, the balance amount lying unspent in the bank account at Districts/Janpad Panchayats/Urban Local Bodies level was, thus, required to be refunded to State Government.

Blockage of fund of ₹ 30.24 crore was found in 14 selected district

Scrutiny of records/bank passbooks/cash books in 14 selected districts, 22 Janpad Panchayats and 24 Urban Local Bodies revealed that the balance amount of various pension schemes under NSAP and SSSPS of ₹ 30.24 crore was lying unspent in their bank account as of March to July 2015. Details are given in **Appendix 2.45**.

In the exit conference, the Mission Director replied that letters were issued from time to time to District/Janpad level for status of deposits. Further communication was being issued for this.

2.4.7.4 Furnishing of Utilisation Certificate not based on actual expenditure

As per guidelines of NSAP, first installment shall be released automatically to State Government. The proposal for release of second installment would be submitted with the UC for fund received during the current financial year in the prescribed proforma.

Scrutiny of records of 14 selected districts and all selected Janpad Panchayats/ Urban Local Bodies revealed that districts had neither obtained UCs in prescribed proforma from Janpad Panchayats/ULBs nor sent UCs to the Commissioner. However, Commissioner had submitted UC to GOI without confirming the actual expenditure of funds at field levels.

In the exit conference, the Mission Director replied that since all pension schemes were covered under Centralised Budget System, UC was sent to GOI

on the basis of information of expenditure received from Department of Treasury and Accounts. In addition to this, information of UC was also received from district level.

Reply was not acceptable, as the Centralised Budget System was started from 2013-14 and UCs prior to 2013-14 were not submitted by selected districts to the Commissioner.

2.4.7.5 *Central Plan Scheme Monitoring System (CPSMS)*

CPSMS is a web-based outline transaction system for fund management and e-payment to implementing agencies and beneficiaries. The primary objective of CPSMS was to establish an efficient fund flow system and expenditure network. It generates scheme specific MIS on utilisation of funds released from Consolidated Fund of India on real time basis. According to NSAP programme guidelines, States/UTs should use CPSMS for disbursing the funds under the schemes of NSAP.

We observed that e-payment of pension to implementing agencies and beneficiaries was started by State from 2013-14. However, fund flow system, expenditure and UCs were not entered online in MIS of GOI.

In the exit conference, the Mission Director replied that in place of CPSMS, the Centralised Budget System had been started in the State as per direction of Finance Department for payment of pension through e-payment. It was further informed that action was being taken for uploading MIS information on GOI website.

2.4.7.6 *Annual verification of beneficiaries*

As per Para 3.1 of guidelines of NSAP, States may constitute Special Verification Teams for annual verification of the existing beneficiaries. Based on the available BPL list, the beneficiaries should be proactively identified by reaching out to their households. After verification, lists of persons proposed to be confirmed or deleted should be published separately.

Scrutiny of records of selected districts revealed that annual verification of the existing beneficiaries under NSAP was not conducted by Special Verification Team.

In the exit conference, the Mission Director replied that verification of beneficiaries was conducted by CEO, *Janpad Panchayat* in rural areas and by Commissioner, Municipal Corporation, CMO, Municipality in urban areas before implementation of Samagra Pension Portal in April 2014. The *Gram Panchayat* wise/Ward wise list of all beneficiaries had been provided on the *Samagra* Pension Portal. The eligible beneficiaries were being verified on the basis of BPL List.

Reply was not acceptable, as respective Joint/Deputy Directors of the test-checked districts informed during the audit that annual verification of existing beneficiaries was not conducted.

Recommendation

Annual verification of beneficiaries may be conducted by Special Verification Team as prescribed in NSAP guidelines.

Fund flow system and expenditure were not entered in MIS of GOI

Annual verification of existing beneficiaries by Special Verification Team was not conducted

2.4.7.7 Delay in payment of pension

As per order (September 2005) issued by Commissioner, Social Justice Department, pension should be paid to the beneficiaries by 5th day of every month.

Pension of ₹ 7.74 crore to 1.49 lakh beneficiaries paid with delay of one to 16 months

Scrutiny of records revealed that during 2010-15 pension amounting to ₹ 7.74 crore pertaining to 1.49 lakh beneficiaries of NSAP/SSSPS in six districts out of 14 selected districts was paid with one to 16 months delay from due date. Details are given in **Appendix 2.46**.

In the exit conference, the Mission Director replied that whenever such information was received action for improvement was taken.

2.4.7.8 Non-payment of pension to the pensioners

Demand draft/bankers cheque towards pension amount of ₹ 1.32 crore was found lying undisbursed

Since 2013-14, pension has been paid on the basis of database of beneficiaries maintained by Pension Portal. Pensioners' details i.e. name, address, bank account details, age etc. are being uploaded and updated on Pension Portal by *Janpad Panchayat* and ULB level and documents are also kept with them.

Scrutiny of records of pension payment in seven selected districts² revealed that undisbursed pension of ₹ 1.32 crore relating to NSAP/SSSPS was returned by bank to the district offices in the form of demand draft/Banker cheques. However, the lists of such pensioners were not given by banks. Out of these undisbursed pensions, ₹ 52.12 lakh was deposited in bank account of respective disbursing authorities and ₹ 79.79 lakh was lying idle in the mode of Banker cheques/ Demand draft at District level. Due to non-credit of pension in beneficiaries' account, they were deprived from benefit of scheme from November 2013 to June 2015.



Banker cheques lying idle at Zila Panchayat, Bhopal

On being pointed out, the District Officers stated that the pension had not been credited in the pensioners' account due to wrong account number of beneficiaries/IFSC Code of Bank and returned by Bank.

In the exit conference, the Mission Director stated that action was being taken for distribution of pensions through corrective measures.

² Bhopal ₹ 47.37 lakh, Dindori ₹ 1.48 lakh, Jhabua ₹ 41.59 lakh, Katni ₹ 26.67 lakh, Shahdol ₹ 7.32 lakh, Shivpuri ₹ 6.09 lakh and Ujjain ₹ 1.39 lakh.

2.4.7.9 Management Information System (MIS) for database of the beneficiaries

Porting of data on the NSAP-MIS was not ensured

As per para 5.2 of NSAP Guidelines, Ministry of Rural Development had developed transaction/work-flow based software to put in place a fund management system. The States which had developed their own software would have to ensure porting of their information/data onto NSAP-MIS through a bridge-software. As per the functional feature of NSAP-MIS, the States were required to maintain a database of eligible beneficiaries and upload it in the public domain. The legacy database was required to be uploaded on the NSAP website. The data of new pensioners needs to be entered online. It was observed that:

- (i) MIS developed by GOI was not adopted by the State. State developed its own Pension Portal from 2013-14. However, porting of data on the Ministry's NSAP-MIS was not ensured.
- (ii) As per report generated (7th January 2015) from NSAP website, there were data gap in number of beneficiaries under IGNOAPS, IGNOAPS and IGNDPS available on NSAP-MIS and that reported to MoRD by State. The details are given in **Table-1** below:

Table-1: Data gap in number of beneficiaries under various pension schemes

Sl. No.	Name of scheme	Number of beneficiaries available on NSAP-MIS	Number of beneficiaries reported to MoRD by State	Data Gap
1.	Indira Gandhi National Old Age Pension Scheme	8,20,252	10,61,033	2,40,781
2.	Indira Gandhi National Widow Pension Scheme	1,24,846	2,30,317	1,05,471
3.	Indira Gandhi National Disability Pension Scheme	72,856	1,19,898	47,042
	Total	10,17,954	14,11,248	3,93,294

(Source: Data collected from NSAP website)

In the exit conference, the Mission Director stated that bridge software was not developed at State level. However, details of about 18.00 lakh beneficiaries under NSAP had been uploaded on the MIS portal of GoI as of January 2015. It was further added that the uploading of data was a continuous process. With reference to data gap, it was stated that data were sent to GOI by Department through Monthly Progress Report-1.

The fact remains that Department could not ensure porting of data onto NSAP-MIS through a bridge software, which resulted in data gap in MIS.

Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

IGNOAPS were implemented in Madhya Pradesh in August 1995. BPL beneficiaries (male or female) of 60 years or more are eligible for IGNOAPS. The Central assistance under IGNOAPS was to be paid at the rate of ₹ 200 per month per beneficiary. The rate of assistance was increased from ₹ 200 to ₹ 500 p.m. for beneficiaries of 80 years or above w.e.f. 01.04.2011. As per revised criteria of November 2012, BPL widows aged 60-79 years and BPL disabled aged 60-79 years were excluded from IGNOAPS and benefits to them were given under other pension schemes. There were 14.37 lakh beneficiaries in the State under IGNOAPS as on March 2015.

Beneficiaries aged more than 65 years are also benefited with an additional amount of ₹ 75 per month from State share w.e.f. June 1996. However, age criteria for additional benefit was revised in April 2013 and beneficiaries aged 65-79 years are now benefited of ₹ 75 per month from State share.

2.4.8 Financial Management

2.4.8.1 Budget Provision and Expenditure

The year wise budget allotment and expenditure of IGNOAPS of the State from 2010-11 to 2014-15 is given in the **Table-2**:

Table-2: Budget and expenditure of IGNOAPS from 2010-11 to 2014-15

Year	Original Budget	Supplementary Budget	Re-appropriation / Surrender	Total budget	Total Expenditure	Saving (-)/ Excess (+) w.r.t. original budget
2010-11	336.45	0.00	-67.59	268.86	269.90	-66.55
2011-12	313.99	0.00	-5.62	308.37	303.36	-10.63
2012-13	380.95	57.87	-1.38	437.44	429.74	48.79
2013-14	433.20	7.97	-113.19	327.98	327.02	-106.18
2014-15	452.33	0.00	-79.14	373.19	364.41	-87.92
Total	1,916.92	65.84	-266.92	1,715.84	1,694.43	-222.49

(Data Source: Detailed Appropriation Account)

As evident from **Table-2**, State Government could utilise ₹ 1,694.43 crore on the IGNOAPS out of ₹ 1,916.92 crore of budget provision. The saving of ₹ 222.49 crore was indicative of implementation weakness due to which budget provisions could not be fully utilised for intended purpose.

2.4.8.2 Utilisation of GOI funds to provide state share under IGNOAPS

The pension under IGNOAPS beneficiaries was ₹ 275 per month for persons between 65-79 years. Amount of ₹ 200 per month was to be given from Central share and an additional amount of ₹ 75 per month from State share.

Scrutiny of records in six districts³ out of 14 selected districts revealed that the State share of ₹ 1.65 crore was distributed between October 2013 and February 2015 to 2.20 lakh IGNOAPS beneficiaries from GoI funds.

In the exit conference, the Mission Director replied that revised Utilisation Certificate (UC) would be sent to GoI after adjustment of amount. It was further added that the system for separate drawal of ₹ 200 p.m. from Central share and ₹ 75 p.m. from State share under IGNOAPS was made since October 2015 on Pension Portal.

2.4.8.3 Diversion of fund

As per Para 4.4 (g) of guidelines of NSAP, the release of second instalment of the concerned year to the State Government would be subject to the condition

GOI fund of ₹ 1.65 crore was utilized to provide state share under IGNOAPS

³ Bhopal ₹ 66.23 lakh for 0.88 lakh beneficiaries, Dindori ₹ 6.92 lakh for 0.09 lakh beneficiaries, Jhabua ₹ 15.27 lakh for 0.21 lakh beneficiaries, Katni ₹ 33.95 lakh for 0.45 lakh beneficiaries, Shahdol ₹ 18.30 lakh for 0.24 lakh beneficiaries and Ujjain ₹ 24.19 lakh for 0.33 lakh beneficiaries

that the State Government has furnished a certificate stating that no diversion of funds was made.

Diversion of GOI fund provided under IGNOAPS of ₹ 4.96 crore was made in SSSPS

Scrutiny of records revealed that ₹ 4.96 crore⁴ of GOI fund provided under IGNOAPS was utilised in SSSPS during 2011-12 to 2013-14 in four districts out of 14 selected districts.

In the exit conference, the Mission Director replied that remedial action would be taken as per rules.

2.4.9 Programme Implementation

2.4.9.1 Deficient scrutiny of applicant's eligibility under IGNOAPS

Out of 5,338 test checked cases of pension sanctions, 315 applications did not have requisite documents under IGNOAPS

Benefits for IGNOAPS are to be provided as per eligibility criteria given in guidelines. However, during scrutiny of 5,338 sanctioned cases of pensions under IGNOAPS at selected *Janpad Panchayats* and ULBs of 14 selected districts, 315 applications were found deficient as required documents (such as date of birth certificate, name in BPL list, verification report) were not appended with their applications. Thus, pension cases were sanctioned to beneficiaries without adequate scrutiny of documents by verification officers, as required under NSAP guidelines. Details are given in **Appendix 2.47**.

In the exit conference, the Mission Director replied, if any discrepancies had been found at *Janpad/ULB* level in any district, responsibility would be fixed and action would be taken.

Recommendation

Department may ensure strict compliance with IGNOAPS guidelines in sanctioning pensions to bonafide beneficiaries.

2.4.9.2 Eligible beneficiaries for IGNOAPS not getting pension

A door-to-door survey was conducted in November 2014 for providing benefits of pension to all eligible beneficiaries. This survey was conducted by Gram Panchayat Secretary and Ward in-charge, in which existing beneficiaries were verified and new beneficiaries were added. The lists of eligible beneficiaries under various pension schemes were uploaded on the Samagra Portal by ULBs/Janpad Panchayats.

As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 16.16 lakh persons in the State, who were eligible for IGNOAPS, but were not getting benefits of scheme. Considering the fact that there were 14.37 lakh IGNOAPS beneficiaries in the State as on March 2015, a large proportion of eligible population (53 *per cent*) was remained to be covered under the scheme even after 20 years of scheme implementation in the State.

In the exit conference, the Mission Director replied that the details of persons, who were *prima facie* (probably) eligible for pension under social security scheme, were provided on the pension portal. The instructions had been issued

⁴ Dy. Director, Social Justice, Shivpuri – ₹ 100.00 lakh, Commissioner, Nagar Nigam, Ujjain- ₹ 134.30 lakh, CEO, ZP, Dindori- ₹ 18.40 lakh, CEO, ZP, Bhopal – ₹ 240.00 lakh, CEO, Janpad Panchayat, Fanda (Bhopal) – ₹ 0.72 lakh and CEO, Janpad Panchayat, Berasiya (Bhopal) ₹ 2.50 lakh

for sanction of pension to these persons after physical verification and scrutiny of their documents.

Recommendation

Department may ensure that the left out eligible population are covered under the pension scheme in a time bound manner. Department may also evolve a mechanism for periodic updation of eligible beneficiaries list, besides ensuring adequate awareness generation among eligible population.

2.4.9.3 Migration from existing IGNOAPS beneficiaries in the age group of 60-79 to IGWPS and IGNDPS

As per order issued by GOI (November 2012), eligibility criteria for IGNOAPS, IGWPS and IGNDPS was revised for beneficiaries. As per revised criteria, BPL persons of age 60-79 years (excluding BPL widows and BPL persons with severe and multiple disabilities) are given benefit of ₹ 200 per month per beneficiary under IGNOAPS. The rate of pension under IGWPS was enhanced from ₹ 200 to ₹ 300 per month per beneficiary and the age of beneficiary revised from 40-59 years to 40-79 years. Similarly, the rate of pension under IGNDPS was enhanced from ₹ 200 to ₹ 300 per month per beneficiary and age revised from 18-59 years to 18-79 years.

In the view of revised criteria, all the States were requested to identify widows and disabled persons satisfying the revised eligibility criteria under IGWPS and IGNDPS from existing IGNOAPS beneficiaries in the age group of 60-79 years and migrate them to respective pension schemes. The revised norms were to be implemented with effect from 1st October 2012.

We observed that the migration of widows and disabled persons satisfying the above revised eligibility criteria was not done in selected districts for the period November 2012-March 2015. Thus, the eligible pensioners of IGWPS and IGNDPS were deprived of the benefits of higher pension (₹ 300 pm) with respect to IGNOAPS pension (₹ 200 pm).

In the exit conference, the Mission Director stated that widows and disabled persons, satisfying the revised eligibility criteria under IGWPS and IGNDPS, from existing IGNOAPS beneficiaries in the age group of 60-79 years were migrated from 1st April 2015 to respective pension schemes.

Reply was not acceptable, because the revised norms were to be implemented since October 2012.

Indira Gandhi National Widow Pension Scheme (IGWPS)

IGWPS was implemented in Madhya Pradesh in April 2009. Under IGWPS, BPL widow beneficiary in the age group of 40-59 years was eligible for central assistance of ₹ 200 per month w.e.f. April 2009. The rate of pension under IGWPS was enhanced from ₹ 200 to ₹ 300 per month and the eligibility age of beneficiary was revised from 40-59 years to 40-79 years w.e.f. 1st October 2012. There were 4.81 lakh beneficiaries in the State under IGWPS as on March 2015.

2.4.10 Financial Management

2.4.10.1 Budget Provision and Expenditure

The year wise budget allotment and expenditure of IGNWPS of the State from 2010-11 to 2014-15 is given in the **Table 3** below:

Table-3: Budget and expenditure of IGNWPS from 2010-11 to 2014-15

Year	Original Budget	Supplementary Budget	Re-appropriation/ Surrender	Total budget	Total expenditure	Saving (-)/ Excess (+) w.r.t. original budget
2010-11	40.79	2.49	-2.51	40.77	39.84	-0.95
2011-12	45.20	0.00	-2.32	42.88	45.06	-0.14
2012-13	36.00	36.00	-3.17	68.83	72.41	36.41
2013-14	129.60	4.00	-20.41	113.19	113.28	-16.32
2014-15	134.29	0.00	-11.20	123.09	120.99	-13.30
Total	385.88	42.49	-39.61	388.76	391.58	5.70

(Data Source: Detailed Appropriation Account)

2.4.10.2 Diversion of Fund

As per Para 4.4 (g) of guidelines of NSAP, the release of second instalment of the concerned year to the State Government would be subject to the condition that the State Government has furnished a certificate stating that no diversion of funds was made.

Scrutiny of records of *Nagar Nigam*, Ujjain revealed that ₹ 90.40 lakh of GOI fund provided under IGNWPS was utilised in SSSPS during 2013-14 and 2014-15.

In the exit conference, the Mission Director replied that remedial action would be taken as per rules.

2.4.11 Programme Implementation

2.4.11.1 Deficient scrutiny of applicant's eligibility under IGNWPS

Benefits for IGNWPS are to be provided as per eligibility criteria in the respective guidelines. However, during scrutiny of 3,280 applications at selected *Janpad Panchayats* and ULBs of 14 selected districts, 390 beneficiaries under IGNWPS were found deficient as required documents (such as death certificate of husband, date of birth certificate, BPL list, verification report) had not been appended with their applications. Thus, pension cases were sanctioned to beneficiaries without adequate scrutiny of documents required under NSAP guidelines. Details are given in *Appendix 2.47*.

In the exit conference, the Mission Director replied, if any discrepancies had been found at *Janpad/ULB* level in any district, responsibility would be fixed and action would be taken.

Recommendation

Department may ensure strict compliance with IGNWPS guidelines in sanctioning pensions to bonafide beneficiaries.

2.4.11.2 As per para 3.1.3 of NSAP guidelines, in the case of widows, the State may designate a Revenue Authority to issue the certificate. State may

GOI fund of ₹ 90.40 lakh provided under IGNWPS was utilized in SSSPS

Out of 3,280 test checked cases of pension sanctions under IGNWPS, scrutiny of 390 applications were found deficient

also ensure that authorities issuing death certificate for married males, must ensure that name of the surviving wife (widow) was mentioned in the death certificate. It was further mentioned that deserving women were unable to submit their claim for IGNWPS, because death certificate of their husband does not have their name to provide their eligibility.

We observed that State had not designated an authority issuing death certificate in case of a married male to ensure that name of the surviving wife (widow) was mentioned in the death certificate.

In the exit conference, the Mission Director stated that death certificate was issued in proforma prescribed by Registrar, Birth and Death of GOI. The provision given in guidelines was not as per above order.

Reply was not acceptable, as the prescribed proforma for death certificate (as available on the website of Registrar General of India) has a provision to mention the name of husband/wife of deceased.

2.4.11.3 Eligible beneficiaries for IGNWPS not getting pension

As discussed in Para 2.4.9.2 *ante*, the report downloaded (18th March 2015) from the Samagra Pension Portal, there were 1.70 lakh persons in the State, who were eligible for IGNWPS, but were not getting benefits of scheme. Considering the fact that there were 4.81 lakh IGNWPS beneficiaries in the State as on March 2015, the left out population constituted 26 percent of total eligible persons under the scheme.

In the exit conference, the Mission Director replied that the details of persons, who were *prima facie* (probably) eligible for pension under social security scheme, were provided on the pension portal. The instructions had been issued for sanction of pension to these persons after physical verification and scrutiny of their documents.

Recommendation

Department may ensure that the left out eligible population are covered under the pension scheme in a time bound manner. Department may also evolve a mechanism for periodic updation of eligible beneficiaries list, besides ensuring adequate awareness generation among eligible population.

2.4.11.4 Short payment of pension to the beneficiaries

As per circular issued by GOI (November, 2012), rate of pension was increased from ₹ 200 to ₹ 300 per month under the ongoing IGNWPS w.e.f. 01.10.2012, whereas, aforesaid rate of pension was enhanced by State w.e.f. 1st April 2013.

We observed that the payment of pension was made to beneficiaries at old rates during October 2012 to March 2013, which resulted in short payment of ₹ 4.88 crore to 4.88 lakh beneficiaries under IGNWPS. Details are shown in *Appendix 2.48*.

In the exit conference, the Mission Director replied that rate of assistance under NSAP was enhanced by GOI in middle of the year. Due to limited budget provision in year 2012-13, benefit of enhanced rate was given from April 2013.

Short payment of ₹ 4.88 crore to beneficiaries under IGNWPS was made

Reply was not acceptable, because state government was required to make supplementary budget provision for payment of enhanced rate of assistance from October 2012.

Indira Gandhi National Disability Pension Scheme (IGNDPS)

IGNDPS was implemented in Madhya Pradesh in April 2009. The Central assistance to BPL persons with severe or multiple disability in the age group of 18-59 years was to be paid @ ₹ 200 per month per beneficiary under IGNDPS w.e.f. April 2009. The disability should be 80 *per cent* or above. The rate of pension under IGNDPS was enhanced from ₹ 200 to ₹ 300 per month and age was also revised from 18-59 years to 18-79 years w.e.f. 1st October 2012. There were 0.98 lakh beneficiaries in the State under IGNDPS as on March 2015.

2.4.12 Financial Management

2.4.12.1 Budget Provision and Expenditure

The year wise budget allotment and expenditure of IGNDPS of the State from 2010-11 to 2014-15 is given in the **Table-4** below:

Table-4: Budget and expenditure of IGNDPS from 2010-11 to 2014-15

Year	Original Budget	Supplementary Budget	Re-appropriation/ Surrender	Total budget	Total Expenditure	(₹ in crore)
						Saving (-)/ Excess (+) w.r.t. original budget
2010-11	32.25	4.30	-5.46	31.09	31.14	-1.11
2011-12	28.92	0.00	-1.25	27.67	33.46	4.54
2012-13	26.00	20.00	-2.34	43.66	42.90	16.90
2013-14	55.80	0.00	-23.50	32.30	33.60	-22.20
2014-15	57.68	0.00	-26.42	31.26	35.18	-22.50
Total	200.65	24.30	-58.97	165.98	176.28	-24.37

(Data Source: Detailed Appropriation Account)

As evident from **Table-4**, State Government could utilise ₹ 176.28 crore on the IGNDPS out of ₹ 200.65 crore of budget provision. The saving of ₹ 24.37 crore was indicative of implementation weakness due to which budget provisions could not be fully utilised for intended purpose.

2.4.12.2 Diversion of fund

As per Para 4.4 (g) of guidelines of NSAP, the release of second instalment of the concerned year to the State Government would be subject to the condition that the State Government has furnished a certificate stating that no diversion of funds was made.

Scrutiny of records of *Nagar Nigam*, Ujjain revealed that ₹ 62.72 lakh of GOI fund provided under IGNDPS was utilised in SSSPS during 2011-12 to 2013-14.

In the exit conference, the Mission Director replied that remedial action would be taken as per rules.

Diversion of GOI fund of ₹ 62.72 lakh made from IGNDPS to SSSPS

2.4.13 Programme Implementation

2.4.13.1 Deficient scrutiny of applicant's eligibility under IGNDPS

Benefits for NSAP are to be provided as per eligibility criteria in the guidelines. However, during scrutiny of 1,239 sanction cases of IGNDPS at selected *Janpad Panchayats* and ULBs of 14 selected districts, 361 applications were found deficient as required documents (such as disability certificate, date of birth certificate, BPL list and verification report) had not been appended with their applications. Thus, scrutiny of pension cases were deficient, as detailed in *Appendix 2.47*.

In the exit conference, the Mission Director replied, if discrepancies found at *Janpad/ULB* level in any district, responsibility would be fixed and action would be taken.

Recommendation

Department may ensure strict compliance with IGNDPS guidelines in sanctioning pensions to bonafide beneficiaries.

2.4.13.2 Eligible beneficiaries for IGNDPS not getting pension

As discussed in Para 2.4.9.2 *ante*, the report downloaded (18th March 2015) from the Samagra Pension Portal, there were 12,159 persons in the State, who were eligible for IGNDPS, but were not getting benefits of scheme.

In the exit conference, the Mission Director replied that the details of persons, who were *prima facie* (probably) eligible for pension under social security scheme, were provided on the pension portal. The instructions had been issued for sanction of pension to these persons after physical verification and scrutiny of their documents.

Recommendation

Department may ensure that the left out eligible population are covered under the pension scheme in a time bound manner. Department may also evolve a mechanism for periodic updation of eligible beneficiaries list, besides ensuring adequate awareness generation among eligible population.

2.4.13.3 Short payment of pension to the beneficiaries

As per circular issued by GOI (November, 2012), rate of pension was increased from ₹ 200 to ₹ 300 per month under the ongoing IGNDPS w.e.f. 01.10.2012. However, the aforesaid rate of pension was enhanced by State w.e.f. 1st April 2013.

We observed that the payment of pension was made to beneficiaries at old rates during October 2012 to March 2013, which resulted in short payment of ₹ 2.02 crore for 2.02 lakh beneficiaries under IGNDPS, as detailed in *Appendix 2.48*.

In the exit conference, the Mission Director replied that rate of assistance under NSAP was enhanced by GOI in middle of the year. Due to limited budget provision in year 2012-13, benefit of enhanced rate was given from April 2013.

Short payment of
₹ 2.02 crore under
IGNDPS was made

Reply was not acceptable, because provision would have been made in supplementary budget for payment of enhanced rate of assistance from October 2012.

National Family Benefit Scheme (NFBS)

NFBS was implemented in Madhya Pradesh in August 1995. Under the scheme, the lump sum Central assistance of ₹ 10,000 under NFBS was to be given to BPL households on the death of the primary breadwinner (male or female) in the age group of 18-64 year in the bereaved family. The benefit was to be paid to such surviving members of the household of the deceased who, after due local inquiry, was determined to be the head of the house-hold. The eligibility age was revised from 18-64 years to 18-59 years and the lump sum assistant was also increased from ₹ 10,000 to ₹ 20,000 w.e.f. 18.10.2012. During 2010-11 to 2014-15, 1.95 lakh persons were benefited under NFBS.

2.4.14 Financial Management

2.4.14.1 Budget Provision and Expenditure

The year wise budget allotment and expenditure of NFBS of the State from 2010-11 to 2014-15 is given in the **Table-5** below:

Table-5: Budget and expenditure of NFBS from 2010-11 to 2014-15

Year	Original Budget	Supple-mentary Budget	Re-appropriation/ Surrender	Total budget	Total expenditure	Saving (-)/ Excess (+) w.r.t. original budget
2010-11	57.25	2.00	-8.61	50.63	55.12	-2.13
2011-12	51.24	0.00	-1.98	49.26	49.39	-1.85
2012-13	40.00	9.00	-0.48	48.52	48.80	8.80
2013-14	96.27	0.82	-73.35	23.74	24.59	-71.68
2014-15	100.23	0.00	-61.33	38.90	39.17	-61.06
Total	344.99	11.82	-145.76	211.05	217.07	-127.92

(Data Source: Detailed Appropriation Account)

As evident from **Table-5**, the expenditure of ₹ 217.07 crore was incurred under NFBS out of ₹ 344.99 crore of original budget provision during 2010-15. This was indicative of poor budget formation.

2.4.15 Programme Implementation

2.4.15.1 Deficient scrutiny of applicant's eligibility under NFBS

Benefits for NFBS are to be provided as per eligibility criteria in the guidelines. However, during scrutiny of 249 sanctioned applications of NFBS at selected *Janpad Panchayats* and ULBs of 14 selected districts, 108 applications were found deficient as required documents (date of birth certificate of deceased person, BPL list and verification report) had not been appended with their applications and some deceased persons was also found overage. Thus, adequate scrutiny to determine eligibility under NFBS was not made by sanctioning authorities, as detailed in **Appendix 2.47**.

In the exit conference, the Mission Director replied, if discrepancies found at *Janpad/ULB* level in any district, responsibility would be fixed and action would be taken.

Recommendation

Department may ensure strict compliance with NFBS guidelines in sanctioning assistance to bonafide beneficiaries.

2.4.15.2 Short payment of benefit to the beneficiaries under NFBS

As per circular issued by GOI (November, 2012), rate of assistance under NFBS was increased from ₹ 10,000 to ₹ 20,000 under NFBS w.e.f. 18.10.2012. However, the aforesaid assistance was enhanced by State w.e.f. 1st April 2013.

Short payment of ₹ 9.10 crore under NFBS was made

We observed that the payment of assistance was made to beneficiaries at old rates during January 2013 to March 2013 (*Appendix 2.48*), which resulted in short payment of ₹ 9.10 crore for 9,104 beneficiaries of NFBS.

In the exit conference, the Mission Director replied that rate of assistance under NSAP was enhanced by GOI in middle of the year. Due to limited budget provision in year 2012-13, benefit of enhanced rate was given from April 2013.

Reply was not acceptable, because provision would have been made in supplementary budget for payment of enhanced rate of assistance from October 2012.

2.4.16 Monitoring and Evaluation of implementation of NSAP

2.4.16.1 State Level Committee

State Committee were not constituted for monitoring and supervision of NSAP

As per Para 6.1.2 of guidelines of NSAP, the State level Committee, headed by the Chief Secretary or Additional Chief Secretary nominated by Chief Secretary, would be responsible for implementation, monitoring and evaluation of the programme and matters concerned therewith. State Committees should meet at least twice a year. However, no such committee was constituted and supervision and monitoring was not conducted at State level.

In the exit conference, the Mission Director replied that action for constitution of State Level Committee was being taken.

2.4.16.2 District Level Committee

District Committee was not constituted

As per Para 6.1.3 of guidelines of NSAP, the District level Committee may be constituted for implementation, monitoring and evaluating the programme within the district to avoid fraudulent cases, wrong selection of beneficiaries etc. The committee should meet regularly. They should submit their reports to the State Nodal Department, on a monthly basis.

We noticed that District Level Committee had not been constituted in test-checked districts. Thus, proper supervision and monitoring for implementation of NSAP could not be ensured at district level.

In the exit conference, the Mission Director replied that action for constitution of District Level Committee was being taken as per guidelines.

Recommendation

State/District Level Committee should be constituted for monitoring and supervision of the NSAP and meet at regular interval.

2.4.16.3 Social Audit

Social Audit was not conducted by the Gram Sabha/Ward Committee

As per Para 6.10 of guidelines of NSAP, 'Social Audit' was essential in the implementation and monitoring of the schemes under NSAP. Social Audit not only leads to the refinement of the schemes but also enhances transparency and accountability, besides redressing grievances of the beneficiaries. Social Audit under NSAP should be held by the *Gram Sabha/Ward Committee* at least once in every six months. The minutes of Social Audit held would be recorded by an officer authorised, signed by all the participants and sent to the District Officer.

It was noticed that Social Audit of NSAP had not been conducted by the *Gram Sabha/Ward Committee* in test checked districts during 2010-11 to 2014-15. Thus, the purpose of enhancing transparency, accountability and redressal of grievances of beneficiaries through the mechanism of social audit could not be attained.

In the exit conference, the Mission Director replied that letter had been written in July 2015 to all collectors for social audit as per NSAP guidelines.

Recommendation

Department may ensure social audit of pension schemes as per NSAP norms.

Samagra Social Security Pension Scheme (SSSPS)

State Government has implemented SSSPS w.e.f. 1981 for persons residing in State. Under the scheme, old destitute persons aged 60 years or more, the BPL widow of age between more than 18 years and 39 years, BPL deserted women of age between more than 18 years and 59 years, and school going disabled BPL children aged 6 to 18 years with disability of 40 *per cent* or more are eligible to get benefit under SSSPS. The beneficiaries are paid ₹ 150 per month.

As per SSSPS guidelines, destitute persons are defined as persons who have no support and lost the capacity for livelihood, or not having land or sufficient income for subsistence, or for rural areas destitute persons should be landless⁵ and helpless.

The CEO, *Janpad Panchayat* in rural areas and Commissioner, Municipal Corporation/CMO, Municipality in urban areas are authorised for sanction of pension cases under various criteria of SSSPS scheme. There were 8.64 lakh beneficiaries under SSSPS as of March 2015.

2.4.17 Financial Management

2.4.17.1 Budget Provision and Expenditure

The year wise budget allotment and expenditure of SSSPS of the State from 2010-11 to 2014-15 is given in the **Table-6**:

⁵ Landless means the person who has less than one hectare unirrigated land or half hectare irrigated land.

Table-6: Budget and expenditure of SSSPS from 2010-11 to 2014-15

(₹ in crore)

Year	Original Budget	Supplementary Budget	Re-appropriation / Surrender	Total budget	Total Expenditure	Saving (-)/ Excess (+) w.r.t. original budget
2010-11	310.00	43.45	-82.96	270.49	269.32	-40.68
2011-12	281.22	0.00	-22.99	258.23	253.84	-27.38
2012-13	304.38	0.00	-19.76	284.62	294.40	-9.98
2013-14	341.63	0.00	-184.20	157.43	154.68	-186.95
2014-15	310.45	0.00	-182.96	127.49	134.71	-175.74
Total	1,547.68	43.45	-492.87	1,098.26	1,106.95	-440.73

(Data Source: Detailed Appropriation Account)

As evident from **Table-6**, there was saving of ₹ 440.73 crore during five years 2010-15, which was 28.48 per cent of original budget of ₹ 1,547.68 crore. This was indicative of implementation weakness due to which budget provisions could not be disbursed to intended purpose.

2.4.18 Programme Implementation

2.4.18.1 Deficient scrutiny of applicant's eligibility under SSSPS

Benefits for SSSPS are to be provided as per eligibility criteria in the guidelines. However, during scrutiny of applications of SSSPS at selected *Janpad Panchayats* and ULBs of 14 selected districts, 2,152 applications out of 32,984 test-checked cases were found deficient as required documents (certificate for declaring landless and destitute, death certificate, disability certificate and school going certificate, BPL list and verification report) had not been appended with their applications. Thus, adequate scrutiny for sanctioning pension under SSSPS was not done by sanctioning authorities, as detailed in *Appendix 2.47*.

In the exit conference, the Mission Director replied, if discrepancies found at *Janpad/ULB* level in any district, responsibility would be fixed and action would be taken.

Recommendation

Department may ensure strict compliance with SSSPS guidelines in sanctioning pensions to bonafide beneficiaries.

2.4.19 Internal Control Mechanism

2.4.19.1 Departmental Inspection and Internal Audit

Periodical inspections by departmental officers are an important and effective tool to ensure proper functioning of the department according to laid down procedures. SSSPS guidelines prescribe periodic inspection by division/district level officers, besides annual internal audit by departmental internal audit team.

There was no internal audit wing in Department. In 14 selected districts, neither rosters for inspection were prepared nor conducted during 2010-15.

In the exit conference, the Mission Director replied that roster for inspection was prepared every year and oral instruction was issued for disposal of the discrepancies found during inspection.

Reply was not acceptable, as district level officers have accepted non-conducting of inspection during 2010-11 to 2014-15.

Out of 32,984 test checked cases of pension sanctions under SSSPS, scrutiny of 2,152 applications were found deficient

2.4.20 Conclusion and Recommendations

- State Government did not contribute matching share under NSAP, except ₹ 75 in the age group of 65-79 years under IGNOAPS against ₹ 200 per month. Unspent amount of ₹ 30.24 crore of various pension schemes were lying in the bank accounts at District/*Janpad Panchayat*/ULB levels.

- Annual verification of the existing beneficiaries under NSAP by Special Verification Team was not conducted. The pension cases were sanctioned to beneficiaries without adequate scrutiny of documents.

Annual verification of beneficiaries may be conducted by Special Verification Team as prescribed in NSAP guidelines. Department may ensure strict compliance with NSAP guidelines in sanctioning pensions to bonafide beneficiaries.

- Pension under NSAP/SSSPS was paid with delay of one to 16 months from due date. Further, ₹ 1.32 crore of pensions under NSAP/SSSPS remained undisbursed due to incorrect bank details uploaded on pension portal by *Janpad Panchayat* and ULBs.

- As per report downloaded (18th March 2015) from the Samagra Pension Portal, there were 16.16 lakh persons under IGNOAPS, 1.70 lakh persons under IGWPS and 0.12 lakh persons under IGNDPS in the State, who were eligible for respective pension schemes, but were not getting benefits of scheme. Thus, a large proportion of eligible population was remained to be covered under the scheme.

Department may ensure that the left out eligible population are covered under the pension scheme in a time bound manner. Department may also evolve a mechanism for periodic updation of eligible beneficiaries list, besides ensuring adequate awareness generation among eligible population.

- Due to delay in implementation of enhanced rate of pensions, there was short payment to pensioners under IGWPS, IGNDPS and NFBS between October 2012 and March 2013.

- State/District Level Committee was not constituted for monitoring and supervision of schemes.

State/District Level Committee should be constituted for monitoring and supervision of the pension schemes and meets in regular interval.

- Social Audit of NSAP scheme was not conducted during 2010-15. Thus, the purpose of enhancing transparency, accountability and redressal of grievances of beneficiaries through the mechanism of social audit could not be attained.

Department may ensure social audit of pension schemes as per norms.

- The pension cases were sanctioned to beneficiaries without adequate scrutiny of documents as prescribed in the SSSPS guidelines. There was no internal audit wing in Department. In selected districts, neither roster for inspection were prepared nor conducted during 2010-15.

Department may ensure strict compliance with SSSPS guidelines in sanctioning pensions to bonafide beneficiaries.

Higher Education Department

2.5 Financial Management in Universities and Affiliation to Private Colleges

Executive Summary

The right of conferring or granting degrees is exercised by a university established or incorporated by or under a Central Act, a Provincial Act or State Act. The universities impart education through different faculties offering undergraduate, post graduate, diploma and certificate courses etc. The resources of the universities consist of receipts from its own resources, maintenance grants from state government, grants from University Grants Commission (UGC) and other funding agencies.

A Performance Audit conducted on 'Financial Management in Universities and Affiliation to Private Colleges' covering the period 2010-11 to 2014-15 revealed the following:

Jiwaji Vishwavidyalaya, Gwalior

- Forms of maintenance of Annual Accounts were not prescribed. The Annual Accounts of university were prepared on cash basis, which did not include outstanding expenses, advances, pre-paid expenses and receivable income. Thus, the Annual Accounts of university did not reflect true and fair view of its financial status.

(Paragraph 2.5.6.1)

- University did not prescribe any time schedule for preparation of annual budget and Annual Accounts. Annual Accounts were not sent to Government as required under section 48 of MP *Vishwavidyalaya Adhiniyam* 1973.

(Paragraphs 2.5.6.1 and 2.5.6.1 (i))

- We noticed that the university could not utilise grants of ₹ 4.13 crore, out of ₹ 13.17 crore received from UGC and other funding agencies. The utilisation certificates of utilised grants of 12th five year plan were not sent to UGC.

(Paragraph 2.5.6.2 (ii))

- The reconciliation of cash books and bank statements was not being done, which resulted in unreconciled difference of ₹ 4.80 crore.

(Paragraph 2.5.6.3)

- As required under the Self Finance Courses (SFCs) Regulations, 20 per cent income of SFCs was to be credited into university account. We noticed that out of ₹ 8.08 crore dues against SFCs, ₹ 3.82 crore was not received in university account during 2010-15.

(Paragraph 2.5.6.4)

- As per provision of UGC (Affiliation of Colleges by Universities) Regulations, 2009 amended in 2012, the prescribed norms in respect of faculty, laboratory, library facilities, civic facilities etc. are to be fulfilled by the colleges before granting temporary affiliation. We noticed that conditional affiliation was granted to private colleges repeatedly in subsequent years without ensuring removal of deficiencies in infrastructure.

Affiliation fees amounting ₹ 1.19 crore was outstanding against 74 government/non-government colleges.

(Paragraphs 2.5.6.5 (i) and 2.5.6.5 (ii))

Devi Ahilya Vishwavidyalaya, Indore

- Forms of maintenance of Annual Accounts were not prescribed. The Annual Accounts of university were prepared on cash basis, which did not include outstanding expenses, advances, pre-paid expenses and receivable income. Thus, the Annual Accounts of university did not reflect true and fair view of its financial status.

(Paragraph 2.5.7.1)

- Advances of ₹ 7.06 crore paid to different educational institutions for examination purposes remained unadjusted for a period up to 27 years. Further, periodic review of outstanding advances not conducted.

(Paragraph 2.5.7.2 (i))

- Out of available fund ₹ 8.79 crore received from UGC and other funding agencies during 2008-15, the university utilised ₹ 4.06 crore. Due to non-utilisation of funds in time and unspent amount, subsequent grants were not released.

(Paragraph 2.5.7.2 (ii))

- We noticed that out of ₹ 39.53 crore dues against 20 per cent income of SFCs, ₹ 14.79 crore was not received in university account during 2010-14.

(Paragraph 2.5.7.4)

- Conditional affiliation was granted to private colleges repeatedly in subsequent years without ensuring the fulfillment of earlier deficiencies. Annual affiliation fees of ₹ 5.48 crore was not received from 212 affiliated government/non-government colleges.

(Paragraphs 2.5.7.5(i) and 2.5.7.5(ii))

Barkatullah Vishwavidyalaya, Bhopal

- Forms of maintenance of Annual Accounts were not prescribed. The Annual Accounts of university were prepared on cash basis, which did not include outstanding expenses, advances, pre-paid expenses and receivable income. Thus, the Annual Accounts of university did not reflect true and fair view of its financial status.

(Paragraph 2.5.8.1)

- Advances of ₹ 2.39 crore were lying outstanding due to non-adjustment. The periodic review of outstanding advances was not conducted.

(Paragraph 2.5.8.2 (i))

- The funds provided under 12th five year plan could not be utilised due to late finalisation (August 2014) of allotment of item-wise expenditure. Further, excess expenditure of ₹ 5.41 crore against UGC grant was not recouped due to non-submission of UCs in time.

(Paragraph 2.5.8.2 (ii))

- ₹ 2.94 crore towards university share of SFCs was not transferred to university account during 2010-15, as required under SFC Regulations.

(Paragraph 2.5.8.4)

- Conditional affiliation was granted to private institutions repeatedly in subsequent years without ensuring the fulfillment of earlier conditions. Further, affiliation fees amounting ₹ 63.53 lakh was outstanding.

(Paragraphs 2.5.8.5(i) and 2.5.8.5(ii))

Rani Durgawati Vishwavidyalaya, Jabalpur

- Forms of maintenance of Annual Accounts were not prescribed. The Annual Accounts of university were prepared on cash basis, which did not include outstanding expenses, advances, pre-paid expenses and receivable income. Thus, the Annual Accounts of university did not reflect true and fair view of its financial status.

(Paragraph 2.5.9.1)

- The university invested ₹ 3.35 crore in Fixed Deposit Receipts (FDRs)/Term Deposit Receipts (TDRs) during 2013-14 out of grants received from UGC/other funding agencies.

(Paragraph 2.5.9.1 (ii))

- As on March 2015, advances amounting to ₹ 3.21 crore given to the university staff for specific purposes and to different institutions remained unadjusted from 1999-2000 onwards. The periodic review of advances was not conducted.

(Paragraph 2.5.9.2 (i))

- Reconciliation of cash books with bank statements was not being done. There was difference of ₹ 124.37 crore between the balances of cash books and bank statements of nine accounts as on March 2015.

(Paragraph 2.5.9.3)

2.5.1 Introduction

The right of conferring or granting degrees is exercised by a university established or incorporated by or under a Central Act, a Provincial Act or State Act. In order to achieve the object of advancing and disseminating education and knowledge in the state through diverse means including distance education system, a university performs the following functions:

- (a) provide for instructions in such branches as it may determine,
- (b) make provision for research and for advancement and extension of knowledge
- (c) establish, maintain and manage colleges, teaching department and school of studies
- (d) institute degrees, diplomas, certificates and academic distinctions
- (e) affiliate or recognise colleges and institutions and withdraw such affiliation or recognition
- (f) fix, demand and receive such fees and other charges as may be prescribed
- (g) supervise and control the residence, conduct and discipline of students of the university
- (h) lay down courses of instructions for various examinations and determine standards of admission into the university which may include examination, evaluation or any other method of testing.

2.5.2 Organisational set-up

The functioning of universities in the State is controlled by the Higher Education Department headed by the Principal Secretary. The Governor of MP is the *Kuladhipati* (Chancellor) of the university. A Co-ordination Committee (CC) is constituted at State level to undertake examination of

Statutes and Ordinances in force in various universities and to suggest modifications and to promote co-operation in academic programmes among the universities. The *Kuladhipati* is the president of the CC and the Principal Secretary to Government of Madhya Pradesh, Higher Education Department is the Secretary.

The *Kulpati* (Vice-Chancellor) appointed by the *Kuladhipati*, is the principal administrative and academic officer of the university and is assisted by the Registrar, Deans of Faculties and Finance Officer (FO). Executive Council (EC) is the executive body of the university. The Principal Secretary, Higher Education Department or his/her nominee is the member of executive council.

The Finance Committee consisting of five members under the chairmanship of Vice-Chancellor controls the finances of the university. The Principal Secretary and the Commissioner, Higher Education Department or their nominees are the members of Finance Committee. The proposals of financial matters are submitted by the university, if necessary, for consideration and approval of CC. The Commissioner, Higher Education Department regulates and monitors the pension fund and maintenance grant paid to the universities.

2.5.3 Audit Objectives

The objectives of the performance audit were to assess whether:

- a prescribed system existed for preparing annual budget estimates/revised estimates and the budgeting was realistic;
- the funds were utilised economically and efficiently and management of cash was proper and efficient;
- affiliation to private colleges conforms to respective codal provisions of statute; and
- proper monitoring systems were in place and were effective.

2.5.4 Audit criteria

The following criteria were adopted for the performance audit:

- MP *Vishwavidyalaya Adhiniyam* 1973, University Financial Code (UFC), General Financial Rules 2005, Financial and Accounts Regulations, 1978 and Plan documents;
- Budget Estimates/Revised Estimates and Annual Accounts;
- Minutes of meetings of CC, EC and Finance Committee;
- Statutes, Ordinances and Regulations of the university;
- Guidelines/orders and Regulations issued by UGC, orders/instructions issued by GoI, State Government and Commissioner, Higher Education Department from time to time. Guidelines of scholarship/fellowship and fees structure of the university;
- Madhya Pradesh Works Manual and Madhya Pradesh Store Purchase Rules; and
- Monitoring system prescribed by the universities/Government.

2.5.5 Scope and methodology of audit

Audit of the university is conducted under the provisions of section 14 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (C&AG's (DPC)) Act 1971. The performance audit was conducted between December 2014 and July 2015 covering the period 2010-11 to 2014-15. Four (Jiwaji Vishwavidyalaya, Gwalior, Devi Ahilya Vishwavidyalaya, Indore, Barkatullah Vishwavidyalaya, Bhopal and Rani Durgawati Vishwavidyalaya, Jabalpur) out of seven universities which were established under the MP *Vishwavidyalaya Adhiniyam, 1973*, were selected by adopting Simple Random Sampling Without Replacement (SRSWOR) method.

Test-check of records and collection of information were also made in the office of the Principal Secretary and the Commissioner, Higher Education Department. An Entry Conference was held (March 2015) with Commissioner, Higher Education Department, Officers on Special Duty, Registrars and Finance Officers of the universities wherein audit objectives, criteria and methodologies of audit were explained to them.

The exit conference was held with Principal Secretary, Higher Education Department on 9 September 2015. The replies of the Department (November 2015) have been suitably incorporated in the report.

Audit findings

The university receives funds from State Government as maintenance grants and grants from UGC and other central government organisations. Besides, the university generates its own revenue by way of fees from students, affiliation fees, fines, receipts of hostels and residential buildings, interest from investments and saving accounts etc. The expenditure of the university is met out from the receipts kept in different bank accounts. The finances of the university and its self finance courses (SFCs) were managed separately.

2.5.6 Jiwaji Vishwavidyalaya, Gwalior

Jiwaji Vishwavidyalaya, Gwalior was established in May 1964 and the university is governed by MP *Vishwavidyalaya Adhiniyam 1973*. The jurisdiction of the university is spread over eight districts of the State. The university has 12 major faculties encompassing 31 academic departments offering 51 post graduate courses, 11 under graduate courses, 20 M.Phil and 10 diploma and certificate courses. The number of students in the university teaching departments was 18,450 during academic session 2014-15. As of March 2015, 498 colleges were affiliated to the university. The total number of students in the university (including affiliated colleges) during 2010-11 to 2013-14 was 1.63 lakh, 1.96 lakh, 1.97 lakh and 2.00 lakh respectively.

2.5.6.1 Income and Expenditure

Under the provisions of Section 24-A of the MP *Vishwavidyalaya Adhiniyam, 1973*, the Finance Committee requires to get the Annual Accounts prepared and the annual audit of the University completed in time. Section 48 of *Adhiniyam* further requires the university to get the Annual Accounts audited by the Examiner of Local Fund Accounts of the State at least once every year at interval of not more than fifteen months. The audited Annual Accounts

together with the Audit Report is to be submitted to the State Government, which shall cause it to be laid on the table of the State Legislative Assembly.

We noticed that the forms of maintenance of Annual Accounts were not prescribed. Though Annual Accounts should consist of receipt and payment accounts, income and expenditure accounts and balance sheet, we noticed that the Annual Accounts of university consisted only of Income and Expenditure Account, which was prepared on cash basis. Due to non-preparation of Annual Accounts on accrual basis, the income and expenditure account did not include outstanding expenses, advances, pre-paid expense and receivable income. Thus, the Annual Accounts of the university did not reflect the true and fair view of its financial status.

Further, we noticed that there was no prescribed time schedule for preparation of Annual Accounts and its submission to State Government. Annual Accounts of the university were prepared up to the year 2013-14, which had been audited by Director, Local Fund Audit. However, the Annual Accounts were not sent to Government for submission to State Legislative Assembly for any of the years.

We observed that the abstracts of Annual Accounts were incorporated in the annual report of the university, which were sent to the Government for laying before State Legislature. Thus, university did not comply with the provisions under section 48 of MP *Vishwavidyalaya Adhiniyam* 1973 for submission of Annual Accounts to Legislative Assembly.

During 2010-11 to 2014-15, the university had income of ₹ 270.61 crore from its own sources, viz., fees from students, affiliation fees, examination fees and other miscellaneous fees, rents from building and other miscellaneous income. Income under the head loans and advances was ₹ 527.71 crore. University also received ₹ 12.72 crore as maintenance grants from State Government and ₹ 31.54 crore as grants from GoI and other funding agencies. Details are shown in *Appendix-2.49*.

The State Government provided maintenance grants for payment of pay and allowances to staff working in university. We noticed that the Higher Education Department formed a committee in January 2014 for fixation of norms to allot maintenance grant to universities. However, norms of maintenance grants were yet to be fixed.

The total expenditure of the university, except SFCs, during 2010-11 to 2014-15 was ₹ 876.35 crore. The income and expenditure of the university during 2010-11 to 2014-15 are shown in *Appendix-2.50*.

Department stated (November 2015) that the matter relating to preparation of Annual Accounts would be brought to the notice of CC and necessary instructions would be issued to the universities as per the decision of CC.

Recommendation

Government should prescribe forms for preparation of Annual Accounts of University. The Annual Accounts should be prepared on accrual basis. Audit of annual accounts by Director, Local Fund Audit should be strengthened. Government should also prescribe a time schedule for preparation of Annual Accounts.

2.5.6.1 (i) Preparation of Budget Estimates/Revised Estimates

Rule 142 to 150 of UFC provides that the FO of the university is responsible for preparation of estimated income and expenditure statement, supplementary and additional grants of the university. Scrutiny of records revealed the following deficiencies:

- University did not prescribe any time schedule for annual budget.
- There was large variation between budget estimates and actual income and expenditure (**Appendix-2.51**) which indicates improper budget formulation. The actual income varied from the budget estimates by (-) 29 to 50 per cent during 2010-11 to 2014-15. During this period, the variation in actual vis-à-vis estimated expenditure was from (-) 28 per cent to 39 per cent.

Department stated (November 2015) that the matter relating to preparation of budget would be brought to the notice of CC. Necessary instructions would be issued to the universities as per the decision of CC and for ensuring effective utilisation of provisioned amount.

Recommendation

Government should prescribe time schedule for preparation of annual budget. Optimum utilisation of funds should be ensured.

2.5.6.1(ii) Investment

The university had made investment of ₹ 167.08 crore in 86 FDRs/TDRs as on March 2015. However, the university did not furnish the policy based on which the investments were made, though the same was requisitioned by audit.

2.5.6.2 Expenditure Control

2.5.6.2 (i) Non-adjustment of outstanding advances

Rule 166 to 179 of UFC stipulate the regulations for adjustment of advances given for different purposes to staff as well as institutions. All the advances except project advances given are to be adjusted within one month and can be extended for three months by any special order of VC but all the outstanding advances are to be adjusted before 31 March of the financial year.

We observed that there was unadjusted advance of ₹ 1.14 crore given to the university staff for specific purposes and to different institutions as on March 2015. Out of these, advances of ₹ 35.14 lakh were outstanding against the university staff and ₹ 79.15 lakh against different institutions. Besides, the periodic review of advances was not conducted.

Department stated (November 2015) that necessary instructions would be issued to follow the provisions of UFC and for prompt adjustment of advances within the prescribed time limit.

Recommendation

Periodical review of outstanding advances should be made to ensure prompt adjustment before the close of financial year.

2.5.6.2(ii) Non-utilisation of funds received from UGC and other funding agencies of GoI

As per provision of UGC 12th five year plan guidelines, recurring grants would be released only after submission of certificates for utilisation of funds made

There was absence of time schedule for budgetary process

Advances of ₹ 1.14 crore remained unadjusted. Periodic review of advances was not conducted

on provisional basis but UCs of funds released for capital heads were to be sent within one year of close of financial year. The releases of grants for subsequent installments by the funding agencies were subject to sending Utilisation Certificates (UCs) of earlier grants.

Funds amounting to ₹ 4.13 crore received from different organizations of GoI remained unutilised

The details of release of GoI grants to various departments of the university and their utilisation are shown in the *Appendix-2.52*. At the end of March 2015, funds amounting to ₹ 4.13 crore remained unutilised. We noticed that the funds received were not utilised in the respective years for which funds were provided. The UCs of 12th five year plan were not sent to UGC.

Further, we noticed that ₹ 1.80 crore was received from UGC under additional assistance under 11th five year plan (2007-2012). UGC extended (March 2012) the utilisation period of 11th plan fund till 30 September 2012. However, out of this additional assistance, university incurred expenditure of ₹ 58.04 lakh on smart classes during October 2012 to October 2013, which was beyond the permissible period for utilisation of 11th five year plan grant.

Department stated (November 2015) that directions would be issued to ensure timely utilisation of funds.

Recommendation

Efforts should be made for timely and optimum utilisation of grants received from funding agencies.

2.5.6.3 Non-reconciliation of balances of cash books and bank statements

Provision of statute 21 stipulates that the FO should keep vigilance on the state of cash book and bank account balances. The university had maintained 27 bank accounts in different nationalized banks and maintained five separate cash books.

There was difference of ₹ 4.80 crore between the balances of bank statements and cash books

Scrutiny of cash books and bank accounts revealed that reconciliation of cash book figures with bank statements was not being done. It was observed that there was difference of ₹ 4.80 crore (as of March 2014/February 2015) in balances of cash books and bank statements.

Department stated (November 2015) that directions would be issued to ensure the reconciliation of cash books and bank statements.

Recommendation

The reconciliation of balances of cash books with bank statements should invariably be carried out for all bank accounts.

2.5.6.4 Management of self finance courses

The object of running self finance courses (SFCs) is providing a partial financial support to educational institutions. The courses are employment oriented and are helpful for overall development of the university both in terms of employment opportunities and needs of students. Under SFCs, the fees collected from the students are utilised to meet the expenses of teaching and non-teaching staff and overall development of SFCs. The university framed separate regulations for governing these courses. The income of the

SFCs during 2010-15 was ₹ 40.39 crore¹ and the expenditure was ₹ 30.44 crore². We noticed following discrepancies in management of SFCs:

The contribution from SFCs amounting to ₹ 13.52 crore was not received by the university

- As required under SFC Regulations 1997, 20 per cent income of SFCs was to be credited into university account. We noticed that out of ₹ 8.08 crore dues against SFCs, ₹ 3.82 crore was not received in university account during 2010-15.
- Higher Education Department while giving sanction (August 2010 and March 2012) of creating 24 posts, directed the university to deposit 25 per cent income of SFCs or 25 per cent of establishment expenditure, whichever is more in endowment fund in form of FDRs. The funds were to be kept reserved for making payment to the staff to be engaged in SFCs. However, out of ₹ 10.10 crore to be deposited as endowment amount, only ₹ 2.75 crore was kept in this fund during 2010-15.
- Higher Education Department deducted ₹ 2.35 crore from maintenance grant during 2010-11 and 2013-15 towards pension contribution of SFCs. However, deducted amount was not received from SFCs and deposited in university fund.

Department stated (November 2015) that necessary instructions would be issued to deposit the contribution in the university account, receive the amount of pension contribution and follow the order of the department regarding deposit of the required amount in endowment fund.

2.5.6.5(i) Affiliation to private colleges

The application for admission of college to the privileges of the university (affiliation) is submitted by new college or by an existing college for addition of new subject/faculty/post graduate classes. The Higher Education Department provides NOC/permission to the bodies/authorities applying for opening new colleges/faculties/courses each year subject to fulfillment of certain conditions i.e. availability of prescribed area of land, building and faculties etc. As per provision of UGC (Affiliation of Colleges by Universities) Regulations, 2009 amended in 2012, the prescribed norms i.e. faculty, laboratory, library facilities, civic facilities, etc. are to be fulfilled by the colleges before seeking temporary affiliation.

The application for affiliation, submitted to Registrar by the institution/college, is referred to the Standing Committee of the Academic Council for appointing a committee of inspection. On receipt of the recommendation of the committee, the Academic Council shall make appropriate recommendation to the EC for acceptance or rejection of application. The EC may grant the affiliation permanently or for a limited period and may propose the conditions to be fulfilled and the time and manner of fulfillment of conditions. The institution granted conditional affiliation would submit the compliance report to the university.

¹ 2010-11 ₹ 7.25 crore, 2011-12 ₹ 9.15 crore, 2012-13 ₹ 6.40 crore, 2013-14 ₹ 7.77 crore and in 2014-15 ₹ 9.82 crore.

² 2010-11 ₹ 4.58 crore, 2011-12 ₹ 5.98 crore, 2012-13 ₹ 3.12 crore, 2013-14 ₹ 11.35 crore and in 2014-15 ₹ 5.41 crore.

Scrutiny of records of the university revealed that there were 449 private affiliated colleges under Jiwaji Vishwavidyalaya. Scrutiny of records of test-checked 28 private affiliated institutions which were granted affiliation during 2010-11 to 2014-15 revealed that:

- The representative of Higher Education Department and an engineer from Public Works Department/Central Public Works Department were not involved in the inspection team in all the 28 cases as required under UGC regulations.
- While granting conditional affiliation, university directed these colleges/institutions to fulfill the required infrastructure facilities and recruitment of teachers, as pointed out by the inspection team. However, the compliance report to conditional affiliation was not submitted by the institutions nor did the university take action to withdraw affiliation. It was further noticed that the conditional affiliation was repeatedly granted to the same institutions in subsequent years without ensuring removal of deficiencies pointed out by earlier inspection teams.

NOC of 27 private affiliated colleges was withdrawn and restriction on admission was imposed on 10 private affiliated colleges

The Registrar stated (April 2015) that affiliation was granted in the interest of students. As per information furnished to audit by the Commissioner, Higher Education Department (October 2015), inspection of private affiliated colleges was carried out in compliance of Department's direction of February and October 2014. On the basis of inspection report, NOC of 27 private affiliated colleges was withdrawn and restriction on admission was imposed on 10 private affiliated colleges for the academic session 2015-16 due to non-availability of required facilities.

Recommendation

Prompt action should be taken for developing inspection mechanism for fulfillment of conditions of affiliation to ensure quality of education.

2.5.6.5 (ii) Non-recovery of affiliation fees amounting to ₹1.19 crore

Provision of para 13(3) of statute no. 27 requires that every college or institution affiliated to the university shall pay the university each year by 31 July the prescribed annual affiliation fees. In case of delay in submission of fee, the affiliation of the college or institution may be withdrawn, provided the *Kulpati* may permit the requisite fee to be paid together with an additional amount equal to 25 *per cent* of the requisite fee within a period of three months from the specified date.

Affiliation fees amounting to ₹ 1.19 crore was not received

Scrutiny of records of affiliation fees revealed that affiliation fees (including additional amount) of ₹ 1.19 crore was not received from 74 government/non-government colleges. The university did not make any correspondence with the colleges for depositing prescribed fee.

The Registrar stated (April 2015) that affiliation fees would be recovered.

2.5.6.6 Internal Control and Monitoring Mechanism

Director, Local Fund Audit (DLFA) is the statutory auditor of the university. The DLFA conducted audit for the year 2010-11 to 2013-14. At the end of March 2015, 74 paras related to period 2004-05 to 2013-14 were pending for

settlement. We further noticed that the university had not set up Internal Audit Wing as per the decision of EC on 16 August 2011.

Department stated (November 2015) that action would be taken for settlement of pending paras and functioning of Internal Audit Wing.

Recommendation

Efforts should be made to strengthen the internal control mechanism by establishing internal audit system.

2.5.7 Devi Ahilya Vishwavidyalaya, Indore

Devi Ahilya Vishwavidyalaya, Indore was established in May 1964 and the university is governed by MP *Vishwavidyalaya Adhiniyam* 1973. The jurisdiction of the university is spread over seven districts of the State. The university has 16 major faculties encompassing 27 academic departments offering 72 post graduate courses, 21 under graduate courses, 26 M.Phil and 15 diploma and certificate courses. The number of students in the university teaching departments was 6,992 during academic session 2014-15. As of March 2015, 282 colleges were affiliated to the university. The total number of students in the university (including affiliated colleges) during 2010-11 to 2013-14 was 0.81 lakh, 0.94 lakh, 0.32 lakh and 0.73 lakh respectively.

2.5.7.1 Income and Expenditure

As per provisions discussed in Para 2.5.6.1, we noticed that Annual Accounts of the university were prepared up to the year 2013-14, which had been audited by Director, Local Fund Audit. However, the forms of maintenance of Annual Accounts were not prescribed. Though Annual Accounts should consist of receipt and payment accounts, income and expenditure accounts and balance sheet, we noticed that the Annual Accounts of university consisted only of Income and Expenditure Account, which was prepared on cash basis. Due to non-preparation of Annual Accounts on accrual basis, the income and expenditure account did not include outstanding expenses, advances, pre-paid expense and receivable income. Thus, the Annual Accounts of the university did not reflect the true and fair view of its financial status.

Further, we noticed that there was no prescribed time schedule for preparation of Annual Accounts and its submission to State Government. Annual Accounts were not sent to Government as required under Section 48 of MP *Vishwavidyalaya Adhiniyam* 1973. However, the abstracts of Annual Accounts were incorporated in the annual report of the university, which were sent to the Government for laying before State Legislature.

During 2010-11 to 2014-15, the university generated ₹ 331.38 crore from its own sources by way of fees from students, affiliation fees, examination fees and other miscellaneous fees, rents from building and other miscellaneous income. Income under the head loans and deposits was ₹ 16.49 crore. The State Government provided maintenance grants ₹ 25.15 crore during 2010-15 to the university for payment of pay and allowances to staff of the university. The university also received ₹ 44.85 crore as grants from GoI and other funding agencies. Details are shown in *Appendix-2.49*.

The total expenditure of the university, except SFCs, during 2010-11 to 2014-15 was ₹ 350.21 crore. The income and expenditure of the university during 2010-11 to 2014-15 are shown in **Appendix-2.50**.

Department stated (November 2015) that the matter relating to preparation of Annual Accounts would be brought to the notice of CC and necessary instructions would be issued to the universities as per the decision of CC.

Recommendation

Government should prescribe forms for preparation of Annual Accounts of University. The Annual Accounts should be prepared on accrual basis. Audit of annual accounts by Director, Local Fund Audit should be strengthened. Government should also prescribe a time schedule for preparation of Annual Accounts.

2.5.7.1 (i) Preparation of Budget Estimates/Revised Estimates

As per provisions discussed in para 2.5.6.1(i) ante, we noticed the following deficiencies:

- No time schedule was prepared by the university for annual budget.
- There was large variation between budget estimates and actual income and expenditure (**Appendix-2.51**) which indicates improper budget formulation. The actual income varied from the budget estimates by (-) 47 to (-) 34 *per cent* during 2010-11 to 2014-15. The actual expenditure vis-à-vis estimates varied from (-) 62 to (-) 56 *per cent* during the same period.

Department stated (November 2015) that the matter relating to preparation of budget would be brought to the notice of CC. Necessary instructions would be issued to the universities as per the decision of CC and for ensuring effective utilisation of provisioned amount.

Recommendation

Government should prescribe time schedule for preparation of annual budget. Optimum utilisation of funds should be ensured.

2.5.7.1(ii) Investment

Rule 189 (i) of Financial and Accounts Regulations, 1978 of the university stipulates that a register of investment is to be maintained in which the details of investments i.e. invested amount, rate of interest, maturity date etc. are to be recorded. The entries made in the register were to be attested by the FO.

The university had made investment of ₹ 300.83 crore in FDRs/TDRs as of March 2015. We noticed that the investment register as required under the regulations was not maintained. Further, the university did not furnish the policy based on which the investments were made, though the same was requisitioned by audit.

Department stated (November 2015) that directions would be issued to observe the provisions of Regulations, 1978.

Recommendation

The university should frame proper investment policy to ensure better management of surplus funds.

There was absence of time schedule for budgetary process

2.5.7.2 Expenditure Control

2.5.7.2 (i) Non-adjustment of outstanding advances ₹7.06 crore

Advances of ₹ 7.06 crore remained unadjusted. Periodic review of advances not conducted

As per provisions discussed in para 2.5.6.2 (i) ante, we observed that advances of ₹ 7.06 crore paid to different educational institutions for examination purposes found unadjusted for a long period ranging up to 27 years. Besides, the periodic review of advances was not conducted.

Department stated (November 2015) that necessary instructions would be issued to follow the provisions of UFC and for prompt adjustment of advances within the prescribed time limit.

Recommendation

Periodical review of outstanding advances should be made to ensure prompt adjustment before the close of financial year.

2.5.7.2 (ii) Non-utilisation of funds received from UGC and other funding agencies of GoI

Funds amounting to ₹ 4.06 crore could only be utilised against receipt of ₹ 8.79 crore from various funding agencies

The university received funds under 12th five year plan of UGC. Besides, different departments of the university were also financially assisted by different funding agencies of GoI. The releases of subsequent installments by funding agencies were subject to sending UCs of earlier grants. The details of GoI/UGC grants released and their utilisation are shown in the *Appendix-2.52*.

Out of available fund ₹ 8.79 crore received during 2008-15, the university utilised ₹ 4.06 crore. Due to non-utilisation of funds in time and unspent amount, subsequent grants were not released.

- UGC released ₹ 8.28 crore in 11th and 12th five year plan for the Educational Multimedia Research Centre against which ₹ 9.54 crore was utilised. Besides, UGC released ₹ 1.40 crore during 2010-14 for Academic Staff College, against which the expenditure was ₹ 3.12 crore. The excess expenditure of ₹ 2.98 crore was yet to be received from UGC.

Department stated (November 2015) that directions would be issued to ensure timely utilisation of funds, besides recoupment of funds from UGC.

Recommendation

Efforts should be made for timely and optimum utilisation of grants received from GoI and recoupment of excess expenditure.

2.5.7.3 Non-reconciliation of balances of cash books and bank statements

The university maintained 20 bank accounts in different nationalized banks and mainly four cash books i.e. for general fund, cash transactions, National Service Scheme (NSS) and SFCs.

There was difference of ₹ 36.47 crore between the balances of cash books and bank statements

Scrutiny of cash books and bank accounts revealed that there was difference of ₹ 36.28 crore (as on March 2014) in balances of cash books and eight bank accounts. Similarly, there was difference of ₹ 19.35 lakh in the cash book and bank statement of NSS account as of March 2013. However, reconciliation of cash books figures with bank statements was not done.

Department stated (November 2015) that directions would be issued to ensure the reconciliation of cash books and bank statements.

Recommendation

The reconciliation of balances of cash books with bank statements should be invariably carried out for all bank accounts.

2.5.7.4 Management of self finance courses

The university framed separate regulations for governing the SFCs. The income of the SFCs during 2010-15 was ₹ 254.22 crore³ and the expenditure was ₹ 201.44 crore⁴. We noticed following discrepancies in management of SFCs:

The contribution of SFCs amounting to ₹ 57.72 crore was not received by the university

- As required under Self Finance Courses Regulations 1993, 20 per cent income of SFCs was to be credited into university account. We noticed that out of ₹ 39.53 crore dues against SFCs, ₹ 14.79 crore was not received in university account during 2010-14. The status of receipt of university share for 2014-15 could not be ascertained due to non-finalisation of Annual Accounts.
- The Higher Education Department while giving sanction (May 2006 and June 2013) of creating 245 teaching and 253 non-teaching posts, directed the university to deposit 25 per cent income of SFCs or 25 per cent of establishment expenditure, whichever is more in endowment fund. The funds were to be kept reserved for making payment to the staff to be engaged in self finance courses. However, out of ₹ 49.42 crore to be deposited as endowment amount, only ₹ 15.77 crore was kept in this fund during 2010-14.
- Ten per cent of income of SFCs was to be transferred as pension contribution to pension fund. However, we noticed that the contribution to pension fund amounting to ₹ 9.28 crore out of ₹ 19.77 crore for the period 2010-14 was not received from SFCs.
- The expenditure on non-teaching staff should not be more than 20 per cent of expenditure on teaching staff. However, the university incurred excess expenditure of ₹ 3.10 crore on non-teaching staff as compared to prescribed ceiling vis-a-vis expenditure on teaching staff during 2010-15.

Department stated (November 2015) that necessary instructions would be issued to deposit the contribution in the university account, receive the amount of pension contribution, observe the order of the department regarding endowment fund and for control over expenditure on non-teaching staff.

2.5.7.5 (i) Affiliation to private colleges

There were 226 private affiliated colleges running under the university. As per provisions discussed in para 2.5.6.5 (i) ante, scrutiny of records of test-checked 15 institutions which were granted affiliation during 2010-11 to 2014-15 revealed:

- The representative of Higher Education Department and an engineer from Public Works Department/Central Public Works Department were not

³ 2010-11 ₹ 38.31 crore, 2011-12 ₹ 43.66 crore, 2012-13 ₹ 52.85 crore, 2013-14 ₹ 62.85 crore and in 2014-15 ₹ 56.55 crore.

⁴ 2010-11 ₹ 28.70 crore, 2011-12 ₹ 34.73 crore, 2012-13 ₹ 34.83 crore, 2013-14 ₹ 48.76 crore and in 2014-15 ₹ 54.42 crore.

involved in the inspection team in all the 15 cases as required under UGC regulations.

- While recommending for conditional affiliation, inspection team pointed out inadequacy of equipment in laboratory, books in library and non-availability of playground etc. in the colleges. The university granted affiliation directing the colleges to fulfill the required facilities and recruitment of teachers as pointed out by the inspection team. However, the compliance report to conditional affiliation was not found submitted by the institutions. It was further noticed that the conditional affiliation was repeatedly granted to the same institutions in subsequent years without ensuring the fulfillment of earlier conditions.

NOC of seven private affiliated colleges was withdrawn and restrictions on admission was imposed on four private affiliated colleges

The Registrar stated (May 2015) that affiliation granted in the interest of students. As per information furnished to audit by the Commissioner, Higher Education Department (October 2015), inspection of private affiliated colleges was carried out in compliance of Department's direction of February and October 2014. On the basis of inspection report, NOC of seven private affiliated colleges was withdrawn and restriction on admission was imposed on four private affiliated colleges for the academic session 2015-16 due to non-availability of required facilities.

Recommendation

Prompt action should be taken for immediate fulfillment of conditions of affiliation in the interest of students and quality of education should be ensured.

2.5.7.5 (ii) Non-recovery of affiliation fees amounting to ₹5.48 crore

Affiliation fees amounting to ₹ 5.48 crore was not received

As per provision discussed in para 2.5.6.5 (ii) ante, we noticed that annual affiliation fees and additional amount ₹ 5.48 crore was not received from 212 affiliated government/non-government colleges.

The Registrar stated (May 2015) that affiliation fees would be recovered.

2.5.7.6 Internal Control and Monitoring Mechanism

2.5.7.6 (i) Non-formation of bodies/authorities

The Court is an advisory body on all matter of the university. However, the Court was not formed despite the decision (November 2006) of CC. Further, Academic Planning and Evaluation Board, which is responsible to prepare short term and long term plan and evaluate working of university teaching departments from time to time, was not formed.

Department stated (November 2015) that instructions would be issued to follow the provision of Act.

2.5.7.6 (ii) Absence of internal audit

Internal Audit was not functioning

It was found that pay and allowances of four staff amounting to ₹ 45.32 lakh during 2010-14 were drawn against the sanctioned post (one superintendent and three assistant grade) of internal audit wing. However, internal audit wing was not functioning.

Department stated (November 2015) that action for functioning of Internal Audit Wing would be taken.

Recommendation

Efforts should be made to strengthen the internal control mechanism by establishing internal audit system and other required bodies/authorities.

2.5.7.6 (iii) Settlement of Local Fund Audit paras

Director, LFA is the statutory auditor of the universities. The DLFA conducted audit for the year 2010-11 to 2013-14. At the end of March 2014, 919 paras having money value ₹ 34.22 crore were pending for settlement.

Department stated (November 2015) to take action for settlement of pending paras.

2.5.8 Barkatullah Vishwavidyalaya, Bhopal

Barkatullah Vishwavidyalaya was established in August 1970 and is governed by MP *Vishwavidyalaya Adhiniyam* 1973. The jurisdiction of the university is spread over eight districts of the State. The university has 10 major faculties encompassing 25 academic departments offering 48 post graduate courses, five under graduate courses, 12 M.Phil and 13 diploma and certificate courses. As of March 2015, 415 colleges were affiliated to the university. The total number of students in the university (including affiliated colleges) during 2010-11 to 2014-15 was 0.76 lakh, 0.72 lakh, 0.76 lakh, 1.27 lakh and 1.08 lakh respectively.

2.5.8.1 Income and Expenditure

As per provisions discussed in Para 2.5.6.1, we noticed that the forms of maintenance of Annual Accounts were not prescribed. Though Annual Accounts should consist of receipt and payment accounts, income and expenditure accounts and balance sheet, we noticed that the Annual Accounts of university consisted only of Income and Expenditure Account, which was prepared on cash basis. Due to non-preparation of Annual Accounts on accrual basis, the income and expenditure account did not include outstanding expenses, advances, pre-paid expense and receivable income. Thus, the Annual Accounts of the university did not reflect the true and fair view of its financial status.

Further, we noticed that there was no prescribed time schedule for preparation of Annual Accounts and its submission to State Government. Annual Accounts of the university were prepared up to the year 2013-14, which had been audited by Director, Local Fund Audit. However, the Annual Accounts were not sent to Government for submission to State Legislative Assembly. We observed that the abstracts of Annual Accounts were incorporated in the annual report of the university, which were sent to the Government for laying before State Legislature. Thus, the university did not comply provisions under section 48 of MP *Vishwavidyalaya Adhiniyam* 1973 for submission of Annual Accounts.

During 2010-11 to 2014-15, the university had earned income of ₹ 371.92 crore from its own sources by way of fees from students, affiliation fees, examination fees and other miscellaneous fees, rents from building and other miscellaneous income. Income under the head loans and deposits was ₹ 48.31 crore. The State Government provided maintenance grants ₹ 18.60 crore during 2010-15 for payment of pay and allowances to staff of the university.

The university had also received ₹ 25.79 crore as grants from GoI and other funding agencies. Details are shown in **Appendix-2.49**.

The total expenditure of the university, except SFCs, during 2010-11 to 2014-15 was ₹ 331.48 crore. The income and expenditure of the university during 2010-11 to 2014-15 are shown in **Appendix-2.50**.

Department stated (November 2015) that the matter relating to preparation of Annual Accounts would be brought to the notice of CC and necessary instructions would be issued to the universities as per the decision of CC.

Recommendation

Government should prescribe forms for preparation of Annual Accounts of University. The Annual Accounts should be prepared on accrual basis. Audit of annual accounts by Director, Local Fund Audit should be strengthened. Government should also prescribe a time schedule for preparation of Annual Accounts.

2.5.8.1 (i) Preparation of Budget Estimates/Revised Estimates

As per provisions contained in para 2.5.6.1 (i) ante, we noticed the following deficiencies:

- University did not prescribe any time schedule for budgetary process.
- There was large variation between budget estimates and actual income and expenditure (**Appendix-2.51**) during 2010-11 to 2014-15 which indicates improper budget formulation. The actual income varied from the budget estimates by (-) nine to 23 per cent and the expenditure varied from (-) 44 to (-) 20 per cent.

Department stated (November 2015) that the matter relating to preparation of budget would be brought to the notice of CC. Necessary instructions would be issued to the universities as per the decision of CC and for ensuring effective utilisation of provisioned amount.

Recommendation

Government should prescribe time schedule for preparation of annual budget. Optimum utilisation of funds should be ensured.

2.5.8.1 (ii) Investment

As of March 2015, the university had made investment of ₹ 194.08 crore in 265 FDRs/TDRs for the period of one to five years. We noted that the university had not formulated any investment policy for investment of surplus funds. The university neither assessed the amount to be invested, nor decided the periodicity of review of investment for gaining maximum profit on investment. We further noticed that investment made by the university was not shown separately in the Annual Accounts.

Department did not furnish (November 2015) any specific reply on non-formulation of investment policy.

Recommendation

The university should frame investment policy to ensure better management of surplus funds.

There was absence of time schedule for budgetary process

2.5.8.2 Expenditure Control**2.5.8.2 (i) Non-adjustment of outstanding advances**

Advances of ₹ 2.39 crore remained unadjusted. Periodic review of advances not conducted

As per provisions discussed in para 2.5.6.2 (i) ante, we noticed that as on March 2015, advances amounting to ₹ 2.39 crore were outstanding. Advances of ₹ 1.74 crore were outstanding against the university staff and ₹ 64.66 lakh against the different institutions since 2005-06. Further, the periodic review of advances was not conducted.

Department stated (November 2015) that necessary instructions would be issued to follow the provisions of UFC and for prompt adjustment of advances within the prescribed time limit.

Recommendation

Periodical review of outstanding advances should be made to ensure promptly adjustment before the close of financial year.

2.5.8.2 (ii) Non-utilisation of funds received from funding agencies of GoI

The details of release of GoI grants to the departments of the university and their utilisation of funds are shown in **Appendix-2.52**. As on March 2015, funds amounting to ₹ 4.54 crore remained unutilised. We noticed that the funds provided under 12th five year plan could not be utilised due to late finalisation (August 2014) of allotment of item-wise expenditure.

Funds amounting to ₹ 4.54 crore received from funding agencies remained unutilised

We further noticed that university incurred expenditure of ₹ 3.68 crore under General Development Assistance and ₹ 1.01 crore under Merged Scheme in excess of grants actually received from UGC in 11th plan period. Further, excess expenditure of ₹ 0.72 crore was incurred during 2005-15 under Rajiv Gandhi Chair. However, these excess expenditure of ₹ 5.41 crore against UGC grant was not recouped due to non-submission of UCs in time.

Department stated (November 2015) that directions would be issued to the university for ensuring timely utilisation of funds, submission of UC to the funding agencies and timely recoupment of funds from funding agencies to avoid unnecessary financial burden. It was also stated that instructions would be issued for recoupment of excess expenditure from the funding agencies under Rajiv Gandhi Chair.

Recommendation

Efforts should be made for timely and optimum utilisation of grants received from funding agencies. Prompt action should be taken to recoup the expenditure from UGC to avoid additional financial burden.

2.5.8.3 Cash Management**2.5.8.3(i) Non-reconciliation of balances of cash books and bank statements**

The university had maintained 10 bank accounts and six separate cash books i.e. for general and examination, self-finance, cash transactions, project, development and NSS.

There was difference of ₹ 13.16 crore between the balances of cash books and bank statements

Scrutiny of cash books and bank accounts revealed that reconciliation of cash book figures with bank statements was not being done. There was difference of ₹ 13.16 crore between the balances of cash books and bank statements of seven accounts as on March 2015.

Department stated (November 2015) that directions would be issued to ensure the reconciliation of cash books and bank statements.

Recommendation

The reconciliation of balances of cash books with bank statements should be invariably carried out for all bank accounts.

2.5.8.3 (ii) Non-recovery of cost of examination forms ₹ 41.78 lakh sold to affiliated colleges

Scrutiny of records of the university store revealed that the university sold examination forms to the affiliated colleges under its jurisdiction for examination purposes. During 2010-11 to 2013-14, 11.34 lakh examination forms were issued to the affiliated colleges, out of which 1.42 lakh forms were returned by the colleges after using 9.92 lakh forms. Out of ₹ 9.91 crore due from colleges towards the sale of form, ₹ 9.73 crore was received leaving outstanding amount ₹ 18.62 lakh. Besides, ₹ 23.16 lakh pertained to the year 2008-10 was also not recovered. Thus, ₹ 41.78 lakh was outstanding with the colleges on account of sale of examination forms.

Department stated (November 2015) that directions would be issued to the university for taking action of recovering the amount from the colleges.

2.5.8.4 Management of self finance courses

The university framed Self Finance Courses Regulations, 1999 for governing the SFCs. During the period 2010-15, the income of SFCs was ₹ 47.17 crore⁵ and the expenditure was ₹ 44.17 crore⁶.

As required under the regulations, 20 per cent income of SFCs is to be transferred to university account within 30 days after the last date of deposit of the fees in any semester. The expenses of non-teaching staff should not be more than 30 per cent expenses of teaching staff. The department directed (August 2006) to create an endowment fund by depositing a lump sum amount of ₹ 10 crore in the form of FDR. In addition, 25 per cent income of SFCs was to be kept every year in endowment fund.

We noticed that ₹ 2.94 crore towards university share was not transferred to university account during 2010-15. The lump sum amount ₹ 10 crore was not kept in FDR. Besides, there was shortfall of ₹ 6.23 crore in depositing endowment fund for the period 2010-14. There was excess expenditure of ₹ 0.67 crore incurred in four to six departments on non-teaching staff during 2010-15.

Department stated (November 2015) that necessary instructions would be issued to deposit the contribution in the university account, observe the order of the department regarding endowment fund and control over excess expenditure on non-teaching staff.

2.5.8.5 (i) Affiliation to private colleges

There were 338 private affiliated colleges running under the university. As per provision discussed in para 2.5.6.5 (i) ante, scrutiny of records of

⁵ 2010-11 ₹ 10.04 crore, 2011-12 ₹ 9.75 crore, 2012-13 ₹ 8.04 crore, 2013-14 ₹ 9.22 crore and in 2014-15 ₹ 10.12 crore.

⁶ 2010-11 ₹ 8.01 crore, 2011-12 ₹ 10.87 crore, 2012-13 ₹ 9.95 crore, 2013-14 ₹ 8.88 crore and in 2014-15 ₹ 6.46 crore.

The contribution of SFCs amounting to ₹ 19.17 crore was not received by the university

affiliation relating to 14 private institutions which were granted affiliation during 2010-11 to 2014-15 revealed the following:

- The representative of Higher Education Department and Engineers of Public Works Department/Central Public Works Department were not involved in the inspection team in all the 14 cases as required under UGC regulations.
- While recommending for conditional affiliation, inspection team pointed out inadequacy of equipment in infrastructure of colleges. The university granted affiliation directing the colleges to provide the required facilities and to recruit teachers as pointed out by the inspection team. However, the compliance report to conditional affiliation was not submitted by the institutions. We further noticed that conditional affiliation was granted to same test-checked colleges in subsequent years without ensuring the fulfillment of earlier conditions.

NOC of 18 private affiliated colleges was withdrawn and restrictions on admission was imposed on eight private affiliated colleges

The Registrar stated (July 2015) that action for fulfilling the conditions was under progress. As per information furnished to audit by the Commissioner, Higher Education Department (October 2015), inspection of private affiliated colleges was carried out in compliance of Department's direction of February and October 2014. On the basis of inspection report, NOC of 18 private affiliated colleges was withdrawn and restrictions on admission was imposed on eight private affiliated colleges for the academic session 2015-16 due to non-availability of required facilities.

Recommendation

Prompt action should be taken for ensuring compliance of conditions of affiliation in the interest of students and quality of education.

2.5.8.5 (ii) Non-recovery of affiliation fees amounting to ₹ 63.53 lakh

Affiliation fees ₹ 63.53 lakh was not received

As per provision discussed in para 2.5.6.5 (ii) ante, we noticed that annual affiliation fees ₹ 63.53 lakh was not recovered from the affiliated colleges.

The Registrar stated (July 2015) that the recovery process was under progress.

2.5.8.6 Internal Control and Monitoring Mechanism

2.5.8.6 (i) Improper functioning of Court

Section 20 of MP *Vishwavidyalaya Adhiniyam*, 1973 provides the formation of court with requisite members as an advisory body on all matters⁷ relating to the university. 25 members of the court shall form the quorum provided no quorum shall be necessary for adjourned meeting.

It was found that the court was formed in March 2013. However, the requisite number of members were not nominated, as a result the court failed to fulfill the quorum. The meeting of the court was held only in 2012-13 and no meeting was held in other years.

Department stated (November 2015) that instructions would be issued to follow the provisions of Act.

⁷ Reviews broad policies and programmes of the university and considers and approves the annual report, Annual Accounts, audit report and annual budget estimate of the university.

2.5.8.6 (ii) Settlement of Local Fund Audit paras

Director, LFA is the statutory auditor of the universities. The DLFA conducted audit for the year 2010-11 to 2013-14. At the end of March 2015, 702 paras related to period 1971-72 to 2013-14 were pending for settlement.

Department stated (November 2015) that action would be taken for settlement of pending paras.

2.5.9 Rani Durgawati Vishwavidyalaya, Jabalpur

Rani Durgawati Vishwavidyalaya, Jabalpur was established in June 1956 and the university is governed by MP *Vishwavidyalaya Adhiniyam* 1973. The jurisdiction of the university is spread over seven districts of the State. The university has 14 major faculties encompassing 24 academic departments offering 38 post graduate courses, 18 under graduate courses, 25 M.Phil courses and 16 diploma and certificate courses. The number of students in the university teaching departments was 2,341 during academic session 2014-15. As of March 2015, 228 colleges were affiliated to the university. The total number of students in the university (including affiliated colleges) during 2010-11 to 2014-15 was 0.36 lakh, 0.33 lakh, 0.36 lakh, 0.34 lakh and 0.35 lakh respectively.

2.5.9.1 Income and Expenditure

As per provisions discussed in Para 2.5.6.1, we noticed that the forms of maintenance of Annual Accounts were not prescribed. Though Annual Accounts should consist of receipt and payment accounts, income and expenditure accounts and balance sheet, we noticed that the Annual Accounts of university consisted only of Income and Expenditure Account, which was prepared on cash basis. Due to non-preparation of Annual Accounts on accrual basis, the income and expenditure account did not include outstanding expenses, advances, pre-paid expense and receivable income. Thus, the Annual Accounts of university did not reflect the true and fair view of its financial status.

We further noticed that there was no prescribed time schedule for preparation of Annual Accounts and its submission to State Government. Annual Accounts of the university were prepared up to the year 2013-14, which had been audited by Director, Local Fund Audit. However, the Annual Accounts were not sent to Government for submission to State Legislature. We observed that the abstracts of Annual Accounts were incorporated in the annual report of the university, which were sent to the Government for laying before State Legislature. Thus, the university did not comply provisions under section 48 of MP *Vishwavidyalaya Adhiniyam* 1973 for submission of Annual Accounts to State Legislature.

During 2010-11 to 2014-15, the university generated ₹ 107.45 crore from its own sources by way of fees from students, affiliation fees, examination fees and other miscellaneous fees, rents from building and other miscellaneous income. Income under the head loans and deposits was ₹ 23.56 crore. The State Government provided maintenance grants ₹ 33.52 crore during 2010-15 to the university for payment of pay and allowances of staff of the university. The university also received ₹ 21.00 crore as grants from GoI and other funding agencies. Details are shown in **Appendix-2.49**.

The total expenditure of the university except SFCs during 2010-11 to 2014-15 was ₹ 217.03 crore. The income and expenditure of the university during 2010-11 to 2014-15 are shown in **Appendix-2.50**.

The expenditure on salary and other administrative expenses during 2010-11 to 2014-15 was ₹ 157.15 crore⁸, which was more than the income generated by the university from its own sources (₹ 107.45 crore) and maintenance grant (₹ 33.52 crore). We noted that the expenditure on pay and allowance increased from ₹ 18.55 crore in 2010-11 to ₹ 26.30 crore in 2014-15, which was mainly due to regularisation of 98 daily wages employees in September 2013. However, there was no corresponding increase in income of university from its own resources, which ranged from ₹ 19.82 crore to ₹ 23.98 crore during 2010-11 to 2014-15. This was due to the reason that the number of students enrolled in University and its affiliated colleges remained almost same.

Department stated (November 2015) that the matter relating to preparation of Annual Accounts would be brought to the notice of CC and necessary instructions would be issued to the universities as per the decision of CC.

Recommendation

Government should prescribe forms for preparation of Annual Accounts of University. The Annual Accounts should be prepared on accrual basis. Audit of annual accounts by Director, Local Fund Audit should be strengthened. Government should also prescribe a time schedule for preparation of Annual Accounts.

2.5.9.1 (i) Preparation of Budget Estimates/Revised Estimates

As per provisions discussed in para 2.5.6.1 (i) ante, we noticed the following deficiencies:

- No time schedule was prescribed by the university for annual budget.
- There was variation between budget estimates and actual income and expenditure (**Appendix-2.51**) during 2010-11 to 2014-15 which indicates improper budget formulation. Actual income varied from the budget estimates by (-) 35 to 10 *per cent* and the expenditure varied from (-) 44 to (-) 07 *per cent*.

Department stated (November 2015) that the matter relating to preparation of budget would be brought to the notice of CC. Necessary instructions would be issued to the universities as per the decision of CC and for ensuring effective utilisation of provisioned amount.

Recommendation

Government should prescribe time schedule for preparation of annual budget. Optimum utilisation of funds should be ensured.

2.5.9.1(ii) Investment

Scrutiny of records revealed that the university had made investment of ₹ 31.53 crore in FDRs/TDRs as on March 2015. However, investment policy was not framed by the university.

There was absence of time schedule for budgetary process

⁸ Excluding capital expenditure and payment of gratuity and pension contribution.

We further noticed that the university, instead of utilising the funds received from UGC/other funding agencies, invested ₹ 3.06 crore in five FDRs (March 2013), which was further renewed (₹ 3.35 crore) in March 2014.

Department stated (November 2015) that directions would be issued for proper management of GoI funds and university surplus funds.

Recommendation

The university should frame proper investment policy to ensure better management of surplus funds.

2.5.9.2 Expenditure Control

2.5.9.2 (i) Non-adjustment of outstanding advances

As per provisions discussed in para 2.5.6.2 (i) ante, we noticed that as on March 2015, advances amounting to ₹ 3.21 crore given to the university staff for specific purposes and to different institutions remained unadjusted from 1999-2000 onwards. Of these, advances of ₹ 2.55 crore were outstanding against the university staff and ₹ 65.67 lakh against the different institutions. The periodic review of advances was not conducted.

Department stated (November 2015) that necessary instructions would be issued to follow the provisions of UFC and for prompt adjustment of advances within the prescribed time limit.

Recommendation

Periodical review of outstanding advances should be made to ensure prompt adjustment before the close of financial year.

2.5.9.2 (ii) Non-utilisation of funds received from UGC and other funding agencies of GoI

The university received funds from UGC under five year plans. The different departments of the university were also financially assisted by different funding agencies of GoI. The releases of subsequent installments were subject to sending UCs of earlier grants.

The details of release of GoI grants to the departments of the university and the utilisation of grants are shown in *Appendix-2.52*. We noticed that funds were not utilised in the respective year for which funds were provided. At the end of March 2015, funds amounting to ₹ 4.60 crore remained unutilised.

Department stated (November 2015) that directions would be issued to ensure timely utilisation of funds.

Recommendation

Efforts should be made for timely and optimum utilisation of grants received from funding agencies.

2.5.9.3 Non-reconciliation of balances of cash books and bank statements

The university had maintained 25 bank accounts including accounts of SFCs and separate cash books for general account, examination account, development account, physical education account and NSS account. Scrutiny of cash books and bank accounts revealed that reconciliation of cash books figures with bank statements was not being done. There was difference of ₹ 124.37 crore between the balances of cash books and bank statements of nine accounts as on March 2015.

Funds amounting to ₹ 4.60 crore received from various funding agencies were remained unutilised

There was difference of ₹ 124.37 crore between the balances of cash books and bank statements

Department stated (November 2015) that directions would be issued to ensure the reconciliation of cash books and bank statements.

Recommendation

The reconciliation of balances of cash books with bank statements should invariably be carried out for all bank accounts.

2.5.9.4 Management of self finance courses

The university had framed separate regulations for governing the SFCs. The income of SFCs during 2010-15 was ₹ 16.13 crore⁹ and the expenditure was ₹ 10.50 crore¹⁰.

As required under the regulations, 20 per cent income of SFCs is to be paid as university share. During 2010-15, against ₹ 3.20 crore receivable towards 20 per cent contribution, ₹ 1.73 crore was received and ₹ 1.47 crore was outstanding from SFCs.

Department stated (November 2015) that necessary instructions would be issued to deposit the contribution in the university account.

2.5.9.5 Affiliation to colleges/institutions

We noticed that 208 colleges were granted conditional affiliation during 2010-11 to 2014-15. As per provision discussed in para 2.5.6.5 (ii) ante, we noticed that annual affiliation fees amounting to ₹ 1.63 crore was not recovered from the affiliated colleges.

The Registrar stated (July 2015) that conditional affiliation had not been given from 2014-15 and before that conditional affiliation was granted in the interest of students. The Registrar further stated that recovery of affiliation and renewal fees were a continuous process and university was taking action as per rule.

As per information furnished to audit by the Commissioner, Higher Education Department (October 2015), inspection of private affiliated colleges was carried out in compliance of Department's direction of February and October 2014. On the basis of inspection report, NOC of five private affiliated colleges was withdrawn and restriction on admission was imposed on two private affiliated colleges for the academic session 2015-16 due to non-availability of required facilities.

2.5.9.6 Internal Control and Monitoring Mechanism

Director, LFA is the statutory auditor of the universities. The DLFA conducted audit for the year 2010-11 to 2013-14. At the end of March 2015, 92 audit paras for the period 2002-03 to 2013-14 were pending for settlement.

Department stated (November 2015) that necessary action would be taken for settlement of pending paras.

The contribution of SFCs amounting to ₹ 1.47 crore was not received by the university

NOC of five private affiliated colleges was withdrawn and restrictions on admission was imposed on two private affiliated colleges

⁹ 2010-11 ₹ 2.91 crore, 2011-12 ₹ 2.43 crore, 2012-13 ₹ 3.01 crore, 2013-14 ₹ 3.72 crore and in 2014-15 ₹ 4.06 crore.

¹⁰ 2010-11 ₹ 1.78 crore, 2011-12 ₹ 1.91 crore, 2012-13 ₹ 1.65 crore, 2013-14 ₹ 1.93 crore and in 2014-15 ₹ 3.23 crore.

2.5.10 Conclusion and recommendations

- The financial management in the universities was deficient. Forms of maintenance of Annual Accounts were not prescribed. The Annual Accounts of universities were prepared on cash basis and did not include Balance Sheet. Thus, Annual Accounts of universities did not reflect true and fair view of their financial status. Further, universities did not prescribe any time schedule for preparation of annual budget and Annual Accounts.

Government should prescribe forms for preparation of Annual Accounts of Universities. The Annual Accounts should be prepared on accrual basis. Audit of annual accounts by Director, Local Fund Audit should be strengthened. Government should also prescribe a time schedule for preparation of Annual Accounts.

- Advances were outstanding for a long period due to non-adjustment. The periodic review of outstanding advances was not conducted.

Periodical review of outstanding advances should be made to ensure prompt adjustment before the close of financial year.

- The universities could not utilise grants received from UGC and other funding agencies. Due to non-utilisation of funds, subsequent grants were not released to the universities. Excess expenditure incurred by the universities against the grants/allotment received was not recouped.

Efforts should be made for timely and optimum utilisation of grants received from funding agencies and recoupment of excess expenditure.

- Reconciliation of cash books and bank statements was not being done by the universities, which resulted in large unreconciled differences in the balances.

Reconciliation of balances of cash books with bank statements should invariably be carried out for all bank accounts.

- The prescribed share of income from self finance courses was not credited into the accounts of the universities.
- Conditional affiliation was granted to private colleges repeatedly without ensuring removal of deficiencies in infrastructure.

Prompt action should be taken for developing inspection mechanism for fulfillment of conditions of affiliation to ensure quality of education.

Scheduled Caste Welfare Department and Tribal Welfare Department

2.6 Management of Post Matric Scholarship to SC and ST students

Executive Summary

The Scheme of Post Matric Scholarships (PMSS) to the Students belonging to Scheduled Caste (SC) and Scheduled Tribe (ST) was introduced by the Government of India with the main objective of providing financial assistance to students belonging to SC and ST category for pursuing their post-matriculation courses through recognised institutions. The benefit of GoI scheme is provided to the all post-matriculate SCs and STs students whose parents/guardians' annual income from all sources does not exceed ₹ 2.50 lakh. In Madhya Pradesh, State government has extended the PMSS to students, whose parents/guardians' annual income from all sources does not exceed ₹ 3.00 lakh.

PMSS is implemented in the State by the Departments of SC Welfare (SCW) and ST Welfare (STW). At the district level, Assistant Commissioner Tribal Welfare (ACTW) and District Organiser Tribal Welfare (DOTW) are responsible for disbursement of scholarship. The Government School/Colleges are selected as Nodals for processing scholarship application of enrolled students. The Performance Audit on "Management of Post Matric Scholarship to Scheduled Caste and Scheduled Tribe" for the period 2010-11 to 2014-15 revealed the followings:

- PMSS was implemented with 100 *per cent* central assistance over and above committed liability to be borne by State Government. During the year 2010-11 to 2014-15, State Government incurred expenditure of ₹ 1,035.46 crore against the allocation of ₹ 1,129.33 crore for PMSS to SC students. For PMSS to ST students State government incurred expenditure of ₹ 550.97 crore against the allocation of ₹ 571.92 crore.

(Paragraph 2.6.6)

- Funds were released to the districts without obtaining the actual utilisation of allotted funds. There was unspent balances of ₹ 71.53 crore in the bank accounts of ACTWs/DOTWs of 15 test-checked districts at the end of March 2015, which were not refunded to Government.

(Paragraphs 2.6.6.1 and 2.6.6.2)

- In 5,441 suspected cases, more than one scholarship to one student was sanctioned in the same academic year. The actual payments towards these sanctions could not be verified due to non-availability of relevant records. However, district implementing offices confirmed payment of ₹ 3.81 crore in 1,106 cases.

(Paragraph 2.6.7.3)

- There were delays ranging from one to three years in payment of scholarship amounting to ₹ 194.29 crore to the 1.13 lakh SC students and 0.26 lakh ST students during the period 2010-11 to 2014-15.

(Paragraph 2.6.7.4)

2.6.1 Introduction

The Scheme of Post Matric Scholarships (PMSS) to the Students belonging to SC and ST was introduced by the Government of India (GoI) with the main objective of providing financial assistance to students belonging to SC and ST category for pursuing their post-matriculation courses through recognised institutions. The scheme has since been revised from time to time. PMSS consists of maintenance allowance and course/tuition fee.

The benefit of GoI scheme is provided to all post-matriculate SCs and STs students, who applies for scholarship and whose parents/guardians' annual income from all sources does not exceed ₹ 2.50 lakh. In Madhya Pradesh, State government has extended the PMSS to students, whose parents/guardians' annual income from all sources does not exceed ₹ 3.00 lakh. The scholarship for payment for tuition fee is fully reimbursable for cases of annual income up to ₹ 2.50 lakh and 50 *per cent* of tuition fee is reimbursable for income band of more than ₹ 2.50 lakh to ₹ 3.00 lakh.

For the purpose of payment of maintenance allowances, post-matric courses are divided in four groups and rate of maintenance allowance is fixed group-wise. The group-I consists of Degree and Post Graduate level courses including M.Phil, Ph.D., Post Doctoral research in Medicine, Engineering, Agriculture, Veterinary, Management, etc. The group-II includes Graduate/Post Graduate courses leading to Degree, Diploma, Certificate in areas like Pharmacy, Nursing, LLB, Para-Medical courses, Mass communication, Hotel management, Financial Services and Post Graduate courses not covered under group-I e.g. M.A./M.Sc/M.Com./M.Ed./M.Pharm etc. The group-III includes all other courses leading to a graduate degree not covered under group I and II, e.g., BA/B.Com/B.Sc. etc. The group-IV contains all post-matriculation level non-degree courses for which entrance qualification is High School, e.g. Senior Secondary, ITI courses, 3 year diploma courses in Polytechnics, etc. Further, the rate of maintenance allowance differs for hostellers and day scholars.

In Madhya Pradesh, PMSS is implemented by Departments of SC Welfare (SCW) and ST Welfare (STW). During 2010-14, the post-matric scholarship (PMS) of ₹ 1,217.33 crore (₹ 845.04 crore for SCs and ₹ 372.29 crore for STs) was distributed to 9.58 lakh SC students (6.36 lakh boys and 3.22 lakh girls) and 6.39 lakh ST students (4.27 lakh boys and 2.12 lakh girls).

2.6.2 Organisational setup

Principal Secretaries (PSs) of SCW and STW Departments are the administrative heads at Government level. Commissioner SCW and Commissioner STW are the heads of the respective Departments responsible for the implementation of the PMSS to SC and ST students at the State level. At the district level, Assistant Commissioner Tribal Welfare (ACTW)/District Organiser Tribal Welfare (DOTW) are responsible for disbursement of scholarship.

The Government school/colleges are selected as Nodals for processing scholarship application of enrolled students. The District Collector selects

principals of these Nodals as Nodal Officer. Nodal Officers are responsible for physical and documentary verification of the scholarship applications, so that the scholarship could timely be granted to genuine students.

2.6.3 Audit Objectives

Performance Audit on Management of PMSS for SC and ST students was undertaken to assess whether:

- financial management was efficient and in line with the stated objectives;
- transparency in processing of applications with timely disbursement of scholarships to eligible students was ensured and implementation of the scheme was effective; and
- monitoring and internal audit system at the various levels were adequate and effective.

2.6.4 Audit Criteria

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

- Guideline of PMSS issued by GoI and State Government;
- Guideline of Website Development issued by GoI; and
- Government orders and instructions issued from time to time.

2.6.5 Audit Scope and Methodology

Performance Audit on management of PMSS was conducted between December 2014 and July 2015 by test check of records of selected districts covering the period 2010-11 to 2014-15. Four districts, namely Bhopal, Gwalior, Indore and Jabalpur were selected in view of maximum number of beneficiaries¹ of SC and ST categories in the State.

Nine districts (Dewas, Dhar, Jhabua, Khargone, Mandla, Panna, Sagar, Sehore and Ujjain) were randomly selected by Simple Random Sampling With-Out Replacement (SRSWOR) Method. Two more districts (Bhind and Morena) were selected on the request of the PS (SCW) Department during entry conference.

Thus, total 15 districts were covered for the Performance Audit. We have selected 90 Nodals on the basis of maximum number of beneficiaries (subject to minimum six in each test checked districts). Indore and Jabalpur district did not have any Nodal. Details of selected districts and Nodals are shown in *Appendix 2.53*.

Entry conference was conducted on 18th March 2015 with the PSs of SCW and STW Departments in which audit objectives, audit criteria, audit scope and methodology was discussed. The exit conference was held on 20th October 2015 with the PSs of SCW and STW Departments. The replies of Departments have been suitably incorporated.

¹ Bhopal (47,093), Gwalior (34,692), Indore (68,624) and Jabalpur (33,264)

2.6.6 Financial Management

PMSS was implemented by the State Government with 100 *per cent* central assistance over and above respective committed liability to be borne by State Government. The committed liability of the State Government for a year, is equivalent to the actual expenditure incurred by Government under the scheme during the terminal year of the last five year plan.

During the year 2010-11 to 2014-15, State Government incurred expenditure of ₹ 1,035.46 crore against the allocation of ₹ 1,129.33 crore for PMSS to SC Students. For PMSS to ST students, State Government incurred expenditure of ₹ 550.97 crore against the allocation of ₹ 571.92 crore. The details of year-wise allotment and expenditure during the year 2010-11 to 2014-15 are shown in *Appendix 2.54*.

2.6.6.1 Non-submission of Utilisation Certificates

According to the instructions issued by the GoMP (September 1991), Nodals were required to send the UCs to ACTWs/DOTWs. Similarly, ACTWs/DOTWs were required to send UCs to the Commissioner Tribal Development/Scheduled Caste Development.

We noticed that funds were released to the districts without obtaining the actual utilisation of allotted funds. Neither Nodals sent UCs to the districts nor did districts send UCs to the State.

On being pointed out, ACTWs/DOTWs and Nodals of the test-checked districts accepted the non-compliance of the procedure of sending the UCs and assured for the compliance in future.

In the exit conference, the PS (SCW) and the PS (STW) stated that instruction would be issued to districts for sending the UCs.

Recommendation

UCs should be send by the ACTWs/DOTWs to the State Government and unspent balance should be refunded timely.

2.6.6.2 Blockage of fund at district level

As per instructions of Tribal Development Department, Nodal institutions were required to send recommendation for scholarship of eligible candidates to ACTWs/DOTWs within the 15 days from the date of receiving the proposals from non-government institutions. ACTWs/DOTWs had to release scholarship to students as maintenance allowance and to institutions as tuition fee from the funds available within the 15 days. After disbursement of scholarship, the Nodal officers had to give the certificate of utilisation of funds and undisbursed amount, if any, was to be refunded through challan in favour of ACTWs/DOTWs. ACTWs/DOTWs also had to surrender the amount of unspent balance to the SC & ST Directorate at the end of the financial year.

During test-check of records of 15 districts, we noticed that ₹ 71.53 crore remained as unspent balance in bank accounts of ACTWs/DOTWs of the concerned districts at the end of March 2015. Details are given in *Appendix 2.55*.

₹ 71.53 crore
remained as unspent
balance in bank
accounts of
ACTWs/DOTWs of
the test-checked
districts

On being pointed out, ACTWs/DOTWs of test-checked districts stated (March to July 2015) that the process of refund of unspent balance was in progress.

In the exit conference, PS (SCW) stated that unspent balance was due to undistributed scholarship of previous years. PS (STW) stated that update position was sought from districts.

Reply was not acceptable as unspent balance was not refunded by ACTW/DOTW, which was in contravention of instructions of Tribal Welfare Department.

2.6.6.3 Non-reconciliation of balances of cash book and bank account

Finance Department, GoMP issued instructions (October 2009) that bank account holding officers were responsible for quarterly reconciliation of balances of bank account and the cash book, so that the possibility of financial irregularity could be avoided.

During test check of records of 15 test-checked districts, we noticed that the fund released under PMSS was deposited in bank accounts of ACTWs/DOTWs. However, reconciliation between cash book and bank pass book was not done.

In the exit conference, the PS (SCW) stated that instruction (October 2015) has been issued to the districts for reconciliation while the PS (STW) stated that update position was sought from districts.

2.6.7 Programme Implementation

As per the instructions of the State Government for the implementation of PMSS, Principal/Head of the non-government institutions were required to scrutinize on-line applications received from students and send the applications of eligible candidates to the concerned Nodals. Nodal institutions were required to send online recommendation for scholarship of eligible candidates to the ACTWs/DOTWs after verification of scholarship applications.

During 2010-11, scholarship was released by ACTWs/DOTWs in joint bank accounts of Nodals and non-government institutions. Nodals and non-government institutions were to release maintenance allowance to students through cheque and retain the amount equivalent to tuition fee with them. During 2011-12 and 2012-13, ACTWs/DOTWs released maintenance allowance direct to students and tuition fee to concerned institutions through Electronic Clearing Service (ECS) by advice. From the year 2013-14, entire amount of scholarship was being remitted into the bank account of the student and student was required to pay the tuition fee to the institutions.

2.6.7.1 Assignment of Nodals

As per the instructions issued by the GoMP for the implementation of PMSS, Principal/Head of the non-government institutions was responsible to scrutinize timely receipt of on-line applications of the students and to send the applications of eligible candidates to the concerned Nodals for issuing the sanctions. As per the instruction issued (November 1999) by the Scheduled Tribe and Scheduled Caste Welfare Department, all non-Government

Large number of Non-Government institutes were attached with one Nodal in contravention of norms

institutions of the districts will be attached with nearest Government institutions and maximum ten non-Government institutions will be attached with one Government institution.

During test check of records of selected districts we noticed that in Bhopal and in Gwalior, 10 Nodal were assigned more than ten non-Government institutions, which ranged between 12 to 80 non-government institutions. As against this, four Nodals in Gwalior and Bhopal did not have any Non-Government institutions attached with them. The detail of Nodals and number of attached institutions is given in **Appendix 2.56**.

We further noticed that no Nodals were selected in Indore and Jabalpur district. In both districts, concerned ACTW/DOTW acted as Nodal for Non-Government institutions.

In the exit conference, the PS (SCW) and the PS (STW) stated that instruction would be issued to the district Collectors to proportionately rationalise the institutes and attach with Nodals. The PS (SCW) also stated that instructions would be issued to Indore and Jabalpur district for selecting the Nodals and attach the institutes with these Nodals in proportion.

Recommendation

Nodals should be selected according to the criteria, so that monitoring of Non-Government institutes could be done effectively.

2.6.7.2 Deficient scrutiny of scholarship applications

Nodal officers selected by District Collector were required to undertake verification of scholarship applications so as to ensure that genuine students were granted scholarship with minimum delay.

Test-check of 2,600 application forms in 14 test checked districts² revealed that essential documents³ i.e. caste certificate, gap-certificate, income certificate and School/College leaving certificates (SLCs/CLCs) were not attached with scholarship applications.

Essential documents were not attached with scholarship application

As per instruction of GoMP (May 2012), students were required to submit on line application for scholarship within 15 days of their admission. The eligibility of students for scholarship was to be determined by respective non-government institution within one month of receipt of on-line application. Thereafter, these applications were to be forwarded by non-government institutions to respective Nodals. We noticed delays of two to twelve months in forwarding 971 applications by non-government institutions. The Details are given in **Appendix-2.57**.

On being pointed out, ACTWs/DOTWs of the test-checked districts stated (March to July 2015) that appropriate action would be taken in this matter.

In the exit conference, the PS (SCW) stated that letter would be written to line Departments i.e. Higher Education, Medical Education, Technical Education, School Education and Skill Development. The PS (STW) stated that update position had been sought from the districts.

² Bhopal, Dewas, Dhar, Gwalior, Indore, Jabalpur, Jhabua, Khargone, Mandla, Morena, Panna, Sagar, Sehore and Ujjain

³ Gap Certificate:639, Income Certificate:180, SLC/CLC:1427 and Caste Certificate:51

2.6.7.3 Improper sanction of scholarship

The GoI directed (July 2010) that if student was found to have obtained scholarship by false statement, his/her scholarship would be cancelled and amount of the scholarship paid would be recovered.

The State Government, Department of Tribal Welfare and SC welfare maintains the data of sanction of scholarship to SC/ST students on “www.scholarshipportal.mp.nic.in”. In Audit, the data of Post matric scholarship was obtained from the STW Department on a CD and the SCW Department provided the data through e-mail. The data was neither certified by the Departments nor by the National Informatics Centre (NIC). The data so provided was analysed on the parameters of student name, father’s name and date of birth to find out the cases where more than one scholarship were sanctioned to one student in the same academic year and we also downloaded online sanctions of the students with reference to above criteria. The analysis revealed that in 5,441 suspected cases more than one scholarship to one student was sanctioned in the same academic year, as detailed in **Table-1**:

Table-1: category-wise position of cases of more than one sanction to one student

Year	Number of cases of more than one scholarship sanctioned to one student		Total number of cases of more than one scholarship sanctioned to one student	Amount of sanctioned scholarship (₹ in crore)		Total amount of sanctioned scholarship (₹ in crore)
	SC	ST		SC	ST	
2010-11	573	36	609	2.55	0.14	2.69
2011-12	1,217	988	2,205	6.42	4.54	10.96
2012-13	764	796	1,560	3.69	3.13	6.82
2013-14	661	406	1,067	3.18	1.60	4.78
Total	3,215	2,226	5,441	15.84	9.41	25.25

(Source: Data provided by the Department)

The downloaded online sanctions were further test checked in ten selected districts⁴ to ascertain whether payment of more than one sanctioned scholarship was made or not. However, actual payments towards more than one sanctions could not be ascertained in audit due to non-availability of relevant records at district/nodal level i.e. Bank Scrolls, Application Forms and payment to the beneficiary from Nodal or institute level etc.

The status of payment in test-checked districts was, therefore, verified by adopting the following methodology:

- **Through verification of payment advices issued by ACTWs/DOTWs**

The payment status of the sanctioned scholarship was verified from payment advices issued by ACTWs/DOTWs to educational institutions through their bank accounts.

Scrutiny of records in the selected districts revealed that in 123 cases from seven districts⁵, payment advices of ₹ 0.40 crore (₹ 0.27 crore to 77 SCs students and ₹ 0.13 crore to 46 STs) were issued in test-checked cases where more than one scholarship was sanctioned to one student for the same academic year.

⁴ Bhopal, Dhar, Gwalior, Indore, Jabalpur, Jhabua, Khargone, Mandla, Sagar and Ujjain.

⁵ Bhopal, Dhar, Gwalior, Jhabua, Mandla, Sagar and Ujjain

- ***Confirmation of payment made by district implementing offices***

During the audit, memos were issued to ACTWs/DOTWs, alongwith the list of students to whom more than one scholarship in same academic year was sanctioned, to ascertain whether the payments to these students were made or not.

ACTWs/DOTWs of three districts (Indore, Jabalpur and Khargone) confirmed payment of ₹ 3.81 crore (₹ 1.04 crore to 300 SCs and ₹ 2.77 crore to 806 STs) in 1,106 cases, where more than one scholarship was sanctioned to one student for the same academic year. Among these 15 cases of Khargone district, we were able to confirm suspected improper payment of ₹ 2.50 lakh as more than one scholarship to one student. Scrutiny of records in these 15 cases revealed that students had received more than one scholarship from different institutions for different courses in the same academic year.

- ***Verification of payment from cheque register maintained in the office of ACTW/DOTW***

The status of payment was also verified by obtaining cheque registers maintained in the offices of the ACTWs/DOTWs. Scrutiny of records in Bhopal district revealed that payment of ₹ 2.93 lakh (₹ 0.13 lakh for SC + ₹ 2.80 lakh for STs) in nine cases (one SC and eight STs) were noted in cheque register, where more than one scholarship was sanctioned to one student for the same academic year.

On being pointed out, ACTW, Bhopal stated that scholarship had been recovered from 27 students and notices were issued to the 70 institutions in which prima facie the students found guilty of taking more than one scholarship. Further, the ACTWs/DOTWs of other test-checked districts replied (March to August 2015) that appropriate action would be taken against such students after investigating the matter.

In the exit conference, the PS (SCW) and PS (STW) stated that update position of those students who received more than one scholarship in an academic year was sought from district level. It was further stated that ₹ 5.82 lakh and ₹ 18.77 lakh were recovered from SC and ST beneficiaries respectively so far.

The reply underscores absence of control mechanisms at district level and at Nodal level to prevent misuse of the scheme.

Recommendation

The control mechanism should be strengthened to prevent more than one sanctions to same students so that the misuse of the scheme could be prevented.

2.6.7.4 Delay in payment of scholarship

The main objective of the PMSS is to provide financial assistance to SC and ST students pursuing post matriculation courses. Scholarship to the students should be paid during the academic session for which the scholarship sanctioned.

During test check of records at ACTWs/DOTWs of 15 selected districts we noticed that there were delays ranging from one to three years in payment of

scholarship amounting to ₹ 194.29 crore (₹ 159.63 crore for SC students + ₹ 34.66 crore for ST students) to the 1.13 lakh SC students and 0.26 lakh ST students during the period 2010-11 to 2014-15 as detailed in **Appendix 2.58**.

On being pointed out, ACTWs/DOTWs stated (March to July 2015) that scholarship could not be distributed timely due to non-submission of applications by the students and non-availability of fund.

In the exit conference, the PS (SCW) and the PS (STW) stated that update position of delay in payment of scholarship was sought from districts. The PS (SCW) further stated that instructions have been issued to distribute the scholarship timely in future.

Recommendation

The scholarship should be sanctioned timely so that the objective of providing financial assistance to students could be fulfilled.

2.6.7.5 Non-maintenance of records

Standing orders for disbursement of scholarship envisaged that the records i.e. subsidiary cash book, ledger and cheque register etc. should be maintained properly in order to keep watch on expenditure.

We noticed non-maintenance of records in test-checked 15 districts, as detailed in **Appendix 2.59**. As evident, subsidiary cash book was not maintained in 13 districts, while in ten districts Ledgers were not maintained and in three districts cheque registers were not maintained. In five districts, Ledger and cheque registers were maintained, but were not authenticated by the competent authority. In the absence of these records, the position of disbursed amount for the payment of scholarship and expenditure incurred at Nodal level could not be ascertained.

On being pointed out, ACTWs/DOTWs of the test-checked districts assured (March to July 2015) for maintaining the records in future.

In the exit conference, the PS (SCW) and the PS (STW) assured for issuing the necessary instructions to the districts regarding maintenance of records.

2.6.7.6 Implementation of Scholarship Portal without standardisation

According to the Para 1.5 of Guidelines for Indian Government Websites, Standardisation Testing Quality Certification (STQC) is an organisation of Information Technology Department of GoI. All government websites should obtain the certification from STQC in order to conformity to usable, user-centric and universally accessible websites. Guidelines also provide that it must be ensured that elements do not contain duplicate attributes and all IDs should be unique. The Department was responsible for the contents as well as the maintenance of the site.

During the test-check of records related to the development of the Scholarship Portal, it was noticed that the process of developing the online system through NIC was started in June 2009 and Portal was hosted and implemented in June 2011 with the assurance of transparency in operations, enforcement of rules, direct payments to the students through ECS, check leakages to control frauds.

Scholarship portal was developed without obtaining the certificate from STQC and control mechanisms were also not present in portal

We noticed that the use of scholarship portal for on-line application and recommendations by Nodals was started without developing/ensuring the control mechanism for restricting the improper use of PMSS. Certification from STQC was also not obtained by the Department. The limitations/deficiencies of the portal were not analysed at the initial stage. NIC later informed (December 2013) the limitations of the existing portal i.e. absence of foolproof mechanism for enforcement of uniqueness of student, absence of enforcement of First Come First Serve Policy etc. and submitted the proposal for developing the new version.

We further noted that, scholarships were not disbursed during the year 2014-15 due to delay in development of new portal from NIC, as a result large amount remained undisbursed in bank accounts at district level.

In the exit conference, the PS (SCW) and the PS (STW) stated that letter had been written to the NIC regarding deficiencies raised by the audit. However, it was also stated that necessary remedies were made in the scholarship portal in its new version started from 2014-15.

Recommendation

Web scholarship portal should be upgraded as per instructions contained in Guidelines for Indian Government Website.

2.6.8 Monitoring

2.6.8.1 Non-monitoring of scheme at State and district level

Commissioner, Tribal Development, GoMP issued (September 1991) directions by defining the expectations from State, district and Nodal levels. At State level Head of the Department was required to consolidate the reports received from Divisions and to intimate the State Government about the progress of the scheme. As per the instructions issued by the GoMP for the implementation of PMSS, Nodal officer was required to establish a committee and physically inspect the Non-Government institutions before sanctioning the scholarship by verifying the physical attendance of the beneficiaries.

We noticed that records related to monitoring of the scheme were not maintained in SC and ST Directorates, 14 test-checked districts and Nodals. However, prescribed monitoring was conducted in Morena district at district and Nodal level during the year 2012-13 to 2014-15.

We also noticed in ACTW Bhopal that Collector instructed (January 2015) Nodal Officers for inspecting all attached non-Government institutions along with their recognition and affiliation for the period 2009 to 2013. We noticed that Nodal Officers submitted their reports without obtaining the documents related to the recognition and affiliation of the attached institutions for the said period.

In the exit conference, PS (SCW) stated that monitoring system will be thoroughly analysed in future. PS (STW) stated that update position was being sought from the districts.

The reply was not acceptable, as the absence of proper monitoring resulted in various irregularities, such as non-verification of documents, delay in sanctions and non-diligence in scrutiny of scholarship applications.

2.6.9 Internal Audit

Internal audit examine and evaluates compliance to rules and instructions so as to provide independent assurance to the management at senior level.

We noticed that no Internal Audit was conducted by the Department during the entire period of the performance audit 2010-15. In absence of internal audit there may be a risk of misappropriation of Government funds.

In the exit conference, the PSs of both Departments assured for compliance in future.

2.6.10 Conclusion and recommendations

- During the year 2010-11 to 2014-15, State Government incurred expenditure of ₹ 1,035.46 crore against the allocation of ₹ 1,129.33 crore for PMSS to SC students. For PMSS to ST students State Government incurred expenditure of ₹ 550.97 crore against the allocation of ₹ 571.92 crore.

- Funds were released to the districts without obtaining the actual utilisation of allotted funds. There was unspent balances of ₹ 71.53 crore in the bank accounts of ACTWs/DTOWs of 15 test-checked districts at the end of March 2015.

UCs should be send by the ACTWs/DOTWs to the State Government and unspent balance should be refunded timely.

- Large numbers of Non-Government institutes were attached with one Nodal in contravention of norms.

Nodals should be selected according to the criteria so that monitoring of Non-Government institutes could be done effectively.

- In 5,441 suspected cases, more than one scholarship to one student was sanctioned in the same academic year. The actual payments towards these sanctions could not be verified due to non-availability of relevant records. However, district implementing offices confirmed payment of ₹ 3.81 crore in 1,106 cases.

The control mechanism should be strengthened to prevent more than one sanctions to same students so that the misuse of the scheme could be prevented.

- There were delays ranging from one to three years in payment of ₹ 194.29 crore of scholarship to 1.13 lakh SC students and 0.26 lakh ST students during the period 2010-11 to 2014-15.

The Scholarship should be sanctioned timely so that the objective of providing financial assistance to students could be fulfilled.

Public Service Management Department

2.7 Implementation of Right to Public Service Legislation in the State

Executive Summary

Madhya Pradesh Legislature enacted *Madhya Pradesh Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010* (Act) which aimed to provide for delivery of services to the people of the State within the stipulated time limit. The Act came into force from September 2010. Government of Madhya Pradesh (GoMP) notified (September 2010) *Madhya Pradesh Lok Sewaon ke Pradan ki Guarantee* (Application, Appeal, Revision, Recovery of Penalty and Payment of Compensation) Rule, 2010 (Rules) under Section 10(1) of the Act to lay down process for implementation of the Act. The Act includes provisions to notify time-frame for providing services, Designated Officers (DO) for providing services, Appeal Officer/Appellate Authority (AO) for hearing appeals and fixing penalties for delay or rejection of service without sufficient reason.

State Government established (September 2010) Public Service Management (PSM) Department headed by Secretary, GoMP for improvement and innovation in public services. State Agency for Public Service (SAPS) headed by an Executive Director was also formed (May 2013) as a registered Society for implementation of *Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010*. As an optional arrangement for receiving applications under the Act, *Lok Seva Kendras* (LSKs) were set up from September 2012 under Public Private Partnership up to Block level.

GoMP notified 124 services of 22 Departments under the Act in eight phases between September 2010 and March 2015. Out of these, services provided during 2012-13 to 2014-15 in respect of 36 notified services of nine departments were examined. Some of the main services were issue of caste, domicile, income, disability certificates, inclusion of names in the list of below poverty line families (rural area), new BPL/APL ration cards, marriage registration, etc. We observed the following:

- During period 2012-13 to 2014-15, 181.41 lakh online applications were disposed within stipulated time, which was 75 per cent of total 241.40 lakh applications received online. We noted that applications under various financial assistance schemes were shown as disposed before providing assistance to the applicants by treating date of approval by competent authority as delivery of service. This was due to absence of provision for tracking online financial transaction of assistance provided to beneficiaries.

(Paragraphs 2.7.7 and 2.7.7.1)

- One of the objectives for establishment of SAPS was to increase the use of information technology in delivery of notified services under the Act so that most of the citizen services could be brought under online system. However, out of 124 notified services of 22 Departments, only 68 notified services of 16 departments were being processed through online system by

LSKs. The process of bringing all the services in the ambit of online was in progress.

(Paragraph 2.7.7.2)

- Information about the notified services, time limit of disposal, documents to be attached with the application and name of DOs and AOs were to be displayed at the office of DOs/AOs on notice board. However, this information was not displayed on notice boards in the offices of 38 out of 82 DOs and 18 out of 40 AOs resulting into lack of dissemination of relevant information to the citizen.

(Paragraph 2.7.8.3)

- District Heads of concerned Departments were to prepare a yearly schedule of inspection of DOs and the findings of inspection were to be reported to the Collector. However, District Head of the Departments neither prepared schedule of inspection nor did they carry out periodic inspection of the offices of DOs to assure that services were delivered to the citizen as provided in the Act.

(Paragraph 2.7.10.1)

2.7.1 Introduction

Madhya Pradesh Legislature enacted *Madhya Pradesh Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010* (Act) which aimed to provide for delivery of services to the people of the State within the stipulated time limit. The Act came into force from September 2010. Government of Madhya Pradesh (GoMP) notified (September 2010) *Madhya Pradesh Lok Sewaon ke Pradan ki Guarantee* (Application, Appeal, Revision, Recovery of Penalty and Payment of Compensation) Rule, 2010 (Rules) under Section 10(1) of the Act to lay down process for implementation of the Act. The basic legal provisions in the Act were to notify time-frame for providing services, Designated Officers (DO) for providing services, Appeal Officer/Appellate Authority (AO) for hearing appeals and fixing penalties for delay or rejection of service without sufficient reason.

GoMP notified 124 services of 22 Departments under the Act in eight phases between September 2010 and March 2015, as detailed in **Appendix 2.60**. Some of the important notified services under the Act were issue of domicile, income and caste certificate in General Administration Department, *prasuti sahayata* and registration of construction labourer in Labour Department, sanction and providing pension for the first time under various social security pension schemes in Social Justice Department, inclusion of names in the list of BPL families in Panchayat and Rural Development Department, issue of birth certificates and death certificates in Planning, Economics and Statistics Department and issue of APL and BPL ration cards in Food, Civil Supplies and Consumer Protection Department.

2.7.2 Institutional arrangement

At State Government level, Public Service Management (PSM) Department headed by Secretary, GoMP was established (September 2010) for improvement and innovation in public services. PSM Department is

responsible for overall implementation of *Madhya Pradesh Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010*.

State Agency for Public Service (SAPS) headed by an Executive Director was formed (May 2013) as a registered Society, under PSM Department for effective implementation of *Lok Sewaon ke Pradan Ki Guarantee Adhiniyam, 2010*. The main functions of SAPS were to provide guidance for improvement of institutional, policy making and operational arrangement for the purpose of management of timely delivery of service notified under the Act. SAPS was also coordinating running of *Lok Seva Kendras* (LSKs), which were set up from September 2012 under Public Private Partnership up to Block level as an optional arrangement for receiving applications.

At district level, District Collectors were responsible to monitor implementation of the Act. District e-governance Societies (DeS) at Districts were constituted (June 2009) under MP Societies Registration Act. District Collector is the Secretary of DeS. PSM Department entrusted (August 2012) to DeSs responsibilities of coordination between DOs, AOs and *Lok Seva Kendras* (LSKs), arranging meetings/workshops for dissemination of information regarding the Act and LSKs.

Nodal Officers at Head of Department level and at Commissionerate level were nominated under the orders (February 2012 and August 2012) of PSM Department. They were entrusted the responsibilities of monitoring, training, dissemination of the procedure for providing services under the Act and to ensure that Divisional level Officers were reviewing the activities under the Act. District Heads of Department were also entrusted the work of monitoring, inspection of DOs offices and removal of difficulty in providing services etc.

2.7.3 Audit objectives

The audit objectives were to ascertain whether:

- effective and efficient delivery of the notified services was ensured;
- institutional arrangement for implementation of the Act was in place;
- citizen's awareness about the Act was created;
- adequate provision for capacity development of service providers was made; and
- mechanism for the monitoring and redressal of grievances was established.

2.7.4 Audit Criteria

The implementation of Act for delivery of notified services by the Service Departments was assessed with reference to the provisions of the *Madhya Pradesh Lok Sewaon ke Pradhan ki Guarantee Adhiniyam, 2010*; rules/orders made/notifications issued under the Act and guidelines issued by PSM Department.

2.7.5 Scope of Audit, Coverage and Methodology

Records/data pertaining to the period 2012-13 to 2014-15 of the PSM Department and SAPS at headquarter level, DeSs, DOs, AOs and LSKs through DeS in selected Districts were examined. Five Districts (Bhopal,

Guna, Gwalior, Harda and Narsinghpur) and Ten *Tehsils*¹ (Huzur, Berasia, Guna, Maqsudangarh, Gwalior, Dabra, Harda, Khirkiya, Narsinghpur and Gotegaon) were selected on the basis of ‘Simple random sampling’ method.

In sampled Districts/Tehsils, delivery of 36 out of 37 notified services (as of March 2014) of nine Departments were examined (**Appendix-2.61**) between February 2015 and July 2015. These Departments were Labour Department (seven services), General Administration Department (three services), Social Justice Department (five services), Scheduled Castes and Scheduled Tribe Welfare Department (one service), Food, Civil Supplies and Consumer Protection Department (five services), Public Health and Family Welfare Department (five services), Women and Child Development Department (two services), Panchayat and Rural Development Department (one service), Planning, Economics and Statistics Department (seven services). The primary audit evidence was information gathered from records/data of the PSM Department, SAPS, auditee units and replies of the half margins.

Entry Conference was held with Secretary, PSM Department on 17th March 2015 to discuss audit objective, scope, coverage and methodology. Exit conference was held with Executive Director on 28th October 2015 wherein audit findings were discussed. Department verified facts and figures of the audit observations and assured to take follow up action on the recommendations; views of the Department have been suitably incorporated.

Audit findings

Deficiencies/irregularities in implementation of the Act noticed during the course of audit on various issues are brought out in succeeding paragraphs:

2.7.6 Selection of Services

According to Section 3 of the Act, the State Government may, from time to time, notify the services to which this Act shall apply.

Scrutiny of records of PSM Department revealed that GoMP notified 124 services of 22 Departments under the Act in eight phases between September 2010 and March 2015. However, we observed that PSM Department, GoMP vide notifications of December 2014 deleted four services - two services of General Administration Department (GAD), viz. ‘Issue of caste certificate’ and ‘Providing true copy of voter list of urban bodies and rural bodies under state election’ and two services of Home Department, viz. ‘Renewal of license of unbarred bore weapon before the end of license period’ and ‘Renewal of license of unbarred bore weapon after the end of license’.

In the exit conference, Executive Director stated that the number of services notified is increasing day by day. Government reviews services of various departments from time to time and notifies/deletes according to priority and importance of services to citizens. However, the reply does not explain the reasons for deleting the services of important nature which includes ‘Issue of caste certificate’.

¹ two from each district

2.7.7 Effectiveness of the delivery of the services

According to Section 5(2) of the Act, the DO on receipt of application under sub section (1) shall within stipulated time limit either provide service or reject the application.

Services were delivered by Departments through offline and online mode. Offline applications were received directly by the DOs² in their office and processed manually or through www.lokseva.gov.in. However, in both cases the data for the month was to be entered in www.mid.mp.nic.in/mploksewa for monitoring. Online applications were being received by Operators of LSKs and processed through www.mpedistrict.gov.in.

Department wise position of receipt and disposed applications for selected nine Departments during 2012-15 is shown in **Table-1** below:

Table-1: Statement showing Department wise position of receipt and disposed applications (online and offline)

Name of Department	Main Services	Applications received	Applications disposed	Disposed within time	Percentage of timely disposal w.r.t. total receipts
Labour	Benefits under maternity and marriage support scheme, Ex-gratia assistance scheme, Registration of construction labourer.	5,05,471	4,97,470	4,69,871	93
General Administration	Caste, Domicile and Income certificate	1,93,40,225	1,41,76,957	1,37,39,020	71
Social Justice	Social Security Pension, Indra Gandhi National Old Age/ Widow/ Disabled Pension and National Family Welfare Scheme	6,17,774	5,90,701	5,62,758	91
Scheduled Castes and Scheduled Tribe Welfare	Redressing the grievance in case of non- disbursement of relief under M.P. SC&ST contingent scheme	1,355	1,307	1,306	96
Food, Civil Supplies and Consumer Protection	New BPL/APL Ration Cards	8,44,275	8,10,739	7,52,178	89
Public Health and Family Welfare	Rajya Bimari Sahayata Nidhi Scheme, Disability certificate and Dindayal Antyoday Upachar Yojana Card	3,74,195	3,73,276	3,68,897	99
Woman and Child Development	Ladli Lakshmi Scheme	4,29,456	4,23,253	4,20,475	98
Panchayat and Rural Development	Inclusion of names in the list of below poverty line families (Rural area)	26,72,867	25,90,241	22,64,691	85
Planning, Economics and Statistics	Birth and Death inaccessibility certificate, Marriage registration	2,06,495	2,04,692	2,03,954	99

(Source: Information provided by SAPS)

Percentage of disposal of cases within time limit in selected Department ranged between 71 and 99 per cent

It would be seen from above that percentage of disposal of applications within prescribed time limit in these nine Departments ranged between 71 and 99 per cent of total received applications. Department specific shortcomings noticed in some of the selected Service Departments are mentioned below:

² Officer notified under the Act for providing Service.

(a) General Administration Department

The services notified for the Department included issue of Caste, Income and Domicile Certificates. The Department received 1.93 crore applications and percentage of timely disposal of applications was 71 *per cent*. Further, 51.63 lakh applications were pending with Department for disposal.

(b) Labour Department

We observed from records relating to offline/online cases of nine³ DOs that 156 cases under *prasuti sahayata* scheme, 60 cases under *vivah sahayata* scheme and 36 cases under *ex-gratia* assistance scheme were shown in the system as disposed within stipulated time only on the basis of date of approval of service by DOs. However, scrutiny of records revealed that financial assistance was provided to beneficiaries after stipulated time.

(c) Social Justice Department

We observed from records of 11⁴ DOs that in 279 offline/online cases under *rashtriya pariwar sahayata* scheme, the financial assistance to applicants was provided after stipulated time. The online cases, however, were shown in system as disposed within time limit on the basis of date of approval of service by DOs. We also observed from records of six⁵ DOs that 650 applications for sanction and providing pension for the first time under Social Security Pension and Indira Gandhi National Old Age/Widow/Disabled Pension Scheme were shown as disposed before providing assistance to the applicants. The date of approval of pensions by competent authority was treated as delivery of service in these 650 cases.

In the exit conference, Executive Director stated that at present there is no provision of tracking online financial transaction of assistance provided to beneficiaries; hence the actual dates of transferring funds are not captured. PSM, Finance and other Departments have conducted brainstorming sessions to resolve this. It was further stated that this matter would be taken up with departments through formal communication.

Recommendation

Applications under financial assistance schemes should be shown as disposed only after actual delivery of benefit to applicants as required under stipulations of notified services.

2.7.7.1 Status of providing services under the Act at State level

The status of receipt and disposal of online and offline application in the State in respect of all notified services during 2012-13 to 2014-15 is shown in following **Tables**:

³ CEO, Janpad Panchayat, Berasia and Guna, Block Medical Officer, Berasia and Dabra, Labour Office, Bhopal, Harda and Gwalior, CMO, Nagar Palika Parishad, Harda, Commissioner, Municipal corporation, Gwalior.

⁴ Chief Municipal Officer, Berasia, Harda and Khirkiya, CEO, Janpad Panchayat, Berasia, Phanda, Morar, Dabra, Harda and Khirkiya, and Commissioner, Municipal Corporation, Bhopal and Gwalior.

⁵ Commissioner, Bhopal Municipal Corporation, CEO, Janpad Panchayat, Phanda and Harda, Chief Municipal Officer, Berasia, Khirkiya and Harda.

Applications under Pension Schemes were shown as disposed before providing assistance to the applicants

Statement showing position of receipt and disposal of online and offline applications
Table-2: Applications processed through LSKs (Online)

Year	Total no. of applications received	Applications Disposed	Application disposed within stipulated time	Percentage of timely disposal w.r.t total receipts
2012-13	19,76,867	17,03,503	16,01,078	81
2013-14	77,84,257	77,17,671	68,10,783	87
2014-15	1,43,78,904	1,02,08,559	97,29,148	68
Total	2,41,40,028	1,96,29,733	1,81,41,009	75

(Source: Information provided by SAPS as generated from website www.mpedistrict.gov.in)

Table-3: Applications directly received by DOs (Offline)

Year	Total no. of applications received	Application disposed within stipulated time	Percentage of timely disposal w.r.t total receipts
2012-13	74,92,104	74,30,326	99
2013-14	64,21,418	62,85,236	98
2014-15	70,20,938	62,29,040	89
Total	2,09,34,460	1,99,44,602	95

(Source: Monitoring Information System (MIS) data provided by SAPS)

Table 2 and **Table 3** showed that total 450.74 lakh applications were received during 2012-13 to 2014-15. Applications received through online and offline mode were 21 and 79 *per cent* for 2012-13, 55 and 45 *per cent* for 2013-14 and 67 and 33 *per cent* for 2014-15 respectively. Out of 241.40 lakh application received online, 181.41 lakh applications (75 *per cent*) were disposed within stipulated time, whereas the percentage of timely disposal in respect of offline applications was 95 *per cent*.

As per information provided by SAPS, there were 4.55 lakh pending offline applications as of March 2015. However, we noted from the related information of receipts and disposal of applications that the number of pending applications worked out to 10.29 lakh. Thus, there was a difference of 5.74 lakh in numbers of pending applications during the period 2012-13 and 2014-15.

In the exit conference, Executive Director stated that data in respect of offline applications would be re-examined and requisite correction would be made accordingly. It was further stated that instructions would be issued to District Collectors for effective monitoring of data.

Recommendation

All applications/services should be processed through single website to enable effective monitoring.

2.7.7.2 One of the objectives for establishment of SAPS was to increase the use of information technology in delivery of notified services under the Act so that most of the citizen services could be brought under online system. However, out of 124 notified services of 22 Departments, only 68 notified services of 16 departments were being processed through online system by LSKs. Rest of the services could not be brought into online system by SAPS and were being provided offline directly through DOs.

In the exit conference, Executive Director stated that the process of bringing all the services online was in progress.

Recommendation

The SAPS should endeavor to bring all notified services to online system in time bound manner.

2.7.8 Deficiencies in Institutional arrangement for service delivery

Following deficiencies were noticed in Institutional arrangement for service delivery:

2.7.8.1 Lok Seva Kendras

As an optional arrangement for receiving applications under the Act, 336 Lok Seva Kendras were established across the State under Public Private Partnership up to Block level. Fee of ₹ 30 per application were stipulated for obtaining services from LSKs. The main functions of LSKs were to receive and process the applications for obtaining services and submit the completed application to designated officer online. LSKs were also responsible to provide a copy of the order passed or a compliance report prepared by the DOs with regard to the application submitted, free of cost to the applicant. We observed following deficiency in functioning of Lok Seva Kendras:

- **Non-entering the date of delivery of Service**

We observed from report generated through software during physical verification of four LSKs (Dabra, Gorkhi, Collectorate Harda and Khirkiya) that field for entering the date of delivery of service was not being entered by the LSKs (except in case LSK Dabra). Further, Harda and Khirkiya LSKs did not maintain records relating to acknowledgment of applicants as an evidence for delivery of service.

In the exit conference, Executive Director stated that it would be instructed to invariably enter the date of delivery in the system.

- **Non-forwarding of cases to AOs for *suo moto* action**

As per agreement, LSKs would forward cases to the next higher authority for taking *suo moto* action where service was not provided within stipulated time or application rejected by the DO/first Appeal Officer. We observed that this instruction was not being followed by LSKs in selected Districts.

In the exit conference, Executive Director stated that as per the *modus operandi* appeals can be filed by applicant or the AO has to consider pending cases as *suo moto* appeal.

The reply is not acceptable, as under the agreement, LSKs were required to forward cases to next higher authority for taking *suo moto* action.

- **Deficiency in deployment of manpower**

Every LSK was required to employ at least five persons including three computer operators and if the average number of applications received at LSK in three consecutive months exceeds 2,000, the operator would provide one additional computer terminal and computer operator for a set of every increment of 750 applications.

We observed that out of 12 test-checked LSKs, four LSKs (Collectorate Bhopal, Collectorate Harda, Khirkiya and Gorkhi) received more than 2,750

applications (3,004 to 17,506 applications) in three to nine consecutive months, but the LSK operators did not provide additional computer operator and terminal as required under the agreement.

In the exit conference, Executive Director stated that the matter would be reviewed and followed as per observation of audit.

2.7.8.2 District e-governance Society

District e-governance Societies (DeS) were entrusted responsibilities of coordination between DOs, AOs and *Lok Seva Kendras* (LSKs) and to receive amount collected by LSKs other than process fee.

PSM Department, GoMP laid down (July 2012 and September 2012) process for collection and remittance of the Statutory Fee into treasury by the LSKs through District e-governance Society (DeS). The amount of statutory fee accumulated in the account of DeS for a particular service for a month was to be deposited in the subsequent month in respective revenue Head of Government Account.

We noted that DeS Bhopal and Harda did not maintain details of statutory fee received by LSKs from applicants. DeS Gwalior intimated that statutory fees were not received during 2012-15. DeS Guna intimated that statutory fee of ₹ 10.88 lakh collected during September 2012 to October 2015 was kept in its accounts. DeS Narsinghpur intimated that ₹ 33.47 lakh was deposited into treasury out of ₹ 42.79 lakh statutory fee collected during 2012-15 and remaining ₹ 9.32 lakh was kept in the account of the DeS.

In the exit conference, Executive Director stated that this matter had already been taken up and instructions were already issued to all e-governance Societies to deposit statutory fees into Government Account in time.

2.7.8.3 Designated Officer and Appeal Officers

Under section 3 of the Act, the State Government may, from time to time, notify designated officers/appeal officers to provide the service notified under the Act to the person eligible to obtain the service, within the time limit. We observed following deficiency in functioning of DOs/AOs:

- **Non-maintenance of Registers/Records**

Rule 16 prescribed various formats (Form 3 and 4) for keeping record of information related with providing of the service to the applicants by each DO and AO.

We observed from the records that 41 out of 82 DOs and three out of 40 AOs (*Appendix-2.62*) did not maintain prescribed registers in Forms 3 and 4. Due to non-maintenance of the Register, it was not possible to ascertain whether the services were delivered within prescribed time.

In the exit conference, Executive Director stated that provision of entering the applications online at DO offices was being made available. Communication would be sent to departments and districts with instructions to maintain register and enter all relevant information.

Register in
Format 3 and 4
was not
maintained by
DOs and AOs

- **Non-display of information through Notice Board**

As per Rule 6 of the *Madhya Pradesh Lok Sevaon ke Pradan ki Guarantee* (Application, Appeal, Revision, Recovery of Penalty and Payment of Compensation) Rule, 2010 and PSM Department, GoMP order (September, 2010) information about the notified services, time limit of disposal, documents to be attached with the application and name of DO, AO⁶ was to be displayed at their office on notice board.

Notice board displaying the requisite information was not erected in DOs offices

We observed in 38 out of 82 offices of DOs and 18 out of 40 AOs (*Appendix 2.63*) that notice board displaying the requisite information was not erected leading to lack of proper information to the citizen.

In the exit conference, Executive Director stated that instructions have already been sent to all district collectors to comply.

2.7.9 Capacity development

Deployment of necessary manpower was vital in successful implementation of the Act. During the course of audit, eight⁷ DOs cited shortage of staff as constraint in management of implementation of the Act. Further scrutiny of the issue, six⁸ DOs stated that demand of staff was made verbally.

In the exit conference Executive Director stated that for monitoring purpose, department is increasing staff at State level office and increase in staff at District level offices is also being planned for better monitoring and execution. It was further stated that the proposal is already approved by Government to appoint Office Assistant for Designated Officers of Revenue Department, which receive highest number of applications.

2.7.10 Mechanism for monitoring and redressal of grievances

Effective monitoring and redressal of grievances is essential for the successful implementation of the Act. We observed following deficiencies:

2.7.10.1 Inspection of office of Designated Officers not carried out

PSM Department GoMP directed (February 2012 and August 2012) to District Heads of concerned Departments to prepare a yearly schedule of inspection of DOs, inspect accordingly and report their findings to the Collector.

Information furnished by Collectors revealed that no inspection was carried out in Bhopal District during 2012-15. In Bhopal, Gwalior and Harda, District Heads of selected nine Departments did not prepare schedule of inspections nor did they carry out periodic inspections of the office of DOs to assure that services were delivered to the citizen in a manner as provided in the Act.

In the exit conference, Executive Director stated that instructions had already been issued from time to time and further instructions would be issued to

Collector and District Head of Departments neither prepared schedule of inspection nor did they carry out periodic inspection of the office of DOs

⁶ Officer notified under the Act for hearing appeal.

⁷ CEO, Janpad Panchayat, Berasia and Phanda (Bhopal), Tehsildar, Berasia and Harda, Civil Surgeon, Harda, Project Officer, ICDS, Harda (Two units) and CMO, Nagar Palika Parishad, Berasia.

⁸ Civil Surgeon, Harda, Project Officer, ICDS, Harda (Two units), Tehsildar, Harda, CMO, Nagar Palika Parishad, Berasia and CEO, Janpad Panchayat, Berasia.

authorities for inspection of offices to ensure smooth service delivery to citizen.

2.7.10.2 Redressal of grievances

According to Section 6 of the Act, any person whose application was rejected under the Act or who was not provided service within the stipulated time limit, may file an appeal to the first Appeal Officer within 30 days from date of rejection of application or the expiry of the stipulated time limit. The second appeal against decision of first Appeal Officer may be filed to the second Appellate Authority within 60 days from the date on which the decision was made. The second Appellate Authority may reject or accept the appeal and may impose penalty according to provisions of the Act.

According to the Proviso under Section 6 of the Act (as amended in January 2012), the AOs should on his own motion, call for the records of an application rejected or was pending beyond stipulated time limit and pass such order as may be deemed appropriate.

Information furnished by SAPS revealed the following:

(a) Out of total 45,387 first appeal cases, 33,370 (74 per cent) first appeals were disposed timely while other 10,908 applications were disposed after the stipulated time limit. The year wise position is given in the **Table** below:

Table-4: Statement of year-wise filing and disposal of first appeal in the state (online)

Year	No. of first appeal filed	Disposal of appeals within time limit	Percentage of disposal	Disposal of appeals beyond time limit
2012-13	5,440	2,357	43	96
2013-14	27,202	19,659	72	6,420
2014-15	12,745	11,354	89	4,392
Total	45,387	33,370	74	10,908

(Source - Information provided by SAPS)

In five selected districts we noticed that out of 3,154 first appeals cases, 2,442 (77 per cent) were disposed timely while other 543 applications were disposed after the stipulated time limit.

(b) The Appellate Authorities imposed penalty of ₹ 11.56 lakh on 230 DOs in the State, out of which ₹ 4.24 lakh was disbursed as compensation to 414 Applicants during 2012-13 to 2014-15.

(c) We observed that 37.07 lakh online applications were either rejected within time limit or the services were delivered/ rejected after the stipulated time limit in the State during 2012-13 to 2014-15. Of these, the first Appeal Officers took *suo moto* action in 3528 online cases that constituted 0.1 per cent of these delayed/rejected online cases. Out of these, services were provided in 815 cases (23 per cent). We further observed in five selected districts that *suo moto* action was taken only in Bhopal district.

In the exit conference, Executive Director stated that, concerned officers were being made aware regarding *suo moto* action and they would be instructed in future also.

First Appeal Officers took *suo moto* action in 3,528 cases only constituting 0.1 per cent of delayed/rejected online cases during 2012-15

2.7.11 Conclusion and recommendations

- Applications under various financial assistance schemes were shown as disposed before providing assistance to the applicants by treating date of approval by competent authority as delivery of service.

Applications under financial assistance schemes should be shown as disposed only after actual delivery of benefit to applicants as required under stipulations of notified services.

- Out of 124 notified services of 22 Departments, only 68 notified services of 16 Departments were being processed through online system. Date of actual delivery of service to applicants was not entered in system in online cases by most of the LSKs. There was lack of accounting by DeSs for the statutory fees received through LSKs.

The SAPS should endeavor to bring all notified services to online system in time bound manner.

- DOs and AOs did not maintain required registers for monitoring. Redressal mechanism was not working effectively and inspection of DOs was not done adequately.

Monitoring mechanism should be implemented effectively for disposal of applications.

Tribal Welfare Department

2.8 Implementation of Programmes for Development of Particularly Vulnerable Tribal Groups in Madhya Pradesh

Executive Summary

With an objective of development of Particularly Vulnerable Tribal Groups (PVTGs), who are having low level of literacy, declining or stagnant population, pre-agricultural level of technology and economically backward, Government of India (GoI) had been providing funds to State under Special Central Assistance (SCA) to Tribal Sub Plan (TSP). GoI launched (April 2008) Conservation-Cum-Development (CCD) Plan for development of PVTGs. Under the scheme, State Governments were to prepare long term CCD plan for each PVTGs in their State.

In Madhya Pradesh, three tribes, namely Baiga, Sahariya and Bharia residing in 15 districts were identified and categorised as PVTGs. As per survey report of 2004-05, the population of PVTGs in identified areas was 4.87 lakh. State Government had taken up activities/schemes for health, education, drinking water, agriculture, housing, employment and conservation of tribal culture in the CCD plan for PVTGs. The State Government had established 11 PTG Development Agencies for 15 districts for implementation of programmes for development of PVTGs.

The audit of implementation of programmes for development of PVTGs in Madhya Pradesh for the period 2010-11 to 2014-15 revealed the following:

- CCD plan was being implemented for PVTGs residing in the identified areas. Scheduled Tribe Consultation Council decided (March 2010) to extend similar benefits to PVTGs residing outside identified areas after conducting a survey. The survey report of November 2012 identified 1.05 lakh PVTGs families with 4.49 lakh PVTGs population, who were residing outside the identified areas. However, these PVTGs were not included in CCD plan (2012-17), despite Government was aware of their non- inclusion in previous plan since March 2010.

(Paragraph 2.8.6.1)

- Five year CCD plan (2012-17) was to be prepared taking into account the needs of PVTGs communities. A socio-economic base line survey was to be carried out to capture not only the population data but all other relevant data, such as literacy rate, health conditions, landholding, employment opportunities, availability of infrastructure, etc. However, we noted that CCD plan (2012-17) was prepared on the basis of 2004-05 base line survey. Thus, the socio-economic needs were not re-assessed before preparation of CCD plan 2012-17.

(Paragraph 2.8.6.2)

- During the period 2010-11 to 2014-15, State Government incurred ₹ 246.96 crore on implementation of programmes for development of PVTGs. Significant amount of CCD plan and SCA funds of ₹ 88.81 crore were lying idle in bank accounts of six PTG Development Agencies.

(Paragraph 2.8.8)

- We noted that there were shortfalls of 28 *per cent* in the achievement of physical targets under CCD plan during 2010-15. Under SCA, the shortfall in achievement of physical target was 20 *per cent* during 2010-15.

(Paragraph 2.8.8.1)

- Monitoring and supervision was not adequate at Directorate and PTG Development Agencies level. In exit conference, the Principal Secretary stated that Directorate would be strengthened to remove difficulties in supervision and evaluation.

(Paragraph 2.8.9)

- The PVTGs living in State suffered from specific health problems. In order to provide health care assistance, CCD plan included provision for treatment of critical diseases and medical check-up camps in villages. We noted that against the release of ₹ 11.04 crore for treatment of critical diseases, ₹ 1.54 crore (14 *per cent*) were utilized. Further, 788 medical check-up camps were organised for PVTGs out of 1517 targeted in the State for the period 2011-15.

(Paragraphs 2.8.10 and 2.8.10.1)

2.8.1 Introduction

Among scheduled tribes, there are certain tribal communities who have declining or stagnant population, pre-agricultural level of technology and are economically backward. These are categorized as Particularly Vulnerable Tribal Groups (PVTGs), previously known as Primitive Tribal Groups (PTGs). In Madhya Pradesh, three tribes, namely, Baiga, Sahariya and Bharia residing in 15 districts of the State, were identified and categorised as PVTGs.

As per survey report of 2004-05, the population of Baiga, Sahariya and Bharia in identified areas was 1,73,493; 3,11,722 and 2,135 respectively. Baiga are residing in Annupur, Balaghat, Dindori, Mandla, Shahdol and Umaria district, Sahariya in Guna (including Ashoknagar), Gwalior (including Datia), Sheopur (including Bhind, Morena) and Shivpuri district and Bharia in Chhindwara district.

With an objective of development of PVTGs, Government of India (GoI) had been providing funds to State under Special Central Assistance (SCA) to Tribal Sub Plan (TSP). Under this, the activities/schemes for agriculture, horticulture, fisheries, animal husbandry, service activity, minor irrigation and income generating programme were to be taken up.

GoI launched (April 2008) Conservation-Cum-Development (CCD) Plan for development of PVTGs. Under the scheme, State Government was to prepare long term CCD plan for each PVTG in their State. Government of Madhya Pradesh (GoMP) had taken up activities/schemes for health, education, drinking water, agriculture, housing, employment and conservation of tribal culture in CCD plan for PVTGs.

2.8.2 Organisational set up

Tribal Welfare Department headed by the Principal Secretary implements programme for development of PVTGs in Madhya Pradesh. The Commissioner, Tribal Development (CTD) is the administrative head of the Department. PTG Directorate under Director, PTG implements welfare schemes of PVTGs. They are assisted by Assistant Commissioner (AC)/ District Organiser (DO)/Project Administrator (PA) at districts level.

The State Government had established 11 PTG Development Agencies for 15 districts under *M.P. Society Registrikaran Adhiniyam 1973*. AC/DO/PA is the member secretary of PTG Development Agencies. The PTG Development Agencies were established to ensure that SCA fund received from GoI should not lapse and these funds be utilized in coming years in the interest of PVTGs. These agencies are preparing SCA/CCD plan and monitor its implementation.

2.8.3 Audit objectives

The audit objectives were to ascertain whether:-

- the annual action plan was prepared as per GoI guidelines and eligible beneficiaries were being identified;
- funds were allocated and released in an adequate and timely manner and programme finances were managed efficiently;
- monitoring of the schemes were adequate and effective; and
- programmes for development of PVTGs, with particular reference to health schemes were implemented effectively.

2.8.4 Audit Criteria

The audit criteria were as under:-

- Schemes guidelines for implementation of schemes;
- Guiding principles prescribed by the GoI relating to identification of PVTGs;
- Annual and five years action plan; and
- Instructions/Orders issued by the Central/State Government.

2.8.5 Audit coverage and methodology

Implementation of CCD plan and SCA scheme for development of PVTGs during the period 2010-15 was reviewed between December 2014 and June 2015 through test check of records and analysis of data collected from the office of Director, PTG and PTG Development Agencies. Out of 11 PTG Development Agencies in the State, six PTG Development Agencies i.e. Dindori, Guna, Shahdol, Shivpuri, Tamia (Chhindwara) and Umaria were selected.

An entry conference was held on 18th March 2015 with the Principal Secretary of the Department wherein the audit objectives, scope and methodology were discussed. The exit conference was held with the Principal Secretary on

20th October 2015. The replies of the Department have been suitably incorporated in the relevant paragraphs.

2.8.6 Planning

2.8.6.1 Non-inclusion of large population of PVTGs in CCD plan

GoI, Ministry of Tribal Affairs had emphasised (June 2002 and August 2002) for base line survey of each community belonging to PVTGs identified in the State by Tribal Research Institute (TRI) or through independent agency. The TRI had conducted the survey only on those villages, blocks in the year 2004-05 where the population of PVTGs were reported in the survey conducted in year 1992.

CCD plan was being implemented for PVTGs residing in the identified areas. However, Scheduled Tribe Consultation Council decided (March 2010) to extend similar benefits to PVTGs residing outside identified areas after conducting a survey. The survey was conducted by TRI. As per survey report, Baiga, Sahariya and Bharia residing outside the identified areas was found 1,60,204 ; 2,09,372 and 79,920 respectively. The survey report was sent to State Government in November 2012.

We noted that CCD plan (2012-17) was prepared on basis of base line survey conducted in the year 2004-05. Though the facts of left out population of PVTGs were in the notice of State Government, the latest survey input from TRI was not collected for CCD plan (2012-17). Thus, PVTGs population of 4.49 lakh could not be included in CCD plan.

In the exit conference, the Principal Secretary stated that letter had been sent to GoI to extend the benefits to PVTGs living outside the identified areas. He further stated that Five Year CCD plan (2012-17) was prepared in August 2012 and base line survey report was received in November 2012 from TRI.

The facts remains that PVTGs living outside the identified areas could not be included in CCD plan (2012-17) despite Government being aware of their non- inclusion in previous plan since March 2010.

2.8.6.2 Preparation of Five Year CCD plan (2012-17) without socio-economic survey

The PTG Development Agencies in districts were to prepare the five year CCD plan (2012-17) on the basis of baseline survey conducted taking into consideration the factors like population data, literacy rate, health conditions, land holding, employment opportunities etc. The plan received from PTG Development Agencies is consolidated at Directorate level before transmission to State Government and therefrom to GoI.

GoI, Ministry of Tribal Affairs communicated (January 2012) that the plan for the period 2012-17 should be formulated comprehensively taking into account the needs of PVTGs communities. A socio-economic base line survey was to be carried out to capture not only the population data but all other relevant data, such as literacy rate, health conditions, landholding, employment opportunities, availability of infrastructure etc.

PVTGs population of 4.49 lakh living outside the identified areas were not included in CCD plan (2012-17) despite Government was aware of their non-inclusion in previous plan

Five Year CCD plan (2012-17) was prepared without assessing the socio-economic needs of PVTGs

Scrutiny of records of Directorate and test checked agencies revealed that base line survey of PVTGs was not conducted. CCD plan (2012-17) was prepared on basis of base line survey conducted in the year 2004-05. Thus, socio-economic needs of PVTGs were not re-assessed before preparation of CCD plan (2012-17).

In the exit conference, the Principal Secretary stated that there was no provision of annual survey of PVTGs as such the plans were prepared on the basis of base line survey of 2004-05.

The reply is not acceptable, as GoI in its instruction (January 2012) for preparation of CCD Plan (2012-17), had specifically suggested to carry out base line survey to capture the population data and other relevant data.

2.8.6.3 Non-formation of Governing Body at Agency level

Governing Body of each PTGs Development Agency was to be constituted for two years. Chairman and Board of Directors of the Governing Body are nominated by State Government for two years from the PVTGs community. The Governing Body entrusted to prepare plan for development for PVTGs and its implementation, supervision and evaluation. The Collector of the concerned districts shall have the power of the Chairman of Governing Body till its formation.

We noted that Governing Body was not formed during 2010-15 in six test checked PTG Development Agencies.

In the exit conference, the Principal Secretary stated that the action was being taken to constitute the Governing Body.

2.8.7 Role of PTG Development Agencies in implementation of CCD plan and SCA scheme

The PTG Development Agencies in districts are responsible for monitoring of implementation of sanctioned Schemes. PTG Development Agencies were to ensure that SCA fund received from GoI should not lapse and these funds be utilised in coming years in the interest of PVTGs. However, we noted shortcomings in financial management and monitoring by PTG Development agencies in implementation of CCD plan and SCA scheme, which are discussed in succeeding paragraphs.

2.8.8 Financial Management

The funds under SCA and CCD plan are received from GoI as grant-in-aid to the State Government. The State Government makes provision in the budget to utilise the funds under different schemes. Thereafter, State Government releases the funds to PTG Development Agencies in district and PTG Development Agencies releases the funds to executive agencies.

The position of budget provision and expenditure during 2010-15 is shown in **Table-1:**

Table-1: Budget allotment and expenditure of CCD Plan and SCA

(₹ in crore)			
Year	Budget Provision	Expenditure	Excess(+)/Savings(-)
2010-11	58.47	59.59	(+)1.12
2011-12	42.57	42.57	--
2012-13	82.92	75.26	(-)7.66
2013-14	58.10	57.24	(-)0.86
2014-15	12.44	12.30	(-)0.14
Total	254.50	246.96	

(Source- Detailed Appropriation Account)

We observed the following deficiencies under financial management:

₹ 88.81 crore was lying in bank accounts of six test checked PTG Development Agencies

- In six test checked PTG Development Agencies, we observed that funds amounting to ₹ 88.81 crore remained unutilised in the bank accounts of PTG Development Agencies as on March 2015. The major unspent balance was in Shivpuri (₹ 46.25 crore) and Guna including Ashoknagar (₹ 32.77 crore). The details are shown in the **Appendix-2.64**.

In the exit conference, the Principal Secretary stated that the unspent balance is mainly due to release of funds at the end of year and non-utilisation of funds on critical diseases. However, the position of huge balances at Shivpuri and Guna would be examined.

- We observed that an amount of ₹ 1.45 crore was released to Bhind district under CCD plan and SCA during the period 2010-15 for Sahariya families. However, the fund could not be utilized on these PVTGs as they did not have caste certificate, income certificate or domicile certificate.

In the exit conference, the Principal Secretary stated that the amount could not be utilised because the PVTGs did not have permanent residence. The amount would be utilised in other PTG Development Agencies in sanctioned schemes.

- Under *Janashree Bima Yojna* an amount of ₹ 1.25 crore was remitted (March 2011) to Life Insurance Corporation of India (LIC) for covering 25,015 Sahariya families of Gwalior district under insurance. LIC refunded ₹ 0.10 lakh and sought the details of 24,995 families (September 2011). The PTG Development Agency Gwalior could not give the details of families and LIC was requested to refund the amount (February 2014). We observed that only 6,995 families were reported in survey of 2004-05 in Gwalior district. Thus, due to erroneous proposal the funds of ₹ 1.25 crore was blocked with LIC.

In the exit conference, the Principal Secretary stated that matter would be investigated and intimated to Audit.

- PTG Development agencies were required to forward Utilisation Certificate (UCs) to the Directorate at the end of financial year. We observed that out of six test checked PTG Development Agencies, two agencies (Shivpuri and Ashoknagar under Guna) did not submit UCs during 2010-15. The remaining four agencies submitted UCs of ₹ 19.69 crore against ₹ 138.04 crore released to them. The details are given in the **Appendix 2.65**.

In the exit conference, the Principal Secretary stated that UCs would be obtained from agencies.

2.8.8.1 Financial and physical progress under SCA and CCD plan

The financial and physical progress under CCD plan and SCA relating to 11 Agencies, as furnished by the Directorate for the period 2010-15, is shown in **Table- 2** and **3**:

Table-2: Financial and Physical progress under CCD plan

(₹ in crore)

Name of Component	Financial Progress			Physical Progress(in number)		
	Allotment	Expenditure	Balance	Target	Achievement	Shortfall
CCD Plan						
Education	41.25	30.38	10.87	1,22,071	91,512	30,559(25.03%)
Health	14.93	3.80	11.13	1,965	882	1,083(55.11%)
Drinking water	22.12	17.68	4.44	2,481	2,052	429(17.29%)
Agriculture	15.59	10.80	4.79	11,394	7,002	4,392(38.55%)
Housing	61.81	38.18	23.63	12,535	7,942	4,593(36.64%)
Culture	0.79	0.54	0.25	41	39	02(4.88%)
Employment	10.25	5.77	4.48	4,826	2,723	2,103(43.58%)
Total	166.74	107.15	59.59	1,55,313	112,152	43,161(27.79%)

(Source- As per progress report of PTG Development Agencies)

Table-3: Financial and Physical progress under SCA

(₹ in crore)

Name of Component	Financial Progress			Physical Progress(in number)		
	Allotment	Expenditure	Balance	Target	Achievement	Shortfall
SCA Scheme						
Agriculture	19.55	15.43	4.12	9,631	7,811	1,820(18.90%)
Income generating scheme	3.40	2.43	0.97	2,246	1,777	469(20.88%)
Horticulture	1.64	1.20	0.44	828	525	303(36.59%)
Fisheries	0.49	0.33	0.16	320	145	175(54.69%)
Employment scheme	2.40	2.05	0.35	1,040	943	97(9.33%)
Capital expenditure	9.01	6.43	2.58	693	621	72(10.39%)
Total	36.49	27.87	8.62	14,758	11,822	2,936(19.89%)

(Source- As per progress report of PTG Development Agencies)

As evident from **Table 2** and **Table 3**, there was shortfall ranging between five to 55 per cent during 2010-15 under various components of CCD plan. Further, there was shortfall ranging between nine to 55 per cent under various components of SCA. On being pointed out, PTG Development Agencies (April -June 2015) informed that the shortfall was due to non-receipt of UCs from respective executing agencies, besides release of fund in the month of March during 2014-15.

In the exit conference, the Principal Secretary stated that the matter would be examined in the light of audit observation and benefits would be given to PVTGs through agencies.

2.8.9 Monitoring and Evaluation of Schemes for PVTGs

- GoI, Ministry of Tribal Affairs directed (August 2008) to conduct midterm review of CCD Plan after two years. During the test checked records of Directorate and PTG Development Agencies, we observed that the Department had not conducted any study to know the impact of CCD plan during the period 2010-15.

In the exit conference, the Principal Secretary stated that the action would be taken for documentation related to beneficiary families.

- GoMP, Tribal Welfare Department defines (November 1998) the responsibility of Project Officer in reference to Inspection, Monitoring and Physical verification of works/schemes.

We observed that the requisite inspection, monitoring and physical verification of works/schemes was not done in test checked PTG Development Agencies as well as Directorate level. During the period 2010-15, only one inspection was done by Directorate in the year 2013-14.

In the exit conference, the Principal Secretary stated that the Directorate would be strengthened so as to enable them for monitoring and evaluation.

2.8.10 Implementation of Health Programme under CCD Plan

The PVTGs living in State i.e. the Sahariya tribe suffer mainly from T.B, Unidentified Respiratory Infection and matted lymphadenopathy. The common diseases in children were boils, Bitot's spot, Night blindness, goitre grade one etc. The diseases noted in Bharia tribes were high prevalence of respiratory infections in children, prevalence of sickle cell gene and microcytic hypochromic blood picture. Similarly the Baiga tribes suffer from many diseases because of mal-nutrition among expectant and lactating mothers, strong faith in herbo medicine men and indigenous pharmacopeia.

In order to provide modern health care assistance, CCD plan provided for treatment of critical diseases and medical check-up camps in villages. We observed that against release of fund of ₹ 11.04 crore (December 2012 and August 2013) for treatment of critical diseases for 448 PVTGs, the fund of ₹ 1.54 crore (14 per cent) was utilised for 94 PVTGs. Further, 52 per cent of target of medical check-up camps were achieved. The shortcomings in organizing medical check-up camps for PVTGs are discussed in succeeding paragraphs.

2.8.10.1 Non-achievement of targets for medical check-up camps of the PVTGs families

Directorate released ₹ 3.89 crore to PTG Development Agencies under CCD plan for organizing medical check-up camps in villages during the period 2011-15. Out of these funds, an amount of ₹ 3.27 crore was released to executing agencies for organising 1517 medical check-up camps. Against this, only 788 medical check-up camps were organised by incurring expenditure of ₹ 2.26 crore. Thus, 729 medical check-up camps were not organized. The details are given in the *Appendix 2.66*.

We further observed that in test checked PTG Development Agency Shivpuri, the medicines and hearing aids for ₹ 23.75 lakh were purchased by Chief Medical and Health Officer (CMHO) Shivpuri for distribution in the medical check-up camps. However, these medicines were issued to various health centers. Hearing aids of ₹ 3.92 lakh were lying in stores of CMHO Shivpuri. Thus, the benefits of medicines and hearing aids could not accrue to intended PVTG beneficiaries.

In the exit conference, the Principal Secretary stated that the camps were being organized through Health Department and the details would be obtained from

Medical check-up camps were not organised as per target

Health Department. The remaining funds lying with PTG Development Agencies for organizing the camps would be released to executive agencies.

The reply is not tenable, as PTG Development Agencies are responsible for monitoring and supervision of implementation of schemes for PVTGs.

2.8.11 Conclusion and Recommendations

- CCD plan was being implemented for PVTGs residing in the identified areas. However, 4.49 lakh PVTGs were residing outside the identified areas. These PVTGs were not included in CCD plan (2012-17), despite Government was aware of their non- inclusion in previous plan since March 2010.

GoMP may ensure that all identified PVTGs are included in the CCD plan.

- Five year CCD plan (2012-17) was not prepared after carrying out socio-economic base line survey, as required under GoI instructions for preparation of CCD plan.

Socio-economic needs for development of PVTGs may be assessed for preparation of five year CCD plan.

- Significant amount of CCD plan and SCA funds of ₹ 88.81 crore were lying idle in bank accounts of PTG Development Agencies. PTG Development agencies were not forwarding UCs to the Directorate at the end of financial year.

Efforts should be made to utilised fund for the purpose for which it has been sanctioned. UCs may be submitted as required under the codal provisions.

- There were shortfalls of 28 *per cent* in the achievement of physical targets under CCD plan during 2010-15. Under SCA, the shortfall in achievement of physical target was 20 *per cent* during 2010-15.

Efforts should be made to achieve the financial and physical targets as envisaged for CCD plan and SCA.

- Monitoring and supervision was not adequate at Directorate and PTG Development Agencies level.

Proper monitoring and supervision may be ensured for implementation of programme.

- In order to provide modern health care assistance, CCD plan provided for medical check-up camps in villages and treatment of critical diseases. However, only 52 *per cent* of target of medical check-up camps were achieved and 14 *per cent* of funds were utilised for treatment of critical diseases.

Department may ensure appropriate co-ordination with executing agencies for implementation of health programmes envisaged under CCD plan.

Jail Department

2.9 Performance IT Audit of Prison Management System and Visitor Management System

Executive Summary

Prison Management System (PMS) and Visitor Management System (VMS) is a Local Area Network based System for Management of prisoners and visitors solution. PMS and VMS software was designed and developed by NIC, New Delhi with SQL Server 2008 as the backend and ASP Net as the frontend in Windows 2007 Operating System. The objectives of PMS/VMS project was to automate the processes at primary sources of data i.e. Jails and to record and manage the inmates and visitors information. The performance IT Audit of PMS and VMS revealed the following:

- No Software Design Documents was prepared before developing the system. Feasibility study and parallel checking of the software was also not done, which led to lack of internal consistency and integrity.

(Paragraphs 2.9.8.1 and 2.9.8.2)

- The objective of PMS and VMS to create centralized data base of inmate and visitor information could not be achieved due to non-installation of hardware as per the location plan and incomplete data entry. Further, short supply of hardware led to idling of hardware and delay in completion of the project by 32 months from its scheduled completion date of March 2010.

(Paragraph 2.9.9)

- There were deficiencies in designing PMS/VMS software, which resulted in incomplete data entry. We noted that details of 1.12 lakh inmates were entered in the database as against 2.47 lakh inmates admitted during 2010-11 to 2014-15. No data base of visitors had been created. The system failed to check duplicate entries of admission of the prisoners.

(Paragraphs 2.9.10.1 and 2.9.11.5)

- The Department was having inadequate IT security mechanism, physical control and password policy. The data entry was done by inmates and jail warders.

(Paragraphs 2.9.11, 2.9.11.1 and 2.9.11.2)

- CCTV system were installed in 14 Jails at a cost of ₹ 10.27 crore. However, we noted in five test checked districts that no restrictions were imposed on entry of unauthorised persons to the cameras display site.

(Paragraphs 2.9.12 and 2.9.12.1)

- Video Conferencing System between jail and district court was targeted to be established in 23 jails during 2013-14 and 2014-15. However, these were not established.

(Paragraph 2.9.13)

2.9.1 Introduction

In Madhya Pradesh, Jails were established under the Prison Act, 1894, and the Prisoners Act, 1900 governed by the Madhya Pradesh prisons Rules, 1968, framed there under. The Model prison Manual introduced by the Government of India (December 2003) was partially adapted in the State in February 2008. Thereafter, about 200 amendments have been made in the jail manual of the State through Gazette notifications from time to time.

The main objectives of jails are to confine persons committing offences under various laws. Apart from custodial and proper care of offenders of laws, it is the responsibility of the Jail and Correctional Services Department to ensure adequate security and to undertake programmes aimed at reforming prisoners as part of social reclamation through academic, moral, educational and vocational training and also providing proper medical care, so that they can fulfil their obligation towards their families and society after release from jail.

2.9.2 About the Applications (PMS and VMS)

Prison Management System (PMS) and Visitor Management System (VMS) is a Local Area Network based System for Management of prisoners and visitors solution. PMS and VMS is a Government to Government and Government to Customer application which encapsulates the manual working pattern of the prison rule book i.e. registration, movement within the jail and outside and release of the inmate.

It helps to generate more than 65 reports of administrative, performance and statistical nature. It also helps the prison authorities in identification/verification of the inmates using fingerprint based identification tools.

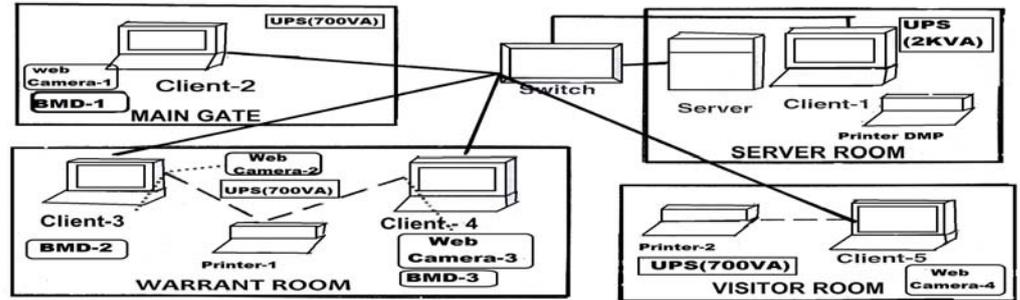
PMS and VMS software was designed and developed by NIC, New Delhi with SQL Server 2008 as the backend and ASP Net as the frontend in Windows 2007 Operating System. It was based on client-server architecture, supporting latest GUI features.

E-Prison Application

It is a web based application upgraded from PMS-VMS software which was also developed by NIC and introduced with effect from 10.02.2015. Only PMS was in operation and VMS operation did not start (June 2015).

The objectives of PMS and VMS was easy handling of records of prisoners, quick access to data of prisoners, easy classification of prisoners, easy handling of records of visitors coming to meet prisoners and saving records from any physical damage.

The architecture of PMS and VMS is depicted in the following diagram:-



- Client 1 was to be established at server room and used as a source of data back up.
- Client 2 was to be established at main gate and entries of all incoming and outgoing prisoners and persons and articles in their possession like stock, equipments etc. was to be made.
- Clients 3 and 4 were to be established at warrant room and all information of inmates like health condition, period of sentence, prisoner's private property, remission, parole etc. was to be made.
- Client 5 was to be established at visitor room and used for visitors information.

2.9.3 Organisational Setup of the Department

The Principal Secretary is the administrative head of the Jails and Correctional Services (JCS) Department at the Government level. Director General, Prisons and Correctional Services (DGP) is head of the Department who is assisted by Additional Director General Prisons and Correctional services (ADGP) and the Additional Inspector General Prisons (AIGP).

There are eleven Central Jails (CJs) (08 at Division level and 03 at District level), 33 District Jails (DJs) at district level and 78 Sub jails (SJs) at district and tehsil level. The CJs and DJs are managed by Jail Superintendents (JSs) while the SJs are managed by Deputy Superintendents/Deputy Jailors. One open jail at Hoshangabad, one Regional Training and Research Centre at Bhopal and one training centre at Sagar are also functioning under the Department.

PMS and VMS was being implemented only at eleven Central Jails and the fresh installation/ replacement of CCTV and Video Conferencing was targeted for 16 Jails¹ and 23 Jails² respectively during the audit period 2010-2015.

2.9.4 Audit Objective

The Audit objectives were to assess whether:-

¹ Badwani, Bhopal, Bhopal District, Datia, Gwalior, Hoshangabad, Indore, Jabalpur, Khandwa, Narsinghpur, Rewa, Sagar, Satna, Seoni, Shahdol and Ujjain.

² Balaghat, Bhind, Damoh, Dewas, Dhar, Guna, Katni, Khargaon, Mandla, Mandsaur, Morena, Neemuch, Panna, Raisen, Rajgarh, Sehore, Seoni, Shahdol, Shajapur, Shivpuri, Sidhi, Tikamgarh and Vidisha.

- Implementation of the project was as per schedule and personnel at different levels were adequately trained to operate the software, CCTV and Video Conferencing.
- Adequate control was in place to ensure data confidentiality, completeness and availability. Well-defined disaster recovery and business continuity plan was laid out and implemented.
- The Projects achieved their primary objectives of automating processes providing required information and generation of various reports.

2.9.5 Audit Criteria

- Prison Act 1894 Prisoners Act, 1900 and Madhya Pradesh Prisons Rules 1968 and Jail manual and Model Prison Manual made there under.
- Government notifications and instructions issued from time to time for management of jails and Departmental rules and regulations.
- Madhya Pradesh Treasury Code (MPTC) and Madhya Pradesh Financial Code (MPFC) and Madhya Pradesh Budget manual (MPBM).
- Best IT practices

2.9.6 Audit Scope and Methodology

The implementation of PMS and VMS and establishment of LAN at eleven central jails of MP were to be compulsorily completed and become operational within four months from the date of issue of work order. Hence, IT audit covered scrutiny of various activities from creation of IT infrastructure to running of the system.

Entry Conference was held with Principal Secretary (Jails) and Director General of Jail and Correctional Services on 17.3.2015. The CCTV and Video Conferencing was included in Audit Scope at the time of entry conference on the request of DGP/ J&CS. The installation of CCTV and Video Conferencing was also test checked in these 11 districts.

Audit was undertaken for the period from 2010-11 to 2014-15. Audit covered O/o the Director General Jail and Correctional Services at Bhopal and all PMS and VMS implemented eleven Central jails. Exit conference was held with Additional Chief Secretary (ACS) on 23rd October 2015, the views of the Department have been incorporated suitably at appropriate placed in the Report.

Audit findings

2.9.7 Financial Management

2.9.7.1 Non-Adjustment/recovery of advance payment and treated as final payment

According to subsidiary rule 53 of M.P.T.C the temporary advance must be adjusted as quickly as possible and in no case should the adjustment be delayed beyond three months and as per the note iv of the rule 53(viii) any payment which is not final in nature should be noted in red ink in the particulars column on the payment side of the cash book of the disbursing

officer without entering the amount in the amount column. An amount paid in advance will remain as part of cash balance of disbursing officer till bill/voucher of respective payment is received and passed for payment.

A work order (October 2009) was placed to NIC for completion of PMS and VMS project in eleven central/circle jails within four months from the date of issue of work order. Against this work order, an amount of ₹ 81.00 lakh was paid to NIC as advance during the period October 2008 to March 2009. However, the advance payment of ₹ 81 lakh was treated as final payment without obtaining the bill, voucher or completion certificate from the NIC. Further, NIC did not produce the work completion certificate and no action has been taken by the department in this regard against the implementing agency.

On being pointed out department accepted (April 2015) the fact and stated that particulars of actual expenditure are awaited from NIC.

Similarly, it was also noticed that an advance payment of ₹ 58 lakh for installation of Video Conferencing, paid to Madhya Pradesh State Electronic Development Corporation (MPSEDC) Bhopal during the period 2013-2015 was also treated as final payment without obtaining the bill, voucher or completion certificate from MPSEDC.

In the exit conference, ACS confirmed the facts and stated that adjustment would be made after receipt of final bill.

2.9.8 Planning

2.9.8.1 *Non-preparation of Software Design Documents*

Documentation is an important part of software development. Types of documentation include User Requirement Specification, System Requirement Specification and System Design Document.

We observed that no Software Design Documents were prepared before developing the system. In absence of software Design Documents it was not possible to ascertain whether the software actually developed was comprehensively conceived and developed as per business rules. Moreover, in the absence of such a basic document, modifications or up gradations of the system architecture in future is likely to pose problems. Neither the Detailed Project Report nor Gap Analysis Report was prepared nor any MOU executed with NIC. This resulted in the software developing lack of internal consistency and integrity as indicated by observations in para no 2.9.11.5.

In the exit conference, ACS accepted the facts and stated that software would be updated.

2.9.8.2 *Feasibility study and parallel checking of the software not conducted*

The feasibility study of the system and parallel checking of software modules should be undertaken before system become operational to ascertain that the system has met the user requirement. Documentation relating to detailed testing should also be prepared to understand the availability and usability of the system.

Software design document were not prepared before developing the system

Feasibility study not conducted

We observed that no documentation relating to system testing was prepared. Hence, the extent to which the system has met the user requirement could not be ascertained. Further, it was also found that user manual was not available at the department. All reports in respect of inmate and visitors were being prepared manually. Thus, the department could not utilise the system for which it was installed/implemented.

In the exit conference, ACS has accepted the facts and stated that software would be updated.

2.9.8.3 No provision of current level data entry

Test check records of eleven jails revealed that no provision has been made to facilitate the initialisation of PMS and VMS and bring the data entry at current level of inmates and visitors. Master directories and centralised data base was not completed to this level. Data in Master directories was incomplete though project was initiated in 2009-10.

In the exit conference, ACS stated that consultants would be appointed.

2.9.9 Project Implementation

• Implementation status of the PMS and VMS project

PMS and VMS project was implemented in jails to provide a centralised approach for recording and managing inmates and visitors information, generating different kinds of reports of administrative, performance and statistical nature. It records inmate primary details, inmate family details, inmate biometric and photograph, inmate medical details, inmate case history, inmate punishment details, inmate movement, all relevant information about visitor and high quality picture pass issued to the visitor.

The implementation of PMS and VMS were to be compulsorily completed and become operational in 11 central jails within four months from the date of issue of work order. The work order was placed in October 2009 to NIC. We observed that hardware and software supplied at central jail Datia was not installed till date (October 2015). Further, hardware was not installed as per proposed location plan in other ten central jails. This has adversely affected creation of centralized database of inmates and visitors.

Duplication of work

We observed that the data entry in PMS software was not being done on regular basis and was done in incomplete form. It was further noticed that no reports were being generated through software for official use. Due to this, there was no reduction in maintenance of manual records/registers in Jails after introduction of PMS and VMS like inmates' history, medical history, family details, inmates' punishment details, inmates' movement were still filled manually. The system of manual booking of '*mulaqat*' still existed. Thus, data/records was maintained both manually and through the software resulting in duplication of efforts.

Thus, objective of introduction of PMS and VMS to create centralized data base of inmate and visitor information could not be achieved.

In the exit conference, ACS stated that these problems would be resolved in the new software of NIC. It was further added that necessary instructions would be issued to all Superintendent of Jails.

Delayed installation of Hardware and completion of project

- Under this project five computers, three printers, one server, four UPS, four web cameras, three Biometric devices and one switch were to be supplied in each of the eleven jails. The purchase order for supply, testing and installation of hardware item for PMS-VMS project was placed by the NIC in favour of HCL Info System Ltd. Pondicherry and Tritonic India private Ltd Solan. The hardware was received in eleven Jails from the month February 2010 to December 2012 and was installed during March 2011 to December 2012 and software was installed on December 2012. Which besides keeping all the supplied hardware idle for 33 months, delayed the completion of PMS and VMS project by 32 months from its scheduled completion date which was March 2010.

In the exit conference, ACS stated that the work was done by NIC, however, now the work is being done smoothly.

However, the fact remains that no action was taken by the Department to complete the work expeditiously.

Non-functional hardware at Datia jail amounting to ₹ 3.05 lakh

- The hardware and software supplied at district jail Datia amounting to ₹ 3.53 lakh was not installed till date (April 2015), due to which hardware amounting to ₹ 3.05 lakh became non-functional (*Appendix 2.67*). Hence the project could not take off at all at district Datia.

In the exit conference, ACS stated that non-functional hardware would be written off.

Hardware was not installed as per location plan

It was observed in ten out of eleven test check districts³ that hardware was not installed as per proposed plan mentioned in paragraph 2.9.2. No hardware was installed at main gate and visitor room. It was also observed that on an average two computers, two biometric devices, two web cameras and one printer were installed as per proposed location plan and were used for PMS & VMS. Thus, rest of hardware was lying idle/ underutilised for the last two to five years, as detailed in *Appendix 2.68*. It was also found that 38 items of hardware were not supplied by the NIC as detailed in *Appendix 2.69*. Thus, due to short supply and non-installation of hardware, work load could not be distributed among all four locations in a prison resulting in non-completion of data base.

In the exit conference, ACS stated that the work was done by NIC and final adjustment would be made in co-ordination with NIC.



Hardware lying unutilised in Circle Jail, Datia 23-3-15

³ Bhopal, Gwalior, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna, Seoni and Ujjain



Hardware lying idle in Central Jail Indore 25-4-2015

- Hardware supplied was under warranty of one to five year period as per *Appendix 2.70*. It was observed that in eleven test checked districts⁴ AMC was not executed even after the expiry of warranty period. Further, the computers and other peripherals were either running without UPS or without power backup. It was also found that those computers and other peripherals which required repair remained unrepaired and lying idle. In four districts LAN based server was not functional.

In the exit conference, ACS stated that the AMC would be executed.

- It was noticed in eleven test checked districts⁵ that no record was kept in the office regarding registering of complaint about non-working of hardware and response of the vendor, which restricted action of penalty clause. However, it was observed that hardware i.e. server, computer, UPS were non-functional from two to four years as detailed in *Appendix 2.71*. This resulted in breakdown of the system between regular intervals. This indicated poor quality of services provided by vendors during warranty period which adversely affected the utilisation of system.

Non-functional hardware

In the exit conference, ACS confirmed the facts and stated that instructions would be issued for maintenance of records.

Recommendation

The installation of hardware should be made as per requirement. Execution of Annual Maintenance Contract of the hardware should be ensured before expiry of warranty period.

2.9.10 Application Control

2.9.10.1 Non completion of centralised data base

Non completion of centralised data base

As per the manual record of eleven test checked districts, 2,46,964 inmates were admitted in the jails during 2010-11 to 2014-15 of which data of only 1,12,463 was entered in the system as per *Appendix 2.72*. Similarly it was also noticed that nearly 100-150 visitors meet their relatives every day but no entries were fed in the system.

⁴ Bhopal, Datia, Gwalior, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna, Seoni and Ujjain

⁵ Bhopal, Datia, Gwalior, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna, Seoni and Ujjain

In the exit conference, ACS stated that the data was being stored in centralized NIC server.

Reply was not acceptable as only 50 *per cent* inmates' database has been completed and no database of visitor has been created after lapse of five years.

- **Photograph, finger print and health check-up of all inmates not uploaded in software**

There was provision in the software to upload inmate's photo, finger prints and health check-ups at the time of admission. Data analysis of six test checked districts⁶ out of eleven it was noticed that data for total number of 59,049 inmates were fed in software but only 42001 inmates photo, 34,176 inmates finger prints and 6,820 inmates health check-ups were captured in data base as per *Appendix 2.73 and 2.74*.

- **Parole entry of all inmates not done in software**

There was provision in the software to enter the parole history of inmates in the data base. During the data analysis of six test checked districts⁷ out of eleven it was found that the parole of total number of 13,934 inmates was made but only 686 parole entries were made in the database as per *Appendix 2.75*.

- **All Inmates' hearing entry not done in software**

There was provision in the software to enter inmate's history regarding court hearings. During the data analysis of six test checked districts⁸ out of eleven it was found that the total number of 3,20,065 inmates were produced to court for hearings during 2010-11 to 2014-15 but entry for only 7,591 inmates court hearings were made in the database (*Appendix 2.76*).

- **FIR number and date, under section/Act and police station entry of all inmates not done in software**

As per the information provided by the ten test checked districts out of eleven, it was found that a total of 7,534 inmates entries were made in the data base but only 2,433 inmates FIR number and date, the section/Act under which the prisoners were convicted and their related police stations were fed in the data base. Hence the data base of 5,101 inmates was not complete as detailed in *Appendix 2.77*.

- **Wrong entry in Master Data**

It was found that the districts Ambikapur, Bekuntpur, Bamdori, Bhilai and Badhgana, which belongs to Chhattisgarh State were shown in Madhya Pradesh State in the Master data.

It was observed that the unique code numbers have been allotted to each of the eleven Jails but only option for nine Jails have been facilitated in the software to generate the release report. Hence, no provision has been made for release report of two Jails Seoni and Narsinghpur.

Incomplete entries in database

⁶ Bhopal, Narsinghpur, Rewa, Sagar, Seoni and Ujjain

⁷ Bhopal, Narsinghpur, Rewa, Sagar, Seoni and Ujjain

⁸ Bhopal, Narsinghpur, Rewa, Sagar, Seoni and Ujjain

In the exit conference, ACS stated that entries were not made due to some problem, now all entries would be made.

- **Failure of the system to check duplicate entry of admission of the prisoners**

Duplicate entries in database

It was noticed that the system was accepting duplicate entries in the details of inmate's name. In case of admission of inmate, while the filing up of the complete details of the inmate i.e. name, father's name, mother's name, age and the address, the system accepted the same twice and generated separate PID and JID number of the same inmate. It brings out the failure of the system to check duplicity in the database.

In the exit conference, ACS assured to remove the deficiency of software.

2.9.11 General Control

2.9.11.1 IT Security

Non formulation of IT security policy

- Data must be safe and secure at all time, all change/modification to data (including master data) must be documented and properly authorized. In a good system, it should be possible to link a particular entry (initial or modification) to the person who made that entry. This requires keeping of proper logs and existence of a system of review of these logs. It was found that the department had not formulated any structure or policy in this regard. No officer was posted for ensuring overall IS security.

- No physical controls like fire protection, air conditioning etc. were implemented to protect the IT facilities from getting damaged. Further, neither any restriction were imposed to restrict the entry of any unauthorised person to the computer site nor any norms fixed for the computer operator, maintenance staff, cleaner and staff of other sections to computer site. Entries were made by any of the available inmates or jail warder staff.

- According to the IT security practices there should be a password policy insisting change of passwords at regular intervals. It was observed that no such policy prescribing minimum length, period of expiry, regular change of passwords and prohibiting re-use of earlier passwords existed in the Department. Though, the password was issued to the Department by the NIC but every person could access the data by logging with the same username and password. Further, no system was made in the software to change the password at regular intervals.

- It was noticed that department did not have any written formal antivirus policy. Further, no antivirus software was installed in the system due to this there was risk of data getting corrupted.

In the exit conference, ACS stated that consultants would be appointed and instructions in this regard are being issued.

2.9.11.2 *Inadequate Supervisory Control*

We observed in ten test checked districts⁹ that primary entries regarding newly admitted inmates which were fed in the PMS software were not verified by the Superintendent of respective jail or any other officer.

In the exit conference, ACS stated that instructions would be issued in this regard.

Recommendation

The correctness of data has to be ensured through suitable input controls and supervisory checks.

2.9.11.3 *Business Continuity Plan and Disaster Recovery Plan*

With the objective to ensure data security the department must have a business continuity plan, disaster recovery plan and data back-up policy for Jails prescribing back-up time table, back-up process, life time of media and responsibility to take regular back-ups and restore data. It was observed that neither such back-up policy was formulated nor any other provision like maintenance of daily back-up register etc was made by the department. As a result, in two districts (Gwalior and Indore) all data entered for the period 2011-12 to 2013-14 got corrupted and could not be recovered.

In the exit conference, ACS stated that registers would be maintained in this regard.

2.9.11.4 *Inadequacy of trained manpower and ineffective training*

Each of eleven Superintendent of jails were nominated as the nodal officer to coordinate with NIC official for PMS and VMS project and provision of three data entry operators for data feeding work was made. However, it was observed that no data entry operator or trained staff was available with the department. The work of data entry was being done by available inmates or jail warders only and higher ranking officers were not involved. Therefore, all data entries regarding inmates and visitors could not be completed and authenticated by any officer. Audit observed that half day training was organised by the NIC official to jail warders on 23-2-2011, but it was not sufficient and those trained warders were also assigned other jail duties and were also posted to other jails where PMS/VMS system was not implemented.

In the exit conference, ACS accepted the facts and stated that entry was being done by the jail trained staff.

Recommendation

The users at various levels needed to be trained to ensure the utility of the database. Adequate data entry operators should be provided to each Jail.

Lack of backup policy

Lack of trained staff

⁹ Bhopal, Gwalior, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna, Seoni and Ujjain

2.9.11.5 Deficiencies in designing PMS/VMS software and e-prison Application.

Lacuna software

in

E-prison is upgraded web based PMS-VMS software which was also developed by NIC and introduced with effect from 10.02.2015.

The following system design deficiencies were noticed during the audit of the test checked district.

Sl. No.	Provisions required in the software	Whether provisions were made in LAN based PMS-VMS?	Whether provisions were made in web based e-Prison application?
1	At the time of admission provision for inmates identification detail was made in software like inmate chest, colour, eye, ear, hair, nose, teeth, right arm, left arm, left leg, right leg and neck etc.	No	No
2	Provision to record the detail of assistant medical officer.	No	No
3	Provision to record number of previous punishments.	No	No
4	Provision to record the reasons for entering jail	No	Yes
5	Provision to record police register column.	No	No
6	At the time of admission of inmate, provision to record the health position like physical equivalence, smallpox, vaccination, category of labour and education detail etc.	No	No
7	Provision to record the period of sentence regarding Convicted Trail (CT) prisoners.	No	No
8	Provision to capture all the particulars of the warrant like the period spent on bail, the period spent earlier in the prison etc in case of CT prisoners. In the case of detenuue, no provision for noting the period of detention and also the result of appeal.	No	No
9	Provision for recording the period of imprisonment and the necessary calculation for the probable date of release and for recording the default fine sentence and for calculating the exact date of release, when remission and other benefits were taken into account.	No	No
10	Provision for recording entry of fine payment and its calculation and the date of exact release.	No	No
11	Provision for entering the result of the appeal and resultant modification in the sentence.	No	No
12	Provision to feed the data in Hindi font.	Yes	No
13	Provision to CT prisoners history ticket report.	No	No
14	Provision for remand prisoners to record case number and also the name of the court concerned and the next date of hearing in case of remand prisoners.	No	Yes
15	Provision to know period wise inmates admission report. The report has been showing only present remained prisoners in the Jail on that particular date. Hence, the total numbers of prisoners whose data have been fed could not be ascertained.	No	No

Sl. No.	Deficiencies in System	Error Detected in LAN based PMS VMS	Error Detected in Web based e-prison application
1	Provision to record names of all police stations.	Not fed	Not fed
2	Entry to be displayed in user log status report.	Not displayed	Not displayed
3	Software to accept only complete identity of the prisoner.	software accepted incomplete entry	software accepted incomplete entry
4	Displayed error of legal aid and action taken entry form.	No provision	Yes
5	Provision to generate inmate's identity report.	No provision	Report not generated
6	Provision for separate serial numbers of different categories of prisoners Under Trail (UT) / Convicted / Detenuues.	Entered serially only	Entered serially only
7	Whereabouts of the prisoners to be recorded.	Not recorded	Not recorded
8	The list of reports mentioning the sentence wise and section wise period spent in prison etc.	Not prepared	Not prepared

It was evident from the above deficiencies in the software resulted in incomplete data entry and report generation.

In the exit conference, ACS assured to resolve the deficiency of the software.

Recommendation

The lacuna in software must be removed through regular feedback from the users and timely rectification through application developer (National Informatics Centre).

2.9.12 Installation of CCTV

The main objective of the Close Circuit Television installation was to enhance the security of the prison and help Jail administration in the effective management of prison/prisoners.

Finance Expenditure Committee approved ₹ 5.43 crore for installation of CCTV in 38 jails during five year plan period of 2012-13 to 2016-17. Out of these, ₹ 3.46 crore was sanctioned for installation of CCTV in 16 Jails during 2012-13 to 2014-15. We noted that Jail Department incurred an expenditure of ₹ 10.27 crore on installation of CCTV in 14 Jails. Thus, there was a shortfall in physical target of installing CCTV in 2 Jails even after incurring extra expenditure of ₹ 6.81 crore with reference to original estimation on the scheme up to 2014-15.

We observed that neither trained staff was available with the department nor any training organised by the department in ten test checked districts¹⁰. It was noticed in nine test checked districts¹¹ that there was short coverage under the CCTV cameras as one or the other portion of each of nine jails remained uncovered.

In the exit conference, ACS stated that extra expenditure was due to change of technology. It was further informed that trainings would be organised and planning for installation of additional cameras in jails was being prepared.

2.9.12.1 Physical Access control

As per the information provided by the department it was observed in five test checked districts¹² that no physical control policy had been implemented to protect the IT facilities from getting damaged. Further, no restrictions had been imposed on entry of unauthorised persons to the cameras display site. This resulted in frequent interruption of CCTV footage due to failure of cameras ranging upto 15 days.

In the exit conference, ACS stated that instructions in this regard were being issued.

2.9.13 Video Conferencing System

The aim of establishment of video conferencing facility in prison was to drastically reduce the expenditure incurred on physically producing the jail inmates in the courts. Physical production of an inmate requires transportation

¹⁰ Bhopal, Datia, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna, Seoni and Ujjain

¹¹ Bhopal, Gwalior, Indore, Jabalpur, Narsinghpur, Rewa, Sagar, Satna and Ujjain

¹² Datia, Indore, Narsinghpur, Rewa and Seoni

**Non
achievement
of target for
establishment
of CCTV**

escort by armed police personnel, prevention of fights between inmates and wastage of nearly 6 hours time in each case. Fear of custody break was always there during the physical production.

As per the meeting of Financial Expenditure Committee of Department dated 4th July, 2012 the Video Conferencing System between jail and district court was to be established and financial provision was as follows:-

Non establishment of video conferencing system

Year	Target		Achievement		Shortfall %
	Physical(No. of Jails)	Financial	Physical(No. of Jails)	Financial	
2013-14	4 ¹³	28.00	Nil	Nil	100
2014-15	19 ¹⁴	35.00	Nil	Nil	100
Total	23	63	Nil	Nil	100

It was observed that advance payment of ₹ 23 lakh in March 2014 and ₹ 35 lakh in June 2014 & March 2015 total ₹ 58 lakh was made to implementing agency MPSEDC Bhopal for completion of that work but the same was not established in any of the twenty three jails even after expiry of two years. This resulted in non-achievement of set target and the entire amount of ₹ 58 lakh remained blocked. Hence, the aim of establishment of video conferencing system could not be achieved.

In the exit conference, ACS stated that the work was in progress.

2.9.14 Conclusion and recommendations

- No Software Design Documents was prepared before developing the system. Feasibility study and parallel checking of the software was also not done, which led to lack of internal consistency and integrity.
- The database of inmates and visitors for recording and managing inmate information and generating different kinds of reports from PMS-VMS software was still largely incomplete. Non installation of LAN as per location plan, delay in installation, inadequacy of trained staff and under utilisation of hardware has adversely affected creation of centralised database of inmates and visitors. Thus, the objective of PMS and VMS to create centralised data base of inmate and visitor information could not be achieved.
- Due to non-installation of hardware and non-execution of AMC, hardware items remained idle for want of repair.

The installation of hardware should be made as per requirement. Execution of Annual Maintenance Contract of the hardware should be ensured before expiry of warranty period.

- The password policy was not clearly defined and followed which raised concerns about data security and reliability. Primary entries of inmates which were fed in the PMS software were not verified.

¹³ Dhar, Rajgarh, Shajapur and Tikamgarh

¹⁴ Balaghat, Bind, Damoh, Dewas, Guna, Katni, Khargaon, Mandla, Mandasaur, Morena, Neemuch, Panna, Raisen, Sidhi, Sehore, Seoni, Shahdol, Shivpuri and Vidisha.

The correctness of data has to be ensured through suitable input controls and supervisory checks.

- There was no business continuity planning or disaster recovery policy in place to guard against the losses of data in unforeseen circumstances. Comprehensive training was not organised at regular intervals, there were instances of trained personnel not working on the software.

The users at various levels needed to be trained to ensure the utility of the database. Adequate data entry operators should be provided to each Jail.

- The deficiencies in software were creating hurdles in proper data entry and generation of records. Due to incomplete database, deficit training, and lacunae in software the critical objectives of the project are a long way from being achieved.

The lacuna in software must be removed through regular feedback from the users and timely rectification through application developer (National Informatics Centre).

- Due to short coverage under the CCTV cameras, inadequate trained staff and no physical access control, the objectives of CCTV project to enhance the security of prison and help jail administration in the effective management could not be achieved.

Planning, Economics and Statistics Department

2.10 Follow up Audit of the Performance Review for “Madhya Pradesh Assembly Constituency Area Development Scheme”

Executive Summary

The Government of Madhya Pradesh introduced the Madhya Pradesh Assembly Constituency Area Development Scheme (MPACADS) in July 1994 under which developmental works were to be taken up in each Assembly constituency area. The performance audit on implementation of the scheme covering the period 2005-10 appeared in Para 1.1 of the Audit Report (Civil) for the year ended 31 March 2010. The performance audit revealed that a large number of works were lying incomplete; asset registers were not maintained; details of completed works transferred to concerned departments /agencies were not available; inspections of works were not carried out regularly and monitoring was inadequate.

During present follow up audit, we assessed the action taken by the Government on the accepted recommendations included in Para No. 1.1 of Audit Report (Civil) for the year ended 31 March 2010. The follow up audit revealed the following:

We recommended in the previous Audit Report that periodic evaluation should be conducted to assess the actual utility and public benefits being derived out of the works sanctioned so as to facilitate MLAs in selecting works as per the felt needs of their Constituencies.

Follow up audit revealed that periodic evaluation of the works under the MPACADS was not conducted by District Collector to ensure public benefits and actual utility in seven out of eight selected districts.

(Paragraph 2.10.6)

We recommended in the previous Audit Report that assets registers should be maintained so as to enable the verification of assets created under the scheme. Suitable arrangements should be devised to ensure the transfer of assets to user department and maintenance of the assets created.

Follow up audit revealed that seven District Planning Officers, who were not maintaining the asset register during 2005-10, were still not maintaining the asset register. Further, the register of assets transferred was not available in any of the selected District Planning Officers, except Ratlam.

(Paragraph 2.10.7)

We recommended that a system of online tracking and monitoring of execution of works should be devised for timely action against delays in execution and completion of works.

Follow up audit revealed that Department has not evolved any system of online tracking and monitoring of execution of work for timely action against delays in execution and completion of works. During Exit Conference (October 2015), Principal Secretary stated that efforts were being made at Directorate level for the same.

(Paragraph 2.10.8)

2.10.1 Introduction

The Madhya Pradesh Assembly Constituency Area Development Scheme (MPACADS) was launched in July 1994, covering all the 231 Assembly Constituencies with the objective of taking up developmental works of capital nature on the recommendations of the Members of Legislative Assembly (MLAs) for creation of community assets based on the local needs in their respective Constituencies.

MPACADS is a State funded scheme. The funds for implementation of the scheme were placed at the disposal of the DPOs by the Department through the State budget. An amount of ₹ 77 lakh (from 2007-08 onwards) per year was allocated to each MLA for recommending works of capital nature to be executed in his/ her assembly constituency.

According to the scheme guidelines, works like construction of rural fair - weather roads, approach roads, internal bituminous roads, footpaths, footbridges, kharanjas in villages, chabutaras, buildings for government aided/unaided educational institutions, bus stop/sheds, public reading rooms, small irrigation facilities, drinking water facilities, crematoria, tubewells, gardens, sports complexes as well as works connected with social forestry, agricultural development, culture etc. were required to be taken up under the scheme. The works were to be meant for public purposes and were to be completed in one or at the most, two seasons.

The implementation of the Scheme in the State was last reviewed for the period 2005-10 and the findings included in Para No. 1.1 of the Audit Report (Civil) of Comptroller and Auditor General of India for the year ended 31 March 2010. Some important findings of the performance review are given below:-

- The funds for implementation of the scheme are placed at the disposal of the District Planning Officers (DPOs) by the department through budget. However, DPOs did not release ₹ 18.60 crore to the implementing agencies. There were delays in release of funds to the executing agencies ranging from 37 to 980 days.
- The District Planning Officer Bhind irregularly parked ₹ 1.93 crore in Personal Deposit Account. A total unspent amount of ₹ 96.29 lakh in respect of 668 completed works was lying with the executing agencies.
- Out of 68,728 sanctioned works, 55,953 works were completed while 10,522 works remained incomplete, 2,067 works were not taken up and 186 works were cancelled.
- In seven districts, 814 works costing ₹ 13.91 crore were sanctioned with delays ranging from 25 to 431 days.
- In six districts, 111 works costing ₹ one crore could not be started due to selection of disputed sites and the funds were lying with the executing agencies. Completion certificates in respect of 2,828 works costing ₹ 40.63 crore, were awaited from the agencies.
- Records pertaining to transfer of assets to concerned department/ agencies for use were either incomplete or were not made available. The

Commissioner did not maintain complete/updated information of works selected under the scheme. Registers of assets were not found maintained in the test-checked districts.

- The nodal agencies failed to monitor the implementation of the scheme by way of inspection of works.

In view of results of audit, we recommended:

- Periodic evaluation should be conducted to assess the actual utility and public benefits being derived out of the works sanctioned so as to facilitate MLAs in selecting works as per the felt needs of their constituencies.
- Assets registers should be maintained so as to enable the verification of assets created under the scheme. Suitable arrangements should be devised to ensure the transfer of assets to user department and maintenance of the assets created.
- A system of online tracking and monitoring of execution of works should be devised for timely action against delays in execution and completion of works.

The performance audit was selected for written examination of Public Accounts Committee (PAC). Economics and Statistics Department in its reply to PAC informed (September 2012) that instruction had been issued to District Collectors for compliance of audit recommendations.

2.10.2 Organisational set-up

At the State level, the Commissioner, Economics and Statistics (Commissioner) is responsible for implementation and monitoring of the scheme. The District Planning Officers are the nodal officers of the scheme at the district level. The works under MPACADS are executed by District Collectors through Government Agencies/Corporations/Boards/Local Bodies.

2.10.3 Audit objectives

The objective of this follow up audit was to ascertain whether remedial actions were taken to implement the recommendations made in the Audit Report (Civil) for the year ended 31 March 2010.

2.10.4 Audit criteria

The main criteria for the follow up audit were:

- MPACADS guidelines and instructions issued from time to time from the Government/ Commissioner;
- Madhya Pradesh Financial Code;
- Provisions of agreements governing execution and maintenance of assets; and
- Action plan or strategy drawn by audited entities to implement the accepted recommendations.

2.10.5 Scope and Methodology of Audit

The present follow up of performance audit review covers the period during 2010-15. For this purpose, records of the Commissioner, Economics and Statistics (Commissioner) and eight District Planning Officers (DPOs) Betul, Bhopal, Chhatarpur, Dindori, Khargone, Mandla, Ratlam and Sehore were examined. These DPOs were selected on the basis of simple random sampling. An entry conference was held with the Commissioner on 12 June 2015, wherein the audit objective of follow up performance audit, criteria, scope and methodology were discussed. An exit conference was held with the Principal Secretary, Government of Madhya Pradesh, Planning, Economics and Statistics Department on 16 October 2015. Government's views have been incorporated in the follow up review.

Implementation status of the scheme

During 2010-11 to 2014-15, Government allocated ₹ 897.54 crore for implementation of MPACADS against which ₹ 857.51 crore was spent. The allocation of fund and expenditure during 2010-11 to 2014-15 is given in **Table-1:**

Table-1: Allocation of fund and Expenditure on MPACADS during 2010-15

Year	No. of MLAs	Funds provided in the budget	Fund Sanctioned to all Districts	Expenditure	(₹ in crore)
					Amount surrendered
2010-11	231	177.87	177.87	177.35	00.51
2011-12	231	179.50	179.50	179.50	00.05
2012-13	231	177.87	177.87	177.85	00.10
2013-14	231	177.87	177.87	171.17	06.69
2014-15	231	184.43	184.43	151.64	32.78
Total		897.54	897.54	857.51	40.13

(Source : Data provided by the Commissioner)

During 2010-15, 60,214 proposals of works in 231 Constituencies of the State were recommended by MLAs. The works were relating to construction of rural roads, footpaths, footbridges, chabutaras, buildings, bus stop/sheds, drinking water facilities, tube wells, gardens, works connected with social forestry, agricultural development, culture etc. Out of these 60,214 proposals, 56,201 proposals were sanctioned by District Planning Officers. However, implementing agencies could complete 38,274 works, while 4,877 works were not commenced.

Result of follow up Audit

2.10.6 Periodic evaluation of the works was not conducted to assess the actual utility and public benefit

Mention was made in para 1.1.6 of Audit Report (Civil) 2010 that the District Collectors were required to obtain written proposals of works proposed by MLAs or hold meetings in the first quarter of the Financial Year (FY) to identify the works to be taken up and listed together with Centrally Sponsored and Central Sector programmes. The works included in the list were required to be entrusted to Implementing Agencies (IAs) for execution. Lists of accepted works for execution and rejected proposals were to be sent to the MLAs within 45 days of the meetings. However, it was noticed that during 2005-10, no such meeting was arranged by any of the test-checked districts and works were undertaken on the basis of recommendations of the MLAs.

We recommended that periodic evaluation should be conducted to assess the actual utility and public benefits being derived out of the works sanctioned so as to facilitate MLAs in selecting works as per the felt needs of their Constituencies.

Follow up audit revealed that periodic evaluation of the works under the MPACADS to ensure public benefits and actual utility was conducted in only one selected District Khargone. In the remaining seven selected districts (Betul, Bhopal, Chhatarpur, Dindori, Mandla, Ratlam, and Sehore), this was not followed. Works were undertaken on the basis of recommendations of the MLAs.

During Exit Conference (October 2015), Principal Secretary stated that directions have been issued to District Collectors for periodic evaluation of works under the scheme.

2.10.7 Registers of assets were not maintained

As per the circular issued (July 2003) by the Commissioner, the assets created under the scheme were required to be recorded in a separate asset register and the assets were to be handed over to the concerned department/agency for use. Mention was made in para 1.1.9.2 of Audit Report (Civil) 2010 that the records of assets transferred were not available with the District Planning Officers and registers of assets were not maintained in nine districts (Bhind, Burhanpur, Dhar, Gwalior, Jhabua, Khargone, Ratlam, Tikamgarh and Umaria).

We recommended that assets registers should be maintained so as to enable the verification of assets created under the scheme. Suitable arrangements should be devised to ensure the transfer of assets to user department and maintenance of the assets created.

Follow up audit revealed that seven District Planning Officers (Bhind, Dhar, Gwalior, Jhabua, Khargone, Tikamgarh and Umaria) were still not maintaining assets register. The information from District Planning Officer, Burhanpur was awaited (October 2015). We observed that registers of assets were not maintained by District Planning Officers of four districts¹ out of eight selected districts and were incomplete in Betul and Mandla districts. Further, the register of assets transferred was not available in any of the selected District Planning Officers, except Ratlam. Thus, mechanism of assessing existing assets was weak, thereby affecting planning of new works by District Planning Officers.

During Exit Conference (October 2015), Principal Secretary stated that it was essential to maintain asset registers by the District Planning Officers.

2.10.8 Online tracking and monitoring of execution of works

Mention was made in para 1.1.9.1 of Audit Report (Civil) 2010 that a complete data base was required to be prepared in respect of completed works under the scheme in National Informatics Centre (NIC) at the district level. However, the required data base was not prepared at district level. We recommended that a system of online tracking and monitoring of execution of

¹ Bhopal, Chhatarpur, Dindori, and Sehore

works should be devised for timely action against delays in execution and completion of works.

Follow up audit revealed that Department has not evolved any system of online tracking and monitoring of execution of work for timely action against delays in execution and completion of works. However, monitoring of works was being done in District Planning Officer, Khargone through NIC.

During Exit Conference (October 2015), Principal Secretary stated that efforts were being made at Directorate level for the same.

We noted that various deficiencies pointed out in the previous audit report continued due to absence of online tracking and monitoring of execution of work, as discussed in the succeeding paragraphs.

2.10.8.1 Delay in sanction of works

Mention was made in para 1.1.8.2 of Audit Report (Civil) 2010 that issuance of administrative sanctions were delayed from 25 to 431 days. Follow up audit revealed that the issuance of administrative sanction for 833 works were issued during 2010-15 with delay ranging from 14 to 382 days, despite instruction for issuing such sanctions within 30 days of the receipt of proposal. Details are given in **Appendix-2.78**.

During Exit Conference (October 2015), Principal Secretary stated that all District Planning Officers were directed to execute the works as per time schedule prescribed under the guidelines.

2.10.8.2 Non recovery of balance amount of completed works from IAs

Mention was made in para 1.1.7.5 of Audit Report (Civil) 2010 that ₹ 96.29 lakh of balance amount of 668 completed works during 2005-10 was lying with the executing agencies of 10 districts.

Follow up audit revealed that entire amount of ₹ 24.92 lakh relating to 239 completed works was recovered in three districts (Betul, Ratlam and Dhar). Department informed that ₹ 50,000 was outstanding with IAs as against previous balance of ₹ 52.46 lakh in Burhanpur district. The information from other six districts was awaited as of October 2015.

2.10.8.3 Income and Expenditure report was not obtained from IAs

Mention was made in para 1.1.10.3 of Audit Report (Civil) 2010 that none of executing agencies submitted monthly income expenditure statement and progress reports to the District Planning Officers regularly. In none of the eight selected districts, except Khargone, monthly income-expenditure statements for utilised amount were not obtained from the IAs.

During Exit Conference (October 2015), Principal Secretary stated that directions were being issued to District Planning Officers for obtaining requisite statement.

2.10.8.4 Non-submission of Completion Certificate by the agencies

Mention was made in para 1.1.8.5 of Audit Report (Civil) 2010 that completion certificates were not obtained in respect of 2,828 works from the executing agencies due to which the asset created could neither be accounted for nor transferred to local body/ departments for the maintenance. Follow up

audit revealed that District Planning Officers were yet to receive 596 completion certificates in respect of work completed during 2005-10.

During Exit Conference (October 2015), Principal Secretary stated that direction have been issued to District Planning Officers for obtaining completion certificates and utilisation certificates.

2.10.9 Conclusion and recommendation

We observed that the three recommendations made in para 1.1.12 of the Audit Report (Civil) 2010, which were accepted by the department, were not implemented effectively. Department issued circulars but these were not complied with.

Department may ensure effective implementation of accepted recommendation in implementation of MPACADS.