

OVERVIEW

This Report of the Comptroller and Auditor General of India on General and Social Sector for the year ending 31 March 2016 includes one Performance Audit (*'Right of Children to Free and Compulsory Education Act, 2009'*), one IT Audit (*'End-to-End Computerisation of Targeted Public Distribution System Operations'*), three audits (on *'Implementation of Food Safety and Standards Act, 2006'*, *'Modernisation of Judicial Infrastructure-Lower Courts'* and *'Equipment Management in Medical Colleges of Uttar Pradesh'*) and 26 draft paragraphs dealing with the results of performance audit of selected programmes and departments as well as audit of the financial transactions of the Government departments/ autonomous bodies, societies, etc. A summary of the important audit findings is given below.

Performance Audits

Performance audits were undertaken to ensure whether the Government programmes had achieved the desired objectives at the minimum cost and the intended benefits had accrued to the targeted beneficiaries.

Right of Children to Free and Compulsory Education Act, 2009

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 the implementation of the Act. An expenditure of ₹ 47,403.24 crore was incurred on implementation of RTE Act through SSA during 2010-16.

Important findings of the performance audit are given below:

Schools for eligible habitations

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.

(Paragraph 2.1.8.1)

Admission for children from poor/disadvantaged sections/SCs/STs/MCs

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.

(Paragraph 2.1.9.2)

Enrolment of Children

Comparison of District Information System for Education (DISE) data with House Hold Survey 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 comparison to total drop out of children from schools, dropout 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. 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.

(Paragraph 2.1.8.2)

Infrastructure for schools

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.

(Paragraph 2.1.8.3)

GIS mapping of schools

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

(Paragraph 2.1.8.3)

Distribution of Books and Uniform for children

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.

(Paragraph 2.1.8.2)

Children with Special Needs

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

(Paragraph 2.1.9.2)

Qualification of teachers

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.

(Paragraph 2.1.8.4)

Fund management

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.

(Paragraph 2.1.7.3)

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)

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

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 had 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.

(Paragraph 2.2.11)

Significant observations of Compliance Audit

Audit observed significant deficiencies in critical areas which impact the effectiveness of the State Government. Audit of financial transactions, test-checked in some departments of the Government and their field functionaries showed instances of not complying with rules and regulations, expenditure without adequate justification and failure of oversight and administrative control. The major audit observations are discussed below:

Implementation of Food Safety and Standards Act, 2006

To ensure availability of safe and wholesome food for human consumption, the Government of India (GoI) enacted (August 2006) *Food Safety and Standards (FSS) Act, 2006 (Act)* and framed (May 2011) Rules and Regulations which were made effective from 5th August 2011 to the whole of India. The Government of Uttar Pradesh also implemented the FSS Act from 5th August 2011 and appointed the Commissioner Food Safety and Drug Administration for overall implementation of the provisions of the FSS Act 2006. Important audit findings are as follows;

Survey for identification of Food Business Operators (FBOs) was not carried-out by the DOs to assess actual number of FBOs running their business in the districts during 2011-16.

(Paragraph 3.1.3.1)

Audit examined 1,250 cases of samples collected by DOs/FSOs from the FBOs for analysis and found that 335 (27 *per cent*) FBOs were operating their business without valid license/registration certificates. No information was available in respect of 844 FBOs (68 *per cent*) regarding their registration/license with DOs.

(Paragraph 3.1.3.4)

The Department did not fix any criteria/norm/periodicity for collection of samples from FBOs and, therefore, system for selection of samples was not transparent and did not provide adequate assurance.

(Paragraph 3.1.4.2)

Sixty three *per cent* sanctioned posts of senior Food Analyst and 78 *per cent* sanctioned posts of Lab technicians were vacant during the period 2011-16.

(Paragraph 3.1.5.2)

Due to tenders not being finalised, ₹ 20.20 crore (58 *per cent*) of funds allotted under capital outlay for up-gradation of labs, purchases of machineries, etc., were

surrendered despite insufficient infrastructure in the test-checked districts and state laboratories during 2012-16.

(Paragraph 3.1.5.4)

Five out of the six State laboratories were functioning without recognition of National Accreditation Board for Testing and Calibration Laboratories (NABL) and having large shortage of essential equipment and, therefore, not able to conduct all the prescribed tests of food articles.

(Paragraph 3.1.6.1)

Penalty amounting to ₹ 15.70 crore imposed by the Adjudicating Officers on the defaulting FBOs remained unrecovered during 2011-16 due to inaction by the department. This not only extended undue favour to FBOs but also resulted in loss of revenue to the Government.

(Paragraph 3.1.7.2)

Modernisation of Judicial Infrastructure in Lower Courts

A Centrally Sponsored Scheme (CSS) for the development of infrastructure facilities for the judiciary was started by the Government of India (GoI) in 1993-94. An expenditure of ₹ 827.50 crore was incurred by the Government on construction of court rooms and residential accommodations for judicial officers during 2011-16.

Major deficiencies noticed in the audit are as below:

The State Government could not utilise 33 *per cent* (₹ 401 crore) of budget allocations for construction of Court rooms and residential buildings for judicial officers during 2011-16.

(Paragraph 3.2.2.2)

Against the targets projected by the Government, construction of only 37 *per cent* Court rooms and 28 *per cent* residences could be completed as of March 2016. Inadequate survey, delayed approval of maps and slow progress of execution of works were main reasons for delay in construction of court rooms and residential buildings.

(Paragraph 3.2.3.1)

Government awarded 43 works costing ₹ 234.83 crore to different Public Sector Undertakings (PSUs) on nomination basis. These works were awarded without inviting tenders and without execution of agreements/ memorandum of understanding (MoUs) in the sampled districts and, therefore, accountability of these executing agencies could not be ensured.

(Paragraph 3.2.3.5)

Out of 468 thin client machine sets supplied in four sampled districts under e-court scheme, 208 sets (44 *per cent*) amounting to ₹ 27.87 lakh were lying idle without utilisation for more than five years.

(Paragraph 3.2.4.1)

Equipment Management in Medical Colleges of Uttar Pradesh

Government Medical Colleges (GMCs) did not procure clinical and teaching equipment though adequate funds were provided by the Government, resulting in shortages of equipment.

(Paragraph 3.3.2.1)

The GMCs failed to provide adequate treatment to cancer/heart patients as equipment such as Cobalt Teletherapy, Brachytherapy unit, Left Ventricular Assist Device, etc. were not being operated in hospitals due to lack of doctors/technical personnel/infrastructure. The GMCs did not execute Annual Maintenance Contract for equipment. As a result, the machines were not functional and tests for cervix cancer, foetal monitoring, prenatal diagnosis, bio-chemical and hormonal tests etc. could not be conducted.

(Paragraphs 3.3.3.3 & 3.3.3.4)

GMCs violated the provisions of General Financial Rules while procuring equipment by extending undue favour to suppliers and purchasing equipment at a higher rate.

(Paragraph 3.3.3.5)

Financial management of the GMCs was not adequate as there were instances of retention funds for long periods in Personal Ledger Account, diversion of funds, etc. This not only violated the provisions of financial rules but also deprived the patients of adequate health care as essential equipment were not procured in time.

(Paragraphs 3.3.2.1 & 3.3.2.2)

Transaction Audit Paragraphs

Failure to realise royalty on water supplied to four thermal power stations in Sonbhadra district led to loss of ₹ 444.82 crore to the Government.

(Paragraph 3.10)

Excess payment of ₹ 6.89 crore was made to a contractor by Madhya Ganga Canal Construction Division-5, Bijnor in violation of the conditions of the contract.

(Paragraph 3.12)

Irregular expenditure of ₹ 3.13 crore was incurred on the construction (₹ 2.69 crore) and energisation (₹ 0.44 crore) of 22 tube wells in five over-exploited blocks and six tube wells in two critical blocks in districts of Aligarh, Etah, Firozabad, Hathras, and Kasganj in contravention of the Government order.

(Paragraph 3.13)

Avoidable expenditure of ₹ 15.06 crore was incurred on organising functions to handover cheques valuing ₹ 20.58 crore to beneficiaries of *Berojgari Bhatta* (Unemployment allowance) *Yojna* in 69 districts though the unemployment allowance was to be credited to the beneficiaries bank accounts directly.

(Paragraph 3.16)

Due to lack of required technical manpower and not procuring the required chemicals in State Drug Testing Laboratory, Lucknow, an expenditure of ₹ 1.78 crore incurred on strengthening of the laboratory remained unfruitful as no drug samples could be tested in the lab during last six years.

(Paragraph 3.17)

The Government incurred loss of ₹ 1.04 crore due to execution of contracts at higher rate by the Executive Engineer, Minor Irrigation Division, Hamirpur by rejecting lower bids for construction of 26 check dams.

(Paragraph 3.19)

Unauthorised payment of ₹ 2.35 crore was made to contractors by Provincial Divisions Mau and Varanasi for excess use of bitumen content in laying of Dense Graded Bitumen Macadam (DBM) layer for strengthening of the road, in violation of IRC norms and Engineer-in-Chief's orders.

(Paragraph 3.22)

In violation of Departmental orders, two Public Works Divisions of Jhansi district overlaid 150 mm of Granular Sub Base (GSB) as drainage layer in construction of 71 km road resulting in avoidable expenditure of ₹ 12.72 crore.

(Paragraph 3.24)

Failure of the Social Welfare Department to make the hostel functional at University campus, Agra and construction of hostel building at Bjinore in remote area and not posting of required staff, resulted in expenditure of ₹ 1.74 crore being rendered unfruitful, as both hostels remained unoccupied by SC girls for last 11 and six years respectively.

(Paragraph 3.27)