

EXECUTIVE SUMMARY

The Right of Children to Free and Compulsory Education Act or Right to Education Act (RTE) 2009 (Act), became operational with effect from 1 April 2010 to make elementary education a fundamental right of all children. Section 3(1) of the RTE Act provides that every child of the age group of 6-14 years shall have a right to free and compulsory education in a neighborhood school till completion of Elementary Education. The RTE Act provides for constitutionally created independent bodies like the National and State Commissions for Protection of Child Rights. These bodies, with quasi-judicial powers bring in a new element of monitoring to the implementation of Act.

Why did we take up this Audit?

The current audit was taken up to examine the extent to which the Government of India and the State Governments complied to the provisions in the Act and the funds allocated are being utilized in an economic, and efficient manner.

What did we find?

The important findings of the performance audit are narrated below:

Financial Management

State proposals for budget allocation under SSA were consistently higher and were curtailed by the Project Approval Board (PAB) due to non-preparation of the same as per the norms of SSA. Government of India (GoI) budget provisions were not based on the PAB's approved outlay as the time schedule for approval of outlays by PAB are not in alignment with the schedule of budget exercise of GoI. As per the Utilization Certificates of Ministry of Human Resource Development (MHRD), the unspent balances at the end of the year did not match with the opening balance of the succeeding years during 2010-16.

(Para 2.3)

Non adherence to the expenditure norms stipulated by Ministry of Finance for release of funds under 13th Finance Commission resulted in short release of funds to the tune of ₹ 1,909 crore to 15 states.

(Para 2.4)

Retention of huge balances by the State Government, year after year at the close of each financial year was indicative of poor internal control. Unutilized grants

at the close of each year ranged between ₹ 12,259.46 crore to ₹ 17,281.66 crore in 35 States/UTs.

(Para 2.5)

Huge outstanding advances by the State Implementing Societies amounting to ₹ 10984.85 crore, ₹ 15053.63 crore and ₹ 4474.79 crore were pending adjustment at the end of 2013-14, 2014-15 and 2015-16 respectively.

(Para 2.6)

There was short utilisation of Research, Evaluation, Monitoring and Supervision (REMS) funds by nine states ranging from 9 to 65 *per cent*. Moreover, short utilization of funds pertaining to Learning Enhancement Program and Community Mobilisation in various states was also noticed.

(Paras 2.11)

Time limit prescribed by SSA's Manual on Financial Management & Procurement for certification of accounts of the State Implementing Societies was not adhered to by the Chartered Accountants.

(Para 2.13)

Compliance of RTE Act, 2009

The Right of Children to Free and Compulsory Education Act, 2009 came into effect in whole of India except state of Jammu & Kashmir w.e.f. 1 April 2010 after more than seven years of the constitutional amendment (December 2002) under Article 21-A which provides for right to free and compulsory education to all children in the age group of six-fourteen years.

(Para 3.1)

Regular household surveys by local authorities were not conducted in 21 States/UTs to maintain/update record of children from their birth till they attain age of 14 years.

(Para 3.2)

Data captured under Unified District Information System for Education (UDISE) for determining important performance indicators such as Enrolment, Retention, Dropout etc. was incomplete/ inaccurate.

(Para 3.4, 3.5 & 3.6)

Benefits such as transport, aids and appliances etc. as envisaged under the Act were not provided to all the eligible Children with Special Needs in five states.

(Para 3.8)

No pre-school education was being provided in five states even though the Act prescribed that appropriate Government may make necessary arrangement for providing free pre-school education for children in the age group of three to six years.

(Para 3.9)

Cases of excess/irregular reimbursement of per-child expenditure to unaided schools was noticed in four states. Unaided schools were functioning without recognition in five states. Penalty amounting to ₹ 15.29 crore levied on nine schools in Telangana state for charging of capitation fee was not collected.

(Para 3.10, 3.12, & 3.13)

Section 16 of the Act envisages that no child should be held back in any class or expelled from the school till the completion of elementary education. Children above the age of 14 years were retained in elementary classes in violation of the Act in 15 states.

(Para 3.11)

Cases of schools with adverse Pupil Teacher Ratio (PTR)/ surplus teachers/ single teachers were observed in 11 states, which affects the quality of education being imparted and the learning environment.

(Para 3.14)

In violation of Section 25 (2) read with Section 27 of the Act, teachers were deployed for non-educational purposes in nine states.

(Para 3.16)

Cases of irregular procurement of textbooks, uniforms, computers etc. were noticed in 12 States/ UTs.

(Para 3.17 & 3.20)

Though the Act has mandated provision for school infrastructure to be established within three years, i.e., by 31 March 2013, the same has not been established.

(Para 3.18)

Discrepancies between the UDISE and the data collected by the Audit during physical verification of test checked schools were noticed in 18 States/ UTs.

(Para 3.22)

Monitoring and Evaluation

The National Advisory Council which was entrusted with the responsibility of advising on the implementation of the Act largely remained ineffective and not in existence since November 2014.

(Para 4.2)

State Advisory Councils (SAC) to provide support in states were not formed in seven states/ UTs. 11 states/ UTs did not hold even one meeting of the SAC.

(Para 4.3)

School Management Committees (SMC) were not formed in three to 88 *per cent* schools test checked in Audit in 12 States/ UTs. It was noticed that even in cases where SMCs were formed, the same were formed with delays and there were shortfalls in meetings. Deficiencies were also noticed in preparation of School Development Plans.

(Para 4.4)

In 11 states, prescribed inspections were not carried out to ensure periodic supervision under the scheme by officers/ staff of respective Governments e.g. Block Level Officers/ Block Resource Centres/ Cluster Resource Centres etc.

(Para 4.5)

Delays in settlement of pending complaints at National Commission for Protection of Child Rights and non-setting up of helpline in 12 States Commissions for Protection of Child Rights were noticed.

(Para 4.6)

Non conduct of internal audit of the implementation of RTE scheme at Central level during 2010-11 to 2015-16 and shortcomings in conducting internal audit in seven states/ UTs were noticed.

(Para 4.8)

Recommendations:

Based on the audit findings, the following recommendations are made:

- i. The timelines for finalization of Annual Work Plan & Budget (AWP&B) may be reviewed to make it aligned to the budget formulation exercise in GoI and the States to effectively utilise inputs from AWP&B.
- ii. The Ministry may reconcile the unspent balances at the end of the year with the opening balance of the succeeding years.

- iii. Outstanding advances need to be reviewed regularly and adjusted by the implementing agencies
- iv. Empanelled Chartered Accountants (CAs) & State Implementing Societies (SISs) may strictly follow Financial Management & Procurement (FM&P) Manual and adhere to time schedule.
- v. The State Government may conduct household survey for identification of eligible children in the State to ensure provision of compulsory education to the all eligible children.
- vi. Specific steps may be taken to ensure enrolment of all eligible children to eliminate dropout rate in line with the objective of the Act.
- vii. The appropriate Government may re-evaluate requirement of teachers in the schools and develop a roadmap for deployment of teachers with a view to minimize the possibility of shortage/excess of teachers, as providing relevant and useful education to children is dependent on the availability of teachers.
- viii. The appropriate Government may regularly review supply and distribution of free text books.
- ix. The procurement of text books and uniforms may be further streamlined to ensure proper accounting of receipts and distribution to targeted schools/students.
- x. The infrastructure requirements, as per the RTE roadmap, may be immediately provided.
- xi. National Advisory Council needs to be reconstituted.
- xii. The State Governments may ensure that School Management Committees (SMCs) are constituted in all schools, School Development Plans are prepared by all SMCs and prescribed number of SMC meetings are held for improving the management and monitoring of the scheme.
- xiii. Monitoring mechanism needs to be strengthened and necessary periodical inspections may be conducted by Block Resource Centres and Cluster Resource Centres.
- xiv. Chief Controller of Accounts may ensure that internal audit of the scheme at Central level should be conducted regularly.

