Chapter 2
Performance Audit

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This chapter contains results of Performance Audit of 'Right of Children to Free and Compulsory Education Act, 2009' and Information System Audit of 'End-to-End Computerisation of Targeted Public Distribution System Operations'.

BASIC EDUCATION DEPARTMENT

2.1   Performance Audit on Implementation of Right of Children to Free and Compulsory Education Act in Uttar Pradesh

Executive Summary

The Right of Children to Free and Compulsory Education (RTE) Act became effective from April, 2010. The Act provides that every child of the age of 6 to 14 years shall have a right to free and compulsory education in a neighbourhood school till completion of elementary education. The *Sarva Shiksha Abhiyan* (SSA), launched by Government of India (GoI) in 2000-01 was modified (March 2011) to correspond to the provisions of RTE Act and made the main vehicle for implementation of the Act. An expenditure of ₹ 47,403.24 crore was incurred on implementation of RTE Act through SSA in Uttar Pradesh during 2010-16.

Important findings of the performance audit are given below:

Planning

The planning for implementation of RTE Act was neither comprehensive nor involved any community participation. Core teams for conducting household surveys were not constituted and the School Management Committees did not prepare school development plans.

(Paragraph 2.1.6.1)

Fund Management

GoI and GoUP did not release their shares of funds in full resulting in shortfalls of ₹ 11,176.84 crore (32.1 *per cent*) and ₹ 2,765.41 crore (13.9 *per cent*) during 2010-16.

(Paragraph 2.1.7.1)

Funds totaling ₹ 39.20 crore pertaining to the period 2002-16 were still being shown in transit in the accounts of the State Implementing Society.

(Paragraph 2.1.7.3)

Schools for eligible habitations

As per the State Government report, 2,055 and 230 eligible habitations were yet to be provided with primary and upper primary schools

respectively. As a result, 1,79,054 children residing in these habitations did not have access to the neighbourhood schools.

(Paragraph 2.1.8.1)

In test checked districts of Gorakhpur, Mau, Sultanpur and Jhansi, 465 private schools were running without recognition.

(Paragraph 2.1.8.3)

Enrolment of children

The total number of children enrolled in Primary and Upper Primary Schools declined from 3.71 crore in 2012-13 to 3.64 crore in 2015-16.

Enrolment in Government/Government aided schools declined (18.6 *per cent*) while enrolment in private unaided schools increased (36.5 *per cent*) during 2010-16.

Comparison of District Information System for Education (DISE) data with HHS data through data analytics indicated that on an average, there were 20 lakh drop-out children per year. But, as per the data provided by the State Government, the average drop out was 0.63 lakh children per year only during 2011-16.

In 428 schools test checked by audit, against the enrolment of 51,649 children, the attendance on the day of joint physical verification by audit was just 13,861 children (27 *per cent*).

(Paragraph 2.1.8.2)

Distribution of books and uniform for children

About 6.22 lakh children were not provided books during the period 2012-16. Further, in test checked districts, out of books purchased for 18.35 crore, 5.91 crore (32.21 *per cent*) books were distributed to children in August or in subsequent months only during 2010-16.

GoUP provided only one set of uniform to its children under SSA during 2011-12, though two sets of uniform were approved by the Project Approval Board and funds were released accordingly. Uniforms to 10.06 lakh children were provided after delays ranging between 20 and 230 days from the prescribed date for distribution of uniforms during 2011-16. Further, 0.97 crore eligible children were not provided uniforms despite availability of sufficient funds.

Paragraph 2.1.8.2)

Deployment of teachers and their qualifications

Against the sanctioned strength of 7.60 lakh teachers, there was shortage of 1.75 lakh teachers. Further, teachers were not deployed rationally as 17,732 PSs and 1,349 UPSs having enrolment of more than 150 students did not meet Pupil Teacher Ratio (PTR) while 7,264 PSs and 2,377 UPSs having enrolment of less than 50 students exceeded PTR.

The Act (April 2010) required that all teachers, not possessing minimum qualification should acquire the same within 5 years (March 2015). Audit analysis revealed that even after six years of commencement of the Act, 18,119 teachers posted in PSs and 30,730 teachers posted in UPSs were not possessing the required qualifications.

(Paragraphs 2.1.8.4)

Admission for children from poor/disadvantaged section

Against the intake capacity of 6.16 lakh children and 6.46 lakh children from poor and disadvantaged sections, only 108 and 3,278 children were provided admission during 2014-15 and 2015-16 respectively.

(Paragraph 2.1.9.2)

GIS Mapping of schools

The State Government failed to complete GIS mapping of all the schools. Only 30 *per cent* schools had been mapped despite availability of funds..

(Paragraph 2.1.8.3)

Buildings for schools

Norms developed by Bureau of Indian Standards were not adhered to while sanctioning new Primary and Upper Primary Schools and Additional Class Rooms, leading to construction of school buildings with inadequate space.

Joint physical verification of 428 schools in 15 test checked districts revealed shortage of 272 classrooms in 111 schools and excess of 442 classrooms in 166 schools.

(Paragraph 2.1.8.3)

Audit of test-checked districts of Maharajganj, Sonbhadra and Sultanpur revealed suspected misappropriation of funds in construction of school buildings and additional class rooms totaling ₹ 52.51 lakh. In district Sonbhadra, ₹ 19.25 lakh was drawn (2003-04) for construction of eight schools but the schools were not constructed/completed.

(Paragraph 2.1.7.3)

Facilities for children

Out of 1.6 lakh schools in the State, 50,849 did not have play grounds, 57,107 had no boundary wall, 35,995 did not have library facilities, 2,978 schools did not have drinking water facility and about 1,734 schools did not have separate toilets for boys and girls.

There was no electricity in 34,098 Primary/Upper Primary Schools though internal electrification (wiring/electrical fittings) was carried out at the cost of ₹ 64.22 crore at the time of their construction.

(Paragraph 2.1.8.3)

Printing of Text Books

The system adopted by the state government for placement of orders for printing of text books was not fair and adequately competitive. Criteria for distribution of quantities/number of districts to the publishers for printing and supply of books were not indicated in the notice inviting tender and/or tender documents. As almost all the bidders participating in the tender and willing to accept orders at L_1 rates were empanelled for supply of books, there was no incentive for the bidders to quote lower rates; and the participating bidders had no competitive tension which could force them to bring down the prices.

(Paragraph 2.1.8.2)

Children with Special Needs

Against 18.76 lakh children enrolled as Children with Special Needs during 2010-16, only 2.09 lakh children were having disability certificate. Yet an expenditure of ₹ 287.88 crore was incurred considering all these children eligible.

(Paragraph 2.1.9.2)

Monitoring

Monitoring of the scheme was not effective as the State Advisory Council was constituted after lapse of three years of implementation of the Act. Similarly, the State Commission for Protection of Child Rights was also constituted after seven years of promulgation of the Commission for Protection of Child Rights Act, 2005 and it received only five complaints upto March, 2016.

(Paragraphs 2.1.10)

2.1.1   Introduction

The Right of Children to Free and Compulsory Education (RTE) Act became effective from 1 April 2010. RTE Act (Act) provides that 'every child of the age of 6-14 years shall have a right to free and compulsory[1] education in a neighbourhood school till completion of elementary education (Class 1 to 8). Under Section 38 of the Act, Government of Uttar Pradesh (GoUP) promulgated RTE Rules in July 2011 for carrying out the provisions of the Act. The *Sarva Shiksha Abhiyan* (SSA), launched by the Government of India (GoI) in 2000-01, was modified (March 2011) to correspond to the provisions of RTE Act and made it the main vehicle for implementation of the Act. Major interventions provided under SSA are given in *Appendix 2.1.1* and timeline set for completion of various activities under the Act are given in *Appendix 2.1.2*.

2.1.2   Organisational Structure

At Government level, the overall responsibility for implementation of the Act was vested with the Secretary, Basic Education, GoUP. UP Education for All

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[1] 'Compulsory education' means obligation of the appropriate government to provide free elementary education and ensure admission and completion of elementary education to every child in the age group of 6 to 14 years.

Project Board (UPEFAPB), which functions as State Implementing Society (SIS) for SSA, also looks after the implementation of the Act in the State. The Executive Committee of UPEFAPB, headed by the Chief Secretary, provides guidelines and directions for the implementation of the Act. The State Project Director (SPD) was the member secretary of UPEFAPB. The State Project Office (SPO) headed by SPD looks after the overall implementation of the Act. At the district level, District Education Committee headed by District Magistrate (DM) was responsible for coordination and monitoring and the District Project Officer[2] for implementation of provisions of the Act.

2.1.3.   Audit Objectives

Performance audit of implementation of RTE Act was taken up to assess whether:

●   a comprehensive plan for implementation of the Act, based on reliable data was prepared and executed in an efficient and effective manner;

●   the financial resources required for implementation of the Act were properly assessed, timely released and efficiently utilised;

●   provisions of RTE Act were complied to and timelines set for completion of various activities under the Act were adhered to;

●   implementation of the Act significantly reduced the social and gender gaps and disparities and ensured universalisation of elementary education; and

●   monitoring was adequate and effective and periodical evaluation of implementation of the provisions of the Act was carried out to assess its impact and need for further interventions.

2.1.4   Audit Criteria

Provisions of RTE Act, Rules made thereunder and SSA guidelines issued from time to time formed the Audit Criteria for assessing implementation of the Act. The detailed audit criteria have been listed in *Appendix 2.1.3.*

2.1.5   Audit Scope and Methodology

Entry conference was held on 4 April 2016 with the Secretary, Basic Education in which audit objectives, audit criteria and scope of performance audit were discussed and agreed to. Exit conference was held with the Special Secretary, Basic Education on 9 December 2016.

The records for the period 2010-16 were scrutinised in the following offices:

●   The Secretary, Basic Education, GoUP, Lucknow; UPEFAPB, Lucknow and SPD, SSA, Lucknow; the Directorate of Basic Education, Lucknow; the State Council of Educational Research & Training (SCERT), Lucknow; the State Institute of Educational Technology (SIET), Lucknow; and the State Institute of Educational Management and Training (SIEMAT), Allahabad.

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[2] *Basic Shiksha Adhikari* (BSA) holds the post of DPO.

● BSAs of 16 districts[3] out of 75 districts of the state, selected through Probability Proportional to Size without Replacement (PPSWOR) method of sampling for detailed scrutiny.

● In each selected district, four blocks (three rural and one urban) were selected by Simple Random Sampling without Replacement (SRSWOR) method of sampling. In the selected blocks, 16 and four Government/specified category schools as well as eight and two aided schools were selected from the rural and urban blocks respectively. District Institutes of Education and Training (DIETs) of selected districts were also covered.

● Besides analysis of data of Annual Work Plan & Budget (AWP&B) with that of District Information System for Education (DISE), Project Management Information System (PMIS) and Household Survey (HHS), Joint physical inspections of the selected schools and construction activities were also conducted in each selected district[4]. Beneficiary survey was also conducted to assess the effectiveness of the implementation of the Act.

2.1.6 Planning

For rights based planning to succeed, it is necessary that the plans were prepared comprehensively with community participation following bottom up approach.

2.1.6.1 Community based decentralised planning

Section 21 of RTE Act requires preparation of a participative, decentralised and need based School Development Plan (SDP) by the School Management Committee (SMC) in each school which shall be the basis for plans and grants to be made by the government. The Manual on Financial Management and Procurement (MFMP) of SSA requires constituting planning teams[5] at habitation, block and district levels for conducting Household Survey (HHS) to identify children and their status of enrolment in schools, interact with community and prepare proposals for their education.

Audit observed that planning teams were not constituted at any level in the test checked districts during 2010-16. Further, SDP was not prepared in any of the selected schools in the test-checked districts. This indicated that participative, decentralised and need based planning process, as required under the Act and MFMP of SSA was not followed resulting in discrepancies in identification of out of school children, irrational deployment of teachers in schools, procurement of excess books, construction of excess class rooms and lack of infrastructure facilities in schools as discussed in paragraph 2.1.8.

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[3] Bahraich, Farrukhabad, Firozabad, Ghaziabad, Ghazipur, Gorakhpur, Jhansi, Kanpur Dehat, Lakhimpur Kheri, Maharajganj, Mau, Pilibhit, Rampur, Sonbhadra, Sultanpur and Unnao. Pilibhit and Rampur was selected at the instance of the Government.

[4] Joint Physical Verification of 2 schools in Farrukabad, 3 schools in Ghaziabad, all selected 30 schools in Ghazipur, 14 schools in Gorakhpur, 1 school in Kanpur Dehat, 1 school in Pilibhit, 1 school in Unnao was not conducted due to summer vacations, closure of schools due to annual exams, *etc*.

[5] Consisting of members from Panchayati Raj Institutions Village Education Committees (VECs), community leaders, teachers and parents.

Government accepted the audit observation and stated that districts would be directed to ensure preparation of SDPs by ensuring community participation.

2.1.6.2   Reliability of data used for planning

In the absence of micro planning and SDPs, districts prepared AWP&B mainly on the basis of data available on District Information System for Education (DISE), data available on Project Management Information System (PMIS) and gathered through HHS conducted by teachers.

Audit conducted joint physical verification of 134 schools in Kanpur Dehat, Gorakhpur, Pilibhit, Rampur and Sonbhadra districts to verify the reliability of data used in the preparation of AWP&B. The analysis disclosed that considerably higher enrolment of children, availability of toilets, Children with Special Needs (CWSN), library and classrooms; and lower number of teachers deployed were shown in DISE as compared to the data collected by audit in joint physical verification (*Appendix 2.1.4).* Audit also observed mismatch in two sets of data (*Appendix 2.1.5*), as detailed below:

Number of schools was more in DISE than the number of schools given in AWP&B, ranging between 2,799 and 42,032 during 2010-14, whereas number of school during 2014-16 was less in DISE than the number of schools reported in AWP&B, ranging between 94 and 3853; and

Number of children enrolled as per data collected in household survey was more than the number of children enrolled as per DISE ranging between 1.14 lakh and 3.32 lakh during 2011-16.

This indicated that the data was not reliable and impacted the planning process adversely**.**

Government replied that efforts were being made to correct DISE data.

Recommendations:

(i) Planning teams should be constituted immediately to identify children and their status of enrolment in schools and SMCs should be directed to prepare SDPs with community participation.

(ii) Government should ensure that reliable data is used for preparation of AWP&B.

2.1.7   Financial Management

2.1.7.1   Funding pattern

With the objective to implement RTE Act, funds were provided by GoI and GoUP under SSA in the ratio of 65:35 and 60:40 during 2010-15 and 2015-16 respectively. Besides, Thirteenth Finance Commission (TFC) also provided funds during 2010-15.

Release of funds

Based on AWP&B submitted by GoUP, funds to be shared between by GoI and GoUP were approved by the Project Approval Board (PAB), Ministry of Human Resource Development (MHRD), GoI.

GoI releases grants-in-aid under general category, Special Component Plan for Scheduled Castes (Grant 83) and Special Component Plan for Scheduled Tribes (Grant 81) for implementation of SSA/RTE Act. The year-wise position of outlay approved by PAB and funds released thereagainst by GoI, TFC and GoUP during 2010-16 is given in Table 1.

Table 1: Year-wise position of outlay and funds released during 2010-16

(₹ in crore)

Year	Total approved outlay	Funds received from TFC	Government of India			Government of UP		
			Required share	Actual release	Shortfall in release (4)-(5)	Required share	Actual release	Shortfall in release (7)-(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2010-11	6,794.64	723.00	3,946.57	3,104.63	841.94	2,125.07	1,600.00	525.07
2011-12	9,408.05	871.00	5,549.08	2,636.83	2,912.25	2,987.97	1,355.68	1,632.29
2012-13	10,427.46	1,027.00	6,110.30	3,754.76	2,355.54	3,290.16	2,085.95	1,204.21
2013-14	9,178.31	1,192.00	5,191.10	4,666.98	524.12	2,795.21	2,512.99	282.22
2014-15	8,784.38	1,227.00	4,912.30	4,498.68	413.62	2,645.08	2,067.88	577.20
2015-16	15,139.52	0.00	9,083.71	4,954.34	4,129.37	6,055.81	7,511.39	(-)1,455.58
Total	**59,732.36**	**5,040.00**	**34,793.06**	**23,616.22**	**11,176.84**	**19,899.3**	**17,133.89**	**2,765.41**

(Source: Information furnished by State Project Office)

The details indicate that there were short releases, both from GoI (₹ 11,176.84 crore) and GoUP (₹ 2,765.41 crore) during 2010-16.

Government accepted the audit observation.

Delay in release of funds

According to MFMP of SSA, pending approval, GoI was required to release first instalment in the month of April every year upto a maximum of 50 *per cent* of the actual funds utilised by the SIS in the previous year. The State share was required to be released within 30 days of receipt of Central Share.

Audit observed that SIS submitted AWP&B for 2010-16 between March and May[6] and approval letters were issued by GoI in May/June[7] of the respective financial years. GoI released funds in multiple instalments ranging between two and 19 during 2010-16. Further, first instalment was released to SIS with delays ranging between 20 and 331 days during 2010-16. Corresponding State shares were also released with delays ranging between seven and 304 days[8]. Delayed release of funds prevented the timely utilisation of funds and resultantly the targets could not be achieved as mentioned in paragraphs 2.1.7.2 and 2.1.8.2.

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[6] March (AWP&B for 2010-11, 2014-16), April (AWP&B for 2013-14) and May (AWP&B for 2011-12, 2012-13).
[7] AWP&Bs for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 were approved by GoI vide letters dated 6.5.2010, 2.6.2011, 5.6.12, 31.5.2013, 22.5.2014 and 28.5.2015 respectively.
[8] Against the requirement of releasing the same within 30 days of receipt of Central Share.

Government accepted the audit observation and stated that due to delay in release of funds by GoI, releases by the State were delayed. The reply was not acceptable as delayed approval and release by GoI was due to delayed submission of AWP&B by SIS. Thus, the funds meant for the implementation of various interventions was not released in time and spent to achieve the targets.

Rush of releases in March

Rule 56 (3) of General Financial Rules 2005 (GFR) lays down that rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided.

Audit observed that out of total funds of ₹ 17,133.89 crore released by GoUP as State share, funds totalling ₹ 7,385.79 crore (43.1 *per cent*) were released in the month of March during 2010-16 of which ₹ 3,869.12 crore (52.4 *per cent*) were released in the last 3 days of financial years[9]. SIS, therefore, could not draw ₹ 303.14 crore (Grant No. 83) and ₹ 36.20 crore (Grant No.81) from treasury leading to lapse of funds. The rush of releases at the end of financial years was also fraught with risk of diversion, mis-utilisation and parking of funds as discussed in paragraph 2.1.7.2.

Government stated that SIS submits demand for state share to GoUP after receipt of Central share. It added that release of the State share was further delayed in the processing of the proposal at various stages viz., Education Department, Finance Department, etc. However, the fact remains that no solution was found to address the problem of rush of releases in March every year.

2.1.7.2   Utilisation of funds
Utilisation of available funds by State Implementing Society

The details given in Table 2 indicate year-wise position of utilisation of funds against the availability for implementation of provisions of RTE Act:

Table 2: Details showing utilisation of available funds

(₹ in crore)

Year	Opening Balance	Funds received[10]	Total funds available	Funds utilised[11]	Unspent Balance (*per cent*)	
(1)	(2)	(3)	(4)	(5)	(6)	
2010-11	612.10	5,481.63	6,093.73	5,202.08	891.65	(14.6)
2011-12	891.65	5,228.46	6,120.13	5,482.34	637.79	(10.4)
2012-13	637.79	7,258.83	7,896.62	7,181.45	715.17	(9.1)
2013-14	715.17	8,803.47	9,518.64	8,830.97	687.67	(7.2)
2014-15	687.67	8,017.66	8,705.33	8,020.00	685.33	(7.9)
2015-16	685.33	12,908.11	13,593.44	12,686.39	907.05	(6.7)
Total		**47,698.16**	**51,927.89**	**47,403.23**		

(Source: Information provided by SPOs)

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[9] Interestingly, out of ₹ 5,717.62 crore released in March 2016, ₹ 3,799.12 crore was released on 31 March 2016.
[10]Funds released by GoI and GoUP, funds released by TFC, funds received from Director Basic Education (2013-14: ₹ 5 crore, 2014-15: ₹ 2.57 crore), interest, other income and unadjusted advance of previous year.
[11]Expenditure during the year and unadjusted advance of current year.

Thus, against the available funds of ₹ 51,927.89 crore during 2010-16, SIS reported utilisation of ₹ 47,403.23 crore (91.3 *per cent*) and unspent balance of ₹ 907.05 crore at the end of the year 2015-16.

Audit analysis of utilisation of funds revealed that:

Substantial amount of funds remained with SIS (₹ 454.75 crore) and district level implementing agencies[12] (₹ 434.07 crore), as cash and bank balances, as on March 2016.

While releasing funds under Grant No. 81 and Grant No. 83, GoUP specifically directed to utilise the grant for the benefit of Scheduled Tribes and Scheduled Castes. Audit observed that no records showing utilisation of these grants for the benefit of the targeted categories were maintained by SIS.

There was 58.18 *per cent* increase in funds utililsed during 2015-16, as compared to the funds utilised in 2014-15. This increase was attributed to increase in expenditure on payment of salaries to 1.36 lakh para-teachers (*Shiksha Mitras*), regularised as teachers upto March 2015.

Government accepted the audit observation and stated that proper utilisation of funds would be ensured in future.

Funds not utilised by School Management Committees

As observed by audit and also as evidenced from the reports of the Chartered Accountants appointed[13] for auditing the accounts of SSA, transfer of funds to DPOs were made without ensuring the actual utilisation of funds by the Block Resource Centres (BRCs)/SMCs. Audit of 428 selected schools in the test-checked districts also confirmed unutilised balances in SMCs accounts totalling ₹ one crore[14] at the end of March 2016, indicating that UCs were not based on actual expenditure. As a result, funds pertaining to previous years were lying unutilised with BRCs and SMCs bank accounts[15]. Complete information of funds lying with BRCs/SMCs, however, was not available with SIS.

Government accepted the audit observation and stated that proper utilisation of funds would be ensured in future.

Diversion of funds

Diversion of funds for expenditure on any item, not provided for in the sanctioned budget estimates, was not allowed[16] unless the diversion was approved by PAB[17]. Audit observed that during 2010-11 and 2011-12, surplus funds of ₹ 5.30 crore and ₹ 85.61 crore (total ₹ 90.91 crore) respectively were diverted from SSA to National Programme of Education for Girls at

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[12] District Project Offices, DIET, KGBVs and Assistant Director, Basic Education.
[13] By State Implementing Society for preparing audited financial statement of the scheme.
[14] Includes funds relating to 136 private aided schools totalling ₹ 43.85 lakh.
[15] For construction of schools/ACRs, school grant, teachers grant, maintenance grant etc.
[16] Paragraphs 88.2 and 88.3 of MFMP of SSA.
[17] Paragraph 4.10.1.2 and 4.10.1.3 of Manual for Planning and Appraisal.

Elementary Level (NPEGEL). Further, ₹ 92.17 crore[18] was diverted during 2012-16 from NPEGEL to SSA for reimbursement of salary of teachers of SSA without the approval of PAB.

Reporting of excess expenditure than incurred

Audit also observed that against the total expenditure of ₹ 47,403.24 crore reported to GoI during 2010-16, the expenditure shown in the audited Financial Statement of SIS was ₹ 45,797.05 crore, as detailed in *Appendix 2.1.6.* The reason for reporting excess expenditure (₹ 1,606.19 crore) in UCs was mainly attributable to reporting utilisation merely on the basis of funds transferred[19] to implementing units and not on the actual expenditure made.

Government accepted the observation and assured that Utilisation Certificates of unspent balances lying at the level of SMCs would be submitted after proper utilisation.

Recommendation: GoUP should institute a system of periodic reporting of unutilised funds available with BRCs, VECs and SMCs and a consolidated position of such funds should be disclosed in SIS accounts at the end of the financial year.

2.1.7.3   Accountal of funds

Reconciliation of Funds

MFMP of SSA requires daily closing of cash books at State (SIS) and district (DPO) levels with attestation of each and every entry and monthly tallying of entries of cash books with bank statements by Head of the Department/Drawing and Disbursing Officer[20]. Further, as per UP Budget Manual, reconciliation statements were to be prepared in order to prevent fraudulent drawal and interpolation in the bills.

It was, however, observed that funds totalling ₹ 39.20 crore remained un-reconciled as on March 2016 as detailed below:

An amount of ₹ 29.58 crore pertaining to the period 2002-16, relating to SSA, NPEGEL and KGBV account, were transferred by SPO but not received by offices concerned. Funds to the tune of ₹ 7.73 crore pertaining to the same period were received by SPO without knowing their source. Further, details of ₹ 1.42 crore received by SPO and ₹ 0.30 crore transferred by SPO relating to these accounts were also not traceable. These funds (₹ 39.03 crore) were shown (March 2016) as funds-in-transit in the accounts of SIS, as detailed in *Appendix 2.1.7*. Further, in test-checked district of Farrukhabad, the opening

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[18] 2012-13: ₹ 26.14 crore, 2013-14: ₹ 5.17 crore, 2014-15: ₹ 5 4.86 crore and 2015-16: ₹ 6.00 crore. Funding for NPEGEL was stopped from 2013-14.

[19] Paragraph 74.1 of MFMP of SSA provides that all funds released to district and sub-district level units be classified as advances and adjusted on the basis of UCs received. In district Sultanpur, funds totalling ₹62.63 lakh was preserved during 2014-16 by drawing 5 cheques on the last day of financial year and showing the amount as spent in cash book.

[20] BSA in case of DPO.

balance in passbook of NPEGEL bank account as on 7 February 2011 was ₹ 59.14 lakh. On reprinting of the passbook after a gap of around one year, the opening balance for the same date (7 February 2011) was shown as ₹ 42.04 lakh. The reasons for the variation in the amount of ₹ 17.10 lakh were not available. Further, entries in cash books were not reconciled. On being pointed out by audit, BSA wrote a letter to bank for clarification.

The Government accepted the audit observations regarding funds in transit and stated that a committee had been constituted to deal with this matter and reconcile issues relating to funds in transit. In respect of reduction in bank balance in Farrukhabad district, the Government replied that the matter was being investigated and proper action would be taken after receiving the facts.

While formation of a committee to reconcile and trace these funds in transit for long periods was a welcome step, the prescribed procedure such as reconciliation of balances of the bank with the cash book etc., to check the discrepancies need to be enforced so that funds did not remain in transit for long periods and were traced and credited to accounts concerned timely.

Recommendation: All funds shown in-transit for more than three months should be investigated to ensure that the funds were not diverted or mis-appropriated.

Operation of multiple bank accounts

MFMP of SSA devolves responsibility on accounts wing of SIS, headed by Finance Controller, for strict observance of accounting principles envisaged in the manual. It permitted the operation of only three saving bank accounts, one each for SSA, KGBV and NPEGEL.

It was, however, noticed that SIS was operating ten accounts with seven of them having balances ranging between ₹ 1.36 crore to ₹ 356.72 crore, as detailed in *Appendix 2.1.8*.

Government stated that instructions had already been issued to operate single bank account. Reply was not acceptable as Government's instruction was not implemented and against three accounts permissible under the rules, ten accounts were operational in SIS. Further, no action had been taken against the official concerned (Finance Controller) for operating so many accounts in violation of Rules.

Records of financial transactions not maintained

Government Order issued by GoUP in June 2011 made the School Management Committees[21] (SMCs) responsible for keeping account of funds received by it and monitoring of receipt and expenditure by schools.

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[21] Consisting of 15 members, 11 from parents/guardians of children, one Auxiliary Nursing Midwife (ANM), one Lekhpal nominated by DM and one head teacher-incharge (ex-officio member secretary)

Audit of 428 test-checked schools in the test-checked districts revealed that:

Cash books were not maintained in 184 schools (43 *per cent*). Vouchers against expenditure incurred were not available in 127 schools (29.7 *per cent*);

Monthly bank reconciliation was not carried out in 420 schools (98.1 *per cent*); and

Stock registers were not maintained in 255 schools (59.6 *per cent*).

The above instances indicate ineffective internal control mechanism and increase the risk of embezzlement of Government funds.

Government accepted the audit observations and stated that district level authorities were being directed to ensure proper maintenance of records.

Recommendation: The Government must investigate the matter immediately to ensure that the funds had not been embezzled or misappropriated and should also fix responsibility of concerned officials for not reconciling the funds timely.

Suspected misappropriation of funds in construction of schools/ACRs

Schools and Additional Class Rooms (ACRs) were to be completed by School Management Committees (SMCs) in respective years and within a period of two to five months[22]. As per orders issued (August 2010), the *Gram Shiksha samiti* was to supervise and monitor the construction of schools and ACRs. The Principals/Teacher-in-charges who were the Member Secretaries of the *Gram Shiksha samiti* was responsible for the construction of schools and ACRs. Audit, however, found cases of schools/ACRs not constructed, even after several years of drawal of funds, as detailed in *Appendix 2.1.9* and discussed below:

In Sultanpur and Sonbhadra districts, ₹ 50.50 lakh was withdrawn from banks during 2008-09 (₹14.46 lakh) and 2011-12 (₹ 36.04 lakh) by the teachers-in-charge for construction of six schools and one school respectively. However, no schools were constructed.

In Maharajganj district, even after lapse of more than three years from the date of full withdrawal of ₹ 2.01 lakh for construction of one ACR by teacher-in-charge, no such construction was done as revealed during joint physical verification.

In Sonbhadra district, an amount of ₹ 19.25 lakh was drawn (2003-04) for construction of eight schools but the schools were not completed as of March 2016. The department found (February 2006) that an amount of ₹ 15.03 lakh had been embezzled by the construction in-charge.

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[22]2010-11: 2 months; 2011-12: 3 months; 2012-13: 5 months and 2014-15: 4 months. No ACRs were sanctioned during 2013-14 and 2015-16.

In case of Sonbhadra district, ABSAs of concerned blocks lodged (November 2008) FIR against the construction-in-charge but no action was taken (March 2016) in cases detected in Sultanpur and Maharajganj districts.

Government accepted the audit observations and stated that action would be taken after verification of the cases.
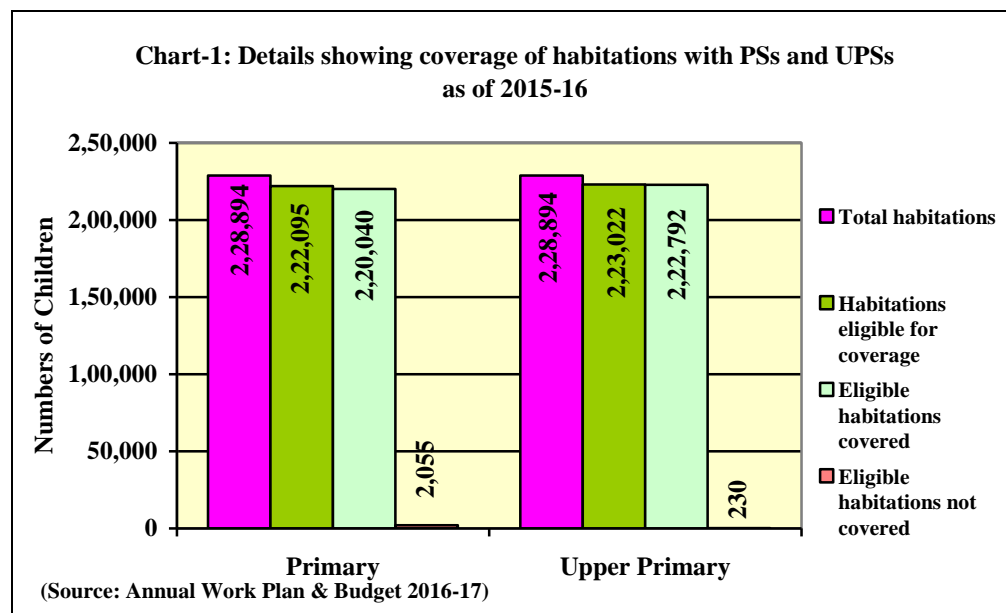
Recommendation: Monitoring of funds released to SMCs should be strengthened and all cases of abnormal delay in construction of schools/ACRs after withdrawal of funds should be investigated to ensure that funds were not diverted, misappropriated or embezzled.

2.1.8   Coverage of the Act

2.1.8.1   Un-served habitations

Section 6 of the Act required the Government to establish a school, within such limits of neighbourhood as may be prescribed, upto the end of March 2013. Rule 4 of RTE Rules provided establishment of a Primary School (PS) in habitations which had no school within a distance of one Km. and had a population of at least 300. Similarly, it provided establishment of an Upper Primary School (UPS) in habitations which had no school within a distance of three Kms. and had a population of at least 800.

Though the target set above was to be completed by March 2013, it was observed that even as on March 2016, the target was not achieved, indicating a shortfall in habitations covered, as shown in Chart 1 below:

Chart-1: Details showing coverage of habitations with PSs and UPSs as of 2015-16
(Source: Annual Work Plan & Budget 2016-17)

Thus, there were 2,055 and 230 eligible habitations without PSs and UPSs respectively even after lapse of 6 years of commencement of the Act. As a result, 1,79,054 children residing in these habitations did not have access to the neighborhood schools.

It was, however, noticed that though the demand for eligible habitations to be covered as of 2015-16 was 2,285 schools (PSs: 2,055 UPSs: 230), GoUP demanded only 1,744 schools (PSs: 1,546, UPSs: 198) in AWP&B (2015-16).

The reason as observed by Audit was that the mapping of the schools with reference to geographical distance (GIS[23] mapping) and to identify all children including children in remote areas, children with disabilities, children belonging to disadvantaged group, weaker sections, etc. was not done as prescribed in the Rules. It was further observed that the figures of served and un-served habitations reported by the State Government were not accurate. For instance, AWP&B 2016-17 showed all the habitations in district Sultanpur as served by PSs; however, it was noticed in audit that two PSs had not actually been constructed, three PSs/UPSs were partially constructed (*Appendix 2.1.10)* and construction of another 48 PSs had not been taken up (March 2016) by SMCs.

**Partially constructed PS
Kaharbujahi ,Lamhua, Sultanpur**
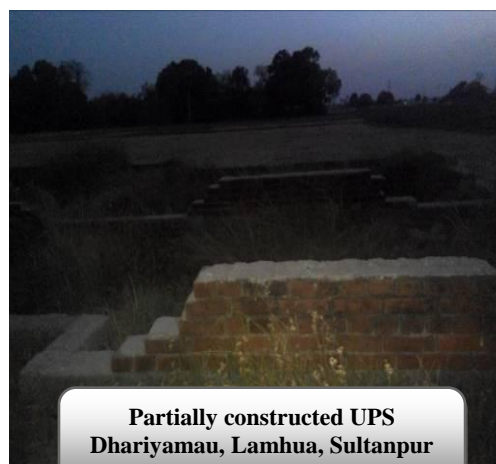
**Partially constructed UPS
Dhariyamau, Lamhua, Sultanpur**

Government stated that though proposal was made in AWP&B for coverage of un-served habitations, PAB put its sanction on hold till completion of GIS mapping of existing schools. Reply was not acceptable as timely completion of GIS mapping was the responsibility of the State Government and inclusion of incomplete proposal led to proposals not being approved by PAB.

2.1.8.2 Enrolment, attendance and retention of children in schools

Section 8(a) (ii) of RTE Act devolves responsibility on the state government to ensure compulsory admission, attendance and completion of elementary education by every child of the age of six to fourteen years.

Identification and enrolment of children

GoUP conducts HHS every year for identification of children belonging to the age of 6 to 14 years. The year-wise population of such children identified and enrolled thereagainst during 2011-16 is given in Table 3:

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[23] A geographic information system (**GIS**) is a computer system for capturing, storing, checking, and displaying data related to positions on Earth's surface. **GIS** can show many different kinds of data on one **map**. This enables people to more easily see, analyse, and understand patterns and relationships.

Table 3: Details showing status of child population and enrolment

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Children identified in HHS (6-14 years age)	3,88,31,718	3,93,40,217	3,86,56,969	3,80,17,300	3,76,30,382
Children enrolled as per DISE data (In *per cent*)	3,54,04,745 (91.17)	3,70,98,290 (94.30)	3,67,26,500 (95.01)	3,68,38,720 (96.90)	3,64,25,633 (96.80)
Children not enrolled (In *per cent*)	34,26,973 (8.83)	22,41,927 (5.70)	19,30,469 (4.99)	11,78,580 (3.10)	12,04,749 (3.20)

(Source: Household Survey and data available on DISE)

It is evident that the number of children identified for enrolment in elementary schools declined from 3.93 crore in 2012-13 to 3.76 crore in 2015-16. Consequently, number of children enrolled also declined from 3.71 crore in 2012-13 to 3.64 crore in 2015-16. It was also noticed that the number of children not enrolled for education in PSs and UPSs also declined from 5.70 *per cent* in 2012-13 to 3.20 *per cent* in 2015-16. During beneficiary survey of 59 teachers and 53 parents in two test-checked districts (Pilibhit and Rampur), 30 *per cent* parents stated that they did not know RTE Act whereas 34 *per cent* parents stated that they were not aware about the child rights in education. 10 *per cent* and 25 *per cent* of teachers stated that domestic work was the main reason for decrease in enrolment and out of school children respectively.

Further, a unique identity (UID) number was to be provided to each child to ensure and monitor enrolment, attendance, learning achievement and completion of elementary education of every child as required under RTE Rules. However, it was noticed that the process of providing UID number was not undertaken.

Comparison of DISE data with HHS data through data analytics revealed short enrolment of children in UPSs ranging between 31.36 lakh to 58.89 lakh during 2011-16 (*Appendix 2.1.11*). Excess enrolment of children was noticed in PSs ranging between 19.31 lakh to 24.93 lakh during 2011-16 (*Appendix 2.1.12*) in DISE data than the children identified in HHS. This implied that either HHS data underestimated the number of children in the age group of 6-10 years or DISE data substantially over-reported the number of children enrolled. The fact was also confirmed by comparing both the data in test-checked districts, as detailed in *Appendix 2.1.13*. This could have been avoided by providing a UID number to every child and tracking of their progress.

Government accepted the audit observations and stated that efforts were being made to provide UID to every child. It also stated that DISE data were being corrected so that it could reflect the correct status.

Recommendation: Enrolment of every child in school must be UID linked, as stipulated in RTE rules, for effective monitoring of enrolment, drop outs and completion of elementary education by all the children.

Enrolment of out of school and drop out children

Section 4 of RTE Act provides that where a child above six years of age has not been admitted in any school (Out of School Children) or though admitted, could not complete his or her elementary education (drop out children), he or she shall be admitted in a class appropriate to his or her age; be provided special training to make him at par with others and be given free elementary education.

Drop out of children

GoUP reported number of out of school children (OSC) ranging between 0.24 lakh and 1.10 lakh (average 0.63 lakh) per year during 2011-16 with some districts[24] showing low drop outs ranging between Nil and 166 during 2011-16. Analysis of DISE data, however, revealed that total number of drop outs in the state ranged between 11.56 lakh to 27.45 lakh per year, as detailed in Table 4[25]:

Table 4: Details showing year-wise drop out of children

(in Numbers)

Year	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Total drop out
2010-11	1,85,557	1,13,278	3,03,338	2,58,912	14,09,806	6,052	22,76,943
	(8)	(5)	(13)	(11)	**(62)**	(0)	
2011-12	0	0	0	0	11,56,279	0	11,56,279
	(0)	(0)	(0)	(0)	**(100)**	(0)	
2012-13	1,28,642	1,16,769	2,58,003	2,23,176	11,64,294	0	18,90,884
	(7)	(6)	(14)	(12)	**(62)**	(0)	
2013-14	4,12,276	3,15,771	4,94,010	4,71,762	10,51,380	0	27,45,199
	(15)	(12)	(18)	(17)	**(38)**	(0)	
2014-15	2,64,532	1,24,026	2,68,218	2,17,419	9,72,134	0	18,46,329
	(14)	(7)	(15)	(12)	**(53)**	(0)	
2015-16	2,95,777	2,02,991	3,98,289	3,53,512	9,63,454	0	22,14,023
	(13)	(9)	(18)	(16)	**(44)**	(0)	
Figures in brackets represent percentage in that class with reference to total drop outs in respective years							

(Source: District Information System for Education)

As may be seen from the Table-4 above, the drop out of children in class-2 to class-5 during 2010-11 to 2015-16 ranged between 8 to 16 *per cent* whereas the dropouts in transition from class-5 to class-6 was between 38 *per cent* to 100 *per cent* of the total drop outs in respective years. The reasons for huge dropouts after completion of class-5 were mainly attributable to engagement of children in domestic/agriculture work/traditional craft, looking after young children, poverty, etc. as emerged in HHS (***Appendix 2.1.14***).

Government stated that the matter was being reviewed and appropriate action would be taken after taking into cognizance the actual position of dropouts.

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[24] 2011-12: Bahraich, Kanpur, Kanpur Dehat; 2012-13; Auraiya, Kannauj, Kanpur Dehat; 2013-14: Kanpur Dehat, Kaushambi, Mirzapur; 2014-15: Kannuj, Mahoba, Mirzapur; 2015-16: Kushinagar, Mirzapur, Bahraich.

[25] Value zero (0) in the table reflected the status of no decrease in enrolment.

Out of School Children

Audit also observed that against OSC (which includes dropout children also) identified ranging between 0.24 lakh and 1.10 lakh (average 0.63 lakh) per year (*Appendix 2.1.15*), Table 4 above indicates only drop outs ranging between 11.56 lakh to 27.45 lakh (average 20 lakh) per year during 2011-16. While considering AWP&Bs and taking notice of the under-reported data, PAB repeatedly (2011-12, 2012-13 and 2016-17) advised the state to undertake "effective steps so that authenticity and credibility of its data on OSC is

Good Practice: Audit observed that Mirzapur district, despite being naxal affected, showed better results in terms of number of repeaters (2013-14) and drop out children (2013-16) and was amongst least three districts of the state. The literacy rate of the district also increased from 55.30 *per cent* in 2010-11 to 70.38 *per cent* in 2014-15.

ensured." However, the same was not done, resulting in variation in data.

Audit also observed that children ranging between 19.50 lakh and 12.41 lakh were enrolled in elementary schools even after attaining the age of 14 years during 2010-16, as detailed in *Appendix 2.1.16*; indicating that adequate steps were not taken to mainstream all OSC timely.

Government accepted the audit observations and stated that efforts were being made to identify the out of school children and get them enrolled in school.

Decreasing enrolment in government/government aided schools

Audit observed that though there was overall improvement in the enrolment of children during 2011-16, enrolment in Government/Government aided schools declined by 18.6 *per cent* during 2010-16 while enrolment in private unaided schools increased by 36.5 *per cent* during this period despite involving considerably high private school expenditure[26], as detailed in *Appendix 2.1.17* and depicted in Chart 2.

Chart 2: Status of enrolment in Government/Private Schools

Chart-2: Status of enrolment in Government/Private Schools

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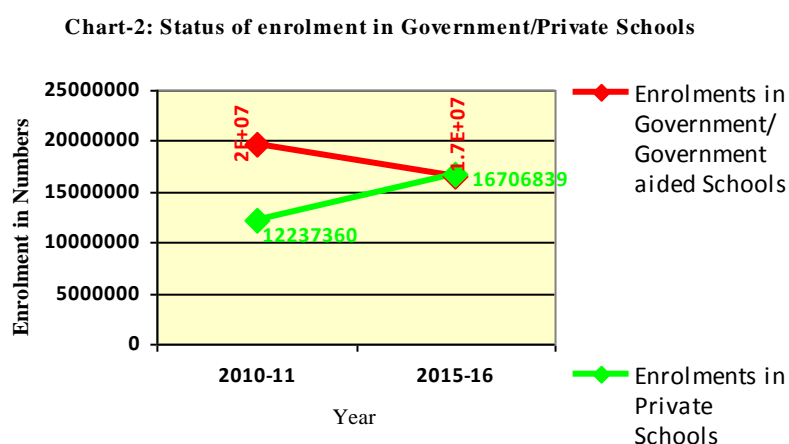
[26] As per nationwide survey conducted by National Sample Survey Office during January to June 2014 and report published in June 2015, the average per student expenditure for children enrolled in PSs and UPSs was ₹ 7,907 per year and ₹ 9,514 per year respectively.

Beneficiary survey of 169 children conducted (October 2016) by audit in test-checked schools (Pilibhit and Rampur districts) also revealed that books were not provided to children timely (29 *per cent*), children were deployed for works other than learning (6 *per cent*) and environment of classroom was not appropriate for teaching/ learning (4 *per cent*) indicating that learning environment in government schools needs to be improved.

A study conducted (September 2012) by SIEMAT[26] in 10 districts spread across all the four geographical regions covering two parents from 240 schools in each district revealed better educational environment (60 *per cent*), better education facilities (44 *per cent*), better results (42 *per cent*), better discipline (40 *per cent*), better education profile of teachers and sincerity of teachers (30 *per cent*) as main reasons for preferring private schools over government/government aided schools.

Government stated that since enrolment of children was increasing, the objective of RTE Act was achieved. Reply was not acceptable as need for taking immediate steps to improve educational environment and educational facilities in Government/ Government aided schools cannot be ignored.

Recommendation:

(i) Government should ensure enrolment of all out of school children by conducting proper identification and addressing the problem of drop outs especially at the stage of transition from PSs to UPSs.

(ii) The Government may also explore possibility of running of government schools on Public-Private Partnership (PPP) model by providing incentives/ rewards.

Retention of children in the same class

Section 16 of the RTE Act prohibits retention (holding back) of children in same class till completion of elementary education. However, data available on DISE revealed that out of 3.54 crore to 3.71 crore students enrolled in elementary classes in the State during 2010-16, 1.15 lakh to 6.50 lakh students were repeated in the same class. Districts of Bareilly, Pratapgarh, Ghazipur in 2010-11; Fatehpur, Hardoi, Jaunpur in 2011-12; Mathura, Raebareily, Aligarh in 2012-13; Kushinagar, Bijnaur, Etah in 2013-14; Fatehpur, Azamgarh, Rampur in 2014-15 and Azamgarh, Etawah, Raibareily in 2015-16 were top three violators of provisions of RTE Act in this reference.

Governmnt accepted the audit observation and stated that such type of situation arose when, due to domestic work/social barriers, some children did not attend school after taking admissions. The fact remains that provisions of RTE Act could not be implemented.

Attendance of children

In contravention to the provision of the Act, GoUP did not evolve any system for monitoring of attendance of children in schools. It was observed that for preparation of AWP&B, attendance data was taken from various sources[27] in different years during 2010-16. Against the target for attendance in PSs ranging between 70 *per cent* and 95 *per cent,* the achievement ranged between 61 *per cent* and 91 *per cent.* Similarly, against the target of attendance for UPSs ranging between 75 *per cent* and 95 *per cent*, the achievement ranged between 54 *per cent* and 91 *per cent* during 2010-16, as detailed in ***Appendix 2.1.18.*** Test check of 428 schools revealed that against the enrolment of 51,649 children on the day of visit, the attendance was merely 13,861 children (27 *per cent*). During beneficiary survey of 59 teachers in two test-checked districts (Pilibhit and Rampur), all the teachers stated the reason for short attendance of children in schools was mainly attributed to domestic work (22 *per cent*); lack of awareness (14 *per cent*) and poverty (12 *per cent*).

Government accepted the observation and stated that attendance of children was monitored regularly through available facilities in the Department. Reply was not acceptable as there was no uniform system of monitoring the attendance and thus, there was no assurance of authenticity of attendance data of the schools as depicted by the State Government.

Recommendation: Government may consider using modern technologies such as GIS, mobile apps etc. to monitor the attendance in schools.

Measures adopted to retain children in schools

Free Text books

Rule 5 (1) of RTE Rules stipulates provision of free text books (FTBs) each year to all the eligible children under the Act. Accordingly, Central and State Governments provide funds[28] to SIS for procurement and distribution of FTBs. SIS provides funds to District BSAs according to their requirement for procurement of books, as per children enrolled. BSAs place orders for supply of books on publishers finalised by the Director, Basic Education, Lucknow (DBE) and make payments thereagainst.

An amount of ₹ 691.50 crore was spent by GoUP on printing of free text books and their delivery upto school level during 2010-16. Audit examination disclosed the following:

Finalisation of printers/publishers for supply of text books

As per system in vogue, Director, Basic Education, GoUP invites tenders each year for printing of text books prescribed for PSs and UPSs of

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[27] Quality Management Tool (2010-12), Interactive Voice Response System of MDM (2012-13), Project Management Information System, Basic (2013-14) and Baseline BSA reports compiled by Directorate of Basic Education, GoUP (2014-16), which started monitoring of attendance through school inspection from 2014-15.
[28] Funds were provided under SSA for distribution of FTBs to all the girls and SC/ST boys. FTBs to other than SC/ST boys were provided by GoUP separately from state funds.

government/government aided schools. The tender was invited for all the districts in a centralised manner to finalise the rates and allocate publishers to different districts. For this purpose, eight classes of PS and UPS were grouped into five categories (A to E)[29]. Based on the publishers allotted by the Director for the districts, BSAs of the respective districts place orders on the allocated publishers for printing and supply of books. The quantity of books to be procured and supplied was decided by the BSAs based on the enrollment of children in PSs and UPSs in different classes. Procurements of books made for free supply to children during 2010-16 were as per details given in Table 5.

Table 5: Details regarding contracts for supply of text books during 2010-16

Year	Number of publishers participated in the bidding	Number of publishers accepted to supply books at L_1 rate (including L_1)	Number of Publishers awarded contract	Value of books procured (₹ in crore)
2010-11	47	35	35	82.21
2011-12	33	22	22	97.95
2012-13	38	29	29	103.39
2013-14	37	31	31	126.30
2014-15	36	35	35	129.35
2015-16	35	25	25	152.30

(Source: Records provided by Director, Basic Education and information provided by SPO)

Audit examination disclosed that:

The number of districts was allotted to the publishers after opening of financial bids and holding negotiations with publishers without clearly spelling out the allocation criteria. Hence, the whole process of distribution of quantities (number of districts) was arbitrary and lacked objectivity, fairness and transparency.

Once the lowest bidder was identified for each category, other bidders who were willing to accept orders at L_1 rates were also given supply orders[30]. Audit observed that the system adopted by the state government was not fair and sufficiently competitive as there was no incentive for the bidders to quote lower rates. All the bidders who offered to supply at L_1 rates were placed orders which implied that the bidders were well aware that even if they were not declared L_1, they would in all surety be placed orders by the government. Neither there were any criteria mentioned in the NIT/tender that the bidders would not be awarded quantities in the inverse ratio of prices quoted nor any ceiling was imposed on the maximum number of publishers that could be considered for placement of orders. Hence, the participating bidders had no competitive tension which could force them to bring down the prices. Thus, the tendering process lacked fair competition for price discovery.

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[29] Category-A: class 1 to 3, Cat-B: Class 4 and 5, Cat C: Class 6, Cat D: Class 7,Cat E: Class 8.
[30] No records showing basis of allocation of quantity to printers/publishers were produced to audit.

Agreements were executed with those bidders also who were found using sub-standard papers and printings[31] etc., in earlier years, as detailed in *Appendix 2.1.19*.

Government stated that prescribed procedure was followed in printing of books. The reply was not tenable as the procedure adopted for awarding contract was not fair and the process for deciding the quantity of text books to be supplied was arbitrary.

Procurement of excess free text books

Audit of four[32] out of 16 test-checked districts revealed excess procurement[33] of 34.68 lakh books valuing ₹ 4.23 crore during 2012-16, as detailed in *Appendix 2.1.20.*

Government stated that the issue would be examined and necessary action would be taken accordlingly.

Procedure for transportation of books

GoUP decided (June 2012) for transportation of books upto school level[34]. The rate for transportation of books from district level store (Publishers supplied the books upto district level store) to schools was to be decided by a committee headed by District Magistrate of respective districts.

In contravention of the order (June 2012), districts adopted different procedures[35] for incurring expenditure on transportation of books. SIS also did not compile expenditure on its transportation upto 2013-14. An analysis of maximum and minimum transportation cost paid by test-checked districts during 2011-16 revealed increase in transportation cost ranging between 78 *per cent* and 2,027 *per cent in* 14 districts[36]; though number of books procured during the same period decreased ranging between 2.49 *per cent* and 29.63 *per cent*[37] (*Appendix 2.1.21*).

Government stated that different procedures for transportation of books were adopted for speedy distribution of books to children. The reply was not acceptable as the Department did not deliver the free text books in time as discussed in paragraph below.

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[31] Deductions were made from the bills of 30 out of 35 printers (2010-11) for using substandard papers and bills of all the 25 printers (2015-16) for using substandard papers and defective printing etc.

[32] Maharajganj, Firozabad, Ghazipur and Sonbhadra.

[33] Calculated on the basis of children enrolled As per syllabus, 1, 2, 5, 6, 6, 14, 13 and 13 books were prescribed for classes 1, 2, 3, 4, 5, 6, 7 and 8 respectively during 2012-14 (for classes 6th to 8th was limited to 11 during 2014-16).

[34] Upto the academic year 2010-11, transportation of books from district to block level and from block to school levels was arranged by BSAs and head teachers of respective schools and expenditure incurred on cartage of the books was borne out of balance funds received for purchase of books and school development grant respectively.

[35] Like rates approved in earlier years; rates approved by DM, tendering process; through different transportation agencies by giving advances to ABSAs; daily rental of vehicle; transportation by different transportation agencies on the basis of rates obtained from RTO; and per trip rate up to block level fixed by DM etc.

[36] Farrukhabad, Firozabad, Ghazipur, Gorakhpur, Jhansi, Lakhimpur Kheri, Kanpur Dehat, Mau, Rampur, Sonbhadra, Sultanpur and Unnao. Ghaziabad and Pilibhit districts did not furnish the desired information/records.

[37] Except Bahraich, Maharajganj and Sonbhadra districts where it increased ranging between 3.03 and 6.72 per cent.

Delay in issue of free text books to children

The start of academic session was shifted from first of July to first of April from 2015-16 by GoUP. However, tenders for printing of free text books for the year 2015-16 were opened on 5 May 2015 only. As per orders, the bidders were required to supply first and second lot of books for the year 2015-16 on 15 June and 5 July. Audit of 15 test checked districts[38] revealed that first lot of books were delivered by publishers to different districts during first week of June 2015 to third week of August 2015. Thus, due to delay in tendering process, the delivery of free text books was delayed by over two month from start of the academic session.

Audit of 15 districts further revealed that there were delays upto 103 days in placement of order and receipt of books[39] from publishers during 2010-15. As a result, against purchase of 18.35 crore books, 5.91 crore (32.21 *per cent*) books were provided to children after considerable delays, i.e. in August or in subsequent months during 2010-16, as detailed in *Appendix 2.1.22*. Joint Physical Verification of 428 selected szzchools revealed that records relating to distribution of FTB were not available in 103 schools (24 *per cent)*. During beneficiary survey of 169 children, 59 teachers and 53 parents in two test-checked districts (Pilibhit and Rampur), 29 *per cent* of the children and 25 *per cent* of parents stated that they did not get their books timely.

Thus, the books were not provided to children timely, putting extra burden on the children and impacting the teaching-learning quality adversely in schools.

Government accepted the audit observation and stated that efforts were being made to provide books to children timely from next year.

Text books not issued to children

Against the funds of ₹ 997.47 crore received under SSA[40] for distribution[41] of free text books, GoUP utilised only ₹ 691.50 crore (69 *per cent*) during the period 2010-16.

However, Audit observed that against the enrolment of 554.02 lakh children[42], 547.80 lakh children (99 *per cent*) were only covered during 2012-16. Thus, despite availability of funds 6.22 lakh children were not provided books during the period, as detailed in *Appendix 2.1.23.*

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[38] Pilibhit district did not provide the desired information.
[39] First lot of books were received in 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 during third week of May and third week of July 2010; third week of June and fourth week of August 2011; fourth week of May and third week of September 2012; second week of May and fourth week of October 2013; and fourth week of May and second week of July 2014 respectively.
[40] From GoI and GoUP in the prescribed ratio against the AWP&B approved by PAB.
[41] All girls and SC/ST boys. GoUP also provided funds of ₹ 313.09 crore separately through DBE, Lucknow for distribution of books to other than SC/ST boys, against which ₹ 287.12 crore was utilised. DBE, however, failed to provide details relating to target and actual coverage such children.
[42] All the girls and SC/ST boys. enrolment for the period 2010-12 was not available on DISE.
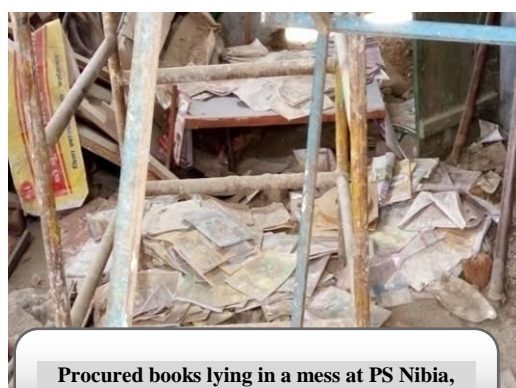
Procured books lying in a mess at PS Nibia, Rajepur, Farrukhabad

Books procured for distribution in previous years lying idle at Urban Resource Centre, Unnao

Government stated that the matter was being examined and added that distribution of books to all the children would be ensured in future.

Delayed/short distribution of uniforms

RTE Rules (July 2011) provide distribution of uniforms once in a year to all eligible children under RTE Act. Accordingly, the Central and the State Governments provide funds to SIS for distribution of two sets of uniforms each year (at the rate of ₹ 200 per set of uniform) to all girls and boys belonging to SC/ST and BPL categories. GoUP also provide state grant to DBE for distribution of uniforms to other than SC/ST APL boys. The funds from both the sources were transferred to schools for procurement of cloth and getting the same stitched after taking measurement of each child.

Audit observed that against the total funds of ₹ 3,739.18 crore[43] received during 2011-16 under SSA and state grant for distribution of uniforms, only ₹ 3,137.24 crore[44] (83.9 *per cent*) were utilised as on March 2016. Audit also observed that against the total enrolment of 8.22 crore children[45] in PSs and UPSs of eligible government/government aided schools during 2012-16, 7.25 crore children were distributed uniforms. Thus, 97 lakh eligible children were not provided uniforms despite availability of sufficient funds. Audit also observed that:

GoUP provided only one set of uniform to children under SSA during 2011-12 (though two sets of uniform were approved by PAB and funds were released accordingly). GoUP also did not provide state grant for distribution of uniforms to other than SC/ST/APL boys during 2011-12.

Targeted dates for distribution of uniforms were fixed at three to five months after the start of academic sessions (2011-16). Information compiled by SPO from districts revealed further that 21 districts failed to provide uniforms to children even after 10 days from the last date for distribution of uniforms during 2013-14, whereas 46 districts failed to provide uniforms to children

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[43] SSA (2011-16): ₹ 3,501.03 crore and state grant (2012-16): ₹ 238.15.
[44] SSA: ₹ 2,907.61 crore and state grant (2012-16): ₹ 229.63 crore.
[45] The GoUP was not having separate figures of enrolment of 'all girls, SC/ST and BPL boys' and other than SC/ST APL boys.

even after 29 days from the last date for distribution of uniforms during 2014-15, as detailed in *Appendix 2.1.24.* The reasons for delayed-distribution of uniforms were mainly due to delayed transfer[46] of funds to the districts/schools for procurement of uniforms.

Audit of test-checked districts revealed that the uniforms were distributed to 10.06 lakh children with delays which ranged from nearly a month to over seven months from the last date prescribed for distribution[47], as detailed in *Appendix 2.1.25.* Further, in test-checked district of Maharajganj, funds of ₹ 4.53 lakh for purchase of uniform was provided to an ineligible PS during 2014-16.

Audit of 428 schools in 15 districts revealed that records relating to distribution of uniforms were not maintained in 103 schools. During beneficiary survey of 169 children and 53 parents in two test-checked districts (Pilibhit and Rampur), 12 *per cent* of the children and 11 *per cent* of parents stated that the children did not get their uniforms timely.

Delay in distribution of uniforms would have adverse impact on children from poor families. It would also defeat the objective of maintaining equality and uniformity among children in schools.

The Government accepted the delay in providing uniforms to the children and stated that the targets for distribution of uniforms were ultimately achieved. The reply was not acceptable as 0.97 crore eligible children were not provided uniforms during 2010-16 in the state despite availability of sufficient funds. Further the targeted date fixed for supply of uniforms (November) was itself too late.

Recommendations:

(i) Procedures for tendering of printing and supply of free text books and their transportation to schools should be streamlined to make it fair, transparent and competitive.

(ii) The Government should start tendering process for selection of publishers well in advance so that books could be distributed to children timely.

(iii) The Government should strengthen monitoring mechanism to ensure that text books and uniforms (two sets) are distributed to children at the start of academic session and all eligible children are covered.

2.1.8.3 Infrastructure

Construction of Schools

Audit observed that out of 11,067 PSs and 3,093 UPSs sanctioned during 2011-12, 10,521 PSs and 2,998 UPSs were constructed, 77 PSs and 22 UPSs

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[46] Academic session 2015-16 was started in April 2015 but funds for distribution of uniforms were transferred in two installments (75 *per cent:* 28.7.2015, 25 per cent: 27.1.2016) after delays of 4 months and 10 months.

[47] GoUP, during the year 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 fixed 11.11.2011, 02.10.2012, 30.11.2013, 30.09.2014 and 30.08.2015 as the last date for distribution of uniform. Delays of 1 to30 days were ignored.

were under construction whereas construction of 469 PSs and 73 UPSs was not started as on March 2016, though required to be completed upto 2011-12 (*Appendix 2.1.26)*. Delay in construction of schools was mainly attributable to slow progress of work by SMCs, land disputes *etc. (Appendix 2.1.27)*.

Audit further observed that the proposal for construction of 1,652 new PSs and 201 new UPSs made by GoUP during 2016-17 was not approved by PAB as the GIS mapping was not completed. Records also revealed that PAB had approved ₹ 3.5 crore for GIS mapping with State's commitment to complete it by June 2015. The State, however, completed the exercise in 12 districts only and out of 2.49 lakh schools, the state had collected geo-coordinates of 76,119 schools[48] (30 *per cent*) only.

Government accepted the audit observation and stated that constraints in the completion of works were being resolved. Regarding GIS mapping, it stated that the same was in progress.

Operation of schools without proper buildings

As per Section 8 of RTE Act, the government was required to provide *infrastructure* including school buildings. Audit observed that schools were running without requisite buildings, as detailed in *Appendix 2.1.28* and summarised in Table 6 below:

Table 6: Schools running without requisite building/under thatched roof/rented/dilapidated buildings

Schools running	Overall position in the State (as per DISE)		Actuals in test-checked districts	
	PSs	UPSs	PSs	UPSs
Without requisite building /under thatched roofs	90	15	16	14
In dilapidated buildings	304	99	72	22
In rented buildings	782	76	150	18
Total	**1,176**	**190**	**238**	**54**

(Source: DISE data and information furnished by District Project Office, SSA)

It was evident from the above table that 1,176 PSs and 190 UPSs in the State and 238 PSs and 54 UPSs in the test-checked districts did not have adequate buildings for their proper running.

School running under thatched roof PS, Bichhiya, Mihipurva, Bahraich

Audit also observed that 72 school buildings were accommodating two to three PSs/UPSs in each building (total 160 schools) in Bahraich, Firozabad, Gorakhpur[49], Jhansi, Sultanpur, Unnao and

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[48] Official site for uploading geo-tagged schools shows only 74,436 schools (August 2016).
[49] In Gorakhpur, JPI revealed use of PS Payasias dairy/goatery. PS Payasi was running in UPS Payasi.

Pilibhit districts, as detailed in ***Appendix 2.1.29.*** The operation of two or more schools in the same building not only violated the norms of one building for each school, but also deprived the children of having school in their neighbourhood.

Further, MHRD guidelines (October 2014) required conducting safety audit of each school. The same was not conducted till March 2016.

Government accepted the audit observation and stated that appropriate action would be taken after reviewing the entire issue.

Operation of unrecognised schools

As per section 18 of Act, no school other than a school established, owned or controlled by the appropriate Government or local authority, shall function without obtaining a certificate of recognition from competent authority. Audit observed that 465 private schools were running in four test-checked districts[50] without recognition as BSAs of concerned districts did not issue recognition certificates to these schools due to not fulfilling the prescribed norms under RTE Act by them.

The Government accepted the audit observation and stated that administrative directions had been issued and U-DISE was being strengthened to check operation of such schools.

Construction of residential schools/hostels and transportation facilities for children

Rule 4(2) of RTE Rules provides that for children from areas, where it is not possible to provide schools within the radius of neighbourhood specified, the State Government shall make adequate arrangements, such as free transportation, residential facilities etc. to provide elementary education to all eligible children of such areas. Audit, however, observed that:

GoUP proposed construction of 84 Residential Schools during 2012-14. Besides, GoUP also proposed construction of 32 Residential Hostels during 2014-16. PAB, however, approved only two Residential Hostels. The remaining proposals were not approved by PAB as the method of identification of targeted children was not finalised by GoUP.

Against 183 Composite Schools sanctioned during 2010-16, only 100 schools were constructed, whereas 14 schools were under construction (March 2016). Records revealed that funds for 46 schools were surrendered (2013-14) and construction of 23 schools was not started[51]. Audit of 16 test-checked districts revealed that six composite schools (estimated cost: ₹ 2.35 crore) were either incomplete or were not operational *(Appendix 2.1.30)* and six composite schools (estimated cost: ₹ 1.86 crore) were proposed for surrender[52] due to site

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[50] 141, 190, 103 and 31 private schools in Gorakhpur, Mau, Sultanpur and Jhansi district respectively.
[51] Of which 19 composite schools were also proposed for surrender but PAB (2016-17) put the surrender on hold.
[52] Farrukhabad (1 No.), Jhansi (1 No.), Kanpur Dehat (2 Nos.) and Rampur (2 Nos.).

not having appropriate soil strength, land not being available, sanctioned without demand/requirement.

Transport/escort facilities for children (ranged between 1,336 and 8,473) living in remote habitations with sparse population and also for urban deprived children (UDC)/children without adult protection in urban areas (ranged between 1,403 and 9,792) were proposed by GoUP in AWP&B for the period 2012-16. However, the proposals were not approved by PAB, as GoUP had not notified distance norms for providing transportation facilities.

Thus, due to lapses on the part of GoUP, targeted children were deprived of these facilities, impacting adversely their right to education.

Government stated that action was being taken to complete the incomplete works for establishment of composite schools. It also stated that demands for providing transportation facilities to children were made in AWP&Bs but the same were not approved by PAB. Audit, however, observed that no action plan to complete the works was prepared by the State Government, while in respect of transport facilities, GoUP could not get the approval of PAB as it failed to notify the distance norms.

Recommendation: GoUP must accord due priority to carry out GIS mapping of all the schools in the State within a fixed time frame to identify the number of served and un-served habitations and ascertain serious cases of physical-financial mismatch in construction of buildings.

Construction of Additional Class Rooms

Section 25(1) of the Act provides for ensuring desired PTR[53] and one classroom for every teacher.

Audit observed that out of 82,145 Additional Class Rooms (ACRs) sanctioned during 2010-16, only 81,954 ACRs (99.8 *per cent*) were constructed upto March 2016 and 191 ACRs were not constructed mainly due to insufficient construction cost. Audit also noticed that the norms were not adhered to while sanctioning 2682 ACRs (costing ₹ 59.11 crore) as detailed in *Appendix 2.1.31*.

Further, joint physical verification of 428 schools revealed shortage of 272 classrooms in 111 schools and excess of 442 class-rooms in 166 schools respectively, indicating that sanction of ACRs was not need-based.

Government did not furnish specific reply for the issue.

Adequate space in school buildings and ACRs

Norms developed by the Bureau of Indian Standards (BIS), as required in paragraph 6.4.3 of SSA framework, were not adhered to for construction of schools buildings during 2010-16, as detailed in Table 7:

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[53]1:30 (for enrolment upto 200, with additional one head teacher from enrolment above 150) and 1:40 (for enrolment of more than 200) in PSs; and 1:35 for UPS by March 2013.

Table 7: Details of construction of schools without following BIS norms

Particulars	Buildings Constructed	Prescribed area per classroom (Sqm.)		Actual Size of Construction (Sqm.)	
		PSs	UPSs	PSs	UPSs
New PS/UPS	13519	44.53	50.37	30.00	28.00
ACRs	81954	44.53	50.37	34.38	34.38

(Source: information furnished by SPO)

Thus, 13519 PSs/UPSs and 81954 ACRs, constructed under SSA, were having inadequate space, much below the prescribed norms.

Audit also observed that against the prescribed area (as per KGBV guidelines) of 5.57 Sqm per student for KGBVs, 292 KGBVs were constructed having area of 3.40 Sqm per student, which were smaller in size[54] than the norms.

Government stated that SSA framework prescribed 30 Sqm. space in classroom for 32 children. Reply was not acceptable as framework requires adoption of BIS standards which provides spaces of 44.53 Sqm. and 50.37 Sqm. for PS and UPS to accommodate 40 children. Thus, construction of PS/UPS was not as per the SSA framework.

Recommendation: Construction of schools/ACRs should be need based and follow the prescribed norms to ensure quality.

Other infrastructure facilities in schools

RTE Act provides for all-weather school buildings comprising, *inter alia,* of barrier free access, separate toilets for boys and girls, drinking water facility, play ground and arrangement for securing the school building by boundary wall by March 2013.

Audit observed that these facilities were not available in large number of schools despite lapse of the prescribed period of three years, as detailed in Table 8:

Table 8: Details showing lack of infra-structure facilities in schools

Sl. No.	Lack of infrastructure facilities	Status of entire State					Status in 428 test-checked schools
		Rural		Urban		Total	
		PSs	UPSs	PSs	UPSs		
1.	Boundary wall	36,818	18,946	1,088	255	57,107	159
2.	Separate toilet for boys	380	602	109	100	1,191	81
3.	Separate toilet for girls	316	108	106	13	543	81
4.	Drinking water facility[55]	1,365	1,384	200	29	2,978	37
5.	Playground	35,383	13,088	1,991	387	50,849	136

(Source: DISE and joint physical verification of selected schools)

Similarly, out of the total 1.60 lakh schools in the State library and ramps were not available in 35,995 and 26,941 schools respectively . Further, despite lapse

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[54] Joint Physical Verification of KGBVs in test checked districts revealed that 2-3 girls were sharing one bed.
[55] Audit revealed that none of the 391 selected schools having hand pumps were having water testing reports.

of one to five years of sanction, some of the sanctioned facilities were not completed, leading to blockade of ₹ 3.13 crore (*Appendix 2.1.32*) at DPO (₹ 1.37 crore) and construction agency (₹1.76 crore) levels. These may hamper overall development of children. During beneficiary survey of 169 children and 59 teachers in two test-checked districts (Pilibhit and Rampur), 20 *per cent* children stated that the toilets of their schools were generally not clean. 27 *per cent* teachers suggested that awareness among parents and better facilities/ increase in infrastructure facilities would increase quality of education in government/government aided schools.

Audit also conducted geo-tagging of 106 schools[56] in Ghazipur and Sultanpur districts and found that ramps, boundary walls, gates and toilets were not available in 71, 30, 65 and 15 schools respectively. Further, toilets and boundary walls were found partly constructed in 24 and 22 schools respectively.

Government stated that proposals for providing these facilities in schools were being made regularly in AWP&B and works were executed as per the approval of PAB on AWP&B. The fact remains that these facilities, which were to be provided to schools by March 2013 as per RTE Act, had still not been complied with.

Electrification of schools

As per SSA framework, school buildings should adhere to specific construction standards and all the schools should be electrified.

Audit observed that:

GoUP issued (June 2008) orders for electrification of the schools having minimum 100 children, which were constructed before 2008-09 in electrified villages. It allotted (June 2008 to October 2012) ₹ 279.74 crore[57] and released ₹ 272.48 crore for electrification of 93,354 schools. Records revealed that 92,409 schools were provided internal wiring/electrical fittings, but only 79,224 schools were provided electricity connections by utilising funds of ₹ 266.11 crore as of March, 2016. The remaining 13,185 schools were not provided electricity connection for want of additional funds of ₹ 65.05 crore (demanded by Uttar Pradesh Power Corporation Limited in February 2011 to meet increase in connection charges). As a result ₹ 35.58 crore spent (June 2008 to October 2012) on internal wiring of these schools remained unfruitful for the last three to seven years and ₹ 3.61 crore were blocked with UPPCL. Thus, all schools were not provided electricity.

Audit further observed that 13,825 PSs and 8,383 UPSs, constructed during 2008-16, included cost of internal electric wiring totalling ₹ 30.46 crore[58].

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[56] 15 schools, or school actually constructed during 2010-16 whichever was less, sampled through PPSWOR method in each of the four selected blocks.
[57] At the rate of ₹ 26,988 per school for internal wiring/electrical fittings and ₹ 2,200 per school for connection charges.
[58] Estimated cost of ₹ 6.73 lakh and ₹ 9.01 lakh for construction of PSs and UPSs under SSA included (from 2008-09) wiring cost of ₹11,310 and ₹17,688 respectively.

SPO, in September 2012, issued order for providing electricity connection and electrical equipment to 4,256 PSs and 1,877 UPSs in only 11 districts[59], situated in electrified villages and having enrolment of at least 100 children, at a total cost of ₹ 6.75 crore, without ensuring availability of sufficient number of schools confirming to the selection criteria. Audit, however, found that electricity connection and electrical equipment were provided to 726 PSs and 569 UPSs only, as other schools did not fulfill the selection criteria. As a result, 3,530 PSs and 1,308 UPSs did not benefit from the scheme leading to blockade of funds totalling ₹ 5.32 crore at DPO level. Further, expenditure of ₹ 28.64 crore incurred on internal electrification of 13,099 PSs and 7,814 UPSs remained unfruitful.

Audit of 428 selected schools in 15 districts revealed that though electrical fittings were available, electricity connection was not provided to 80 schools.

Government accepted that (i) due to increase in electricity connection charges by UPPCL, electricity connections were not provided to the schools; and (ii) proposal for the same would be included in AWP&B and electricity connections would be provided to the schools.

Recommendation: Government should ensure other infrastructure facilities in schools such as safe drinking water, electric connections, playground, toilets, etc. Priority should be given to complete electrification of schools already having internal wirings/electrical fittings.

2.1.8.4   Providing education to children

Deployment of teachers

Pupil-Teacher Ratio (PTR)

Section 25(1) of RTE Act provides for ensuring PTR of 1:30 (for enrollment upto 200, with additional one head teacher from children enrolled above 150) and 1:40 (for enrollment of more than 200) in PSs and 1:35 for UPSs by 31.03.2013.

It was observed that though PTRs[60] were achieved in both PSs (2010-16) and UPSs (2012-16) of government/government aided schools and UPSs of private schools (2014-16); the same was not achieved in PSs of private schools (2010-16), as detailed in *Appendix 2.1.33*.

Government accepted the audit observation.

Irrational deployment of teachers

Audit observed that against the sanctioned strength of 7.60 lakh teachers, the persons-in-position at the end of March 2016 were only 5.85 lakh. Shortage of

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[59] Aligarh, Bagpat, Chandauli, Deoria, Etawah, Kannauj, Kushinagar, Rampur, Siddharthnagar, Sultanpur and Varanasi
[60] Taking the maximum criteria of 1:40 for PSs and 1:35 for UPSs

1.75 lakh teachers was more than the permissible limit of 10 *per cent* under Section 26 of the Act.

Further analysis of DISE data (2015-16) revealed that even the available teachers were not deployed rationally as 17,732 PSs and 1,349 UPSs having enrolment of more than 150 students did not meet PTR, while 7,264 PSs and 2,377 UPSs having enrolment of less than 50 students exceeded PTR. The details are given in ***Appendix 2.1.34 and 2.1.35***. Furthermore, 435 government/ government aided schools were having no teachers.

Audit further observed that GoUP, while sending AWP&B for the year 2015-16, committed (March 2015) to GoI that the issue of irrational deployment of teachers in the schools would be sorted out by June 2015. However, no action was taken by GoUP in this regard and irrational deployment of teachers was persisting.

Audit of 428 selected government/government aided schools in 15 test checked districts revealed that:

Against the norms of one teacher for 40 students (maximum) for PSs and 35 for UPSs, PTR in PSs ranged between 8 to 176 students and in UPSs ranged between 4 to 237 children for one teacher.

Against the requirement of 526 teachers in 126 PSs/UPSs, 847 teachers were deployed resulting in excess deployment 321 teachers.

Against the requirement of 996 teachers in 189 PSs/UPSs, only 558 teachers were available, leading to shortage of 438 teachers.

Physical verification of selected schools in 15 test-checked districts revealed that against the deployment of 1,753 teachers in 428 schools, only 1,201 teachers (68.51 *per cent*) were present.

The shortage of teachers and their irrational deployment impacts the quality of teaching adversely in government/government aided schools.

The Government accepted the observation and stated that irrational deployment of teachers would be scrutinised and efforts would be made to overcome the shortage of teachers.

Recommendations:

Government should rationalise deployment of teachers to ensure availability of teachers in schools and avoid excess/short deployments.

Qualification of teachers

Section 23 (2) of the Act requires that all teachers, not possessing minimum qualification, should acquire the same within 5 years (March 2015). Rule

17(1) of RTE Rules provides that the State Government shall provide training[61] to all such teachers.

Analysis of DISE data (2015-16) revealed that even after six years of commencement of the Act, 18,119 teachers posted in PSs and 30,730 teachers posted in UPSs were not possessing the required qualifications.

As regards training, it was noticed that against the availability of 1.79 lakh untrained teachers in 2010-11, the number had reduced to 28,277 by 2015-16. Posting of under-qualified and untrained teachers in schools impacts the quality of education adversely.

The Government stated that the teachers not having desired educational qualification were being trained. Reply was not acceptable as these teachers were required to acquire minimum qualification by March 2015.

Recommendation: The Government should fix fresh dates for acquiring the minimum qualification by teachers and adopt stringent measures by prescribing penalty for not acquiring the same.

Quality education to children

Minimum instructional days

Schedule forming part of the RTE Act provided minimum 200 and 220 instructional days for PSs and UPSs, respectively.

Audit observed that the desired instructional days in PSs and UPSs were not observed in 1.46 lakh schools during 2010-11. The number of schools not observing instructional days, however, gradually reduced to 0.40 lakh in 2015-16 (*Appendix 2.1.36*). During beneficiary survey of 59 teachers in two test-checked districts (Pilibhit and Rampur), 14 *per cent* and 12 *per cent* teachers stated that shortage of teachers/lack of trained teachers and engagement of teachers in works other than teaching respectively, were the main reason for decrease in quality of education.

Government accepted the observation and stated that due to shortage of teachers, minimum instructional days were not observed.

Child-centric initiatives for learning enhancement

Computer Assisted Learning

With the objective to provide good quality elementary education, as required under Section 8 (g) of the Act, and also to inculcate interest in Science and Mathematics in children, GoI started (2003-04) Computer Assisted Learning (CAL) Scheme for UPSs. Audit observed that:

Against the allotment of ₹ 53.75 crore under SSA during 2010-12, ₹ 50.01 crore (91 *per cent*) was spent. Further, against the demand of

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[61] 2 years training to untrained teachers for 60 days in a year to fulfill requirement of Act.

₹ 92.35 crore made in AWP&B during 2012-15, only ₹ 47.57 crore (52 *per cent*) was released[62] and ₹ 3.51 crore was spent. No funds were demanded during 2015-16. As a result, out of 46,372 government UPSs, 38,280 remained uncovered.

Information compiled by SPO revealed that out of 7,939 computers provided to districts, only 5,137 (65 *per cent*) were functional. Out of the remaining 2802 computers, 1,642 computers were not functional, 236 computers were stolen and 919 computers were installed at different offices[63] of the central and state governments at district level.

Audit in 15 test-checked districts[64] revealed that against the procurement of 1519 computers only 1,219 computers were available in schools; whereas 258 computers were installed in different offices, 281 computers were not functional and 42 computers were stolen, as detailed in *Appendix 2.1.37*. Further, there were 762 and 95 schools where computers were available but instructors were not available and vice-versa, respectively.

Joint Physical Verification in test-checked schools revealed that computers were not available in six schools[65] whereas computers were dumped in boxes/almirah in three schools[66]. Audit also observed that except writing letters for returning of the computers to the offices having possession of the same, no action had been taken by the respective DPOs.

Thus, the scheme failed to bring desired improvement in education in UPSs.

Government accepted the audit observation and stated that instructions had been issued to district authorities for installation of computers in schools only. It, however, did not furnish any reply on other issues raised by Audit.

Continuous and comprehensive evaluation of elementary education

Section 29 of RTE Act provides laying down curriculum and the evaluation[67] procedure (CCE) for elementary education by an academic authority. Rule 22 of RTE Rules designates SCERT for laying down the evaluation procedure.

Audit observed that though training module on CCE was developed and piloted (2012-14) in five districts[68], no evaluation of children was done in the State during 2010-15. As a result, neither their learning levels were ascertained nor the thrust areas for their overall development were identified during these years.

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[62] By GoI and GoUP in the prescribed ratio against the PAB approved.

[63] Like DM, CDO, Election Office, Chief Treasury Officer, ADM, District Rural Development Authority, BSA etc.

[64] District Gorakhpur did not furnish the relevant records.

[65] UPS Amahiya, Gorakhpur , UPS Matehna Colony Pilibhit andUPS Maharajganj, Sultanpur; Out of 5 computers with 40" monitors issued to 5 schools, Joint Physical Verification of three schools, i.e. UPS Nagar Kshetra, Bisalpur, UPS Intgaon and UPS Ward No.3, Bilsanda of district Pilibhit revealed that the computers were not available in any school.

[66] UPS, Babina, Jhansi, UPS Champatpur, Kanpur Dehat and UPS Baragaon, LakhimpurKheri.

[67] Learning progress of each child was to be continually tracked as an integral part of the teaching-learning process.

[68] Balrampur, Ghaziabad, Lalitpur, Rae Bareilly and Varanasi. In piloted districts, only teachers were training as master trainers and training module was modified during 2014-15.

Government accepted the observation and stated that assessment of children had been started in academic year 2015-16.

Recommendation: The Government should take effective steps to ensure that all the computers being used in other offices/places were returned and installed in eligible schools and ensure that the computers were functional and instructors were available to facilitate children in learning computers.

2.1.9 Bridging gender and social category gaps

Section 3 of RTE Act provides that every child of the age of six to fourteen years shall have the right to free and compulsory education and, *inter alia*, includes a child with disability and a child belonging to the Schedule Castes (SCs), Scheduled Tribes (STs), the socially and educational backward classes or other groups having disadvantage owing to gender factors.

2.1.9.1 Bridging gender gap

Opening of Kasturba Gandhi Balika Vidyalya

Kasturba Gandhi Balika Vidyalya (KGBV) scheme was launched (August 2004) for setting up residential UPSs for girls belonging predominantly to SC, ST, OBC and minority communities in Educationally Backword Blocks.

Audit observed that against 4,14,800 seats available in KGBVs during 2010-16, actual enrolment was 3,91,737 (94.4 *per cent*), as detailed in **Appendix 2.1.38.** Further, against 746 KGBVs sanctioned upto 2011-12, 33 KGBVs remained incomplete[69] as of March 2016 due to the reasons given below:

In contravention of Government order (June 2006) of selecting a government agency for construction of KGBVs, district level committees (DLCs) of 16 districts[70] awarded work of construction of 51 KGBVs during 2004-09 to a non-Government Construction Agency, i.e. UP Cooperative Construction and Development Limited (UPCD). The works carried out by UPCD were found to be of poor quality in 24 KGBVs and, therefore, GoUP blacklisted the firm and directed the DLCs to start recovery proceedings. However, no recoveries were made (March 2016) against the total funds of ₹ 7.72 crore released to UPCD. Further, out of 24 KGBVs, eight KGBVs in six districts[71] remained incomplete (March 2016) even after release of additional funds of ₹ 3.84 crore.

Work of 5 KGBVs (sanctioned cost: ₹ 1.90 crore) in Balrampur (2007-09) was awarded to UP Instruments Limited (UPIL). The work was left mid-way by

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[69] In test checked districts of Firozabad, Gorakhpur, Maharajganj and Sultanpur, 1, 1, 2 and 4 KGBVs were running in ACR, Composite School, PS and incomplete (2 Nos.)/DIET (1 No.) /UPS (1 No.) buildings respectively.

[70] Amethi, Amroha, Baghpat, Chandauli, Gorakhpur, Kasganj, Maharajganj, Mainpuri, Mathura, Mirzapur, Moradabad, Pilibhit, SantKabirNagar,Sambhal, Siddhartha Nagar and Shravasti.

[71] Chandauli, Gorakhpur, Maharajganj, Mathura, Mirzapur and Siddhartha Nagar.

UPIL. An FIR was lodged (June 2015) against the company but no recoveries were made (March 2016). These KGBVs remained uninhibited due to poor quality of work. One KGBV in Banda was also not constructed (after incurring expenditure of ₹ 14.80 lakh) due to land dispute.

These resulted in denial of benefits of the KGBV to the targeted girls.

Government accepted the observation and stated that efforts were being made to complete the incomplete KGBVs.

2.1.9.2   Bridging social category gaps

Enrolment of children belonging to poor and disadvantaged sections

Section 12 (1) (c) of RTE Act requires specified category of schools to provide admission to children belonging to weaker sections and disadvantaged groups, at least to the extent of 25 *per cent* of the strength of class I in their schools.

Audit observed that GoUP belatedly notified (December 2012) various norms to identify children belonging to poor and disadvantaged sections, which were to be implemented from the year 2013-14. GoUP neither took any effective action to disseminate the relevant information among targeted groups nor identified such children. As a result, against the intake capacity of 6.16 lakh and 6.46 lakh children from these categories in class-1 of private unaided schools, only 108 children and 3278 children took admission in such schools during 2014-15 and 2015-16.

Government stated that BSAs were responsible for identification of such children and reimbursement of fee was taken care of by SIS through PAB on the basis of demand made by Director Basic Education. Thus, lack of coordination between SIS and BSA (District Project Officer) resulted in poor enrolment of children from disadvantaged sections of the society.

Education to Children with Special Needs

Section 3 of RTE Act stipulates provision of free and compulsory elementary education to children with disability, as defined in Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996.

Audit observed that against 19.16 lakh children[72] projected in AWP&B as Children with Special Needs (CWSN), only 18.76 lakh children were enrolled in schools during 2010-16. Further, against the 18.76 lakh children enrolled as CWSN, only 2.09 lakh children had disability certificate. Yet expenditure of ₹ 287.88 crore (*Appendix 2.1.39*) was incurred considering all 18.76 lakh children as eligible.

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[72] Total 21.70 lakh children were identified during 2010-16.

Audit of districts revealed that District Resource Groups for CWSN were not constituted and individualised education plan for CWSN was not prepared indicating that the scheme was not implemented properly at field level.

Government accepted the audit observation that only 2.09 lakh children were having disability certificates but stated that as per SSA, all the children irrespective of the extent of their disability, were to be provided education. Reply was not acceptable as only those children having disability certificate were to be treated as CWSN and to be benefitted accordingly.

Education to the children of SC/ST and minority communities

SSA lays special emphasis on the local authorities to identify OSC belonging to SCs/STs and Minority Communities (MCs) and bring them to schools.

GoI started Programme (2010-11) for strengthening of *Madarsas* recognized by Arabic and Persian Madarsa Board and *Rashtriya Avishkar Abhiyan/ Padhe Bharat-Badhe Bharat* scheme for SCs/STs, MCs, Urban Deprived Children and girls. Audit observed that these schemes were not implemented properly, as detailed in *Appendices 2.1.40 and 2.1.41.*

Survey[73] conducted by MHRD, GoI in September 2014 estimated the number of SCs/STs/MCs children in UP as 130.69 lakh/26.74 lakh/102.34 lakh. Audit, however, observed that HHS could identify only 97.56 lakh/2.33 lakh/68.89 lakh children of SCs/STc/MCs. These were 74.65 *per cent*, 8.71 *per cent* and 67.31 *per cent* respectively of the number of children estimated by GoI. PAB (2016-17) also commented adversely on underestimation of these children.

Government accepted the audit observation and stated that cases of underutilisation of funds would be scrutinised and action would be taken accordingly.

Recommendation: The Government should take steps to increase enrolment of children belonging to poor and disadvantaged sections of society and SC/ST/MC children.

2.1.10   Monitoring of the scheme

RTE Act, RTE Rules and SSA framework provided detailed mechanism for monitoring of implementation of RTE Act.

Audit observed that monitoring of the scheme was not adequate as discussed below:

Section 34 of RTE Act provided constitution of State Advisory Council[74] (SAC) to advise the State Government on implementation of the provisions of

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[73] Through IMRB International.
[74] Under the Chairmanship of Basic Education Minister (Rule 26 of RTE Rules).

the Act in an effective manner. Audit observed that though the RTE Act was promulgated in April 2010, SAC was constituted in July 2013, i.e. after lapse of more than three years. Further, no meetings of SAC was held (March 2016) after its constitution.

Section 31 of RTE Act provides that the State Commission for Protection of Child Right (SCPCR), shall examine the safeguards for rights provided under the Act and recommend measures for their effective implementation. Rule 25 (1) of RTE rules also required SCPCR to set up a helpline for registering complaints relating to violation of child rights. Audit observed that SCPCR was constituted belatedly (November 2013) and was not fully equipped[75] for protecting the child rights. It received only five complaints upto March 2016 and failed to set up the child helpline[76].

Rule 25(2) of RTE Rules and SSA framework provides monitoring of child rights and implementation of RTE Act by *Basic Shiksha Parisad* and by State Executive Committee of UPEFAPB, District Level Committees (DLCs), ABRC and NPRC. Audit observed that DLC was not constituted in any of the test checked district. Further, departmental monitoring of the child rights and implementation of RTE Act was not effective and research studies relating to implementation of provisions of RTE Act, undertaken during 2010-15 were not put up to executive committee of UPEFAPB for taking corrective actions, as detailed in *Appendices-2.1.42 to 2.1.46*.

Government accepted the audit observations and stated that efforts were being made to improve monitoring.

Recommendation: The Government should strengthen the monitoring institutions, so as to ensure effective monitoring of child rights and implementation of RTE Act.

2.1.11   Conclusion

Despite six years of implementation of the Act, 2,055 habitations in the State did not have a school. Further 230 habitations did not have an Upper Primary School. As a result, 1.79 lakh children residing in these habitations did not have access to the neighborhood schools.

Lack of coordination between Implementing Society and district planning officers resulted in negligible enrolment of children from poor and disadvantaged sections of Society. Household survey conducted by the Department could identify only 75 *per cent* / 9 *per cent* / 67 *per cent* of Scheduled Castes/Scheduled Tribes/Minority Community children identified by the survey conducted by GoI. As a result, schemes for these sections of society could not be implemented adequately.

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[75] Against the sanctioned 37 posts for SCPCR, only four posts were filled-up (March 2016).
[76] Due to funds not received from the Government.

Analysis of data collected by Audit from District Information System for Education (DISE) indicated that on an average, there were 20 lakh drop-out children per year. But, as per the data provided by the State Government, the average drop out was 0.63 lakh children per year only during 2011-16. In comparison to total drop out of children from schools, drop out rate was high in transition from class-5 to class-6. It ranged from 38 *per cent* (2013-14) to 100 *per cent* (2011-12) of the overall drop outs in respective years. This was due to engagement of children in domestic and agriculture works, traditional crafts, poverty, etc.

During 2012-16, 71 to 74 out of 75 districts in the State retained children in the same class which violated the provisions of the Act.

Despite availability of funds, 1,366 schools in the State were running without requisite buildings/under thatched roof/rented/dilapidated buildings.

Out of 1.6 lakh schools in the State, 2,978 schools did not have drinking water facility and about 1,734 schools did not have separate toilets for boys and girls. About 50,849 and 35,995 schools did not have play grounds and library facilities respectively. Further, there was no electricity in 34,098 schools despite incurring an expenditure of ₹ 64.22 crore on wiring/electrical fittings.

GIS mapping to identify the neighbourhood schools for a child was done only in respect of 30 *per cent* of the schools despite availability of funds.

Free text books were not provided to 6.22 lakh children in the State during 2012-16 by GoUP though adequate funds were received under *Sarva Siksha Abhiyan*. Further, free text books were provided with delays ranging from one month to over three months due to delayed tendering process and transportation issues.

Uniforms were not provided to 97 lakh children during 2012-16 by GoUP though adequate funds were received under *Sarva Siksha Abhiyan*. Though session started from April/July each year, GoUP fixed target day for supply of uniforms as November. This along with delay in distribution resulted in supply of uniforms after November in each academic session during 2010-16.

Benefits to children with Special Needs were also extended to those children who were not having a disability certificate.

Even after six years of commencement of the Act, 18,119 teachers posted in PSs and 30,730 teachers posted in UPSs did not possess the required qualifications.

As on March 2016, ₹ 39.20 crore remained unreconciled in the accounts maintained by State Project Officer, out of this ₹ 1.82 crore was pending for over five years. Further, State Implementing Society maintained 10 bank accounts against the permissible three.

The planning for implementation of RTE Act was neither comprehensive nor involved any community participation. Core teams for conducting household surveys were not constituted and the School Management Committees did not prepare school development plans.

Food and Civil Supplies Department

2.2 Information System Audit of "End-to-End Computerisation of Targeted Public Distribution System Operations"

Executive Summary

End-to-end Computerization of Targeted Public Distribution System (TPDS) Operations scheme was envisaged by Department of Food and Public Distribution (DoF& PD), Government of India (GoI) with a view to address various challenges of the existing system such as leakages and diversion of foodgrains, fake and bogus ration cards, inclusion and exclusion errors and lack of transparency in the system. The key activities of the scheme included digitization of ration cards/ beneficiary databases; computerisation of supply-chain; setting up of transparency portal and grievance redressal mechanism. The administrative approval for the scheme was accorded by GoI in December 2012 for its implementation under the 12th Five Year Plan (2012-17) on cost sharing basis (50:50). GoI approved ₹ 108.53 crore under various heads of the scheme for its implementation in the State. A total expenditure of ₹ 54 crore has been incurred on the scheme by GoUP as of March 2016. However, against the target date of completion (October 2013), none of the key activities as envisaged were completed even after the extended period of June 2015.

Information system audit of the scheme revealed the following:

Project Planning, Implementation and operationalization

Project planning suffered from delays and deficiencies due to delayed signing of the MoU with GoI, late constitution of the State Project Management Unit (SPMU) and key activities not being executed by SPMU.

(Paragraphs 2.2.8.1 & 2.2.8.2)

Timeline set for computerisation of TPDS operations was not achieved due to inconsistent strategy adopted by the Department.

(Paragraph 2.2.8.4)

Application software developed by State NIC failed to address the entire spectrum of the TPDS operations as manual intervention still existed in the system. Neither application software documentation was ensured nor was Service Level Agreement executed with State National Informatics Centre (NIC) unit.

(Paragraph 2.2.8.6)

Computerisation of TPDS operations

There were deficiencies in digitization of stakeholders database and beneficiary database due to incorrect mapping of master codes and presence of duplicate records of beneficiaries in the database.

(Paragraph 2.2.9.1)

The objective of eliminating fake/bogus cards from the system for better targeting of subsidy through cross verification with other databases and

capturing of beneficiary bank account number and Aadhaar number to eliminate all bogus beneficiaries and those claiming benefit more than once could not be achieved because of not verifying and updating the database.

(Paragraph 2.2.9.2)

Computerisation of supply chain management was not fully functional as system generated allocation orders based on the beneficiary database count was not achieved.

(Paragraph 2.2.9.3)

Details of actual offtake of food-grain commodities, master stock register of State godowns and sales register were not available on the transparency portal. Mobile SMS alerts to inform all pre-registered beneficiaries about availability of foodgrains at the FPS were not issued in the test-checked districts.

(Paragraph 2.2.9.4)

Training

No effective training plans were formulated for imparting training to the personnel engaged for carrying out day to day operations.

(Paragraph 2.2.10)

Monitoring

The system was at risk in absence of system certification and security audit of TPDS application modules. Fortnightly monitoring reports required to be submitted to GoI, were not prepared.

(Paragraph 2.2.11)

2.2.1 Introduction

Targeted Public Distribution System (TPDS) was aimed at ensuring food security of the people, especially the poor and vulnerable sections. Distribution of essential commodities such as wheat, rice, levy sugar and kerosene oil was made to the ration card holders through the Fair Price Shops. Computerization of TPDS operations was taken up across the country with a view to address various challenges of the existing system such as leakages and diversion of food-grains in the TPDS supply-chain, fake and bogus ration cards, inclusion and exclusion errors, lack of transparency, weak grievance redressal *etc.*

To provide technical, financial and infrastructural support to States, the Department of Food and Public Distribution (DoF&PD) under Ministry of Consumer Affairs, Food and Public Distribution, Government of India (GoI) prepared a Plan Scheme on '*End-to-End Computerization of Targeted Public Distribution System (TPDS) Operations*' for its implementation in all States under the 12th Five Year Plan (2012-17) on cost-sharing basis. The cost sharing was on 50:50 between GoI and the State Government.

The End-to-End computerization scheme of the existing 4.41 crore digitized cards[1] comprised implementation of two components. *Component-I* consisted of digitization of beneficiary and other databases, computerisation of supply-chain, setting up of transparency portal, and grievance redressal mechanism. Under *Component-II*, Fair Price Shop (FPS) automation was to be undertaken which included installation of Point of Sale (PoS) device at FPS for authentication of beneficiary, recording of sales and uploading of transaction data in the central server.

The Administrative approval for implementation of Component-I of the plan scheme was accorded by GoI in December 2012. The timelines laid down for digitisation of beneficiary database and computerisation of supply-chain as per the scheme guidelines were March 2013 and October 2013 respectively.

A Memorandum of Understanding (MoU) was signed (May 2013) between GoI and Government of Uttar Pradesh (GoUP) for implementation of the scheme in the State. As per terms of the MoU, GoUP agreed to implement activities specified under Component-I of the scheme.

Consequent upon the implementation of the National Food Security Act (NFSA), 2013 by GoI, computerisation of the TPDS operations was a pre-requisite for implementation of NFSA by the States.

2.2.2   Coverage of TPDS in Uttar Pradesh

As per Census-2011, the population of Uttar Pradesh was 19.98 crore of which 15.53 crore (77.73 *per cent*) was Rural population and 4.45 crore (22.27 *per cent*) was Urban population.

Under TPDS, three categories of Ration Cards (RC) were issued to the identified beneficiaries *viz.,* Above Poverty Line (APL), Below Poverty Line (BPL) and Antoydaya Anna Yojna (AAY) cards. Target of coverage of BPL (65.85 lakh) and AAY category cards (40.95 lakh) was fixed by GoI whereas no target was fixed for APL cards.

The NFSA was implemented in 28 districts in the State from January 2016 and in remaining districts from March 2016. Under sub-section (1) of Section 10 of NFSA, beneficiaries were to be identified based on the inclusion and exclusion criteria under two categories namely; Priority Household[2] (PHH) and *Antyodya Anna Yojna* (AAY) to provide subsidised food grains.

As per order of GoI (March 2015), 64.43[3] *per cent* of the Urban population (2.87 crore) and 79.56 *per cent* of the Rural population (12.34 crore) was to be covered under NFSA. Section 3 of the Act stipulated that every person in a PHH was entitled for five kilograms of food grains per month while under AAY a household was entitled for 35 kilograms of food grains per month.

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[1] In the State, number of total ration cards as of February 2005 were 4.51 crore and as of 2012 the number of digitised cards was 4.41 crore.
[2] As per GoUP guidelines (October 2014) for identification of eligible families under NFSA, all families already identified under APL and BPL category, fulfilling inclusion/exclusion criteria of NFSA, were to be covered under PHH category of NFSA.
[3] As per TPDS (Control) order 2015.

2.2.3   System framework for computerization of TPDS

A *web-based* application software developed by State National Informatics Centre (NIC), Lucknow and the centralized TPDS database was hosted at the State Data Center, Lucknow. The TPDS database consisted of two databases *viz.,* Existing Ration Card Management System (eRCMS) and NFSA database in Structured Query Language (SQL) Server 2012. The eRCMS database pertained to the APL, BPL and AAY category of beneficiaries whereas the NFSA database pertained to beneficiaries identified under NFSA. Separate transaction tables for districts are maintained in the database.

2.2.4   Organisational structure

The Principal Secretary, Food and Civil Supplies (F&CS) Department of the State Government at the Government level and Commissioner Food and Civil Supplies at the Department level were responsible for implementation of the scheme. At division level, Deputy Commissioner, Food and at district level District Supply Officers (DSOs) assisted by Area Rationing Officers (AROs) were responsible for monitoring and implementation of the scheme.

Besides, as required under the scheme guidelines, GoUP constituted following institutional framework for overall project monitoring and management as detailed in Table 1:

Table 1: Institutional framework and their role and functions

State Apex Committee (SAC) headed by Chief Secretary, GoUP	Overall guidance; review; monitoring and coordination; decisions on policy matters; approval of deliverables and timelines; financial powers as per the delegation.
State Project eMission Team headed by Principal Secretary, Food and Civil supplies, GoUP	Preparation of DPR/Financial proposal; set up of dedicated State Data Center for TPDS; overall responsibility of project implementation at State level; detailed functional requirement at State level; implementation of Business Process Re-engineering (BPR) and Change management; selection of technical partner for TPDS implementation; ensure certification from certifying agency before full State level roll out.
State Project Management Unit (SPMU) headed by Additional Commissioner F&CS Department.	Undertake preparatory work for system infrastructure and process related contingencies plans, assess activities accomplished and yet to be undertaken, assess current Information and Communication Technology (ICT) levels at State and district levels, close coordination with all stakeholders, assess training needs of F&CS staff, prepare hardware and software requirements, prepare draft agreement for implementing agency, monitoring of service levels of implementation agency, monitoring status and progress of activities under the scheme, etc.

(Source: Scheme guidelines)

2.2.5   Audit objectives

The Information System (IS) Audit was undertaken to examine whether:

● the project planning by GoUP for implementation of the scheme was effective and in accordance with scheme guidelines;

● the application software was developed comprehensively covering all the scheme activities to encourage transparency in the system;

● acquisition and deployment of IT infrastructure was as per standards and timelines of service level agreements;

● system had adequate inbuilt IT control mechanism to ensure correctness, reliability and security of database;

● requisite training was imparted to TPDS personnel to ensure smooth operation of the computerised system;

● automated transparency portal and grievance redressal mechanism was operational for efficient tracking and timely redressal of complaints of the beneficiaries; and

● project implementation was effectively monitored by the institutional framework to ensure achievement of envisaged objectives of the scheme.

2.2.6   Audit criteria

The following audit criteria was adopted for IS Audit of the scheme:

● Implementation guidelines for End-to-End computerization of TPDS operations;

● Orders and circulars issued by the GoI and GoUP;

● Agreements/MoU signed by GoUP for implementation of the scheme;

● Provisions of Budget Manual and Financial Rules of the State.

● User Manual of the e-Ration Card Management System,

● Metadata and Data Standards for PDS and relevant e-Governance standards.

● National Food Security Act and guidelines formulated thereunder.

● Information Technology Rules 2011 (Reasonable security practices and procedures and sensitive personal data or information)

2.2.7   Audit Scope and methodology

Information System audit of End-to-End computerisation of TPDS operations was conducted covering the period 2012-2016 during April 2016 to July 2016. An Entry conference with Special Secretary, Food & Civil Supply (F&CS) Department, GoUP was held in April 2016 and records were examined at the offices of the Commissioner F&CS and eight[4] districts selected through simple random sampling without replacement. From each selected districts, two blocks (one rural and one urban) and five Fair Price Shops and concerned block godowns were selected for test-check.

Centralised database from NIC-State unit, Lucknow was obtained (May 2016) and examined using Computer Assisted Audit Techniques (CAATs) to ascertain whether data in the system was valid, complete, reliable, authorised and was as per business rules. As records updated in the e-RCMS database

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[4] Allahabad, Aligarh, Chitrakoot, Ghaziabad, Kanpur Nagar, Lucknow, Mirzapur and Varanasi.

were incorporated in the NFSA database, analysis of NFSA database was done for the selected test-checked districts.

Exit conference was held on 30 December 2016 and replies of the Government have been suitably incorporated in the report.

Audit Findings

Audit observed that against the original target date of October 2013 fixed for completion of interventions under component-I, none of the key activities was completed even after the extended completion date of June 2015 set by GoUP.
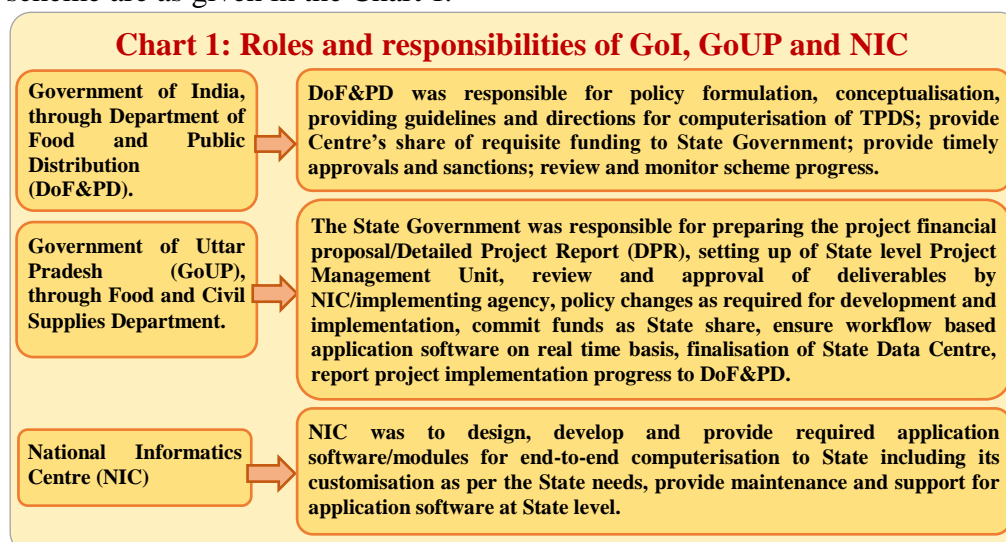
The delays and deficiencies noticed in project planning, implementation, operationalisation and monitoring are discussed in the succeeding paragraphs:

2.2.8 Project planning, implementation and operationalisation

As per MoU agreed between GoI and GoUP in May 2013, National Informatics Centre (NIC), the implementing agency for DoF&PD was to provide the Common Application Software (CAS) for Centre and States under the scheme. NIC at the GoI level was also responsible for carrying out the configuration/customisation of the application software for meeting the requirements of the State and also facilitate its roll-out in the State in a time bound manner. The State had the option to either undertake the implementation themselves, or through NIC or hire System Integrators (SIs) for rolling out the technology solution at the State level.

GoUP opted for implementation of the scheme by engaging State NIC unit for development of the application software. GoUP also authorised district authorities to engage vendors for both procurement of hardware and carrying out data digitisation activities at the district level.

Roles and responsibility of GoI, GoUP and NIC for the implementation of the scheme are as given in the Chart 1.

Chart 1: Roles and responsibilities of GoI, GoUP and NIC

Government of India, through Department of Food and Public Distribution (DoF&PD).	DoF&PD was responsible for policy formulation, conceptualisation, providing guidelines and directions for computerisation of TPDS; provide Centre's share of requisite funding to State Government; provide timely approvals and sanctions; review and monitor scheme progress.
Government of Uttar Pradesh (GoUP), through Food and Civil Supplies Department.	The State Government was responsible for preparing the project financial proposal/Detailed Project Report (DPR), setting up of State level Project Management Unit, review and approval of deliverables by NIC/implementing agency, policy changes as required for development and implementation, commit funds as State share, ensure workflow based application software on real time basis, finalisation of State Data Centre, report project implementation progress to DoF&PD.
National Informatics Centre (NIC)	NIC was to design, develop and provide required application software/modules for end-to-end computerisation to State including its customisation as per the State needs, provide maintenance and support for application software at State level.

(Source: Scheme guidelines)

2.2.8.1   Delay in Signing of MoU

Entering into MoU between DoF&PD, GoI and GoUP was a pre-condition for release of funds by GoI for implementation of the scheme.

Audit observed that DoF&PD directed GoUP for signing of the MoU in December 2012. However, MoU was signed by GoUP only in May 2013 with a delay of more than four months. As a result, no funds were released by GoI during 2012-13 and the same were released in June 2013 after signing of the MoU, thereby delaying the project initiation in the State.

In reply the Government stated that action was initiated at the earliest. The fact remains that signing of the MoU was delayed by more than four months resulting in delayed receipt of funds.

2.2.8.2   State Project Management Unit

As per the scheme guidelines, State Project Management Unit (SPMU) was to be set up at the State F&CS headquarters for a minimum tenure of three years by engaging consultants for overall project planning and implementation.

Audit observed the following:

Delay in constitution of SPMU

As per terms of MoU signed with GoI, constitution of the SPMU was the responsibility of the GoUP. However, it was observed that GoUP constituted the SPMU in October 2013 after five months of signing of the MoU due to delay in engagement of the consultants. Delayed constitution of SPMU resulted in delayed start of project activities as preparation of the project preparatory plans was the responsibility of the SPMU.

In reply the Government stated that constitution of SPMU was done after due deliberations in minimum possible time.

Key activities not executed

Key activities of SPMU included preparation of preparatory plans for system infrastructure and process related contingency plans; assessment of activities accomplished and yet to be undertaken by the State; assessment of current ICT levels at State and district levels; identify issues/risks and provide mechanism to resolve the issues; and coordinate with stakeholders for issue resolution.

Audit, however, observed that work order issued to the firm, for assisting in all activities of computerisation, did not specify the detailed scope of work and timelines for achieving the key activities. No assessment report/ documentation of the activities executed by the consultants were available with the Department.

Thus, in absence of any preliminary assessment study and preparatory plans for project implementation at the initial stage, the project implementation

suffered from frequent changes in methodology for execution, impacting project implementation, as discussed in *paragraph 2.2.8.4*.

In reply the Government stated that SPMU team was apprised about the works relating to the scheme through meetings and orders issued from time to time. Reply was not acceptable as detailed scope of work and timelines for achieving the key activities were not defined.

2.2.8.3   Financial position

Financial assistance under the scheme was provided to the States by GoI on 50:50 cost sharing basis. GoI was to release its share of 50 *per cent* in three installments of 60, 30 and 10 *per cent*. GoUP prepared a financial proposal with the help of State NIC unit and submitted to GoI for according approval and sanctioning project funding. GoI in June 2013 approved ₹ 108.53 crore under 17 scheme heads. GoI against its share of ₹ 54.27 crore released ₹ 45.52 crore to GoUP during 2013-16. GoUP allotted ₹ 96.39 crore, during 2013-16, against which the expenditure was ₹ 54 crore as detailed in *Appendix-2.2.1*.

Year wise summarised position of allotment of funds by GoUP and expenditure there against is detailed in Table 2.

Table 2: Year wise allotment, expenditure and savings

(₹ in crore)

Year	Allotment	Expenditure (*per cent*)		Savings/Surrender
2013-14	21.08	7.80	(37)	13.28
2014-15	47.77	**20.71**	**(43)**	**27.06**
2015-16	27.54	25.49	(93)	2.05
Total	**96.39**	**54.00**	**(56)**	**42.39**

Source: Commissioner Food and Civil Supplies

From the above table it was evident that GoUP failed to spend the allotted funds and only 56 *per cent* of the allotted funds was spent, leading to savings of ₹ 42.39 crore. Audit further observed that:

In 47 out of 75 districts, the percentage expenditure against the allotted funds during 2013-16 was less than 60 *per cent*.

Under the digitisation head, against the allotment of ₹ 41.05 crore to the districts, expenditure incurred was only ₹ 17.65 crore (43 *per cen*t). In 52 districts it was less than 50 *per cent* whereas in two districts[5] it was in excess of allotted funds.

In contravention to the terms of the MoU and GoI sanction orders, GoUP neither maintained the audited accounts for the scheme nor refunded unutilised GoI funds of ₹ 96.33 lakh relating to four[6] scheme heads, as required in the terms of the MoU.

The details of aforementioned instances are given in *Appendix 2.2.2.*

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[5] Hamirpur and Pratapgarh.
[6] State Data Center, web portal, SMS cost and Assessment.

Excess expenditure/ surrender of funds reflected poor financial planning and in-effective monitoring both at the district and State level.

2.2.8.4 Inconsistent strategy for implementation

GoUP issued (October 2013) order for implementation of the End-to-End computerisation of TPDS operations comprising of activity-wise timelines for digitisation of ration cards, updating of database and issuance of new ration cards. As per the Government order, the entire process of digitisation and printing of the ration cards was to be completed online within 75 days by engaging vendors at the district level as detailed in Table 3 below:

Table 3: Activity wise timeline set for computerisation process

Activity	Timeline set	Process
Collection of information and digitisation of ration cards.	15 November 2013	Existing digitised ration card data was to be downloaded, printed for distribution to the beneficiaries for updating the personal details. Filled-in forms collected back from the beneficiaries were to be digitised, verified and compiled.
De-duplication/ cleaning of data	25 November 2013	De-duplication process was to be carried out by NIC and fake/bogus cards identified were to be verified and cancelled by the district authorities.
Freesing of data	30 November 2013	After completion of de-duplication process data was to be freezed by NIC.
Printing of RCs for distribution	15 December 2013	Finalised RCs were to be printed online for distribution to the beneficiaries.

Audit observed that short term tenders were called (October 2013) to carry out data digitisation work in online mode. However, citing poor network connectivity at the districts and block levels, the Department switched over to offline mode process for digitisation immediately.

GoUP issued (January 2014 and February 2014) directives for data validation/ de-duplication, cross verification with other database using Election Commission, UP electoral database and printing and issuance of new ration cards. The said orders were issued after the target date of completion of the entire digitisation process i.e., 15 December 2013. As a result of this, the schedule to complete the activities was revised (January 2014) and it was decided to complete data entry by 15 February 2014, freezing of data by 28 February 2014 and online printing and issuance of ration cards by 15 March 2014.

Under offline mode, data validation and de-duplication process was carried out at the district NIC offices for which DSOs were required to provide the digitised data and two computers to NIC. Outcome of the de-duplication process in excel sheets was to be verified by the DSOs and after getting corrections done through the vendors, the final list was to be provided to NIC for uploading on the central server.

The digitisation process was again changed to online mode from October 2014 and completion date extended upto June 2015. However, as of June 2015, in none of the districts, the digitisation of APL cards was complete and the

progress was less than 50 *per cent* in 20 districts. Hundred *per cent* digitisation was not achieved in respect of BPL and AAY cards in 58 and 25 districts respectively. It was again decided (June 2015) by the department to include all those priority household beneficiaries in the APL list who applied online under NFSA, but not in the APL list. Thus, due to inconsistent strategy, implementation of computerisation of TPDS was delayed. This also reflected poor planning in the implementation of the scheme.

Further, as per NFSA Act 2013, identification of the beneficiaries was to be completed by the States within 365 days. GoUP issued guidelines detailing the inclusion and exclusion criteria for identification of priority household in urban and rural areas in October 2014, whereas survey form for identification was circulated only in January 2015.

Thus, GoUP failed to plan and formulate firm policies for carrying out the TPDS computerisation process, which was a pre-requisite for implementation of the NFSA in the State.

In reply the Government stated that offline mode was adopted due to lack of internet connectivity and the work was distributed at various levels to complete the work within time. Government did not furnish any reply on the observation on implementation.

2.2.8.5   Extension of validity of existing ration cards

According to the policy (October 2013) defined for process for digitisation of ration cards and issue of new ration card, fake/bogus cards of ineligible families were to be cancelled and fresh cards to eligible beneficiaries were to be issued under TPDS.

Audit observed that ration cards issued[7] were valid for a period of five years. The validity of these ration cards was extended time and again due to activities under TPDS computerisation not being completed on various grounds. The extensions were granted up to 31 March 2014 (due to time taken in online printing and issuance of new ration cards); June 2014 (on the ground of Lok Sabha elections); December 2014 (on the ground of removing errors in data). In January 2015, validity was extended till implementation of NFSA on the ground that feeding of ration card work was still ongoing.

Thus, due to delay and not completing the digitisation activity, the very purpose of digitisation and issue of fresh cards by eliminating the fake/ bogus cards was defeated as the cards issued as of February 2005 remained in existence. As per a system generated report (6 April 2016) against 4.51 crore ration cards in the State, 3.81 crore cards were digitally signed. Of these 3.81 crore digital cards, 3.61 crore cards were printed.

Analysis of database revealed delayed issuance of cards, cards with duplicate aadhaar number, voter-id number and bank account number in the test-checked eight districts as brought in paragraph number 2.2.9.*2*.

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[7] As per GO dated February 2005.

In reply the Government stated that since data of identified PHH beneficiaries was also being digitised along with digitisation of APL, BPL and AAY cards, to avoid any commotion among the beneficiaries validity of cards was extended.

2.2.8.6 Application software development and documentation

As per terms of the MoU, GoUP had the option to choose Common Application Software (CAS) modules/services in whole or in part as per their requirement or hire System Integrator (SI) for development of the application software and providing complete technology solution.

GoUP was required to define the detailed scope of the agency engaged for work and well defined Service Level Agreements (SLAs) with clearly identified deliverables and timelines to be executed by the agency.

Audit observed shortcomings in development of application software and its documentation, as discussed in the succeeding paragraphs:

Scope of work and service level agreement

GoUP, instead of opting for the CAS or engaging SI for providing the complete technology solution, continued with the State NIC unit for development and enhancement of the application software already in use. However, against the provisions of the MoU, neither a detailed scope of work was prepared nor any SLA was signed by GoUP with State NIC unit. In the absence of clearly identifiable deliverables and timelines, neither monitoring of the activities was feasible nor penalties for not executing/delayed execution could be enforced on NIC.

In reply the Government stated that under the MoU signed with GoI, State NIC unit has been assigned the work. NIC has been performing the work based on the decisions taken in meetings conducted from time to time. The reply is not acceptable as GoUP had deployed State NIC unit for development of the application software without specifying any scope of work or executing any SLA with State NIC unit.

Software documentation and approval

As per Scheme guidelines for End-to-End computerisation of TPDS operations, development of the application software required proper documentation and approval at each stage of design, development, testing, and Go-Live. Essential documents required to be prepared and approved *viz.,* Software Requirement Specification (which describes the functionality and outcomes of the software), Business Process Re-engineering (ground-up design of business processes) and Change management documentation (procedures that govern the change in the software) were not prepared by NIC.

Thus, the computerisation programme was implemented on *ad-hoc* basis without formulating a firm documentation policy. As a result, neither the changes carried out in the application software nor the proposed architecture

of the software developed could be referred to at the time of audit. Due to the ad-hoc approach there was a risk of un-authorised changes in the application software.

In reply Government stated that in meetings conducted from time to time instructions were issued to the NIC. The reply is not acceptable as no documentation and approvals on application development were available.

Recommendation: Government should ensure proper documentation of the application software. Efforts should be made to document changes carried out in the application software.

Application modules not developed

The Common Application software (CAS) provided to the States by DoF&PD, GoI covered the entire spectrum of TPDS operations as per the scheme requirements comprising of four[8] main modules for different activities.

Audit observed that out of the four modules, one module *viz.,* Allocation order generation of food grains and its sub-modules *viz.,* commodity off-take from FCI to State godowns and commodity off-take from State godown to FPSs were still not in operation. As a result, these activities were being done manually.

In reply Government accepted the fact and stated that Food and Essential Commodities Assurance and Security Target (FEAST) software under the Supply Chain Management was to be provided by NIC Delhi but the customised FEAST software as per the requirement of the State is not yet made available. The required software is being developed by NIC-UP.

2.2.8.7   Procurement of IT infrastructure

Under IT infrastructure, hardware and software items were to be purchased for deployment at the State Data Center (SDC), F&CS headquarters, District, Block and Godown level F&CS offices. GoI approved ₹ 31.23 crore for procurement of hardware items. During 2013-16 GoUP allocated ₹ 29.41 crore against which ₹ 19.18 crore was spent as of March 2016.

The shortcomings emerged in audit on the procurement of hardware and software are discussed in the succeeding paragraphs:

State Data Centre

Hardware and software for State Data Centre (SDC) was to be purchased and installed for creation of centralised database and online TPDS operations. GoUP was to finalise the specifications for the purchase of the hardware and software items. GoI approved ₹ 1.25 crore for the procurement of hardware and software items.

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[8] Preparation of master data, Allocation order generation, Ration card digitisation and Grievance redressal mechanism.

Audit observed that approval for purchase of IT hardware through NICSI for establishment at SDC was accorded by the State e-Mission Team in November 2013 and by the purchase committee in December 2013. However, no hardware was procured for SDC due to specifications of hardware items not having been finalised by the State Government. As a result, dedicated hardware/software could not be procured in SDC. Audit also observed that in absence of dedicated infrastructure, initially the NIC server and subsequently (July 2014) hardware/software resources of the State IT Department installed at the SDC, were utilised for hosting of the web based application software and management of the centralised database.

Thus, despite availability of funds, the required hardware/software for TPDS scheme was not created and funds remained unutilised for last three years.

In reply Government stated that as the approved specification were subsequently found obsolete and the new estimated cost was higher than the approved cost, resources of e-District cloud based infrastructure was used. The reply is not acceptable as neither additional funds were sought from GoI nor funds released by GoI under SDC refunded to GoI.

IT infrastructure at F&CS headquarters, district, block and godowns

Desktops/laptops were provisioned under the scheme for data entry, online allocation, utilisation reporting, monitoring of operations of TPDS at State headquarters level (eight computers and five printers), at district (five computers and three printers) and block level (two computers and one printer). At godown level, one laptop computer and one printer were to be provided for data entry through online application software for capturing receipts and issuance of food-grains, view of Management Information System (MIS) reports, *etc*.

GoUP adopted (February 2015) the decentralised approach for purchase of hardware items by authorising the district authorities to engage vendors. Hardware items were to be purchased by 25 March 2015 by inviting technical and financial bids from firms registered under Commercial Tax Department for a period of more than one year or authorised firms registered under the IT and Electronics Department, GoUP. Audit observed following irregularities:

Excess procurement of hardware/software

As per the scheme guidelines, quantities of hardware items to be procured were specified for the State and districts F&CS offices. Audit observed that in four[9] districts, five desktop computers, three laptops, 36 laser printers, and six MS-Office software amounting to ₹ 7.83 lakh were procured in excess of the quantities prescribed in the guidelines (***Appendix 2.2.3***). Information regarding procurement and installation of hardwares at State headquarter was not provided to Audit though called for.

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[9] Allahabad, Kanpur Nagar, Mirzapur and Lucknow

Delay in supply and distribution of hardware items

As discussed above, the procurement of hardware items were to be completed by March 2015 and as per terms of the supply orders issued to the firms in the test-checked districts, the items were to be supplied within three to ten days. Audit however observed that, in five districts there were delays ranging from seven to 188 days in supply of the hardware items.

Further, districts distributed the hardware items to the blocks with delay ranging from three to 11 months. The distribution of hardware items to the godowns by the DSOs were made with a delay of one to 13 months. Records also revealed that in four districts, hardware items were not distributed (June 2016) to blocks and godowns and the same remained at the district level. Details are given in *Appendix 2.2.4*.

Thus, items procured were not effectively put-to use for the purpose for which these were procured.

In reply Government stated that information was being sought for from districts.

2.2.8.8 Network connectivity

Bandwidth connectivity was provisioned for connecting offices and godowns through various available options such as leased lines, State Wide Area Network (SWAN), National Informatics Centre Network (NICNET), Mobile-General Packet Radio Service (GPRS), broadband, *etc*. The minimum bandwidth for State, district and block offices was 1-2 Mbps.

GoUP provided broadband connectivity at the district and block level whereas mobile GPRS connectivity was provided at the godown level. Scrutiny of records in the sampled districts revealed that against five computers at the district level and two computers at the block level, broadband connectivity for accessing web-based application was available in only one or two computers due to lack of network cabling.

In the test-checked godowns[10], mobile GPRS connectivity through dongle was not available in any of test-checked districts as dongles were not purchased in these districts. In Mirzapur district though dongles were procured they were not put to use.

Audit further observed that no effort was made by the Department to avail SWAN connectivity at the district and block level, though SWAN connectivity was available upto the tehsil and block headquarters under implementation of National e-Governance Project in the State.

Thus, proper bandwidth connectivity for smooth operation of the web based application software was not ensured and objective to leverage infrastructure already available was not achieved.

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[10] Karvi & Pahadi (Chitrakoot), Meja (Allahabad), Rajapur (Ghaziabad), Talanagri & Jawa (Aligarh), Sahar (Mirzapur) and Aishbagh & Kakori (Lucknow).

In reply Government stated that information was being sought for from districts.

2.2.9 Computerisation of TPDS operations

Under component-I of the scheme, four key activities were to be covered under End-to-End computerisation of TPDS operations viz., digitisation of beneficiary and other databases; computerisaion of supply-chain management; and setting up of transparency portal and grievance redressal mechanism. Deficiencies noticed in implementation of key activities are discussed in the succeeding paragraphs.

2.2.9.1 Digitisation of stakeholders (departmental) database

A central repository of all TPDS stakeholders which could further be used by other applications was to be prepared by the State as per the scheme guidelines. Digitisation of stakeholder (department) data involved creation of master database of districts, blocks/tehsils, F&CS offices, Fair Price Shops (FPSs), godowns, card types, etc. Creation of master data was a pre-requisite for subsequent digitisation of beneficiary data and computerisation of the supply chain as the data of beneficiary ration cards and FPSs etc. were to be mapped.

Audit observed the following:

Creation and mapping of master data

The coding for Master data was to be done based on the Meta Data and Data Standards (MDDS) for PDS as per e-Governance standards. The purpose of MDDS was to bring uniformity in capturing demographic and biometric data of PDS beneficiaries to ensure seamless inter-operability while interchanging data.

As per MDDS read with ePDS schema, Permanent Location Code (PLC) consisting of a 16 digit code *viz.,* State (2 digit), District (3 digit), Tehsil (5 digit) and village/town code (6 digit) was to be ensured for unique identification of the locations. However, analysis of the village/town codes as used in the MDDS codes and as captured in the system in all the test-checked districts revealed that the codes captured in the system were not exactly the same but were different.

Further, in the village/town master table, five village/town codes were found mapped with 10 different PLC codes.

Thus, creation and mapping of codes were not as per the MDDS data standards defeating the purpose of having uniformity in capturing of data.

In reply Government stated that master data coding scheme was based on national PDS data guidelines and due to constitution of new districts concerned villages also got affected and hence the old data was also maintained. The reply is not acceptable as after mapping of new village codes status of old codes should not be active in database. No specific reply was

furnished in respect of difference in the village/town codes found in the database.

Quality of master data

Master data is the core data essential for business operations. However, uniqueness of master data was not ensured in the system. Four panchayat codes were found duplicate whereas six duplicate blocks were found in the block master table. Audit further found that out of 77,347 active FPSs, 190 FPSs had no license number, 749 FPS had no RCs mapped and 491 FPSs had unmapped bank account number.

In the absence of uniqueness and completeness of master data, the reliability of Master data was questionable.

2.2.9.2 Digitisation of beneficiary database

As per the MoU, digitisation of beneficiary database was to be undertaken and the same was to be verified by comparing with other databases like Unique Identification Authority of India (UIDAI), National Population Register (NPR), Socio Economic and Castes Census (SECC), Census, electoral data, etc. Seeding of Aadhaar number into the TPDS database was to help in eliminating the duplicate ration card holders. Special drives to eliminate fake and bogus ration cards were also required to be taken up by the State Government.

Once digitisation process was over, a workflow based approach for issuance/modification/cancellation of ration cards based on the digitised data, using application software was to be adopted by the State Government. All information pertaining to ration cards was to be made available on the *web-site*.

Audit observed:

Engagement of vendors for data digitisation

GoUP decided (October 2013) to undertake the digitisation of the beneficiary database in decentralised manner by authorising the district authorities to engage vendors for carrying out the work. The tender was floated under two bid system and bidders were required to submit the details of TIN, PAN along with their working capacity, Infrastructure availability and past experience in the said field.

The shortcomings noticed in engagement of vendors for data digitisation were as below:

In none of the test-checked districts, working capacity was furnished by the firms selected, except for Varanasi and Ghaziabad districts.

Work orders were issued to two firms in Allahabad though these were not registered with the Commercial Tax Department. In Chitrakoot and Lucknow districts, First Information Reports (FIR) were lodged against the firms engaged for data digitisation in these districts, for erroneous capturing of

beneficiary data leading to erroneous printing of ration cards. The fact confirms that technical competence of the firms was not ensured by the district authorities prior to awarding of contracts.

No privacy policy/undertaking from the vendors for maintaining confidentiality and security of the data was taken as required under the Information Technology Rules 2011 (Reasonable security practices and procedures and sensitive personal data or information).

Thus, without proper vetting of the bid documents by the district authorities, works were awarded.

In reply Government stated that information was being sought for from districts.

Collection, compilation and certification of beneficiary data

In the State, number of total ration cards as of February 2005 were 4.51 crore and as of 2012 the number of digitised cards was 4.41 crore. Digitised cards were provided to the beneficiaries with pre-filled details for updating and providing fresh personal details *viz.,* beneficiary bank account number with Indian Financial System Code (IFSC), Electoral Photo Identity Card (EPIC) number, Aadhaar number, mobile number and Date of Birth (DOB).

Besides, the district authorities were to compile the forms, FPS-wise and verify them for completeness for onward transfer of the forms to the vendors for carrying out the digitisation work. Record of forms handed over and taken back from vendors were to be maintained at the DSO level. Forms digitised by the vendors were to be re-checked by the district authorities for certifying the cards for completeness and correctness.

However, neither the record of pre-filled forms distributed, collected, compiled, certified, and entered in the system were maintained at the district level nor physical forms were safely kept for record purposes in any of the test-checked districts. Scrutiny of handing over receipts of physical forms by the vendor in Kanpur city revealed that the receipts captured only number of sacks returned without specifying the number of forms it contained.

Scrutiny of 200 beneficiary forms made available to audit in three test-checked districts[11] pertaining to 13 FPSs revealed that details of EPIC number in 14 forms, family details in 11 forms, annual income in 22 forms and gas connection details in four forms were furnished by the beneficiary but the same were either not captured or incorrectly captured in the system.

Further, it was noticed that 12 out of aforementioned 200 forms were not certified by the district authorities but the same were found uploaded on the portal. As a result of flawed data feeding, data captured in the system was neither complete nor reliable, reflecting lack of verification by the district authorities.

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[11] Mirzapur, Kanpur Nagar, Lucknow

In reply Government stated that information was being sought for from districts.

Beneficiary database verification and updation

As per the order (October 2013) of GoUP, fake/ bogus cards of ineligible families were to be cancelled and fresh cards to the eligible beneficiaries were to be issued. For cross verification of the beneficiaries, Election Commissions database of Electoral Photo Identity Card/Voter-ID was to be used. Database updation was to be done by running the de-duplication process on unique field *viz.,* voter id number and applicant name, father's name and date of birth. Entries of all cancelled and new cards issued as a result of de-duplication process were to be captured in the database.

Audit, however observed that details of ration cards cancelled were not captured in the database. Analysis of database in eight test-checked districts revealed that proper verification and updation was not ensured leading to existence of duplicate cards in the system.

Analysis of TPDS database

NFSA database contained different tables for each district capturing details of beneficiary ration cards. An analysis of table containing personal details of the ration card holders (46.14 lakh records) and table containing applicants family members details (1.97 crore records) pertaining to the test-checked districts revealed following deficiencies:

Incomplete data: Out of 46.14 lakh ration cards records in the name of head of the family (card holder), information was not found captured for bank account number in 29.14 lakh records (63 *per cent*); family income in 29.39 lakh records (64 *per cent*); Aadhaar card number and voter-id number of valid[12] length for the head of the family was not captured in 30.09 lakh records (65 *per cent*) and 26.73 lakh records (58 *per cent*) respectively. Further, Aadhaar card number for family members was not captured in 1.41 crore records. Thus, the entire process to update the database was futile as the bank account number necessary for transferring NFSA benefits directly in beneficiary account not allocating food grains, family income for ensuring eligibility criteria of NFSA and Aadhaar number necessary to uniquely identify the beneficiary was not captured in the database.

Duplicate Voter-Id number and Aadhaar number: Out of 1.97 crore records of family members, voter-id was captured in 54.63 lakh records of which only 23.25 lakh voter-ids were of valid length. Analysis further revealed that out of these 23.25 lakh voter-ids, 1.81 lakh were found duplicate of which 1.41 lakh voter-ids were in the same beneficiary's name. In 4954 records, same voter-id was used for different card holders. Besides, same voter-id was captured in multiple beneficiaries' records, ranging from two to 626 times. Similarly, out

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[12] Aadhaar card number of 12 digit length issued by Unique Identifiation Authority of India and Voter-id card number of 13-17 alpha numeric/special character length prior to May 2000 and thereafter of 10 digit issued by Election Commission of India.

of 1.97 crore records of family members, Aadhaar number was captured only in 24.91 lakh records (13 *per cent*) of which 3.50 lakh were found duplicate.

Verifying/issuing authority of cards not captured: Out of 46.14 lakh records, in 30.77 lakh records (66 *per cent*), details of card verifying authority was not captured whereas in none of the cards details of issuing authority was captured. It was also observed that in place of capturing the user code number of the entering, modifying, verifying authority, 'DSO', 'ARO', 'Szi', 'Voo', 'NFSAY', etc., were captured reflecting that proper validation checks for allowing authorised users into the system was not ensured.

Digital signature on cards: After verification of the beneficiary details by the district authorities, beneficiary cards were to be digitally signed prior to printing and distribution to the beneficiaries. Audit analysis in eight test-checked districts however revealed that out of 46.14 lakh records, 9.81 lakh ration cards were not digitally signed. Analysis also revealed that in 3.12 lakh records, cards were printed without digital signature.

Duplicate bank account numbers: Under the provisions of NFSA, in case of foodgrains not being distributed to the beneficiaries, food security allowance was to be transferred to the bank account of the beneficiary. However, analysis revealed that out of 46.14 lakh ration card holders (HOF), bank account number and IFSC code was captured only in 29.14 lakh records of which 2.30 lakh were duplicate account numbers. Analysis further revealed that 0.88 lakh records were having same applicant name. The number of units in these duplicate records was 3.79 lakh. In absence of unique bank account numbers in the database, chances of transfer of food security allowance under NFSA in wrong bank accounts can not be ruled out.

Ineligible identification as per NFSA norm: As per the NFSA exclusion criteria, total family income above two lakh rupees per annum in rural area and three lakh rupees per annum in urban area were not eligible for the scheme. Out of 46.14 lakh card holder's total family income was captured only in 29.39 lakh cards (64 *per cent*). Number of beneficiaries residing in rural area having total income over two lakh rupees were 0.12 lakh whereas families having income over three lakh in urban areas were 0.16 lakh. This indicated that the specified criteria was not checked due to which ineligible families still existed in the system. Besides, total family income was captured in the range of ten paise to ₹ 999.99 crore reflecting that validation checks were not in-built in the system.

Head of family name and family relation code not captured: The card was issued in the name of head of the family. However, in 0.23 lakh records out of 46.14 lakh card holders, name of head of the family was not captured of which 0.20 lakh cards were printed.

Out of 1.97 crore family members records in 24.08 lakh records relationship of the family member with the head of the family was not captured. Further, family relations not covered as per NFSA norms were also captured viz., 'Husband of wife sister', Husband of husband-sister', 'Aunt (Mother sister)',

'Aunt (wife of mothers brother)', 'Son-in-law'. 'Other', *etc*. Besides female relationship code were also captured as 'Male' under gender field and *vice-versa*.

Erroneous capturing of ration card category: In 19 cases BPL category cards were captured under AAY category cards whereas 60 AAY category cards were captured under BPL category card.

Delay in printing/issuance of cards: Analysis of 46.14 lakh records of card holders revealed that record entry date and card print date was captured only in 38.94 lakh records. In 96 *per cent* of the records (37.47 lakh) there was delay of more than 90 days in printing of the cards. Further, records with entry date prior to card print date was also observed reflecting lack of validation checks in the system.

Weak access controls: Access control grants users access during operations, by associating users with tasks/ resources that they are allowed to perform/ access based on pre-defined policy/ roles. Analysis of system users of Lucknow district revealed that out of 20 users who entered data in the beneficiary table (HoF table) seven users were not authorised to access the system as their user-id was not captured in the user master table. In 208 records in place of user code 'DSO' was captured while in 6147 records 'NFSAAAY' was captured. In absence of effective access controls in the system, there was risk of unauthorised access and manipulation of data.

The above mentioned discrepancies indicated that system checks were not enforced while going in for offline/ online entry of application forms. The objective of capturing additional fields to cross verify the details from other databases to eliminate fictitious beneficiaries claiming benefit, beneficiaries claiming benefits in the names of the others was not achieved.

While accepting the above facts Government stated that from time to time directions to the regional and district level officers were given to ensure complete and error free data in the database.

Recommendation: Government should take effective steps for updating the TPDS database to eliminate the existing fake/ bogus cards in the system. Efforts should be made to capture the beneficiary's bank account number and aadhaar number to uniquely identify the beneficiary. Efforts should also be made to strengthen the access/ validation controls to ensure integrity, confidentiality and availability of data at all times.

2.2.9.3 Computerisation of Supply-Chain Management

Allocation of food grain not based on beneficiary database

Most of the TPDS operation related information was to be generated by respective application modules and its database and, therefore, the same was to be linked to output of respective modules. As per scheme guidelines, the allocation of foodgrain was to be based on the beneficiary count of the database. However, it was observed that allocation orders uploaded on the

portal were not based on the beneficiary count as per the beneficiary database. The same was, however, being done manually.

The number of AAY beneficiaries in the State was fixed at 40,94,500 and the allocation is also made accordingly. Against this, in the public portal, the number of beneficiaries figure was shown as 40,97,374 as on February 2016. Similarly allocation of food grains for PHH for the month of March 2016 for the State was for 11.42 crore units while the number of units uploaded on the public portal as of February 2016 was 12 crore.

Further, GoI sanctioned allocation of 7,75,961.33 MT of rice and wheat for PHH and AAY beneficiaries for distribution *w.e.f.* August 2016. Based on the GoI allocation State distributed the allocated quantities to the districts with different scales of distribution for PHH and AAY beneficiaries. However, in the test-checked districts it was observed that further distribution of food grains to the blocks (both of rural and urban areas) as per the allocation orders uploaded on the portal for the month of August 2016 mismatched with the district wise allocation as per the State allocation. There was short allocation of 574.91 MT in six districts and excess allocation of 3.13 MT in two districts (*Appendix 2.2.5*). The situation was risk prone as manual intervention still existed in the system.

In reply Government did not furnish any specific reply and stated that based on GoI allocation orders food grains were allocated to the Districts.

Tracking of movement of food grains

Computerisation of supply chain involved use of ICT tools for tracking of movement of allocated food grains at both the stages *viz.,* from FCI to intermediary storage points and further to FPSs. Scrutiny of records, however revealed that following key activities were not covered:

Food grains receipt and issuance was to be entered in the system to obtain stock position of PDS commodities in respect of all godowns. However, the same was not operationalised as of March 2016. In absence of this, stock position was maintained manually, as noticed in the test-checked districts.

For movement of food grains from FCI to State godowns, the State was required to computerise the operations like receipt of payment from State agencies, generation of release orders and allocation, generation of truck-challan, gate-pass and capturing the information in the system. However, the same was not operationalised as of March 2016.

In reply Government stated that implementation of supply chain management system was in progress.

Recommendation: Government should ensure operationalisation of entire spectrum of TPDS operations. Efforts should be made to computerise the supply chain management operations in entirety.

Delay in issuance of foodgrain allocation orders for FPS dealers

As per GoUP order (October 2015), Fair Price Shop (FPS) dealers were to deposit the cost of food grains upto 20th day of the preceding month of allocation through e-challans for lifting of the food grains from godowns. This was to ensure transparent and accountable system for offtake and distribution of food grains. Allocation orders for the FPS dealers were uploaded on the Departmental web portal in downloadable form by the district authorities. Based on the allocation order, FPS dealer deposits the cost of food grain through e-challan. Database of e-challans was not made available to audit and information relating to the allocation order/e-challans on the web portal was available for the current month only. Therefore, scrutiny of downloadable allocation orders for 626 FPS dealers was conducted in nine blocks of five test-checked districts[13] for the allocation month of August 2016.

Scrutiny disclosed that 68 allocation orders for the FPS dealers were not uploaded in the public portal upto 31 July 2016.

In reply Government stated that NIC had been instructed to provide monthly details of districts issuing e-challans with delay.

2.2.9.4 Transparency in system and grievance redressal mechanisms

Transparency through portal

State TPDS portal was to be created for achieving total transparency in TPDS by ensuring all information pertaining to the TPDS in the public domain. The portal was to be used to display information related to FPS-wise digitised database of ration cards, entitlement of beneficiaries, stock position at godowns, lifting of foodgrains, stock availability at FPS, movement and date of stock/ quantity supplied to FPS every month for all the shops, etc.

The State public portal depicted the list of FPS-wise ration cards and details of each ration card and monthly allocation upto the block level. However, details of actual off-take were not available on the public portal.

Further, the e-PDS portal of GOI did not depict the State status pertaining to FPS wise allocation orders, Master stock register of State godowns, allocation generation status, sales register, block wise allocation orders, district-wise allocation of commodity, allocation policy of the State Government.

The information displayed on the website was not dynamically linked with the web portal page. Since manual intervention continued to exist, complete transparency was not ensured.

In reply Government stated that supply chain management software was under development by State NIC unit.

SMS facility

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[13] Allahabad, Kanpur Nagar, Lucknow, Mirzapur and Varanasi

Mobile SMS alerts were to be sent to pre-registered individuals such as beneficiaries, FPS dealers, etc., to inform them regarding lifting of foodgrains at State depot, delivery and availability of foodgrains at the respective FPS, any change in policy of entitlements or rates etc. However, scrutiny of SMS alert reports (February 2016) of six[14] test-checked districts revealed that against 12.41 lakh beneficiaries requesting for mobile SMS alerts only 3.55 lakh (29 *per cent*) beneficiary mobile numbers were seeded in the application software and SMS alerts were sent to only 0.81 lakh beneficiaries (*Appendix 2.2.6*). Further application for sending SMS alerts to the FPS dealers was not operational in the test-checked districts. Thus, SMS alert facility was not fully operational.

Further, no SMS facility was envisaged to alert the beneficiary about issue of foodgrain made to a beneficiary which could have acted as deterrent to fraudulent allocation and facilitate transparency in the system.

In reply Government stated that information in respect of lifting of food grain by FPS dealers was being provided to the registered beneficiaries. The reply was not acceptable as in the test-checked districts SMS to all registered beneficiaries was not sent.

Grievance Redressal Mechanisms

For efficient tracking and timely redressal of complaints/grievances of the beneficiaries, the State grievance redressal mechanism was to be automated. As per the scheme, NIC was to provide requisite application software including software for toll free call centre operations.

A toll free helpline number was available on the website for grievance registration and redressal. However, details of redressals made against the complaints received online were not available in the test-checked districts.

2.2.10   Training

For smooth functioning of the computerised TPDS System, State F&CS officials and staff at various levels were to be imparted training on the use of technology and for day to day operations. As per guidelines training activity was to be taken as a one time activity and was to be planned keeping in mind the training needs.

Various categories of trainings were envisaged for users/stakeholders, based on their roles and computer awareness viz., training of trainers, basic computer training, TPDS application software training and training of top and middle management. At the State and district level five officials, at block level three officials and at godown level two officials were to be trained at the rate of ₹ 2,500 at each level for 5 days. Under the training head GoI sanctioned ₹ 1.17 crore against which an expenditure of ₹ 17.29 lakh was incurred.

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[14] Allahabad, Chitrakoot, Ghaziabad, Kanpur Nagar, Lucknow and Varanasi.

No training plans and details of training imparted at the State level was furnished to audit. In test-checked districts against the allotment of ₹ 12.07 lakh an expenditure of ₹ 2.21 lakh was incurred in two districts (Mirzapur and Ghaziabad). However, in Mirzapur district the entire expenditure of ₹1.57 lakh was diverted to purchase of computer hardware. Thus, no efforts were made by GoUP to ensure training of the staff.

In reply Government stated that from time to time training was provided to the officials on software operation through demos. The reply was not acceptable as no training plans were formulated and expenditure on training head was only 15 *per cent* of the amount sanctioned under training head by GoI during the period 2013-16.

Recommendation: Government should plan capacity building for the departmental staff to make them acquainted to the computerised system.

2.2.11 Monitoring

2.2.11.1 IT assets not maintained

As per the MoU signed (May 2013) between GoI and GoUP, an audited statement in the form of a register for permanent and semi-permanent assets acquired solely or mainly for the scheme was to be maintained. The assets acquired were not to be utilised for purposes other than those for which sanctioned. However, no such asset register was maintained at the Department level or in the test-checked districts. It was noticed, in test-checked districts, that neither proper stock registers were maintained nor assets physically verified annually. Absence of these checks and regular monitoring of the same exposed the assets to the risk of misuse/pilferage.

In reply Government stated that districts have been directed in this regard.

2.2.11.2 Standardisation Testing and Quality Certification audit

As per the scheme guidelines Standardisation Testing and Quality Certification (STQC) audit was to be undertaken by the State to ensure that the application software for TPDS is error free, meets State specific needs and able to operate with higher level of transactions.

STQC audit comprised of review of system, software documentation, software artifacts/work products, software testing and evaluation. Apart from STQC audit, security audit of TPDS application modules was to be ensured by the Department to plug in application security vulnerabilities, weaknesses and concerns related to authentications, authorisation, session management, input/output validation, processing errors, information leakage, denial of service etc.

However, neither STQC audit was conducted nor security audit of the system was ensured prior to operationalisation of the application software. Thus, system was at risk in absence of STQC audit and security audit.

In reply Government stated that web security audit of application software from empaneled vendors of CERT-IN was being carried out from time to time. The reply was not acceptable as no documentation in support was provided to audit.

Recommendation: Government should ensure Standardisation Testing and Quality Certificate audit of the system.

2.2.11.3   Joint physical inspection of IT infrastructure

During the course of joint physical inspection conducted by audit in April 2016 to June 2016 at DSO Mirzapur it was observed that 12 printers were lying packed while from DSO Chitrakoot two desktops with one printer was transferred (July 2015) to District Election Officer, Chitrakoot. All five computers with UPS and three printers, allotted to DSO Lucknow, were installed at Divisional Commissioner, F&CS office, Lucknow. Proper cabling for networking and earthing was not done in any of the test-checked districts.

Out of 12 test-checked blocks, hardware infrastructure in five blocks was installed at the district supply office. Printer was not in use in Varanasi rural block. Each godown was issued with a laptop and a printer but they were not found in six out of nine test-checked godowns. As such hardware infrastructure provided at all levels was not being effectively used. Further, asset register and complaint register were not maintained in any of the test-checked districts. This indicated lack of monitoring by SPMU and the district authorities.

In reply Government stated that information was being sought from districts.

2.2.11.4   Preparation of monitoring reports

States were required to report the status of various activities/ sub-component on fortnightly basis to GoI. DoF&PD was to review the progress of the State regularly and at least once in a fortnight through visits, video-conferencing and meetings. However, neither at the Departmental level nor at the district level, separate records/minutes of the meetings conducted to monitor the progress of the scheme were maintained. No fortnightly progress reports were made available to audit. Further, districts were required to submit ration card print verification report (32 point report) to State headquarters prior to printing of the ration cards duly approved by District Magistrate. However, in none of the test-checked districts, the report was made available to audit.

In reply Government stated that various daily progress reports were prepared with the help of State NIC. The reply was not acceptable as no fortnightly reports were being prepared and sent to GoI.

2.2.12   Conclusion

End-to-End computerisation of the TPDS operations aimed to address various challenges of the existing system such as leakages and diversion of foodgrains in the TPDS supply-chain, fake and bogus ration cards, inclusion and

exclusion errors, lack of transparency, weak grievance redressal and social audit mechanisms. Timely implementation of the project was to be ensured by GoUP. An expenditure of ₹ 54 crore was incurred on the project by GoUP for application development, purchase of hardware, data digitisation activity as on March 2016. However, project planning suffered from delays and deficiencies due to delayed signing of the MoU with GoI and late constitution of SPMU. Timeline set for completion were not achieved due to key activities not being executed by SPMU and inconsistent implementation strategy. Application software developed by State NIC failed to address the entire spectrum of the TPDS operations as manual intervention still existed in the system. The objective of eliminating fake/ bogus cards from the system for better targeting of subsidy through cross verification with other databases and capturing of beneficiary bank account number and Aadhaar number to eliminate all bogus beneficiaries and those claiming benefits more than once was not achieved. Computerisation of supply chain management was not fully functional as system generated allocation orders based on the beneficiary database count was not achieved. Details of actual off-take of food grains FPS wise were not available on the portal. No effective training plans were formulated for imparting training to the personnel engaged for carrying out day to day operations. The system was at risk in absence of system certification and security audit of TPDS application modules.