

FINANCIAL INFORMATION

*(This volume corresponds to the document at Sl. No. 3, 4 & 5
of T.o.R. of the S.S.A Mission)*

This volume contains:

1. Report on concurrent Financial Review by IPAI
 - (a) Chhattisgarh
 - (b) Maharashtra
2. FMRs (September, 2007)
3. Status of Audit Reports 2006-07 and compliance reports of audit State-wise for 2005-06

7th Joint Review Mission of S.S.A
and
26th Joint Review Mission of D.P.E.P
(January - February, 2008)

REPORT

ON

**MONITORING OF THE
FINANCIAL MANAGEMENT AND
PROCUREMENT RELATING TO
SARVA SHIKSHA ABHIYAN
IN CHHATTISGARH**

SPONSORED BY

**MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPTT. OF ELEMENTARY EDUCATION & LITERACY)
GOVERNMENT OF INDIA**

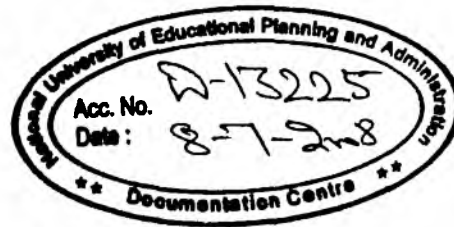
**INSTITUTE OF PUBLIC AUDITORS OF INDIA
NEW DELHI**

JUNE 2007

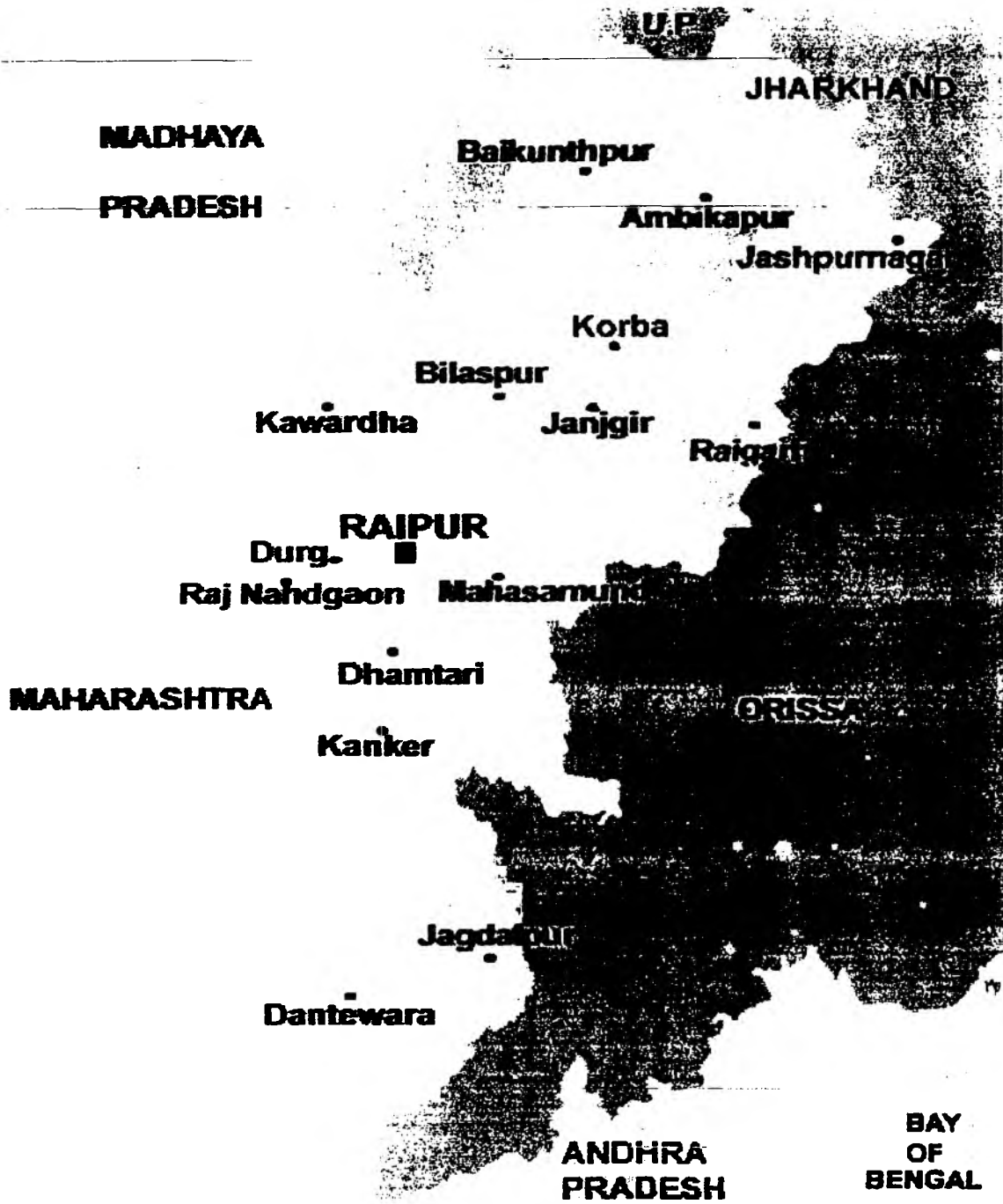
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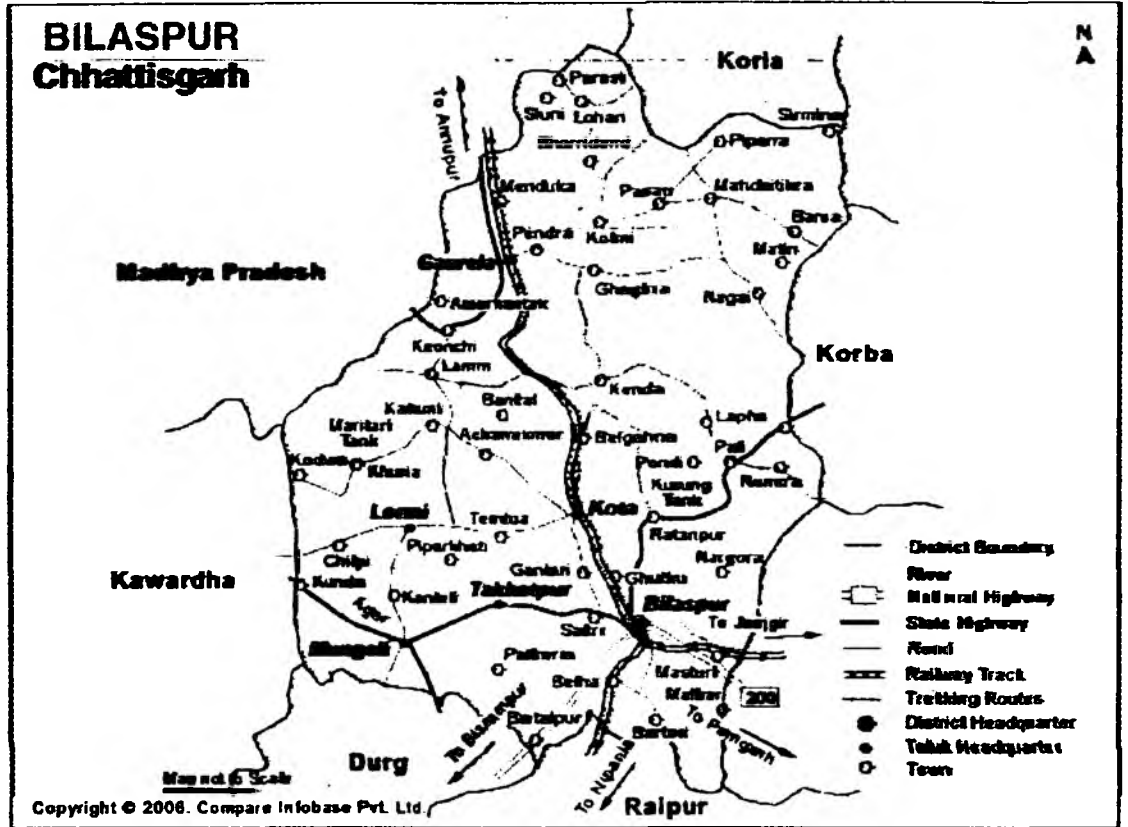
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MAP OF CHHATTISGARH



MAP OF BILASPUR



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3. Shri N.K. Dwivedi District Project Coordinator, RGSM, Bilaspur
4. Shri S.N. Panda District Project Coordinator, RGSM, Ambikapur

ABBREVIATIONS

AIE	Alternative and Innovation Education
AWP&B	Annual Work Plan & Budget
BRC	Block Resource Centre
CRC	Cluster Resource Centre
CR	Completion Report
CWSN	Child with Special Needs
DEEP	District Elementary Education Plan
DIET	District Institute of Education and Training
DPO	District Project Office
EC	Executive Committee
ECCE	Early Childhood Care and Education
EGS	Education Guarantee Scheme
GP	Gram Panchayat
HHS	House Hold Survey
ICDS	Integrated Child Development Scheme
IED	Integrated Education for Disabled
JVS	Janbhagidari and Vikas Samittee
KGBV	Kasturba Gandhi Balika Vidyalaya
MS	Mahila Samakhya
MSS	Mahila Samakhya Society
MTA	Mother-Teacher Association
NCERT	National Council of Educational Research and Training
NGO	Non-Government Organisation
NPEGEL	National Programme for Education for Girls at Elementary Level
PS	Primary School
PTA	Parent Teacher Association
PTR	Pupil Teacher Ratio
SCERT	State Council of Education Research and Training
SDMC	School Development Management Committee

SIEMAT	State Institute of Education Management & Training
SIS	State Implementation Society
SMC	School Management Committee
SC/ST	Scheduled Caste/Scheduled Tribe
TBC	Text Book Corporation
TLE	Teaching Learning Equipment
TLM	Teaching Learning Material
UC	Utilization Certificate
UPS	Upper Primary School
VEC	Village Education Committee

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HIGHLIGHTS

- General Body and Executive Meetings were not held periodically as prescribed.
- As against the approved AWP&B for Civil Works in 2003-04, 2004-05 and 2005-06, the actual expenditure was much lower and expenditure booked in Annual Accounts was still lower than expenditure intimated.
- In 2004-05, DPO Bilaspur and Ambikapur diverted the funds received (Rs.99.79 lakh and Rs.658.40 lakh respectively) for SSA Scheme to NPEGEL Scheme.
- Huge advances are pending adjustment for the last three years. Advances outstanding amounted to Rs.43,521.94 lakh, Rs.3763.31 lakh and Rs.5331.63 lakh in respect of SPO, DPOs, Bilaspur and Ambikapur.
- Assets of DPEP are being used by SSA without being accounted for in SSA Annual Accounts.
- Chartered Accountants were engaged for preparation of utilization certificates at school level and fees has been paid from school grant, which amounted to Rs.180.00 lakh.
- Booking of completed works in Annual Accounts for State Project office, DPO, Bilaspur and DPO, Ambikapur was Rs.9389.23 lakh, Rs.269.16 lakh and NIL as compared to value of works (Rs.25,772.49 lakh, Rs.2,236.28 lakh and Rs.2,768.81 lakh) completed.
- DPO, Ambikapur obtained bankers cheques for Rs.14.94 lakh on 31.03.2005, which could be used in May 2006 for payment of doubtful supply.
- Purchase of materials worth Rs.20.72 lakh through other departments by DPO, Ambikapur.
- DPO, Ambikapur made purchases worth Rs.39 lakh of cycles, cameras and other items not required under NPEGEL scheme.

- DPO, Ambikapur and DPO, Bilaspur procured IED Appliances valuing Rs.19.88 lakh and Rs.40.11 lakh, which were in excess of requirement.
- DPO, Ambikapur obtained bankers cheques for Rs.227.18 lakh on last day of 2004-05 and also for Rs.134.30 lakh on the last day of 2005-06 so as to reduce cash balance at the end of financial year and to use the bankers cheques in next financial year.
- Library books at school, CRC and BRC level has been obtained by diverting funds of TLE, School grant and TLM.
- Library Books procured by DPO, Janjgir Champa worth Rs.21.35 lakh were destroyed by fire due to non-availability of basic safety measures.
- Supply of free text books to children were not being monitored either by the supplying agency or by the department.
- Free distribution of "Balmitra" and "Bachpan" Patrika from SSA fund costing Rs.536.06 lakh are not covered under free text book distribution scheme.
- Charging of fees by UPS/ PS from the student in respect of certain facilities against the orders of Government and provision of free education for all.
- Infrastructural facilities like seating arrangement, drinking water, toilets, etc. were not provided in most of the schools in the State.
- Number of schools are being run without teacher/ with single teacher/ untrained teacher.
- Children with special needs (handicapped) were not properly identified, enrolled, provided aids and appliances and support services and non-opening of learning/ teaching centres.

CHAPTER-1

1.1 INTRODUCTION

Sarva Shiksha Abhiyan (SSA) was launched in 2000-01 (16th November 2000) across the country as a Centrally Sponsored Scheme with the primary objective of universalisation of elementary education through provision of community-owned school system. The SSA is designed to assume within itself all other major governmental educational interventions. Existing schemes of Elementary Education of the Department (excepting Mahila Samakhya), National Bal Bhawan and National Council of Teacher Education (NCTE) are to be converged after IX Five Year Plan. The National Programme for Nutritional Support to Primary Education (Mid-Day Meal) will remain a distinct intervention.

1.2 OBJECTIVES

The SSA is to provide useful and relevant elementary education to all children in the 6-14 age group by 2010. Other objectives of the SSA are to:

- Encompass all children in school, Education Guarantee Centre, Alternative School, 'Back-to-School' camp by 2003.
- Enable all children to complete five years of primary schooling by 2007.
- Enable all children to complete eight years of elementary schooling by 2010.
- Bridge all gender and social category gaps at primary stage by 2007.
- Achieve universal retention by 2010.

1.3 TERMS OF REFERENCE FOR STUDY

Government of India, Ministry of Human Resource Development (Department of Elementary Education and Literacy) New Delhi vide letter No. F.15/4/2004-SSA(PR) dated 25th August 2006 assigned the Institute of Public Auditors of India, New Delhi, the study of financial management and procurement relating to Sarva Shiksha Abhiyan which inter-alia included:

- (a) Its financial aspect and such operational aspects as had linkages with financial aspects.
- (b) Financial management, fund flow and auditing arrangements.

- (c) Monitoring and utilization of funds released to the State Societies and financing of various activities at the State, District and School levels during 2003-04 to 2005-06.
- (d) Accounting of funds and maintenance of records.
- (e) Timely release of State share by the State Government and maintenance of expenditure level by the State Government.

1.4 PROFILE OF THE INSTITUTE OF PUBLIC AUDITORS OF INDIA

The Institute of Public Auditors of India (IPAI) is a registered society of professionals. Its main aim and objectives are to:

- Promote education in the disciplines of auditing, finance, accounting in public bodies;
- Suggest ways for effective accounting and auditing in the Central and State Government, Public Enterprises, Public Institutions, Government aided voluntary organizations, local bodies and authorities;
- Undertake and conduct studies, workshops, consultancy and research in these disciplines;
- Organize, finance and maintain schemes for studies and for conduct of professional examinations for the grant of diplomas, certificates and awards in these disciplines;
- Promote, plan and assist actively with the Government offices and its agencies for development of sound accounting system of accounting, auditing and financial accountability of Panchayat Raj Institutions (PRIs), Municipalities; and
- Promote the highest standards of professional competence and practices in disciplines of auditing, accounting and public finance.

The Comptroller and Auditor General of India is the Patron of the Institute.

1.5 METHODOLOGY OF STUDY

The study was conducted at State Project Office (SPO) Raipur, two District Project Offices (DPO) at Bilaspur and Ambikapur (Sarguja) selected in consultation with the SPO and based on other criteria like number of beneficiaries of SC/ ST/ BC and Minority community, five Block Resource Centres (BRC), six Cluster Resource Centres (CRC), 63 schools/ KGBVs (37 schools in Bilaspur District, 23 schools at Ambikapur and 3 KGBVs) as detailed in *Annexure-I*. The study is based on scrutiny

of basic records maintained by SPO, DPO, DIET, BRC's, Schools and interviews based on structured questionnaires with Gram Pradhans (Chairman of Village Education Committees), Head Masters, Teachers, Parents and Students.

1.6 The Institute of Public Auditors of India is an independent organization registered under the Societies Registration Act, 1860 (as applicable to NCR of Delhi) and is engaged in professional work relating to accounts and audit. This report has been prepared in accordance with the mandate given and information provided by the client organization and within the overall policy framework of reporting laid down by the Central Council of the Institute.

CHAPTER-2

ORGANISATIOINAL SET UP

2.1 INTRODUCTION

The new State of Chhattisgarh was formed in November 2000 on the eastern side of Madhya Pradesh. It has a largely traditional agricultural sector with industrial sector less developed. The new State had to face the challenges of building a new Government structure and Government set up, re-organise the Departments, revamp administration, etc. Despite the difficult conditions, the Government of Chhattisgarh has shown a commitment to education with special mission to spread elementary education during the last four years.

2.2 PROFILE OF CHHATTISGARH

Chhattisgarh State touches six other States viz. Uttar Pradesh in the North, Jharkhand in the North East, Orissa in the East, Andhra Pradesh in the South-East, Maharashtra in the South-West and Madhya Pradesh in the West and North-West.

The demographic profile of Chhattisgarh is given below:

Area in Sq. Km.	1,36,361
No. of Districts	16
No. of Tehsils	98
No. of Blocks	146
No. of Villages	20,288
No. of Habitations	39,683
Population as per 2001 census	2,09,58,467
Male	1,05,36,887
Female	1,04,21,580
Density of Population	154/ Sq. Km.

2.3 EDUCATIONAL PROFILE

The educational profile of Chhattisgarh, Bilaspur district and Ambikapur district (selected for detailed study) are tabulated below:

(Figures in Numbers)

Particulars	Chhattisgarh State	Bilaspur District	Ambikapur District
Government Primary School	30,441	2,521	3,922
Government Upper Primary School	10,948	1,044	1,076
Children in 6 to 14 age group			
Boys	21,98,156	2,30,249	1,93,501
Girls	20,40,202	2,08,634	1,70,883
Total	42,38,358	4,38,883	3,64,384
Enrolled in class 1 to 8			
Boys	22,31,008	2,39,297	1,86,823
Girls	20,40,757	2,08,587	1,62,730
Total	42,71,765	4,47,884	3,49,553
Drop out			
Boys	50,929	633	3,159
Girls	53,482	766	3,917
Total	1,04,411	1,399	7,076
Never enrolled			
Boys	1,05,173	560	98,581
Girls	93,984	662	85,675
Total	1,99,157	1,222	1,84,256

From the above it would be seen that the never enrolled children in Ambikapur District is more (92.5 per cent) as compared to all districts of the State.

2.4 ORGANISATIONAL SET UP

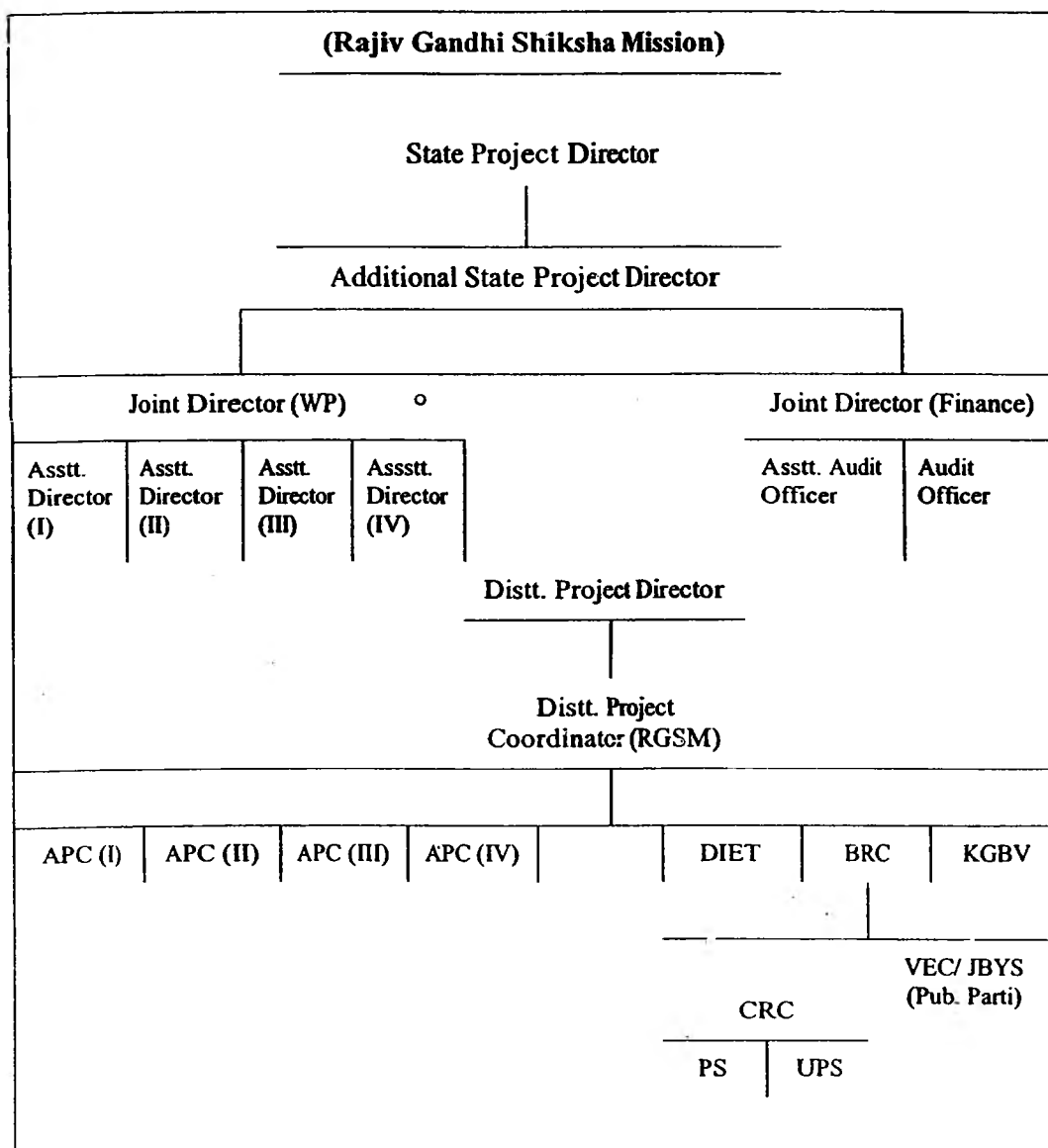
2.4.1 The Rajiv Gandhi Shiksha Mission, Chhattisgarh was established on 19th March 2001 under the Societies Registration Act, 1860. It was initially set up as a Mission for primary education in the old combined State of Madhya Pradesh and was entrusted with the responsibility of developing, coordinating and implementing programmes for Universal Elementary Education (UEE). All programmes supported by additional sources were placed with the Mission. The Mission thus is engaged in implementation of SSA with an over all State-wide perspective of UEE.

The Mission has a General body with Chief Minister as chairman, Minister of School Education, Minister of SC/ ST, Backward Classes Welfare as Vice-Chairman and the Mission Director as the Member, Secretary and has 53 members in all.

2.4.2 The Executive Committee of the Mission consists of the following:

- Chairman-Chief Secretary
- Members: Principal Secretary, School Education
- Mission Director
- Three Representative of Government of India
- 14 Officers of other Departments of State Government

2.4.3 Organisational Chart of the Mission is as detailed below:



2.5 MEETINGS

As per Rules, the General Body is to meet once a year. Since the formation of the Mission only two meetings were held (on 16th June 2005 and 22nd September 2006). The Executive Committee is also required to meet every three months. However, since the formation of the Mission, only 5 meetings (20th June 2001, 11th April 2002, 7th February 2003, 19th November 2003 and 19th August 2004) were held upto 31st March 2001 since the formation of the Mission.

2.6 STATE MISSION

The State Mission office is headed by a Mission Director assisted by an Additional Mission Director, One Finance Controller, One Executive Engineer, One District Project Director in every district besides One Joint Director and four Assistant Directors.

CHAPTER-3

BUDGET AND ACTUALS

3.1 The status of preparation and approval of Annual Work Plan and Budget (AWPB) for the years 2003-04, 2004-05 and 2005-06 was as under:-

	2003-04	2004-05	2005-06
Date of receipt of District AWP by SPO	April 2003	April 2004	March 2005
Date of its dispatch to GOI for approval	April 2003	April 2004	April 2005
Date of approval by the Project Approval Board	3rd Sept.2003	26 July 2004	8th August 2005
Amount approved (including spill over) (Rs. in lakh)	21,219.23	35,917.02	53,729.38
NPEGEL (Rs. in lakh)	-	3,479.83	1,338.71
Actual expenditure (Rs. in lakh)	7,559.21	29,425.46	41,463.54
Percentage of actual expenditure to approved amount	35.62	74.7	77.2

The percentage of actual expenditure against the approved amount in 2003-04 was only 35.6; it improved to 74.7 in 2004-05 and to 77.2 in 2005-06.

As per para 48.1 of MFM&P, the date for approval of AWP&B by the PAB is 15th April. However, AWP&B for all the three years were sent only in April and was approved by PAB after delay of 3/ 5 months.

3.2 The following observations are also made:

- (i) The amount approved in the AWP&B for civil works was Rs.8,062.98 lakh, Rs.14,182.08 lakh and Rs.18,278.62 lakh for the years 2003-04, 2004-05 and 2005-06 as against which actual expenditure was Rs.2,741.92 lakh, Rs.13,515.83 lakh and Rs.18,897.89 respectively. The expenditure booked under head 'Civil work' in the accounts for 2003-04, 2004-05 and 2005-06 was, however, Rs.673.83 lakh, Rs.3275.39 lakh Rs.6113.84 lakh, respectively. The difference of actual expenditure as reported and as incorporated in the Annual Accounts for those years was Rs.2068.09 lakh, Rs.10,240.44 lakh and Rs.12,784.05 lakh, respectively. As per para 73.1 of MFM&P for adjustment of advances released to executing agencies a certificate from the Supervising Engineers is to be submitted within 3 months of the completion of the work.

As the procedures have not been followed and certificate not received the amounts are lying under advances.

- (ii) There was difference in expenditure as reported through budget and actually booked in Income & Expenditure Accounts in respect of TLE, Maintenance grant, Teachers grant and School grants. Details of differences are shown below:

(Rupees in lakh)

As reported in Budget	2003-04	605.63	866.71	337.75	332.10
As per Accounts		519.10	646.60	351.81	533.28
Difference		86.53	220.11	(-) 14.06	(-) 201.18
As reported in Budget	2004-05	2287.63	1368.64	437.68	699.10
As per Accounts		1399.69	1191.36	333.60	652.90
Difference		887.94	177.28	104.08	46.20
As reported in Budget	2005-06	1812.05	1428.54	475.65	737.64
As per Accounts		150.02	660.62	213.87	359.92
Difference		1662.03	767.92	261.78	377.72

The differences in expenses as shown above was due to non-submission of utilisation certificates/ expenditure statements timely as prescribed under MFM&P.

- (iii) The expenditure on Free Text Books in 2003-04 as incorporated in Income & Expenditure was 'Nil', in 2004-05 and 2005-06, it was Rs.819.41 lakh and Rs.85.05 lakh whereas budget allocation was Rs.2612.95 lakh and Rs.4158.49 lakh, respectively; thus there was a difference of Rs.1793.54 lakh and Rs.4072.44 lakh, respectively. This is due to non-adoption of proper accounting procedure. In double entry method based on mercantile system value of books distributed by teachers to students must be reflected in the accounts but this is not being followed. The expenses of free text book is accounted for only after the receipt of UC from the supplier instead of collecting information from Users/ School by CRC, from CRC to BRC and from BRC to DPO.

The position of number of children and amount allocated for Free Text Book during 2003-04, 2004-05 and 2005-06 is shown below:

Year	No. of Children	Budget Allocation (Rs. Lakhs)	Expenditure per child (Rs.)
2003-04	27,44,826	2058.62	75.00
2004-05	26,12,951	2612.95	100.00
2005-06	28,14,553	4158.49	148.00
Total		8830.06	

From the above it would be seen that the expenses of text book per child was Rs.75.00 in 2003-04 which steadily increased to Rs.148.00 in 2005-06.

Further, the supply of text book was being made by SCERT till 2004-05 and thereafter by Text Book Corporation (TBC). The expenses booked as advances and expenditure in the Annual Account was as under:

Year	SCERT	TBC	Expenditure per child (Rs.)	Total Expenditure (Rs. Lakhs)
2003-04	40585	-	-	405.85
2004-05	1301.80	165.75	819.41	2286.96
2005-06	-	4149.99	86.05	4236.04
Total	1707.65	4315.74	905.46	6928.85

The following observations are made:

- During 2003-04 and 2004-05 text books worth Rs.405.85 lakh and Rs.2286.96 lakh were purchased which, however, could not meet the demand of all eligible children of Chhattisgarh eligible for free text books.
- Text books were distributed to children by the Schools, information regarding actual text books distributed by schools is not being collected to ascertain the extent of distribution of free text books.

From the above it would appear that the text books were not provided to all the eligible children in 2003-04 and 2004-05. Adjustment of advances for 2005-06 has also not been made.

3.3 BUDGET AND ACTUALS – BILASPUR DISTRICT

The table below indicates the allocation as per AWP&B and expenditure there against for the three years ending 2005-06.

(Rupees in lakh)

Year	Approved Allocation	Expenditure	Short Utilisation	Percentage of Shortfall
2003-04	1920.37	404.85	1515.52	78.9
2004-05	3256.25	2405.22	851.03	26.1
2005-06	4490.60	3464.34	1026.26	22.8
Total	9667.22	6274.41	3392.81	35.1

The shortfall in utilisation of funds during 2003-04 was Rs.1515.32 lakh, which was 78.9 per cent of approved allocation. The shortfall in 2004-05 and 2005-06 was Rs.851.03 lakh and Rs.1026.26 lakh, respectively. The short utilisation has effected the implementation of the SSA programme in the District.

It was also observed that there were differences in the figures of expenditure under two heads intimated by the DPO and that booked in the Annual Accounts vide details below:

(Rupees in lakh)

Intervention	Expenditure intimated by DPO for 2004-05 & 2005-06	Expenditure booked in Annual Accounts	Difference (Short Utilisation)	Percentage of difference to expenditure
Civil Works	2906.62	296.16	2610.46	89.82
Free Text Book	422.86	80.24	342.62	81.02

Reasons for non-booking of expenses in Annual Account was mainly due to non-adjustment of advances released for activities mentioned above.

The expenditure of BRC and CRC for 2004-05 as intimated by DFO was more than the approved allocation in the AWP&B as detailed below:

(Rupees in lakh)

Activity	Approved AWP&B	Expenditure as intimated by DFO	Excess expenditure
BRC	9.35	14.58	5.23
CRC	8.97	60.89	51.92

The table below indicates the funds received for implementation of SSA and NPEGEL scheme for the years 2003-04, 2004-05 and 2005-06.

(Rupees in lakh)

Year	Approved from SSA		Expenditure		Balance	
	SSA	NPEGEL	SSA	NPEGEL	SSA	NPEGEL
2003-04	74.02 (OB) 500.00 3.99	-	506.32	-	71.69	-
2004-05	71.69 (OB) 2585.02 4.51	115.00 0.17	2415.36	211.16	146.07	3.80
2005-06	146.07 (OB) 2950.00 5.26	3.80 198.50 0.17	2834.21	11.13	458.24	0.22
Total	6340.56	317.64	5755.89	222.29	676.00	4.02

It was seen that:

- (i) An amount of Rs.99.79 lakh from SSA scheme was diverted in 2004-05 to the NPEGEL scheme.
- (ii) In the year 2005-06, an amount of Rs.191.12 lakh was diverted from NPEGEL to SSA Scheme.

3.4 BUDGET AND ACTUALS – AMBIKAPUR DISTRICT

The table below indicates the allocation as per AWP&B and expenditure thereagainst for the three years ending 2005-06:

(Rupees in lakh)

Year	Approved AWP&B		Expenditure		Percentage of shortfall
	Approved	Actual	Approved	Actual	
2003-04	1505.56	442.21	1063.35	70.6	
2004-05	3726.45	1247.71	2478.74	66.5	
2005-06	5826.55	1123.65	4702.90	80.7	
Total	11058.56	2813.57	8244.99	74.5	

- (i) It may be seen that there was shortfall in utilisation of funds to the extent of Rs.1063.35 lakh, Rs.2478.74 lakh and Rs.4702.90 lakh during the year 2003-04, 2004-05 and 2005-06 shortfall being 70.6, 66.5 and 80.7 per cent respectively.
- (ii) As against approved AWP&B for civil works for above three years amounting to Rs.4373.62 lakh the expenditure booked in Annual Accounts of above years

was 'Nil'. This is mainly due to non-observing the procedure laid down in para 73.1 of MFM&P by Engineers posted in DPO.

- (iii) As against approved AWP&B for Free Text Book of Rs.814.74 lakh for the three years up to 2005-06 the expenditure booked in the Annual Accounts was Rs.79.51 lakh, thereby effecting the distribution of Free Text Book.
- (iv) The amount booked in the Annual Accounts school grant and teachers grant for 2003-04 and 2005-06 was more than approved in the AWP&B as detailed under:

(Rupees in lakh)

Year	Approved AWP&B	Amount booked in Accounts	Excess
2003-04	98.57	142.46	43.89
2005-06	147.90	182.20	34.30

The excess expenditure was mainly due to non-monitoring the expenses at the time of release of funds with budgeted allocation.

- (v) The expenses on maintenance grant for the year 2005-06 were Rs.174.24 lakh which was in excess by Rs.10.59 lakh than the approved AWP&B.
- (vi) The table below indicates the funds received for implementation of SSA and NPEGEL Scheme from the SPO, expenditure incurred and balance at the end of 2003-04, 2004-05 and 2005-06:

(Rupees in lakh)

Year	Amount received from SPO		Expenditure		Closing Balance	
	SSA	NPEGEL	SSA	NPEGEL	SSA	NPEGEL
2003-04	232.61 (OB) 650.00 0.42	-	633.13	-	249.90	-
2004-05	249.90 (OB) 3450.50 8.75 (Intt.)	128.50 0.14	2640.09	770.15	410.16	16.89
2005-06	410.16 (OB) 3450.00 7.14 (Intt.)	16.89 435.10 0.04	4014.04	71.55	228.42	5.69
Total	8458.98	581.03	7287.26	841.70	888.48	22.57

From the above it would be seen that as against the available fund of Rs.128.64 lakh for implementation of NPEGEL scheme in 2004-05, the actual expenditure was Rs.770.15 lakh, the excess expenditure was met by diverting an amount of Rs.658.40

lakh from SSA to NPEGEL. Even after adjusting net fund available to NPEGEL in 2005-06, an amount of Rs.283.24 lakh was still available at the end of 2005-06.

Out of total fund of Rs.3450.00 lakh received in 2004-05, an amount of Rs.1850.00 lakh was received in March 2005, which is 53.6 per cent of total fund received in 2004-05.

3.5 DIVERSION OF PLAN FUNDS FOR PURCHASING OF BOOKS

As per para 30.2 of MFM&P, library books for schools can also be provided from school grant. However, SPO Raipur decided to maintain library books at BRCs, CRCs and school levels and accordingly issued (October 2003) an order to all DPOs to purchase library books from list of suppliers enclosed in the order. It was further instructed that the payment is to be made out of funds allocated as school grants, TLE and TLM for each district and payment also is to be made at district level.

As per norms the purchase of library books from school grant was in order whereas purchase of said books from TLE and TLM was not in order. Thus the order of SPO was not in consonance with the procedure laid down in the manual, which resulted in diversion of huge plan funds of TLE and TLM approved under the AWP&B in the years 2003-04.

The details of purchase of library books costing Rs.188.19 lakh made by six districts are as under:

(Rupees in lakh)	
Ambikapur	52.70
Korba	23.06
Dantewada	26.37
Janjgir-Champa	21.35
Jagdalpur (Bastar)	31.65
Bilaspur	33.06
Total	188.19

3.6 DIVERSION OF FUNDS FROM SSA TO NPEGEL

(i) Bilaspur District

During the year 2004-05, the SPO, Raipur provided an amount of Rs.115.00 lakh for implementation of NPEGEL scheme in Bilaspur district against which expenditure of

Rs.99.79 was incurred by the DPO. The expenditure was incurred on implementation of NPEGEL scheme by diverting funds of SSA scheme.

(ii) Ambikapur District

During the year 2004-05, the SPO, Raipur provided an amount of Rs.128.50 lakh for implementation of NPEGEL scheme in Amibkapur District against which DPO, Ambikapur incurred expenditure of Rs.654.04 lakh, details are as under:

Particulars	Amount (Rs. in Lakhs)
From SPO	128.50
Add Interest	0.14
Total	128.64
Less: Balance of cash and Bank	
Cash balance (Rs.0.11) and Bank Balance (Rs.16.78)	16.89
The funds available for NPEGEL	111.75
Expenditure made under NPEGEL appearing as advance in Balance Sheet (Rs.747.72) and Expenditure shown in Income & Expenditure Account Rs.18.07	765.79
Excess expenditure under NPEGEL	654.04

The excess expenditure of Rs.654.04 lakh has been incurred by diverting of funds from SSA scheme.

As per provision of para 86.1 of Manual of FM&P funds of the society shall not be diverted or re-appropriated to meet any expenditure, which has not been sanctioned by the competent authority.

CHAPTER-4

FUND FLOW

4.1 FUNDING NORMS

Preparation of District Elementary Plans (Perspective as well as Annual Work Plans Budget) by each district, appraisal of plans, approval of plans and financial outlay by the Project Approval Board (PAB) precedes release of funds by the Government of India. The release of the funds approved are done in two installments every year viz. April and September, subject to fulfillment of, inter-alia, the following conditions:

- (a) written commitment by State Government regarding meeting its share of the SSA outlay.
- (b) state Government would release its matching contribution within 30 days of release of funds by the Government of India.
- (c) second installment would only be released by Government of India after previous installment of State Governments share had been transferred to the Mission and substantial progress has been made in expenditure as far as money already released is concerned and expenditure of at least 50 per cent of the funds (GOI and State) transferred has been incurred.

4.2 LEVEL OF INVESTMENT OF CHHATTISGARH GOVERNMENT

Chhattisgarh was formed in November 2000 and implemented the SSA Scheme from 2002-03 (the Annual Accounts of Mission was also prepared from 2002-03). Thus, a comparison of level of investment in 1999-2000 cannot be made. However, the level of investment from 2002-03 to 2005-06 is indicated in the table below:

(Rupees in lakh)

Year	Fund received from GOI	Matching share of State Govt.	Actual amount received from State Govt.	Short-fall (+) / Excess (-)
2002-03	2850.98	950.33	900.94	(-) 49.39
2003-04	7501.08	2500.36	2500.35	(-) 0.01
2004-05	19597.00	6532.33	6500.00	(-) 32.33
2005-06	27994.63	9331.54	10000.00	(+) 668.46

It would be seen that the State share for SSA investment has been less by Rs.49.39 lakh in 2002-03, Rs.0.01 lakh in 2003-04 and Rs.32.33 lakh in 2004-05. However, investment in 2005-06 was more by Rs.668.46 lakh.

4.3 RELEASE OF FUNDS

Both the Government of India and the State Government release the funds directly to SIS, which in turn release funds to the DPOs. The DPOs release funds to BRCs, CRCs, Schools, CEO/ JVSs or *Nirman Sammittees*.

The total funds released by the GOI and State Government since inception of SSA (2002-03) in Chhattisgarh is given below:

(Rupees in lakh)

Year	Approved amount	Central share	State share	Released by State	Released by GOI	Total released	Balance available	Percentage of expenditure to fund available
2002-03	7543.53	0.00	2850.98	900.94	3751.92	3751.92	2106.37	56.14
2003-04	21219.23	1653.55	7501.08	2500.35	10001.43	11654.98	7559.21	64.85
2004-05	35917.02	4927.97	19597.00	6500.00	26097.00	31024.97	29425.47	94.84
2005-06	53729.38	5253.11	27994.63	10000.00	37994.63	43247.74	41463.54	95.87
Total	118409.16	9834.63	57943.69	19901.32	77845.01	87679.64	80554.59	91.87

The percentage of expenditure to fund available had an increasing trend from year to year.

4.4 UTILISATION CERTIFICATE (UC)

In terms of Para 101-14 of MFM&P, the SPO was required to furnish either UC's or Statement of Expenditure (SOE) in prescribed format, duly authenticated by the Chartered Accountant, to the Government of India along with the annual statement of accounts. UC's were required to be furnished to the Government of India/ State Government within 9 months of the close of the financial year as per para 101.16 ibid. However, UC's for the entire period from 2002-03 to 2005-06 are due for

submission to Government of India, duly authenticated by CA, alongwith annual statement of accounts.

UCs or SOE are required to be submitted by the implementing units to its accounting office (DPOs) as proof of having utilized the funds received and for its booking in Accounts. However, no UCs/ SOE were produced for verification either at SPO, DPO or School levels.

- (i) It was observed in Ambikapur that an expenditure of Rs.467.50 (Rs.51.11 lakh on school grant, Rs.32.96 lakh on Teachers grant, Rs.112.95 lakh on maintenance grant and Rs.270.48 lakh on TLE) was booked in the Income & Expenditure Account for 2004-05 but UC/ SOE in support of these expenses were not produced for verification.
- (ii) In AWP&B an amount of Rs.521.15 lakh was approved for 2005-06 (Maintenance grant: Rs.163.65 lakh, school grant: Rs.89.30 lakh, Teachers grant: Rs.58.60 lakh and TLE Rs.209.60 lakh) against which Rs.566.06 lakh was released (maintenance grants Rs.174.24 lakh, school grant: Rs.132.67 lakh, Teachers grant: Rs.49.51 lakh and TLE: Rs.209.64 lakh). Thus, funds amounting to Rs.44.91 lakh were released in excess of budget approved.

4.5 ADVANCES

As per para 72.1 MFMP, funds released for civil works (construction, maintenance and procurement, etc.) to the District/ Sub-District level or to the other agencies are initially classified as "Advances" and the same are to be indicated as such in the books of Accounts. Further it is also laid down in para 73.1 and 2 ibid that the advances paid shall be adjusted and treated as expenditure only when the expenditure statement supported with the required documents/ records and utilisation certificates are furnished by the concerned authorities against whom the advances are outstanding within the time limit as prescribed for it. In case the same is not received within the prescribed time limit, further advances shall not be made/ released. Advance Register for all such advances are to be prepared as per Annexure-VI of the MFMP and on receipt of the (SOE/ UCs) adjustments should be carried out promptly in this register. Higher authority above the authority releasing fund should ensure such adjustment within the prescribed time limit.

The year-wise position of outstanding advances (progressive) in respect of SPO and the selected districts are given below:

(Rupees in lakh)

	SPO Raipur	DPO Bilaspur	DPO Ambikapur
2002-03	1,008.08	35.30	00.39
2003-04	3,437.49	237.30	200.43
2004-05	19,434.17	1,953.22	2,723.58
2005-06	43,521.94	3,763.31	5,331.62

From the above, it would be seen that outstanding/ unadjusted advance are increasing from year to year and was Rs.43,521.94 lakh, Rs.3,763.31 lakh and Rs.5,331.62 lakh in respect of SPO and DPO, Bilaspur and DPO, Ambikapur respectively in 2005-06. Remedial action has not been taken by the Mission.

The Register for Advances as prescribed in the Manual has not been maintained and time limit fixed for the adjustment of advances were also not followed.

During field visits at Bilaspur and Ambikapur District it was found that many school buildings, additional class room, toilets, etc. have been completed and also in use but the advances paid for these works are still lying unadjusted. This speaks of improper control over advances.

District Project Office, Dantewada has released an advance of Rs.9.00 lakh in 2003-04 to one Mr. R.S. Netam for school repairing, the above advance has neither been adjusted nor recovered. As per Para 73.1 of MFM&P the time limit for submission of utilisation certificates for repair and maintenance of school building is within one month after the close of the financial year, which norm has not been observed.

4.6 BANK RECONCILIATION

As per para 82 of MFM&P, a monthly bank reconciliation with cash book and bank pass book/ bank statement is to be carried out by SPO, DPO, BRCs, CRCs, and schools regularly. It was, however, seen that the monthly bank reconciliation is not being followed except in some Blocks where Bank Reconciliation was prepared at the close of financial year.

4.7 ADVANCES TO INDIVIDUALS

The table below shows that advances paid to the official in DPO, Ambikapur and outstanding as in March 2007. No action has been taken for adjustment of these advances. The year-wise details of such advances are as given below:

(Rupees in lakh)

Year	Advance paid	Advance adjusted	Advance still outstanding
2002-03	.02	0.01	0.01
2003-04	0.16	0.09	0.07
2004-05	1.84	0.06	1.78
2005-06	2.25	—	2.25
2006-07 (10/06)	3.25	—	3.25
Total	7.52	0.16	7.36

The above outstanding advance of Rs.7.36 lakh is pending for want of adjustment from the officer/ official concerned.

CHAPTER-5

ACCOUNTS AND AUDIT

5.1 ANNUAL ACCOUNTS OF STATE PROJECT OFFICE

A combined Annual Accounts for 2002-03 has been prepared incorporating the figures of District Primary Education Programme (DPEP) and SSA, though figures of both the schemes have been shown separately.

5.1.1 On scrutiny of the Annual Accounts following observations are made:

A. Balance Sheet

(i) In Executive Committee Meeting (7th February 2003) it was decided to transfer all the Assets and Liabilities of DPEP to State Government.

As on 31st March 2003, the assets of DPEP were as under:

Sl. No.	Particulars of Assets	Amount in Lakhs
1.	Furniture and Fixtures	371.35
2.	Office Equipments	421.06
3.	Vehicles	44.50
4.	Buildings	567.83
Total		1404.74

(ii) Capital work in progress of Rs.3951.18 lakh includes an unspecified balance of Rs.387.44 lakh and previous balance of Rs.2164.85 lakh. This needs to be classified under proper head of accounts to which it actually relate.

(iii) An amount of Rs.122.24 lakh was diverted from DPEP to SSA as under:

(Rupees in lakh)

Advance from DPEP to SSA	150.41
Advance from SSA to DPEP	28.17
	122.24

However, as on 31st March 2006 an amount of Rs.96.44 lakh were refundable to Government of India/ State Government as under:

(Rupees in lakh)	
Advance from DPEP to SSA (Current Liability)	118.53
Less- Advance from SSA to DPEP (Current Assets)	22.09
Total	96.44

It clearly indicates, that the permission from Government of India for diversion of fund from DPEP to SSA has not been obtained.

- (iv) As on 31st March 2003 net advance appearing in current assets was Rs.120.44 lakh as under:

(Rupees in lakh)	
Advance to SSA from DPEP	124.08
Less- Advance to DPEP from SSA	3.64
Net Advance	120.44

Adjustment of net advances from DPEP (Rs.120.44 lakh) appearing in Balance Sheet for 2002-03 was not exhibited in subsequent Balance sheet. Further the Annual Accounts of DPEP has not been prepared after 2002-03 to exhibit the adjustment of various advances and liabilities of DPEP.

- (v) In the Annual Accounts of SSA, the Assets and Liabilities, which are being used by SSA are not appearing except net advance of Rs.94.44 lakh from DPEP to SSA appearing in Balance Sheet of 2005-06. SSA is using most of the assets of DPEP but has neither exhibited the same in Balance Sheet of SSA nor disclosed the same by way of note in the Accounts.
- (vi) The following adjustments could not be verified as Annual Accounts of DPEP were not prepared.

(a) Advance to staff and others

(Rupees in lakh)	
(a) Advance given by State/ DPO	501.96
(b) At Block Resource Centres	93.60
Advance to Government Departments and Other Government Agencies for service and Project (Excluding advance to SSA)	2015.97
Total	2611.53

(b) Current Assets

(Rupees in lakh)	
Cash in hand	1.10
Balance with Bank	1705.15
Cheques/ Drafts in hand	11.83
Cheques/ Drafts in Transit	47.81
F.D. with Bank	0.61
Total	1766.50

It is not known as to how the above-mentioned advances and current assets were dealt with by SSA as Annual Accounts of DPEP for the subsequent years have not been prepared.

(vii) Non-accountal of Assets

- (a) Two vehicles costing Rs.6.11 lakh (Maruti Van: Rs.2.087 lakh and Santro Car: Rs.4.03 lakh) were purchased on 20th May 2002 and on 4th December 2002 respectively but above expenses were not included in the Balance Sheet of SSA. It was stated that the costs of the vehicles have been incorporated in the Balance Sheet of DPEP. However, it was seen on verification that the above vehicles were not included in the Accounts under Head "Vehicles of SPO".
- (b) District Project Office, Mahasamund purchased computers worth Rs.3.36 lakh in 2005-06 and charged the same to Income & Expenditure Accounts instead of charging to Fixed Assets. Due to wrong allocation the above assets have not been appearing in subsequent year's accounts.

B. Income & Expenditure Accounts

- (i) In the year 2004-05 an expenditure of Rs.26.05 lakh was booked to "other expenses" which includes Refund to DPO- Rs.11.63 lakh, Return to other Blocks- Rs.4.82 lakh and Misc. Expenditure Rs.8.61 lakh.

Refund to DPO and return to other Block is not an expenditure, it will increase the cash balance of DPO and Block. As regards Misc. expenses it should have been booked to proper head of accounts to which it belonged.

- (ii) In the year 2005-06, an expenditure of Rs.82.05 lakh was booked as "other expenditure" which include expenditure of Rs.31.75 lakh of Jashpur, Rs.9.05 lakh of Durg, Rs.22.83 lakh of Dhamtari, Rs.12.07 lakh of Kanaker and Rs.5.43 lakh of Dantewada Districts. The expenses should have been booked to proper Head of Accounts to which they belonged, as there is no such head in MFM&P.
- (iii) Further, expenses of Block Resource Centre (Sch. 'M') and innovative activities (Sch. Q) includes "other expenses" amounting to Rs.11.93 lakh and Rs.44.62 lakh, respectively which are not proper activities for which the expenses were incurred.

C. Accounts of NPEGEL

A combined accounts for SSA and NPEGEL scheme is being prepared by the Mission. However, separate figure for funds received, expenses incurred, advances paid, balance at the close of the year, etc. of NPEGEL scheme is being shown in the accounts. It was seen from the Annual Accounts for 2005-06 that the closing balance of Cash in hand, balance with bank and Cheques/ Drafts in hands/ transit in Balance Sheet was Rs.505.01 lakh. However, the actual balance should have been Rs.1243.93 lakh. Thus the closing balance of NPEGEL is shown less by Rs.738.92 lakh.

D. Suspense Account

In the year 2003-04 net amount of Rs.0.45 lakh was appearing under "suspense accounts" as credit balance, which has been increased to Rs.42.70 lakh as debit balance in 2004-05, which has been further increased to Rs.50.17 lakh as debit balance in 2005-06.

Inspite of clearing the above suspense head in the year 2003-04, it is increasing from year to year which is not healthy practice.

5.2 ANNUAL ACCOUNTS OF BILASPUR DISTRICT

From a test check of Annual Accounts of the DPO, Bilaspur for the years from 2003-04 to 2005-06 the following observations are made.

Balance Sheet

5.2.1 Advance for expenses

Advances for civil works were released to Chief Executive Officer (CEO) of Blocks. These have accumulated to Rs.2813.23 lakh at the end of 2005-06 and could not be adjusted for want of completion reports.

5.2.2 Advance for Teachers Learning Equipments (TLE)

An advance of Rs.54.47 lakh for TLE paid in the year 2003-04 has not been adjusted till 2005-06 and a further amount of Rs.132.54 lakh has been released in 2005-06. As per provision of para 73.1 of the MFM&P, the expenditure statement in support of expenses needs to be submitted within one month after the close of the financial year. It is also prescribed in Para 73.3 *ibid* that in case, expenditure statement is not received within the prescribed time limit, further advances shall not be made. The release of Rs.132.54 lakh in 2005-06 was against the provisions of MFM&P as the advance amounting to Rs.57.47 lakh paid in 2003-04 was still pending adjustment.

5.2.3 Advance to State Bank of Indore

Advance of Rs.4.80 lakh was paid to State Bank of Indore in 2003-04, which has not been adjusted/ recovered till 31st March 2006. The purpose for which the above advance has been paid to the bank has not been made known.

5.2.4 Non-signing of Accounts

The head of office and Head of Accounts wings did not sign the Annual Accounts (Balance Sheet, Income & Expenditure Accounts and Receipts and Payment Accounts) of all the years before commencement of audit by Chartered Accountant and even after certification of Annual Accounts by Chartered Accountants.

5.2.5 From a test check of Annual Accounts for the year 2004-05, the following observations are been made:

- (a) Consolidation of Trial Balance (T.B) of Blocks and District Project Office is being done by the Chartered Accountant but the consolidated Trial Balance was not available at DPO Bilaspur. In its absence was difficult to know the changes made by the CA's, if any.
- (b) In the T.B. prepared by District Project Office, the net cash balance at Bank was Rs.49,48,777.28 whereas it was shown as Rs.56,85,808. This is due to treating of the credit balance of Rs.7,36,831 appearing in Oriental Bank of Commerce as debit balance.
- (c) As per T.B. prepared by the DPO, the expenses on school contingency was Rs.61.86 lakh, Teachers contingency – Rs.42.61 lakh and Repair Grant – Rs.131.46 lakh whereas expenses booked in Income & Expenditure Account was Rs.49.91 lakh, Rs.25.80 lakh and Rs.88.91 lakh, respectively. Thus the expenses less booked in the three heads of accounts was Rs.71.31 lakh.

(d) As per T.B. prepared by DPO, Bilaspur the expenses on Disabled Education were Rs.29.24 lakh the same had not been booked in the Income & Expenditure Accounts. Further, Aids and Appliances and other equipments worth Rs.25.27 lakh were purchased in 2004-05 from M/s Premier Cycles, New Delhi (Rs.14.00 lakh) and M/s Jain Ortho, Durg (Rs.11.27 lakh). The bill of M/s Jain Ortho, Durg was passed and paid but the bills of M/s Premier Cycles, New Delhi were kept in file without recording payment order though payment had already been released in 2004-05. The materials supplied by both the firms were not found recorded in stock register of DPO Bilaspur.

(e) Short/ non-Booking of Fixed Assets

During 2002-03 to 2005-06, Furniture and Fixtures worth Rs.46.48 lakh were purchased by DPO, Bilaspur as against which only Rs.32.51 lakh were booked in Balance Sheet. Thus Furniture and Fixtures worth Rs.13.97 lakh remained un-booked.

Income & Expenditure Accounts for the year 2004-05

(a) An expenditure of Rs.211.16 lakh was booked under NPEGEL, which includes "SC/ ST uniform - Rs.4.18 lakh" and "civil works- Rs.166.00 lakh". As regards expenses on uniform it is mentioned in para 42.1 Annexure III (iii) (Additional Incentive in MFM&P) that if there are any saving after providing free text books to the girls, the balance money out of this amount may be used for providing additional items such as stationary, slates, work books, uniforms, etc. As no accounts of expenses of text books are being kept, the saving could not be assessed. Thus, the uniform provided to SC/ ST without assessing expenses on text books is against the provision of Manual.

(b) Rs.166.00 lakh spent on civil work relate to construction of NPEGEL Building, which is a capital expenditure and should have been booked under Fixed Assets as NPEGEL Building, in case construction has been completed, otherwise as NPEGEL Building work-in-progress.

(c) Assets of DPEP used by DPO Bilaspur

Furniture and Fixtures (Rs.51.22 lakh), capital work-in-progress (Rs.630.05 lakh), advances to DIET (Rs.28.16 lakh) and Advance to CEO (Rs.40.25 lakh) are appearing in last Annual Accounts of DPEP (As on 31st December 2002). Above assets were neither transferred to State Government nor shown in Annual Accounts of DPO, Bilaspur though being used by the DPO, Bilaspur.

(d) Current Liabilities for the year 2005-06

It includes an amount of Rs.3.02 lakh and Rs.1.80 lakh representing civil works funds refunded from JVS and Advance Refund from CRC, respectively. Instead of treating it as liabilities it should have been adjusted from the respective advances.

5.3 IMPROPER/ NON-MAINTENANCE OF ACCOUNT RECORDS AND OTHER REGISTERS

5.3.1 Ambikapur District

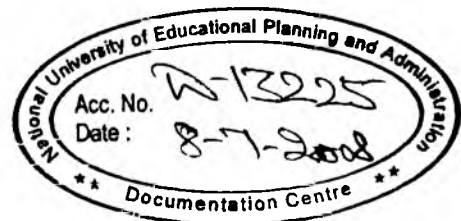
As per para 62 of MFM&P, a Register of Assets in the format given in Annexure-V for the assets acquired wholly or substantially out of Government of India grants and Stock Register separately for capital goods, consumable and non-consumable articles need to be maintained. Project Office shall arrange for their physical verification at least once a year. These should be maintained at school, CRCs, BRCs, DPO and SPO levels as the case may be. The relevant abstract of Register of Assets should be appended to the annual statement of accounts submitted by the society to the Government of India. The register of abstract shall contain progressive figure both stores and value.

Fixed assets register as prescribed above was not being maintained at any level and also not appended to the annual statement of accounts. It was seen that many assets items were purchased at DPO level for the years from 2003-04 to 2005-06 and sent to CRC and BRC level but value of assets, name of supplier, etc. were not being intimated due to which it could not be incorporated in Trial Balance of BRC and also in TB of DPO. The year-wise value of assets purchased at DPO level are given below:

No.	Year	Amount (Rs. lakh)
1.	200-304	5.77
2.	2004-05	27.11
3.	2005-06	101.79
Total		134.67

As against Fixed assets worth Rs.134.67 lakh as on 31st March 2006, fixed assets worth Rs.18.11 lakh were booked in Balance Sheet as on 31st March 2006.

Further expenditure of Rs.52.70 lakh has been incurred on purchase of Library books by diverting funds payable to schools towards TLE, TLM and School Grant in the



year 2003-04 but this expense has also not been included in fixed assets. Thus the total amount not included in fixed assets works out to Rs. 169.26 lakh.

5.3.2 Advance for civil work

Rs.3914.41 lakh and Rs.422.73 lakh were paid as advance for civil works for SSA and NPEGEL Schemes respectively till 2005-06 but no amount have been booked in Balance Sheet as fixed assets or work in progress though 5 Engineers (2 Asstt. Engineers and 3 sub-engineers) are posted in Ambikapur District and civil works are being measured and checked by them. As per para 73.1 of MFM&P certificate of Supervising Engineer's is to be submitted within 3 months of the completion of the work. The procedure is not being followed by the Engineers of Ambikapur District. Further the advances for civil works are not appearing against the agencies (*Nirman Samittee, Janbhagidari and Vikash Samittee*) though the civil works are being executed; instead it has been shown against the name of building (Advance for Addl. Room, PS Buildings, UPS Buildings).

5.3.3 Advances

In the year 2003-04 an amount of Rs.54.29 lakh was paid for incurring expenses on TLE as detailed below:

(Rupees in lakh)	
Advance to CRC	0.84
Advance to Primary School	28.70
Advance to Upper Primary Schools	24.75
Total	54.29

As per para 73.1 of MFM&P the Expenditure Statement from the concerned school/ CRCs needs to be obtained within one month after the close of the financial year. However, the procedure laid down in the manual had not been complied with by DPO.

Further an advance of Rs.77.32 lakh was paid to BRCs in 2005-06; the purpose for which advances had been paid was not appearing in the Accounts.

5.3.4 The Balance sheet, Income and Expenditure Accounts and Receipt and Payments Accounts for 2005-06 were not signed by District Project Director and District Project Co-coordinator. However, Chartered Accountant had conducted audit of unsigned Annual Accounts.

5.3.5.1 Income and Expenditure Accounts for 2004-05 includes expenses being refunded to DPO (Rs.5.01 lakh) in 2004. As this is not expenses, it should have been included in Cash in hand of DPO.

5.3.5.2 An expenditure of Rs.467.50 lakh was incurred on school contingencies (Rs.51.11 lakh) Teacher's contingencies (Rs.32.96lakh), Maintenance contingencies Rs.112.95 lakh) and TLE (Rs.270.48 lakh). Utilisation certificate, expenditure statement in support of booking of above expenses were not produced.

5.3.5.3 Vouchers and utilisation certificate in support of expenditure of Rs.25.84 lakh incurred on EGS/ AIE could not be shown.

5.4 MAINTENANCE OF ACCOUNTS RECORD OF DPO AND OTHER OFFICES OF BILASPUR DISTRICT

Defects found in the maintenance of cash book at the time of visit to the schools were as under:

5.4.1 UPS, Karma, Bilha block

The cash book has been properly recorded up to 05.05.2005. In the bank pass book (Oriental Bank of Commerce, Bilaspur) credits of Rs.7,000 and Rs.6,000 were found recorded on 8.3.2006 and 25.09.2006 respectively and an amount of Rs.1,400 and Rs.7,000 were withdrawn on 13.8.2005 and 27.03.2006. But expenses incurred out of the above amount of Rs.8,400 not found recorded in cash book and voucher also not available.

5.4.2 UPS, Manjarphari, Bilha Block

An amount of Rs.0.50 lakh towards TLE was received from DPO, Bilaspur on 21.07.2003 and deposited in bank account, details of which are not known. Though out of above TLE an expenditure of Rs.5,836 and Rs.42,164 were incurred in the years 2003-04 and 2004-05, respectively but for want of pass book the actual date of withdrawal of cash could not be ascertained. In the month of March 2006 balance amount with interest available in the above old bank account was credited in Cooperative Bank Account No.509.

5.4.3 Takhatpur Block

The DPO, Bilaspur directly releases fund to the Secretary and Cashier of JVS in their bank accounts for execution of civil works. The following defects were noticed in the maintenance of cash book.

Sl. No.	Name of Schools	Deficiency in maintenance of Cash Book	Receipt & Withdrawal of fund
1.	Government Girls P.S. Ganiyari (Addl. Class room)	Cash book not opened, Bills towards purchased of building materials and voucher (Muster roll) towards Labour payment, not available, though work completed up to roof level	Rs.0.60 lakh received on 17/10/06 and cash withdrawn from bank on 28.10.2006.
2.	Government Girls UPS, Ganiyari I (Addl. class room)	Cash book was maintained, vouchers towards expenses also kept. Expenses and withdrawal entry of Rs.0.60 lakh were not recorded in the cash book. The work has been completed and also in use but final measurement and handing over not done.	Rs.0.40 lakh and Rs.0.60 lakh received on 23.03.2006 and on 28.04.2006 and cash withdrawn from bank on 28.3.2006 and 9.5.06 respectively.
3.	Government Girls PS, Sakarra I. (Addl. Class room)	Cash book not maintained and vouchers towards expenses of Rs.0.60 lakh not available though the work has been completed up to roof level.	1st installment of Rs.0.60 lakh received and cash withdrawn from bank.

5.5 IMPROPER MAINTENANCE AND RECORDING OF TRANSACTIONS OF STORE/ STOCK MATERIALS PROCURED

Store/ Stock materials such as aid and appliances forms and stationeries, bicycles, tricycles, wheel chair and other equipment and machinery items were procured in large quantities but stock registers of these items were not maintained properly through out the State. Procurement of items and issue thereof were to be maintained in separate folio of the register for each item and balancing is to be worked out on every event of procurement or issue of a particular items but this systems have not been followed in any of the offices of the State. Therefore, balance of items in case of excess purchase could not be seen by the team. Only those items which were seen lying in store/ stock and could not be issued were commented in the report.

In many cases, similar items purchased by SPO, Raipur and supplied to the field units for issue were also procured by the Districts and its subordinate units without assessing of requirement. Forms and stationeries were also procured by all the field units without assessing the requirement. Similar position was noticed in procurement of computers and its accessories in the field units visited at Ambikapur (Surguja) District.

5.6 AUDIT

As per para 101.3 (Chapter-VIII) of MFM&P the "State Project Director" shall prepare an annual accounts for the society immediately after the close of the financial year with the approval of Executive Committee of the Society, shall have the accounts audited by a CA firm appointed with the approval of Executive Committee by April every year for the purpose in accordance with the provisions of the Societies Registration Act applicable to the State. CA firm appointed for conducting audit of Annual Accounts of State Project Office for the years from 2003-04, 2004-05 and 2005-06 were not appointed with the approval of Executive Committee as seen from the minutes of Executive Committee.

As per para 104.1 of MFM&P the audited Annual Accounts of Mission is to be dispatched to GOI by 1st December each year. The audited accounts for the year 2004-05 and 2005-06 were approved in Executive Committee meeting held on 3rd November 2006 with a direction to send the same to GOI for their observation within one week. Thus, there was much delay in submission of Audit Annual Accounts for the year 2004-05.

It was pointed out by CA firm in their audit report on Annual Accounts for the year 2004-05 and 2005-06 that the comments/observations of the previous audit report have not been dealt with as on the date of conduct of audit.

5.7 ANNUAL ACCOUNTS OF KGBV'S

The Annual Accounts of KGBV for the year 2005-06 has not been prepared so far (February 2007).

5.8 INTERNAL CONTROLS AND INTERNAL AUDIT

Internal audit of SSA accounts has to be conducted to ensure that maintenance of records is adequate and the accounting system including bank reconciliation as prescribed and accuracy and propriety of transactions is safe-guarded to required level of compliance with SSA financial norms and procedure.

As per para 83 of MFM&P, the staff pattern for internal audit included one post of Internal Audit Officer and two posts of Senior Auditors. However, it was observed in the State Project Office that these posts were not filled in and the Internal Audit Wing has not been constituted. The work of Internal Audit of District Project Offices was assigned (November 2005) to various firms of Chartered Accountants of Raipur.

It was seen that after conducting Internal Audit by the CA, a special Audit of District Project Office, Ambikapur (Surguja) was got conducted by SPD, Raipur and the work assigned (15th September 2006) to a CA appointed as consultant (Finance) and a consultant (Accounts). Had the CA appointed for Internal Audit of DPO, Ambikapur conducted Internal Audit as per para 98.3 of MFM&P such a situation for special audit would not have arise.

5.8.1 The Internal Audit Report of the following DPO, brought out the following points:

(a) District Project Office, Dhamtari

DPO has purchased Girls child uniform worth Rs.9.30 lakh vide vr. No.1037 dated 30.03.2006. As the uniform is not covered under SSA Scheme, the purchase needs to be justified.

(b) District Project Office, Kanker

(i) Block Antagarh (2005-06)

Above Block had incurred an expenditure in excess of funds received amounting to Rs.38.35 lakh (School grant – Rs.4.02 lakh, Teachers Grant-0.21 lakh, Civil Works – Rs.34.02 lakh and Repairs – Rs.0.10 lakh).

(ii) Block Durg Kondal 2005-06

Above Block had incurred an expenditure in excess of funds received amounting to Rs.13.70 lakh (Teachers Grant- Rs.0.67 lakh and Civil works-Rs.13.03 lakh).

(c) District Project Office, Rajnandgaon

In 2005-06 Dongargaon Block had incurred an expenditure in excess of funds received amounting to Rs.14.58 lakh (BRC expenses – Rs.0.08 lakh, Civil works – Rs.13.70 lakh, BRC TLE – Rs.0.50 lakh and free text book transportation – Rs.0.30 lakh).

5.8.2 Fees paid to Chartered Accountants for conducting statutory audit and internal audit

Audit fees paid to Statutory Auditors for conducting audit of Annual Accounts of State Project Office and District Project Offices were not furnished. However, DPO Bilaspur and DPO Ambikapur (Surguja) had paid fees of Rs.17,591 and Rs.30,020 respectively for conducting statutory audit for one year.

The work of Internal Audit was awarded to six firm of CA of Raipur for conducting internal audit of all the sixteen District Project Offices. Files relating to appointment

of Internal Auditors could not be produced. In the absence of files the works assigned to them and basis of fixing of fees could not be checked.

As compared to fees to Statutory Auditors, the fees paid to six Internal Auditors amounting to Rs.20.80 lakh (C.P. Kunte – Rs.4.41 lakh, Geenika Pasrija – Rs.4.81 lakh, Singhal Sushil Kumar & Co. – Rs.5.05 lakh, Manish R.C. Agrawal – Rs.4.21 lakh, Ajay Kumar – Rs.1.17 lakh and Premchand & Co. – Rs.1.15 lakh) which works out to Rs.1.30 lakh for each District Project Offices, is much more as compared to fees of Rs.0.24 lakh (average of fees of two DPOs) paid to Statutory Auditors.

5.8.3 Appointment of Chartered Accountant for the audit of accounts at School level and preparation of Utilisation Certificate

Non-submission of utilisation certificate, by schools, results in heavy advances lying unadjusted. GOI has also adversely commented. It was decided (December 2005) by State Project Office to appoint a firm of CAs for checking of accounts of receipt and payment, bank reconciliation and UC at school level. In case of necessity they would prepared and also guide the school methods of keeping cash book and ledgers. They will scrutinize the accounts and records of schools at Block Head Quarters. For this work audit fee was fixed Rs.165.30 per school for checking of each year's account. The payment of fees is to be made from school grant and interest earned from bank deposits.

It was decided that CA team will submit head wise U.C. towards expenses incurred at school level to Block Resource Centre (BRCs) who will collect school-wise UC and send it to District Project Office for onward transmission to State Project Office.

The following observations are made in this connection:

- (a) During school visit at Bilaspur and Ambikapur Districts it was seen that none of the schools had prepared grant wise ledger, bank reconciliation statement and cash book with bank column. They had also not submitted U.C. to any BRC though they had collected fee from every Primary and Upper Primary Schools including CRC and NPEGEL.
- (b) As per para 73.1 of MFM&P the time prescribed for submission of UC in respect of School grant, Teachers grant and Repair and Maintenance of School buildings is within one month after the financial year and expenditure statement within one month in respect of TLE, the Supervising Engineers certificate within 3 months of the completion of the civil work.

- (c) It was further stipulated in para 73.3 of the manual *ibid* that the utilisation certificate/ expenditure statement should be obtained with the time limit prescribed. In case the same is not received within the prescribed time limit, further advances shall not be released. Had the above procedure been followed strictly by the Mission the engagement of CA for conducting audit of Accounts at school level could have been avoided and heavy expenditure of more than Rs.180.00 lakh incurred on audit fees at school level could have been easily saved. [The expenditure on audit fees was calculated on the basis of number of school shown in AWP&B of Chhattisgarh for the year 2003-04 (22,797 PS and 5,774 UPS and fees @ Rs.660 for 4 years for PS and @ Rs.495 for 3 years for UPS)].
- (d) The fees charged by CAs for the year 2005-06 for which they are actually not entitled, works out to Rs.47.23 lakh (28,571x Rs.165.30) as the CAs were engaged before the close of the financial year 2005-06 and the period of submission of UC and expenditure statement also was not been over.
- (e) As regards Ambikapur District, at the close of financial year 2004-05 only TLE paid to schools in 2003-04 amounting to Rs.54.29lakh (UPS- Rs.24.75 lakh and PS-Rs.28.70 lakh) was outstanding and the due date for submission of UC for 2005-06 has not been over. For the submission of UC for Rs.54.29 lakh, the DPO, Ambikapur had incurred an expenditure of Rs.19.76 lakh (PS 2571 x Rs.660 and UPS 564 x Rs.495) on payment of audit fees to CA. Had the fact regarding outstanding of TLE advance for one year been informed to SPO the expenditure of Rs.14.61 lakh could have been easily saved.
- (f) The direction given by SPO for payment of fees to CA out of School grant and interest earned out of bank deposits is not correct. Audit fee payable for any work conducted by CA is a professional fee and could not be met out of any grant or interest.

CHAPTER-6 CIVIL WORKS

6.1 INTRODUCTION

6.1.1 As per para 26.10 of MFM&P, the civil works in a particular year's Annual Works Plan programme can be considered provided the proposal has been approved by PAB and the work is to be completed within the time limit so prescribed/allowed by the competent authority. The utilisation certificate is required to be sent before the end of the plan year in which it was included.

6.1.2 The table below indicates the number of civil works sanctioned, completed, in progress and not started and value thereof for years 2002-03 to 2005-06.

Primary School											
A	New Const- ruction	02-03	229	2.25	515.25	223	501.75	6	13.50	-	-
		03-04	898	2.25	2020.50	763	1716.75	102	229.50	33	74.25
		04-05	636	2.85	1812.60	563	1604.55	73	208.05	-	-
		05-06	2223	4.36	9670.05	883	3841.05	1313	5711.56	27	117.45
		Total	3986		14018.40	2432	7664.10	1494	6162.60	60	191.70
	Addl. Class Room	02-03	292	0.75	219.00	274	205.50	10	7.50	8	6.00
		03-04	402	0.75	301.50	376	282.00	5	3.75	21	15.75
		04-05	1261	1.00	1261.00	1202	1202.00	57	57.00	2	2.00
		05-06	1334	1.50	2001.00	921	1381.50	412	618.00	1	1.50
		Total	3289	-	3782.50	2773	3071.00	484	686.75	32	25.25
	Toilet	02-03	100	0.10	10.00	100	10.00	-	-	-	-
		03-04	1000	0.10	100.00	998	99.80	2	0.20	-	-
		04-05	1551	0.10	156.10	1547	154.70	4	0.40	-	-
		05-06	425	0.25	106.25	254	63.50	51	12.75	120	30.00
		Total	3076		371.35	2899	328.00	57	13.35	120	30.00
Progre- ssive Total		10351		18172.25	8104	11063.10	2035	6862.20	212	246.95	
Upper Primary											
B.	New Const- ruction	02-03	347	3.00	1041.00	328	984.00	18	54.00	1	3.00
		03-04	559	4.00	2236.00	528	2112.00	31	124.00	-	-
		04-05	655	4.00	2620.00	567	2268.00	86	344.00	2	8.00
		05-06	1046	5.17	5407.82	473	2445.41	557	2879.69	16	82.72
		Total	2607		11304.82	1896	7809.41	692	3401.69	19	93.72

	Addl. Class Room	02-03	966	1/00	966.00	939	939.00	26	26.00	1	1.00
		03-04	441	1.00	859.00	822	822.00	16	16.00	2	2.00
		04-05	859	1.00	859.00	822	822.00	37	37.00	-	-
		05-06	729	1.50	1093.50	460	690.00	268	402.00	1	1.50
		Total	2995		3359.50	2644	2874.00	347	481.00	4	4.50
	Toilet	02-03	350	0.25	87.50	350	87.50	-	-	-	-
		03-04	1173	0.25	293.25	1160	290.00	13	3.25	-	-
		04-05	1550	0.25	387.50	1545	386.25	5	1.25	-	-
		05-06	-	-	-	-	-	-	-	-	-
		Total	3073		768.25	3055	763.75	18	4.50	-	-
	Progressive Total		8675		15432.57	7595	11447.16	1057	3887.19	23	98.22
C	Drinking water	02-03	-	-	-	-	-	-	-	-	-
		03-04	-	-	-	-	-	-	-	-	-
		04-05	1738	0.35	608.30	1321	462.35	224	78.40	193	67.53
		05-06	490	0.405	198.45	296	119.98	67	27.14	127	51.44
		Total	2228	-	806.75	1617	582.23	291	105.54	320	118.98
D	CRC Building	02-03	-	-	-	-	-	-	-	-	-
		03-04	302	2.00	604.00	284	568.00	16	32.00	2	4.00
		04-05	585	2.00	1170.00	534	1068.00	47	94.00	4	8.00
		05-06	917	2.00	1834.00	492	984.00	413	826.00	12	24.00
		Total	1804		3608.00	1310	2620.00	476	952.00	18	36.00
E	BRC Building	02-03	2	6.00	12.00	2	12.00	-	-	-	-
		03-04	10	6.00	60.00	8	48.00	2	12.00	-	-
		04-05	-	-	-	-	-	-	-	-	-
		05-06	-	-	-	-	-	-	-	-	-
		Total	12		72.00	10	60.00	2	12.00	-	-
	Total of A+B+C+D+E		23070		38090.57	18636	25772.42	3861	11818.93	573	500.15

The following is observed in this connection:

- (i) The percentage of number of works completed to number of works sanctioned was 80.78 whereas the percentage value of completed works to value of works sanctioned was only 67.66, this was due to completion of low valued works (Addl. class room and toilets) in higher percentage.
- (ii) The work-in-progress includes 108 number of Primary school building valuing Rs.243.00 lakh and 49 number of Upper Primary School buildings valuing

Rs.178.00 lakh pertaining to the year 2002-03 and 2003-04. The limit cost of PS building was Rs.2.25 lakh, which has been increased to Rs.4.35 lakh in 2005-06 similarly the unit cost of UPS building in 2002-03 was Rs.3.00 lakh and in 2003-04 was Rs.4.00 lakh, which has also been increased to Rs.5.17 lakh.

- (iii) As against total value of civil works of Rs.25,772.42 lakh completed Rs.9389.23 lakh was only accounted for in the Balance Sheet of 2005-06, which is only 36.43 per cent of value of works completed.

6.1.3 The table below indicates the position of civil works sanctioned in 2006-07 completed in progress and not started with value thereof:

1.	New Primary School	3648	15868.80	11	47.85	1387	6033.45	2250	1787.50
2.	Additional Class Room PS	1349	2023.50	5	7.50	750	1125.00	594	891.00
3.	Upper Primary Schools	3557	18389.69	5	25.85	1116	5769.72	2436	12594.12
4.	Additional Class Room (UPS)	378	567.00	2	3.00	167	250.50	209	313.50
Total		8932	36,848.99	23	84.20	3420	13178.67	5489	23,586.12

The following observations are made in this regard

- (i) The percentage of value of works not started (Rs.23,586.12 lakh) to value of works sanctioned (Rs.36,848.99 lakh) was 64.00. Thus the work not started is much more as compared to value of works sanctioned.
- (ii) The percentage of number of Primary School Building not started (2250 number) to number of works sanctioned 3648 number) was 61.68 and Upper Primary School building not started (2436 numbers) to number of works sanctioned (3557 number) was 68.48. Thus the number of UPS building not started is much higher.

6.2 EXCESS EXPENDITURE BY DPO, DANTEWADA ON DRINKING WATER FACILITY

In the year 2004-05 and 2005-06, the DPO, Dantewada had paid an amount of Rs.48.87 lakh and Rs.7.68 lakh respectively to PSA Construction for execution of 99

hand pumps. According to intimation supplied by Executive Engineer, SPO, Raipur the unit cost for execution of drinking water facility in 2004-05 was Rs.0.35 lakh. Accordingly for execution of 99 hand pumps the cost of work should be Rs.34.65 lakh as against which DPO, Dantewada incurred an expenditure of Rs.56.55 lakh resulting an excess expenditure of Rs.21.90 lakh. The execution of drinking water facility through private agency is also against the policy of Mission as the work of drinking water facility is being executed through PHE.

Further, the expenditure on drinking water facility is of a capital nature, which should have been capitalised and shown in Balance Sheet as Fixed Assets, which has not been done.

6.3 CIVIL WORK – BILASPUR DISTRICT

The work of supervision of civil works at Bilaspur District was being done by Chief Executive Officer (CEO) *Janpad Panchayat* and advance payment was being made to him by DPO. The CEO awarded the works to *Sarpanch Grampanchayat*. The payment to *sarpanch* was being released to the extent of value of works measured. Even after formation of *Janbhagidari* and *Vikas Sammittee (JVS)* in November 2004, this arrangement was continued till 2005-06. However, in 2006-07 all the works of Bilaspur District have been got executed through JVS and advance payment is being released to the JVS.

The table below indicates the number of civil works sanctioned, completed, in progress and not started and value thereof for the year from 2002-03 to 2005-06:

A											
Primary Schools											
1.	New Construction	02-03	11	2.25	24.75	11	24.75	--	--	--	--
		03-04	142	2.25	319.50	90	202.50	24	54.00	28	63.00
		04-05	60	2.85	171.00	41	116.85	19	54.15	--	--
		05-06	67	4.35	291.45	33	143.55	34	147.90	--	--
		Total	280		806.70	175	487.65	77	256.05	28	63.00
2.	Addl. Class Room	02-03	50	0.75	37.50	41	30.75	1	2.25	8	6.00
		03-04	100	0.75	75.00	77	57.75	2		21	15.75
		04-05	100	1.00	100.00	91	91.00	7	7.00	2	2.00
		05-06	200	1.50	300.00	143	214.50	57	88.50	--	--
		Total	450	-	512.50	352	394.00	67	94.75	31	23.75

Upper Primary Schools											
3.	Toilet	05-06	200	0.25	50.00	170	42.50	30	7.50	--	--
		Total	200		50.00	170	42.50	30	7.50	--	--
	Progressive total		930		1369.20	697	924.15	174	358.30	59	86.75
B											
Upper Primary Schools											
1.	New Construction	02-03	30	3.00	90.00	28	84.00	1	3.00	1	3.00
		03-04	30	4.00	120.00	24	96.00	6	80.30	--	--
		04-05	50	4.60	200.00	36	144.00	14		--	--
		05-06	87	5.17	449.79	40	206.80	47	242.99	--	--
		Total	197		859.79	128	530.80	68	325.99	1	3.00
2.	Addl. Class Room	02-03	49	1.00	49.00	47	47.00	1		1	1.00
		03-04	50	1.00	50.00	46	46.00	2	15.11	2	2.00
		04-05	100	1.00	100.00	88	88.00	12		--	--
		05-06	300	1.50	450.00	175	262.50	124	186.00	1	1.50
		Total	499		649.00	356	443.50	139	201.00	4	4.50
3.	Toilet	04-05	200	0.25	50.00	199	49.75	1	0.25	--	--
		Total	200		50.00	199	49.75	1	0.25	--	--
	Progressive Total		896		1558.79	683	1024.05	208	527.24	5	7.50
C											
	Drinking Water	04-05	163	0.35	57.05	163	57.05	--	--	--	--
		05-06	100	0.405	40.50	47	19.04	53	21.46	--	--
		Total	263		97.55	210	76.09	53	21.46	--	--
D											
	CRC Building	03-04	30	2.00	60.00	28	56.00	2	4.00	--	--
		04-05	55	2.00	110.00	46	92.00	9	18.00	--	--
		05-06	67	2.00	134.00	32	64.00	35	70.00	--	--
		Total	152		304.00	106	212.00	46	92.00	--	--
Total of A+B+C up to 2005-06			2241		3329.54	1696	2238.28	481	999.	84	94.25

The position of civil works as in January 2007 was as under:

No.	Name of Component	No. of Schemes	Total Cost (Rs. Lakhs)	No. of Schemes	Total Cost (Rs. Lakhs)	No. of Schemes	Total Cost (Rs. Lakhs)	No. of Schemes	Total Cost (Rs. Lakhs)
1.	Bldg. Addl. CR & Toilet	930	1369.20	765	1020.05	106	262.40	59	86.75
2.	Bldg. Addl. CR & Toilet	896	1558.79	740	1165.34	152	387.45	4	6.00
3.	Drinking Water	263	97.55	263	97.55	--	--	--	--
4.	CRC Building	152	304.00	116	232.00	36	72.00	--	--
Total		2241	3329.54	1884	2514.94	294	721.85	63	92.75

The following observations are made in this connection:

- (i) The order No. and date of cancellation of 63 civil works valuing Rs.92.75 lakh has not been indicated and EE, SPO has also not deleted these works from works not started. The DPO, Bilaspur had made an advance payment to CEO for execution of above works, whether it has been recovered/ adjusted was also not indicated.
- (ii) As against total value of Rs.2236.28 lakh civil work pertaining to completed civil works, only Rs.269.16 lakh has been booked in the Balance Sheet of 2005-06.
- (iii) Out of 1671 (excluding drinking water facilities) number of works completed till 8th January 2007, Completion Certificate (CC) of only 441 works were obtained. From the CC it was seen that some work was completed in lesser value than sanctioned value. The advance payment has already been made to CEO, the amount paid in excess of C.C. works out to Rs.20.35 lakh.
- (iv) The DPO, Bilaspur had sanction @ 100 NPEGEL building of which 95 buildings were completed till 8th January 2007. Out of 95 completed works CC for 26 works were obtained. As against sanctioned value of Rs.2.00 lakh for each NPEGEL building, the actual value of 14 completed work was even less than Rs.1.65 lakh. Thus the amount recoverable from CEO towards NPEGEL building completed works out to Rs.5.70 lakh.

The table below indicates the position of civil works sanctioned in 2006-07, completed, in progress and works not started along with value thereof as on 8th January 2007.

		(No.)	(Rs. Lakh)	(No.)	(Rs. Lakh)	(No.)	(Rs. Lakh)	(No.)	(Rs. Lakh)
1.	PS Building	118	513.30	2	8.70	84	365.40	32	139.20
2.	Addl. CR (PS)	900	1350.00	30	45.00	678	1017.00	192	288.00
3.	UPS Bldg.	359	1856.03	3	15.51	298	1540.00	58	299.86
4.	Addl. CR (UPS)	221	331.50	7	10.50	177	265.50	37	55.50
	Total	1598	4050.83	42	79.71	1237	3188.56	319	782.50

The following observations are made:

- (i) Out of 1598 works sanctioned, 319 works valuing Rs.782.50 lakh were not started till 8th January 2007.

- (ii) The percentage of works completed, works-in-progress and works not started to works sanctioned was Rs.2.63, 77.41 and 19.96 respectively and the value of completed works-in-progress to the value of works not started was 1.97, 78.71 and 19.32.

6.4 CIVIL WORKS IN SCHOOLS

During school visit, defects were found in maintenance of records of Civil works vide instances given below.

(a) Upper Primary School (Boys) Khondri, Gourela Block

In the year 2002-03 the work of above school building was sanctioned for Rs.3.00 lakh, which was constructed by *Sarpanch Grampanchayat*, Khondri under the supervision of CEO *Janpad Panchayat* Gourela and completed on 25.8.2004. The school building has not been constructed as per specification, the height of building being so low due to which rain water is entering the school and possession of the school building has not been taken so far (11th January 2007) and the new school building was lying unused. The school is running in old school building as Co-educational school.

(b) Upper Primary School (Girls), Khondri, Gourela Block

Construction of UPS (Girls), Khondri was sanctioned in 2006-07 and work is being executed by JVS, Khondri and an amount of Rs.2,06,800 has been released on 14.08.2006. The site selected for construction of above school building is in a low lying area though the work has been completed up to plinth level on open foundation.

(c) Primary School, Lalpur, Gourela Block

School building having three rooms and varanda constructed by Tribal Department was not in use due to non-repair of roof and non-fixing of new doors.

(d) Construction of UPS Building Tarbahar, (Boys), Bilha Block

The work for construction of the building was sanctioned at an estimated cost of Rs.5.17 lakh in the year 2005-06 and advance payment had been made to CEO Janpad Panchayat Bilha (original executing agency). The work for construction of the above building was started by JVS (new executing agency). Head Mistress of that school holds the charge of Secretary of JVB. The CEO Bilha had released an amount of Rs.2.00 lakh and Rs.1.50 lakh on 18th October 2006 and on 02.01.2007 respectively to Secretary of JVS, Tarbahar. Out of receipt of Rs.3.50 lakh from CEO Bilha an expenditure of Rs.3.23 lakh has been incurred on purchase of building materials and

on payments to labour, but JVS has neither opened cash book nor MAS Account for receipt and payment of cash and receipt and issue of building materials respectively.

The school is actually under Higher Secondary School (Boys), Tarbahar and running in morning shift. This school has also been provided 10 touch screen computer. The construction of school building is not covered under the SSA-scheme, this being Higher Secondary School.

(e) Construction of Additional Class Room PS (Girls), Charbhata Bilha Block

The work for construction of additional class room at Primary school (Girls) Charbhata was sanctioned in 2006-07. The work is being executed by JVS Charbhata and an amount of Rs.0.60 lakh was provided to Secretary, JVS on 23.11.2006. Out of above Rs.0.60 lakh and amount of Rs.0.55 lakh (Rs.0.50 lakh on 13.12.2006 and Rs.0.50 lakh on 29.12.2006) was withdrawn from bank but cash book has not been opened (22.01.2007).

6.5 CIVIL WORK OF AMBIKAPUR DISTRICT

The construction of civil works in Ambikapur district was being done by *Nirman Sammittee* before the formation (November 2004) of *Janbhagidari* and *Vikas Sammittee* (JVS). The head master of school was holding the charge of Secretary and cashier under both the arrangements. In some blocks this procedure was discontinued in the year 2006-07 and work was being awarded to *Sarpanch* of *Grampanchayat* and advance for construction of building was made to *Secretary of Grampanchayat* who handle the cash.

The table below indicates the number of civil works sanctioned, completed, in progress and not started and value thereof for the year 2002-03 to 2005-06.

Sl. No.	Block	Year	No. of works	Value (Rs.)	No. of works	Value (Rs.)	No. of works	Value (Rs.)	No. of works	Value (Rs.)	No. of works	Value (Rs.)
I.	Primary Schools											
A	New Construction	02-03	50	2.25	112.50	50	112.50	-	-	-	-	-
		03-04	100	2.25	225.00	99	222.75	1	2.25	-	-	-
		04-05	70	2.85	199.50	68	193.80	2	5.70	-	-	-
		05-06	400	4.35	1740.00	161	700.35	227	987.45	12	52.20	-
		Total	620	-	2277.00	378	1229.40	230	995.40	12	52.20	-

	New Primary School	06-07	750	4.35	3262.50	2	8.70	298	1296.30	450	1957.50
2.	Addl. Class Room	02-03	10	0.75	7.50	10	7.50	--	--	--	--
		03-04	--	0.75	0.00	0	0.00	0	0	0	0
		04-05	200	1.00	200.00	196	198.00	2	2.00	--	--
		05-06	70	1.50	105.00	45	67.50	25	37.50	--	--
		Total	280	-	312.50	253	273.00	27	39.50	--	--
3.	Toilet	04-05	400	0.10	40.00	400	40.00	--	--	--	--
		Total	400	-	40.00	400	40.00	--	--	--	--
	Progressive total		1300	-	2629.50	1031	1542.40	257	1034.90	12	52.20
B	Upper Primary Schools										
1.	New Construction	02-03	50	3.00	150.00	50	150.00	-	--	--	--
		03-04	50	4.00	200.00	49	196.00	1	4.00	--	--
		04-05	70	4.00	280.00	68	272.00	2	8.00	-	-
		05-06	40	5.17	206.80	23	118.91	17	87.89	-	-
		Total	210	-	836.80	190	736.91	20	99.89	--	--
	New Primary School	06-07	620	5.17	3205.40	1	5.17	59	305.03	560	2895.20
2.	Addl. Class Room	02-03	58	1.00	58.00	58	58.00	--	--	--	--
		03-04	30	1.00	30.00	30	30.00	--	--	--	--
		04-05	100	1.00	100.00	99	99.00	1	1.00	--	--
		05-06	30	1.50	45.00	17	25.50	13	19.50	--	--
		Total	218	--	233.00	204	212.50	14	20.50	--	--
3.	Toilet	04-05	300	0.25	75.00	300	75.00	-	-	--	--
		Total	300	-	75.00	300	75.00	--	--	--	--
	Progressive Total		728		1144.80	694	1024.41	34	120.39		--
C	CRC Building	03-04	20	2.00	40.00	20	40.00	--	--	--	--
		04-05	50	2.00	100.00	48	96.00	2	4.00	--	--
		05-06	100	2.00	200.00	33	66.00	63	126.00	4	8.00
		Total	170	-	340.00	101	202.00	65	130.00	4	8.00
	Total of A+B+C up to 2005-06	-	2198	-	4114.30	1826	2768.81	356	1295.20	16	60.20

The following observations are made in this regard:

- (i) The Sub-engineer/ Assistant Engineer simply records measurement in MB and kept the MB with him instead of submitting it to DPO alongwith certificate within 3 months as provided in para 73.18 MFM&P. Due to non-observance

of above procedure, not a single work completed have been capitalised though the works valuing Rs.2,768.81 lakh have been completed:

- (ii) From a test check of records at Wadrafnagar block it was seen that the test certificate from the manufacturer is not being obtained. In other block also the same procedure is being adopted and 10 percent deduction from item No. 0904 is not being made. Due to non-deduction of 10 percent of item No.0904 amount recoverable works out to Rs.23.74 lakh.
- (iii) Construction of 10 Primary Schools was sanctioned in 2003-04. In place of Primary Schools actually 10 *Bal Shramik Ashram* were constructed at a cost of Rs.22.50 lakh. The reason as to why *Bal Shramik Ashram* were constructed in place of Primary School have not been made known.
- (iv) One additional class room each for Girl's Higher Secondary School, Ambikapur and Holi Cross School, Ambikapur at a cost of 1.00 lakh each was sanctioned in 2003-04 and another additional class room for Higher Secondary School, Ambikapur for Rs.1.00 lakh was sanctioned in 2004-05. The expenditure of Rs.3.00 lakh was on construction of school buildings, which are not covered under the SSA Scheme.

6.6 DEFICIENCY FOUND IN RECORDS OF CIVIL WORKS AT WADRAFNAGAR BLOCK

The following deficiencies were found in maintenance of records of Wadrafnagar block.

(i) Construction of PS building at Virendra Nagar

The work for construction of the school Building was sanctioned in the year 2005-06 and an amount of Rs.3.915 lakh was deposited with the Secretary and Cashier (a teacher) of JVS, Virendra Nagar. An amount of Rs.2.67 lakh was withdrawn from the bank account, of which expenditure of Rs.1.77 lakh was incurred on construction of the school building. The construction work of the above school building was stopped thereafter. The concerned teachers (Secretary and Cashier of JVS) were asked (6th January 2007) to deposit excess money withdrawn from the bank but have not done so. It appears that the Secretary and Cashier have misappropriated the balance amount of Rs.0.90 lakh (Rs.2.67 - Rs.1.77 lakh).

(ii) Construction of PS buildings at Sindhuraipara, Ghutrapara and Uttarpara

The construction of above school buildings was sanctioned in 2005-06 at an estimated cost of Rs.4.35 lakh each. The measurement of above works has been done by Sub-Engineer posted at Wadrafnagar block and value of work measured was as under:

(a)	P.S. Sindhuripara	Rs. 4.43 lakh
(b)	P.S. Ghutrapara	Rs.4.40 lakh
(c)	P.S. Uttarpara	Rs.4.39 lakh

The cost of school building Rs.4.35 lakh included the work of electrification and development of premises, which has not been executed. The provision of Rs.0.14 lakh and Rs.0.15 lakh for above works has been made in the estimate. Thus, the work of Rs.0.87 lakh has not been executed in above three works. The work has, however, been shown as completed by incurring the entire amount of expenditure (without electrification and development of premises).

Records in respect of 15 PS buildings completed were not produced.

(iii) Construction of NPEGEL Building at Janakpur

For construction of the above building, an amount of Rs.2.00 lakh was received by JVS Janakpur and deposited in bank on 26.5.2005. All the amount except Rs.560 was withdrawn from the bank till 22.10.2005. In this connection it was seen that Muster Roll for payment to labour amounting to Rs.69172.18 was prepared but signature of not a single labour for having received payment was obtained in Muster Roll.

100 bags of cement at Rs.150 per bag for Rs.0.15 lakh were purchased from Pravin Kirana and General Store on 21.09.2005. No entry was, however, recorded in the cash book.

(iv) Construction of UPS Building, Murliganj

Fund for construction of building has not been released so far (15th February 2007 even though the work of construction of the above building has been started and earthwork (Excavation) has been completed.

(v) Construction of UPS Building (Girls) at Pandri

The work of construction of the above building has been started and completed upto Plinth level. An amount of Rs.2,58,700 was released by DPO on 23rd November 2006. Cash book and bank pass book of the above work could not be produced.

CHAPTER-7 PROCUREMENT

7.1 INTRODUCTION

Under the SSA, State Mission Directorate has not framed any specific procurement procedure for making purchase of store items and acquisition of assets. The State Mission follow the purchase procedure laid down in the State Government Purchase Rules along with Procurement Procedure as per Chapter-IX of MFM&P.

During the field visit it was observed that there was no uniform practice/ policy across the State regarding identifying or handling the items/ material required throughout the State. Each field unit handling procurement cases does this at his own discretion ignoring all prescribed norms and procedure laid down in stores purchase rules or as mentioned in MFM&P.

7.2 PURCHASES MADE BY DPO, BILASPUR

As per para 35.1 of MFM&P every child with special needs, irrespective of the kind, category and degree of disability, is provided education in an appropriate environment. SSA will adopt 'zero rejection' policy so that no child is left out of the education. In para 35.5 ibid it is also provided that the district SSA authorities should spend the amount of Rs.1200 per annum per child.

The table below indicates the materials procured for disabled children during 2004-05 and in April 2006:

Sl.No.	Description of Material	Name of Firm	Date of Purchase	Amount (Rs. in lakhs)
1.	Hand driven tricycle	M/s Premier Cycle Agency, New Delhi	11-23.2.2005	14.04
2 (a)	Wheel chair	M/s Jain Ortho Care Phy. Centre, Durg	18.03.2005	11.27
(b)	Calipers			
(c)	Crutches			
(d)	Hearing Aid (Single)			
(e)	Hearing Aid (Double)			
3.	-do-	M/s Jain Ortho Care Phy. Centre, Durg	-NA-	6.71
4.	-do-	M/s Prasad Cyco, New Rajendra Nagar, Raipur	10.4.06	0.50
5.	-do-	M/s J.P Dregs, Shankar Nagar, Raipur	10.4.06	7.59
Total				40.11

The following observations are made:

7.2.1 The procurement methods as laid down in para 109 and 110 of MFM&P had not been followed and requirement of stores were also not assessed before procurement as required under para 106.3 (b) of MFM&P.

7.2.2 "Passed for payment" order was recorded in the bills and signed by the Project Director, Bilaspur but page No. and serial No. of stock Register and Head of Accounts to which booked not found recorded in the bills and the stock register in which receipt entries are made. Acknowledgement of disabled children to whom these were distributed was not available in the office.

7.2.3 In annual accounts for the year 2004-05 an amount of Rs.3.21 lakh (Disabled T/E- Rs.0.36 lakh, Disabled Training- Rs.1.35 lakh and Health check up - Rs.1.50 lakh) was booked as expenses in Income & Expenditure Accounts though materials worth Rs.25.31 lakh was procured in that year but not booked in Accounts. However, these materials had been included as expenses in details of Budget and expenditure for 2004-05. This happened due to non-recording Account Heads in Bills.

7.3 PURCHASES MADE BY DPO, AMBIKAPUR

The DPO, Ambikapur had procured materials worth Rs.19.88 lakh for disabled children in 2004-05 and 2005-06 from the parties vide details given below:

Sl. No.	Name of Parties	Date of purchase	Amount (Rs. in lakh)
1	M/s Jain Orthoset Care Phy. Centre, Durg	31.03.05	11.68 0.24
2.	M/s J.P. Dregs, Shankar Nagar, Raipur	31.5.05	0.83
3.	M/s Methodex Pvt. Ltd., Bilaspur	31.3.06	2.00
4.	M/s Imco, Kanpur	31.3.06	5.13
Total			19.88

Above purchases were not booked in Income & Expenditure Accounts and also in Balance sheet as advances for the years 2004-05 and 2005-06. However, IED Education for disabled: Rs.17.91 lakh was booked in Income & Expenditure accounts of 2004-05 and Rs.0.25 lakh in respect of IED and Rs.6.54 lakh in respect of Health checkup Rs.6.54 lakh was booked in Income & Expenditure Accounts of 2005-06.

Funds amounting to Rs.19.00 lakh (Rs.1.00 lakh to each block) was provided to BRCs (Ambikapur) by DPO, Ambikapur for all the 19 BRCs for starting centres for disabled

children near by BRC/ CRC office. However, it was observed that centres for disabled children had not been opened by BRCs and funds were utilised for purchase of equipments, which are lying idle in Blocks.

As per para 107.2.4 of MFM&P, BRCs are not empowered to procure equipments for disabled children. Thus, the entire expenditure of Rs.19.00lakh incurred by BRCs are against the norms and as these equipments are lying unused, the expenditure was infructuous.

7.4 PURCHASE OF COMPUTER UNDER NPEGEL

Computer and accessories worth Rs.54.61 lakh were purchased by SPO, Raipur under NPEGEL scheme. This purchase was disallowed by the Government of India, MoHRD as the purchases are inadmissible under SSA – Computer Touch Screen Scheme. As expenses incurred beyond the norms as laid down in the MFM&P are not acceptable to the Government of India the amount has to be adjusted from the next AWP&B sanctioned to the respective State.

Incidentally, the DPO, Ambikapur has also purchased computers worth Rs.1.79 lakh under NPEGEL scheme during March 2005 by diverting the SSA Funds. This purchase of computers is also irregular.

7.5 PAYMENT OF RS.14.94 LAKH

From the records of the office of DPO, Ambikapur, it was noticed that an account payee bankers cheque for Rs.14.94 lakh was obtained on 31.03.2005 from State Bank of Indore, Ambikapur in favour of *Pariyojana Adhikari, Mahila Avam Bal Vikas, Ambikapur* and for arranging supply of training Kit and Toys, etc. to *Anganbadi and Saheli Shalas* operating in the district by the Gram Panchayat and Social Welfare Department.

The cheque was, however, not accepted by the *Pariyojna Adhikari* and returned back to DPO and was taken as receipt by an entry made in cash book on 23.01.2006 (i.e. after ten months). Again after gap of nearly two months a fresh cheque was issued on 31.03.2006 in favour of the District Co-operative Central Bank, Ambikapur for obtaining bankers cheque of the same amount in favour of DEO, Ambikapur. On verification of the records of DEO, Ambikapur, it was noticed that no such cheque was issued to them by the Bank. On verification of records of DPO, it was noticed by the study team that the said cheque was neither issued nor received back. Ultimately,

the Branch Manager of above bank was requested (31.03.2006) to issue bank drafts in lieu of previous cheques issued. Accordingly, three bankers cheques and one bank draft in favour of the following parties were issued on 6th May 2006.

Sl. No.	Name of Party	Purpose	Banker Cheque/ DD No. & Date	Amount (Rs. in Lakhs)
1.	M/s Jyoti Offset, Ambikapur	Printing of forms	119448 dt. 6.5.06	6.61
			119449 dt. 6.5.06	6.61
2.	M/s Electro, Raipur	Computer Accessories	052568 dt.6.5.06 (Bank draft)	1.45
3.	Central Bank of India, Ambikapur	TDS payment by challan	119450 dt. 6.5.06	0.27
Total				14.94

It was seen from the cash book that payment entries to the above parties was recorded on back dates in the inner column on payment side of cash book on 31.03.2006 without mentioning the actual dates of cheque/ BD issued for payment.

Complete records such as purchase files, sanctions, approvals of the higher authorities were not produced to the study team. The materials supplied by M/s Jyoti Offset, Ambikapur and M/s Electro, Raipur was not found entered in the Stock Register of field units to whom these were shown to have been issued. The form got printed from M/s Jyoti Offset, Ambikapur were house hold information/ data collection forms which had already been got printed supplied earlier by SPO, Raipur and it issued to all field units for use in the next 10 years i.e. upto 2009-10.

Computer's accessories were also actually not received, as stock entries towards receipts and issues were not made available for verification. In fact, neither the printing of forms was got done nor the computers accessories purchased. Therefore, *prima-facie*, it may be concluded that the above transactions were of doubtful and fraudulent nature.

The following further observations are also made:

- (i) Cheque shown as deposited after its cancellation in the cash book was neither reflected in the pass book nor in the Bank Accounts.
- (ii) An amount of Rs.27,115 was shown as deposited towards TDS (Income Tax) on 31.03.2006. However, no such amount appears to have been recovered on account of TDS. TDS deducted on or before 31st March is liable to be deposited in the bank by challan on or before 31st March of the respective financial year. The above amount has actually been deposited into the bank on

16.06.2006. The transaction of bankers cheque shown as issued by the banks on 06.05.2006 was recorded as paid in the cash book on 31.03.2006. Similarly the TDS deposited by challan in the bank on 16.02.2006 was neither possible nor feasible.

- (iii) These funds remained out of SSA account from 31.03.2005 to 6.05.2006 i.e. nearly more than one year. The material purchased/ paid out of this amount were stated to have been supplied on 31.03.2006. It was neither possible to procure nor feasible for supplier to supply such huge quantity within a day.
- (iv) The printing work and supply of computer accessories etc. was procured without calling for tender/ quotations as laid down under the State Government Purchase Rules or in the MFM&P prescribed under SSA. No supply orders were placed nor the approval and sanction of the competent authority obtained.
- (v) The materials purchased or got printed were not required in the district office as well as in field units. The forms, which were stated to be got printed, have already been provided to the users for the period upto 2010. In view of above, there was no demand or requirements of this material in field offices.

Thus huge fund were kept outside Government funds and got adjusted at a later dates by showing payments in respect of doubtful purchases/ procurements. *This needs complete investigation so that proper action on the above fraudulent payment can be initiated.*

7.6 PURCHASE OF COMPUTERS

Computers and accessories required for touch screen programme and for office use were assessed by the SPO, Raipur and supplied to all the field units. It was observed that in addition to the purchases made by SPO Raipur, DPO, Ambikapur had also purchased computers valuing Rs.45.58 lakh for his office as well as for BRC's and KGBV's as detailed below:

Sl. No.	Name of Supplier	Details of payment (Cheque No. and date)	Amount (Rs. in lakhs)
1.	M/s Business Master Bhilai	(a) 424567 dated 31.03.05	15.80
		(b) 424567 dated 31.03.05	16.62
		(c) 955260 dated 31.03.05	0.53

Sl. No.	Name of Supplier	Details of Payment (Cheque No. and date)	Amount (Rs. in lakh)
2.	M/s Methadox Raipur	106014 dated 08.04.2005	7.21
3.	M/s Electro Raipur	95531 dt. 31.03.05	1.88
4.	M/s Methadox Raipur	95531 dt. 31.03.05	1.03
5.	M/s Methadox Raipur	95527 dt. 31.03.05	2.51
Total			45.58

These purchases were made without observing the laid down procedures and without any budget provisions and also requirements as per SSA norms warrant a thorough investigation since fraudulent use cannot be ruled out.

7.7 PURCHASE OF CAMERA & DVD

Digital cameras and a DVD valuing Rs.4.07 lakh (vide details below) were also purchased from open market and supplied to BRC and others. These purchases were made without observing the laid down procedures under the rules:

Sl. No.	Name of Supplier	Name of items purchased - Cheque No. and date	Amount (Rs. in lakh)
1.	M/s Bee Sons Raipur	Sony DVD/DCR DVD- 703 Cheque No. 950690 dt. 31.03.06	0.41
2.	M/s Electra Thakur Niwas, Anand Nagar, Raipur	Sony DSTT Digital Camera DSC-T7 Cheque No.950691- 31.03.06 22 Kodak Digital Camera CX-7340	0.43 3.23
Total			4.07

The use of these Camera are completely unjustified. Further, there is also no provision for procurement of such items under SSA norms.

7.8 PROCUREMENT OF CYCLES, GADDA, TAKIYA, CHADAR, BLANKETS, ETC.

7.8.1 DPO, Ambikapur had purchased cycles, *Gadda and Takiya* with blanket, Sewing Machines, large number of Girl dresses, etc. from the open market without following the purchase procedure. In this connection the following is also observed:

- (a) Procurement of 950 set of *Gadda, Takiya*, blanket, *Chadar*, etc. was made in January 2006 from M/s Friends, Baikunthpur, District Korea for Rs.23.94 lakh. An expenditure of Rs.0.57 lakh was also incurred on its transportation. Above purchases was made for supply to BRCs (50 sets to each). It was seen

at the time of field visit that no proper arrangement for storage of above materials was available at BRC level.

As above materials are assets items these should have also been entered in the Assets Register and booked under Fixed Assets in Balance Sheet.

7.8.2 During 2004-05 and 2005-06, 550 and 445 Ladies Cycle were procured at a cost of Rs.9.13 lakh and Rs.10.22 lakh, respectively from M/s S.P. Traders, Raipur, besides transportation charges of Rs.1.00 lakh and Rs.0.89 lakh, respectively. The procurement was made under NPEGEL Scheme for providing cycles to girls. The basis of procurement given in Note dated 16.03.2006 was that there is a provision of Rs.23.90 lakh in approved AWP&B for student evaluation under NPEGEL scheme. For procurement of any item budget provisions is not sufficient but fund available under that scheme is main ground as the fund diverted from SSA to NPEGEL in 2004-05 was even not sufficient to meet the fund received in 2005-06. Thus the ground given was not sufficient for procurement.

- (i) The physical verification report and details of distribution in support of receipt and distribution of cycles was not made available.
- (ii) The procurement made in 2004-05 has not been booked in Income & Expenditure Accounts.

7.8.3 Procurement of 478 sewing machines including PVC cover and scissors was made (March 2006) from M/s Electro, Raipur at a cost of Rs.14.60 lakh besides Rs.0.96 lakh spent on transportation. This purchase was also made under NPEGEL Scheme.

Sewing machine being fixed assets, the expenses of Rs.15.56 lakh should have been booked as "Fixed Assets" in Balance Sheet but was not booked as such.

The details of distribution of sewing machines to field units were not made available.

7.8.4 School Dress worth Rs.3.98 lakh (1500 dresses) and Rs.9.65 lakh (4030 dresses) were procured (31.3.2006) from M/s Balajee Dresses, Ambikapur. This procurement was made under NPEGEL Scheme for providing dresses to girls.

The details of distribution of dresses to various units of NPEGEL as well as further distribution to girls was also not made available.

7.8.5 Blankets, pillows and mattress valuing Rs.10.84 lakh were procured from M/s Chhattisgarh Khadi Gramodyog Bhandar, Ambikapur, the records of which were not made available to the study team.

During field visit it was seen that these materials were provided to Block Resource Centres for use for teachers during their stay at the time of training but records of such use were not available for verification.

Procurement of 717 shawls @Rs.850 was made at a cost of Rs.6.09 lakh for teacher's award under the NPEGEL scheme. As there were no regular teachers engaged for NPEGEL, the award of shawls was not justified. The details of distribution of shawls to field units and thereafter to teachers were not available:

The above purchases as made by DPO, Ambikapur appears to be doubtful in nature. As per delivery challans, the purchased materials were shown as handed over in May/ June 2006 whereas its transportation charges have been paid on 31.03.2006. In most of the cases, payment to the supplier have actually been made in May/ June 2006 whereas the payment entries has been recorded in the inner column of cash book on 31.3.2006. The cases of these large purchase were initiated on 31st of March and final purchases including payment made as per cash book on 31st of March itself even in the cases of purchases made from destination which were far away places which was neither possible nor feasible. All these cases of purchases needs detailed investigation/ enquiry.

7.9 PURCHASES MADE BY DPO, KANKER DISTRICT

The purchases of Gadda, Takiya, Blankets, etc. valuing Rs.4.95 lakh were made as per details given below:

Sl. No.	Supplier	Sl. No.	Description	Amount (Rs. in Lakh)		Date of bill No./date
(1)	M/s Friends, Baikunthpur, Distt. Korea	(1)	200 Woolen Blanket @ Rs.458/-	0.92	1.57	Bill No. 1035 dt. 24.12.06
		(2)	200 Cotton Mosquito Net 3'x6' @ Rs.295	0.59		
		(3)	Transportation Charges	0.06		
(2)	Nakoda Apparels, Rajnandgaon	(1)	350 Gadda @ Rs.598	2.09	3.38	Cheque No.33440 dated -01.06
		(2)	350 Takiya @ Rs.9.15	0.32		
		(3)	350 Chadar @ Rs.278	0.97		
Total				4.95		

The purchases have been made from open market without observing the purchase procedures/ rules.

It was seen that as per delivery challans, the material reached the destination for distribution in May/ June 2005 or 2006 whereas its transportation charges have been paid on 31st March 2005 or 31st March 2006. The entries of these transactions were also appearing in the cash book on 31st March of the respective year. The purchase of these materials within a day i.e. 31st of March including its transportation and clearance of payment on the same day after checking/ verification of huge number of items was not possible. This is also a case of doubtful purchase and needs enquiry.

During the physical verification by the Study Team no cycles were found, six sewing machines were available, quality of Gadda, Takiya, Chadar and blanket were of lower quality as compared to the price paid. 200 Cycles were stated to have been supplied to KGBVs and whereabouts of the rest of 795 cycles (out of total 995 purchased) were not indicated. No cycles purchased during March 2006 and provided to the Saheli Shala's were found during visit. As the KGBV are residential school, the need to provide cycle to the girls is not understood. Similarly, in Saheli Shala the girls used to attend training course for one/ two months and as such there was no need to provide the cycles to these girls/ institution. The entire purchase valued Rs.4.95 lakh is irregular and unacceptable under the SSA norms.

7.10 PROCUREMENT THROUGH OTHER DEPARTMENT/ INSTITUTIONS

Following payments were made by the DPO, Ambikapur to other department/ institutions as detailed below for procurement of certain material/ items:

No.	Name of Department/ Institution	Material	Date of Invoice	Amount (Rs.)
1.	Principal, Polytechnic College	Supply of Jhula/Shisha to Shisha Shiksha Kendra (Anganbadi)	31.03.2005	4.25
2.	Distt. Education Officer, Ambikapur	Supply of Chairs/ box/ Darry/Jhula/ Rocking/ Horse/ Buckets/ Mugs/ Locks/ Stationary to Shishu Shiksha Kendra	31.03.2006	3.72
3.	-do-	-do-	31.3.2006	12.00
4.	-do-	-do-	24.03.2006	0.75
Total				20.72

The team visited these institutions and found that these materials were procured from the open market and supplied to the Shishu Shiksha Kendras as per direction of CEO,

Ambikapur. The *Shishu Shiksha Kendras* are under the Anganbadi of Panchayat and Social Welfare Department and as such do not come under the SSA. Thus, the use of SSA funds on these *Shishu Kendra* does not arise and not proper. It was also seen that these transactions were not routed through the main cash book and were recorded in a separate Cash book (non-Government cash book). The details of *Kendras* to whom the material/ items were supplied could not be made available by these institutions to the team and also not made available by DPO, Ambikapur. The entire purchase of materials and supply thereof raises doubts about its authenticity.

7.11 PAYMENT TO THE OTHER DEPARTMENT/ INSTITUTION FOR IMPARTING TRAINING

Under SSA, all Training programmes have been scheduled in DIET, BRC and CRC in consultation with SCERT, Raipur and no other training programme has been scheduled. On verification of records it has come to the notice that funds had been diverted and paid to other department/ institutions for imparting training as detailed below:

No.	Name of Department/ Institution	Description	Ch. No. dt.	Amount
1.	Principal Polytechnic. College, Ambikapur	Providing Training to Jan Bhagidari Sammittee Member	432975 dt. 24.3.05	8.34
2.	-do-	-do-	532409 dt. 29.03.06	9.59
3.	-do-	-do-	118667 dt. 31.03.06	7.34
4.	-do-	Imparting training of screen printing and Motor binding	432972 dt.24.03.05	2.01
5.	-do-	-do-	CBP/69 dt.31.03.06	2.74
Total				30.02

The training of construction of civil work to members of *Jan Bhagidari Vikas Sammittee* members was not required as the construction work was being done under the direct supervision of JE's/ AE's deputed by the department for this purpose. In DPO, Ambikapur, there were two regular AE's and 4 JE's are in addition JE's of RES/ Irrigation were also assisting as and when their services were required. In view of this, members of samiti were not required to be imparted any civil work training. In case, it was necessary to impart the training this could have

been arranged by departmental Engineers. Further, the relevant orders about the rate of fee payable per candidate per day during training of three days, the relevant orders were not made available. SSA Rules do not permit any such training. The payment made by DPO to the Principal Polytechnic College have not been recorded in Government cash book. Principal kept these funds in a separate account and relevant transaction has been recorded in a separate cash book opened for this purpose which was irregular.

No administrative approval or financial sanction for such training had been obtained.

7.12 PURCHASES NOT COVERED UNDER SSA NORMS

As per para 122.1 of MFM&P material purchased/ procured from SSA funds but not covered under SSA norms will be treated as misprocurement and the cost of the said material will not be considered eligible for SSA funds. An amount of Rs.9.71 lakh was spent on holding functions, educational tours, etc. during 2003-04 to 2006-07 and were not covered under the SSA Scheme.

7.13 IRREGULAR AND UNAUTHORISED DRAWAL OF FUNDS

As per treasury banking rules, money is to be drawn from Treasury/ Bank when it is required for immediate payment. During scrutiny of records of DPO, Ambikapur it was noticed that the following amounts were withdrawn from the *Zila Sahkari Kendriya Maryadit* Bank, Ambikapur by the DPO, Ambikapur in the shape of Bankers cheque of the said Banks to meet out the future payment to be made in next financial year. This has been done to exhibit less cash and bank balance at the close of financial year.

No.	Amount Withdrawn (Rs. in lakhs)	Date Cheque No. and Date	Amount Cheque No. and Date	Details of sub-equity shares issued by the Bankers for payment
1.	227.18	424567 dt. 31.03.05	102581 Dt.08.04.05	No records, files and details of payment could be made available as regards to further cheques issued/ payment made to the listed parties by the Bank
2.	134.30	532415 dt.31.03.06	118672 dt.31.03.06	-do-
Total	361.48			

The following observations are made:

- (i) A bankers cheques for Rs.2,27,17,583 in the name of District Mission Director and District Project Director was obtained from *Zila Sahkari Kendriya Maryadi* Bank, Ambikapur on 31.03.2005 for which a cheque for the amount was issued to the bank. The purpose payments for which bankers cheque required as shown in office notings was as under:

		(In Rupees)
(i)	Computer purchase	16,62,151.00
(ii)	Furniture purchase	2,56,233.00
(iii)	Tricycle purchase	10,92,040.00
(iv)	Wheel Chair	84,500.00
(v)	Computer NPEGEL	1,79,500.00
(vi)	Other items NPEGEL	1,05,494.00
(vii)	Dresses for girls of NPEGEL	4,17,200
(viii)	Dresses for girls	14,34,000.00
(ix)	Cycles for girls	9,32,250.00
(x)	For Madarsa Children	24,215.00
(xi)	Payment to Bills of Marira Hotel	1,15,000.00
(x)	For payment of bills of Library books	52,00,000.00
(xi)	EGSAIE	15,00,000.00
(xii)	Allotment for Research and Monitoring	16,15,000.00
(xiii)	Allotment of repair grant	60,00,000.00
(xiv)	Training expenses	19,00,000.00
(xv)	Bills of office expenses	2,00,000.00
Total		2,27,17,583.00

From the above it is clear that the purchase process for Projected procurement of materials has not been initiated till 31.03.2005 as the name of parties whose bills were pending has not been indicated as done in the case of Sr. No. XI and XV. As regards repair grant it could not be released or on later date it will lapse.

On the same day (31.03.2005) another Note stating that advance bills had been received from the parties for payment so that the budget did not lapse. Cheque No.102581 dated 08.04.2005 for Rs.2,11,38,123 had been ordered by DPO/DPD to be sent to above co-operative bank for issuing bankers cheques in favour of various parties to whom payments are to be made. The orders of DCP/DPD were of 31.03.2005 whereas the cheque was dated 08.04.2005. The

cheques in lieu of which cooperative bank had to issued bankers cheques to various parties pertained to next financial year 2005-06.

The details for whom bankers cheques were to be issued by the bank included the following payment made to BEO and BRC.

Sl. No.	Description	Amount (Rs.)
19 BEO and BRCs	School Grant	57,84,000.00
19 BEO and BRCs	Research and Monitoring	13,85,000.00
19 BEO and BRCs	Repair grant	48,40,000.00
19 BEO and BRCs	Allotment to BRC for training	19,00,000.00
Total		1,39,09,000.00

Above mentioned grants were of such a nature that should have been used in the same financial year to which they pertain and if not used by the ultimate users, should have been refunded. The DPO, Ambikapur had not followed the rules.

- (ii) As regards bankers cheques No.118672, dated 31.03.2006 for Rs.134.30 lakh obtained from Cooperative bank in lieu of DPO's cheque No.532415 dated 31.03.2006 for Rs.134.30 lakh, the details of encashment/ cheques issued by bank in lieu of bankers cheque were not made available. In the above case most of the payments are of doubtful nature and as such need complete investigation and examination.

7.14 UNAUTHORISED FINANCIAL AID TO NGO'S

The procedure to consider a NGO for financial aid has been laid down in para 120.4 of MFM&P.

The following NGO's were provided with financial aid under EGS/ AIE schemes.

Sl. No.	Name of NGO	Year	Amount paid (Rs. in lakh)
1.	Vananchal Shiksha Sewa Nyas, Raipur, District Surguja Sattipara, Ambikapur	2004-05	19.28
			6.57
		2005-06	20.00
		2005-07	53.96
2.	Shakshi Samaj Sevi Sanstha, Namnakaia, Ambikapur	2005-06	7.87
			3.37
			0.74

cheques in lieu of which cooperative bank had to issued bankers cheques to various parties pertained to next financial year 2005-06.

The details for whom bankers cheques were to be issued by the bank included the following payment made to BEO and BRC.

Particulars	Amount (Rs. in lakh)	
19 BEO and BRCs	School Grant	57,84,000.00
19 BEO and BRCs	Research and Monitoring	13,85,000.00
19 BEO and BRCs	Repair grant	48,40,000.00
19 BEO and BRCs	Allotment to BRC for training	19,00,000.00
Total		1,39,09,000.00

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		2005-07	53.96
2.	Shakshi Samaj Sevi Sanstha, Namnakaia, Ambikapur	2005-06	7.87
			3.37
			0.74

Sl. No.	Enrollment before 2006	Enrollment after 2006
UPS, Giriwarganj	186	154
PS (Boys) Giriwarganj	98	110
PS (Girls)	124	118
Total	408	382

Thus the expenditure on the Utsav not covered under SSA scheme was irregular.

7.17 LOSS DUE TO NON-DEDUCTION OF COMMISSION

A fund for procurement of Library books (of Rs.5 crore) was created with the orders of SPO, Raipur by diversion from TLE grant, school grant to UPS, PS and TLM grant of BRC. In terms of the purchase order discount/ commission of 33.67 percent was allowed. It was seen that while the DPO, Janggir Champa had deducted the commission as required, the following DPO failed to deduct the commission from the total payments made to the following DPOs.

Sl. No.	DPO Name	Commission (Rs. Lakh)
1.	Surguja	52.70
2.	Korba	23.06
3.	Dantewara	26.37
4.	Jagdapur	31.65
5.	Bilaspur	33.06
Total		166.84

This resulted in the excess payment of Rs.56.17 lakh.

7.18 LOSS DUE TO FIRE

Even though the library books were to be supplied to schools through BRCs and CRCs, books valuing Rs.21.35 lakh were stored at the DPO, Janggir Champa, which were destroyed in a fire. It was seen that no proper arrangements were made for prevention of such incidents in storage of books. The negligence in storage of books resulted in loss of Rs.21.35 lakh due to fire.

CHAPTER-8

FREE TEXT BOOKS

8.1.1 Para 25 of MFM&P prescribes the norms for providing/ distribution of free text books to students covered under SSA. As per these norms free text books would be provided to all girls and SC/ ST children of Government Schools, Government aided Schools, Cantonment/ Corporation schools, aided *madarsas* at primary and upper primary level within an upper ceiling of Rs.150 per child. Remaining students of PS and UPS are provided text books out of the funds of State Government.

The text books supply was managed by SCERT, Raipur up to 2003-04 and thereafter by the Text Book Corporation of Chhattisgarh, Raipur (TBC). The SCERT and TBC both had been paid the cost of text books in advance during 2003-04 to 2005-06, the details of such advances are as under:

(Amount in Rs.)

Name of Supplier	2003-04	2004-05	2005-06
SCERT	4,05,84,950	17,07,65,115	16,43,26,783
TBC	--	1,65,75,369	43,08,73,840

As per the system laid down, the text books are being stocked by these organisation in their District depots. Each CRC is collecting books according to the requirement of each PS and UPS including KG BVs from these depots and each school is collecting text book from CRCs as per their requirement.

During the review of the above system it was noticed that supply of the text books to children was not properly done as the same was not reaching the school in time for distribution. At times, part books were being supplied to some schools due to printing problems. In some cases text books reached twice. No monitoring of the system was being done either by the supplying agency or by the department.

It was also seen that the transportation of Text Books was being done at the cost of SSA whereas the cost of Text Books includes transportation charge also. Each DPO/ BRC was incurring expenditure on transport of text books.

No utilisation certificate against the advances paid to SCERT or TBC had been submitted. No details of books supplied had also been submitted to the Mission.

It was seen that the average cost of per set of text book comes to Rs.170 which was in excess of norms of permissible cost of Rs.150 only.

During field visits of Bilaspur and Ambikapur district, it was observed by the team that text books were either not made available to the school in time or incomplete sets were made available to majority of schools. During 2006-07 Sanskrit, English, Maths and Social Science books were not found issued to the students of Class VI of UPS, Rajbahar and other UPS of Bhaiyathan Block of Surguja-Ambikapur till 10.02.2007. No books were also issued to the student of classes 1 to 5 of PS, Dongari (Wadraf Nagar Block).

In Takhatpur Block sets of text books as required could not be made available in 2006-07, the position is as under:

Class	No. of students	No. of books available	Shortage
1st	3,945	2,445	1,500
2nd	3,000	1,649	1,351
3rd	2,931	1,987	944
4th	2,584	1,699	885
5th	2,013	1,456	557
6th	1,688	1,248	440
7th	1,276	987	289
8th	983	765	218

Similar situation was noticed in other blocks visited by the team.

8.1.2 The following table gives details of schools, which received text books partly or late.

Year	Name of Block	Name of School	Name of Block	Name of School
2006-07	1- Takhtpur-	UPS, Sakari	1. Wadraf Nagar	PS, Pandri
		UPS, Lakhasar		UPS, Pandri
		UPS, Katha Koni		PS, Murali Ganj
		UPS, Raipur		UPS, Murali Ganj
		UPS, Bharari		PS, Mandnpur
		UPS, Juna Para		UPS, Madnpur
		UPS, Bandha		
	2. Raipur	UPS, Chhatona	PS, Jhinga	
		UPS, Belpat	UPS, Jhinga	
		UPS, Takhatpur	PS, Patratoo	
		UPS, Sakari	UPS, Patratoo	
		UPS, Rajpur	PS, Kotagahna	

Year	Name of BRC (Bhadrak)	Name of Schools	Name of BRC (Uttarakhand)	Name of School
	2- Gorela	PS, Khodari		UPS, Kotagahna
		UPS, Khodari		
		PS, Lalpur		
		PS, Keonchi		
		UPS, Keonchi		
		PS, Belpat		
		UPS, Belpat		

8.1.3 The following school received text book in excess vis-à-vis requirement:

Year	Name of BRC (Bhadrak)	Name of Schools	Name of BRC (Uttarakhand)	Name of School
2006-07	Takhatpur	PS, Ganiyari	Bhaiyathan	UPS, Rajbahar
		UPS, Ganiyari		PS, Rajbahar
		PS, Bharari	Wadraf Nagar	Saheli Shala
		UPS, Bharari	Balrampur	PS, Balrampur
	Gorela	PS, Gorela		UPS, Balrampur
		UPS, Gorela	Rajpur	CRC/ BRC
		PS, Jogisar		
		UPS, Jogisar		
	Bilha	UPS, Dhamani		
		PS, Dhamani		
		PS, Chakarbhata		

8.2 FREE DISTRIBUTION OF "BALMITRA" AND "BACHPAN" MAGAZINES AND SAFAL CHHATRA BOOK

Two quarterly magazines "Balmitra" and 'Bachpan' are being supplied to the students of PS and UPS free of cost from SSA funds. As per norms Text Books are to be supplied free to the all Girls and SC/ ST boys and are not to be provided to the other category of boys. The cost of the text books distributed to the general category boys from SSA funds are to be borne by the Education Department of State Government. The total payments made to the AGRA Law Agency Agra for supply of the magazines is detailed below:

Year	No. of magazines supplied	Amount paid to AGRA Law Agency
2004-05 1st edition	25,19,053	1,65,75,639
2005-06 2nd and 3rd edition)	56,27,760	3,70,30,647

Details of distribution of these *Patrikas/* magazines could not be made available. Further, on the basis of public complaints, the cost of the magazines had been revised to Rs.4.75 per copy. The AGRA Law Agency, Agra (UP) had, however, not refunded the excess amount paid so far.

25,000 copies of book 'Safal Chhatra' by Shri B.N. Rao were also distributed free of cost. The total cost of the books was Rs.10 lakh, which was directly paid to Shri B.N. Rao.

The payment of above *Patrikas/* Books from SSA Funds is irregular and not permissible as these *Patrikas/* Books were not the part of text books.

8.3 PURCHASE OF TEXT BOOKS FROM OPEN MARKET

It was noticed that DPO, Bilaspur/ Ambikapur, had purchased the text books from open market by diverting the funds from other head of account as the TBC could not supply the same for which they have received advance also.

Year	Amount paid	Amount received
2004-05	74,83,053	77,36,872
2005-06	5,40,557	2,14,197

No, monitoring was being done at any level either by the Mission or TBC in his regard.

8.4 PROCUREMENT OF CBSE COURSE BOOKS

As per SSA norms Text books as prescribed by SCERT for the classes Ist to VIIIth are to be supplied free of cost to the Girls and SC/ ST boys only.

During the scrutiny of records of DPO, Ambikapur it was noticed that the CBSE course books valuing Rs.2,57,880 were purchased for supply to the Principal, Government Multipurpose Higher Secondary School, Ambikapur for the IX and X classes during 2004-05 to 2006-07 as detailed below:

Year	Date	Cheque No.	Amount (Rs)
2004-05	1.9.2004	6344023	78,300
2005-06	1.9.2005	510537	99,580
2006-07	22.6.2006	4106414	80,000
Total			2,57,880

The supply of CBSE books out of SSA Funds for supply to students was in contravention to the SSA norms.

CHAPTER-9 SCHOOL VISITS

9.1 SCHOOLS

As per Annexure-II (4) of MFM&P in every primary school two class rooms with *Verandah* and three rooms with *Varandah* with an additional room for Head Master in UPS is to be provided.

At the start of academic session 2006-07, there were 30409 primary schools and 9995 upper primary schools of which 3898 primary schools and 2363 upper primary schools were not having school building. Other facilities lacking in schools are as under:

(In numbers)

PS		UPS		PS		UPS	
8033	3522	20522	4994	24554	6888		

As per norms, primary school/ alternative schooling facilities (i.e. private aided or un-aided) be within one kilometer of every habitation and upper primary schools to every two primary schools i.e. ratio between PS and UPS should be 2:1 whereas this was 3:1 in the state. It was highest 5:1 in Dantewada district and lowest 2:1 in Dhamtari district. Building less PS were highest in Ambikapur (1137) and lowest in Mahasamund district (2), while in the case of UPS it was highest in Bastar (476) and lowest in Korba district (20).

(a) Non-functional school

The following UPS in Ambikapur district though shown as running on records but actually were non-functional and closed schools:

Sl.No.	Name of Block	Name of School	No. of Students	Position	Teacher
1.	Mainpat	UPS, Baigahwapara	Nil		Nil
2.	„	UPS, Barima	Nil		Nil
3.	„	UPS, Lurina	Nil		Nil
4.	„	UPS, Amgaon	Nil		Nil
5.	Lakhanpur	UPS, Gorta	2		Nil
6.	Ramanujnagar	UPS, Pandri	3		Nil
7.	„	UPS, Parsapara	2		Nil
8.	Ramanujnagar	UPS, Moharpur	3		Nil

Sl. No.	Name of Block	Name of School	No. of Students	Position of Teacher
9.	"	UPS, Dwarikapur	3	Nil
10.	Rajpur	UPS, Alaknorpara	2	Nil
11	"	UPS, Tumbdand	3	Nil

(b) Upgraded Primary school

48 EGS Centres were running with 3 to 9 students in Ambikapur district (i.e. below the norms of SSA) were upgraded as primary schools in 2003-04.

(c) Cleanliness

Class rooms and toilets specially of those managed on shift basis, like primary and upper primary schools, Takhatpur, Bilaspur district, accommodated in higher secondary school building were not found clean during visit.

9.2 TEACHERS

As per SSA norms, a minimum of 2 teachers for primary schools and 3 teachers for upper primary schools are required to be provided. This number may increase keeping the aspect of one teacher for each class/section by maintaining the ratio of teacher and pupils 1:40 or about.

It was noticed that out of 30,409 Primary school, 1020 Primary schools were running without teacher at the start of academic session 2006-07, similarly out of 9995 UPS, 531 UPS were without teacher whereas 3691 PS and 535 UPS were functioning with single teacher.

(I) Teachers position in Ambikapur and Bilaspur District

(a) Primary Schools

The following position was noticed:

(i) Schools without teacher:

29 primary schools in Bilaspur and 25 PS in Ambikapur districts were running without teachers at the end of 2005-06.

(ii) Schools with single teacher:

264 Primary schools in Bilaspur and 250 PS in Ambikapur district were running with single teacher at the end of 2005-06.

(iii) Position of less/ excess teachers

In the following schools of Ambikapur district posting of teachers was less than norms:

Sl. No.	Name of Block	Name of School	No. of Students	Teacher		
				Required	Posted	Shortage
1.	Ambikapur	PS Padikala (B)	65	2	1	1
2.	..	PS Padikala (G)	67	2	2	-
3.	..	PS Chinddkalo	256	6	3	3
4.	Kusmi	PS Baditola	115	3	1	2
5.	Lakhanpur	PS Bandha	183	5	3	2
6.	Patkura	PS Patkura	111	3	1	2
7.	Bhaiyathan	PS Baijnathashram	142	4	1	3
8.	"	PS Khonpa	196	5	2	3
9.	Prem Nagar	PS Manhagai	196	5	3	2
10.	Ramanujnagar	PS Barbaspur	116	3	1	2
11.	..	PS Piprol	262	6	4	2
12.	..	PS Mitgai	285	7	1	6
13.	..	PS Gajar	196	5	2	3
14.	..	PS Indrawatipur	297	7	2	5
15.	..	PS Oranga	239	6	1	5
16.	Balrampur	PS Tatapani	140	4	2	2
17.	Rajpur	PS B.Jhingo	255	6	2	4
18.	..	PS Badauli	203	5	2	3
19.	Pratapur	PS Pandopara	143	4	1	3
20.	..	PS Tamorpara	120	3	1	2
21.	..	PS Sakalpur	128	3	0	3
22.	Wadrafnagar	PS Lodhi	240	6	2	4
23.	..	PS Girwani	148	4	2	2
24.	..	PS Gudra	111	3	2	1

From the above table it is clear that in some schools only one teacher was posted against actual requirement.

(b) Upper Primary Schools

(i) In Bilaspur district no teachers were posted in 13 UPS details are given below:

Sl. No.	Name of Block	No. of Schools
1.	Gourela	2
2.	Kota	1
3.	Lormi	2
4.	Matwahi	3
5.	Mastoori	2
6.	Mungeli	1
7.	Pathariya	1
8.	Pendra	1

(ii) **School with single teacher**

68 UPS in Bilaspur and 5 UPS in Ambikapur district were running with single teachers.

(iii) **Posting of excess teachers**

In 9 schools in Bilaspur and 6 schools in Ambikapur district, 9 teachers were posted in excess of actual requirement as per SSA norms.

Sl. No.	District	Name of School	No. of Students	Position of Teachers		
				Requirement	Position	Excess
1.	Bilaspur	PS Girls School Tikrapara	--	4	10	6
		PS Achanakpur	-	2	5	3
		PS Girls School Nayapara	-	2	4	2
		PS Dhamani	-	2	4	2
		UPS Bharari	-	3	6	3
		UPS Girls School Sakri	-	3	7	4
2.	Surguja	UPS Sureshpur	48	3	6	3
		UPS Rameshwaram	80	3	6	3
		UPS Rajpur (B)	71	3	6	3
		Pandri	61	3	6	3
		Sambalpur	60	3	6	3
		Guturama (B)	62	3	5	2
		Guturama (G)	83	3	5	2
		Bhusu (B)	80	3	6	3
		Bhusu (G)	61	3	6	3

Thus posting of teachers was not as per norm as in some schools teachers were less whereas in some other schools teachers were in excess.

As co-education has not been restricted by any rule or law up to class VIII, it is suggested that UPS boys and girls, Guturama and Bhusu may be combined and surplus teacher may be posted in schools running with out teacher/ less number of teacher.

Sl. No.	Name of School	Total No. of Students	Required Teachers	Existing Teachers	Extra Teachers
1.	UPS, Guturama	145	4	10	6
2.	UPS, Bhusu	141	4	12	8
Total excess/ spared teachers- 14					

(iv) Excess sanction of teachers

In some schools, posts sanctioned for teachers were in excess of the norms as per details given below:

Ambikapur						
1.	Mainpat	UPS, Kuniya	12	3	4	1
2.	„	UPS, Kadnai	10	3	4	1
3.	Lakhanpur	UPS, Nimha	61	3	4	1
4.	„	UPS, Amapahi	17	3	4	1
5.	Surajpur	UPS, Dabripara	56	3	4	1
6.	Pratappur	UPS, Muridand	20	3	4	1
7.	Ramanujnagar	UPS, Makar Bandha	10	3	4	1

(b) Attendance of teachers

- (i) It was noticed that schools running with single teacher were normally closed on meeting day at CRC/ BRC level. When the study team visited a PS in Karma, Bilha Block (Bilaspur district), the school was closed. It was stated by a teacher of UPS that the only teacher in the school was in a block meeting.
- (ii) As per news appearing in "Dainik Jagran" on 19.02.2007, P.S. Bharatpur in Surajpur block, Surguja district, running with 38 students and one teacher was normally closed through out the month except one or two days. This school was opened for education of children of Pando Tribes families. There was no arrangement of cook for mid day meals so raw rice was being distributed to children. These aspects need to be looked into.
- (iii) **Teacher Pupil Ratio**
Subject to minimum two teachers in primary and three teachers in UPS as prescribed the Teacher Pupil Ratio is 1:4. Keeping in view the ratio where children were more in number, additional, teachers need to be posted in school and where number of children was less/ lesser teacher should have been posted. Details are as under:

Sr. No.	Name of blocks	Name of school	No. of students	No. of teacher	Ratio
Bilaspur District					
1.	Takhatpur	PS, Sitara	250	3	1:83
2.	--"	PS, Amsena	219	2	1:110
3.	--"	UPS, Pandri	37	4	1:09
4.	--"	Hafa	95	5	1:19
5.	--"	Hirrimines	36	5	1:07
Ambikapur District					
6.	Mainpat	UPS, Kuniya	12	4	1:3
7.	--"	UPS, Samariya	04	4	1:1
8.	Shankargarh	UPS, Kharkona	16	4	1:4
9.	Bhaiyathan	UPS, Badsara	284	3	1:95
10.	Ramanujnagar	UPS, Kisanpur	353	5	1:71

(iv) Male/ female Teachers ratio

As per SSA norms the ratio of appointment of male and female teachers should be 50:50 whereas it was observed during field visit in Ambikapur District that the ratio is male 70: female 30.

9.3 STUDENTS

The position of total children within age group of 6-14 years enrolled in schools, and dropout children during 2005-06 in Bilaspur and Ambikapur district was as under:

Particulars		Bilaspur District	Ambikapur District
(i)	No. of children (age group 6-14)	4,58,550	3,98,584
(ii)	No. of children enrolled in school	4,48,074	3,72,210
(iii)	No. of children un-enrolled	10,476	26,374
(iv)	Drop-out position	1,246	5,489
(v)	Total number of children out of School	11,722	31,863
(vi)	Percentage of out of school children	2.56	7.99

Among the school going children, their enrolment in primary and upper primary schools in Bilaspur and Ambikapur districts was as below:

	No. of children enrolled	
	Bilaspur	Ambikapur
Primary Schools	3,09,644	2,72,451
Upper Primary Schools	1,38,430	99,759
Total	4,48,074	3,72,210

9.4 INSPECTION OF SCHOOLS

The schools were inspected by BRCs/ CRCs and other officials of the blocks but the remarks to the effect like performance/ results of school, punctuality of teachers and students, cleanliness of class rooms, toilets in school, etc. were normally commented/ questioned invariably at the time of inspection but it was neither being recorded in any register of the school nor reported to the higher officers of the mission.

9.5 SURPRISE VISIT

During field visit (06.12.2006) Shri P. K. Bandhopadhyaya, Project Director of the study team visited PS Rampur and Dagoniya of Raipur district including one KGBV of Gariyaband. He was satisfied with the performance and progress. The study team also visited 5 BRC, 6 CRC, 27 UPS and 33 PS including 3 KGBV of Bilaspur and Ambikapur district of Chhattisgarh State as per details shown in *Annexure-I*.

9.6 SITTING ARRANGEMENT OF STUDENTS

Tat Patties were being used for sitting of children in all the primary/ upper primary schools visited except few UPS and all the KGVs where desks and benches provided for sitting of children.

9.7 QUALITY OF EDUCATION

Though the position of enrollment of children in schools improved to some extent during last four years but the quality of education was not upto the desired level of SSA. In spite of providing better infrastructure, results were rather not encouraging. The result of successful students of class 5th and 8th during last three years in Bilaspur district was as under:

Year	Pass Percentage	
	Class 5th	Class 8th
2003-04	81	66
2004-05	78	50
2005-06	87	61

During visit, students of class 8th were not found upto the standard of class 5th even. A number of students of upper primary schools of rural areas were not able to write a simple dictated sentence correctly. They were not aware of the formula of simple interest.

Shortage of teachers (single teacher school) and lack of supervision of rural schools by block/ district level authorities were the main reasons for the above state of education.

9.8 CHILDREN WITH SPECIAL NEEDS (HANDICAPPED)

As per SSA norms, every child with special needs (CWSN), irrespective of the kind, category and degree of disability is provided education in an appropriate environment, under zero rejection policy so that no child is left out of the education system. Children with special needs may be provided aids and appliances and support services, like physical access. Reading material, training to teachers, research monitoring and evaluation, etc. within the ceiling limit of Rs.1,200 per annum per child.

The position of disabled children in the State and in Bilaspur and Ambikapur districts was as under:

State/District	Particulars	Boys	Girls	Total
Chhattisgarh (as a whole)	Identified	17,656	12,772	30,428
	Enrolled	14,768	10,431	25,199
	Left over	2,888	2,341	5,229
Bilaspur	Identified	2,470	1,740	4,210
	Enrolled	1,764	1,159	2,923
	Left over	706	581	1,287
Ambikapur	Identified	1,586	1,075	2,661
	Enrolled	1,270	820	2,090
	Left over	316	255	571

The disability certificates were issued in most of the cases without medical check up in Ambikpura district. Needy appliances were not properly assessed and issued. Against 6 children with ear problem within the jurisdiction of BRC, Wadrafnagar, Ambikapur, 10 hearing rings were received from District Office and shown as issued. 28 crutches and 2 tricycles were lying in stock for more than 2 years. It was stated that appliances were received without demand. No stock register of appliances received from district office and issued to disabled children was maintained by BRC, Balrampur.

With a view to give a better education system for disabled children the 29 learning/teaching centres were planned to be opened during 2004-05 at an estimated cost of Rs.2900 lakh at every BRC headquarters in Bilaspur and Ambikapur districts. A sum of Rs.12.00 lakh and Rs.19.00 lakh was released by DPO, Bilaspur and Ambikapur, respectively during March 2005. It was seen that no such Centre could be started whereas some BRC have purchased the additional material of aids and appliances, which are lying in their store.

It was noticed from the records of DPO, Ambikapur that a sum of Rs.22.01 lakh was incurred in excess of the ceiling limit during 2004-05 and 2005-06 as under:

(Rupees in lakh)

Year	Date	Expenditure	Particulars	Amount	Expenditure
2004-05	31.03.2005	30.91	IED items Aids and appliances	19.09 (1591 x 1200)	11.82
2005-06	31.05.2005	0.83	-do-	19.99	--
	31.03.2006	29.35	-do-	--	10.19
Total		61.09			22.01

9.9 DISPLAY BOARDS

It was noticed that display boards depicting the presence of students and teachers were displayed by schools running in urban areas and some of schools in rural belt but the position of funds allocation and expenditure, etc. were not being displayed by any of the school.

9.10 HEALTH CHECK UP OF STUDENTS

The health check up of students is got done through ANM in remote areas and through doctors where PHCs and CHCs of health department were working but

statistics in this regard were not available in DPO Bilaspur/ Ambikapur and respective schools. However, it was observed from the records that an amount of Rs.6.27 lakh and Rs.0.65 lakh has been paid to CMOs, Ambikapur and Bilaspur, respectively for this purpose during 2005-06. In addition, Rs.10.05 lakh has been allocated/ released during the year 2005-06 by SPO, Raipur for this purpose (on 13.12.2005). It was, however, seen from records that no health check up of students was got done by to CMO, Ambikapur and Bilaspur.

9.11 ATTENDANCE OF STUDENTS

Level of absenteeism of children in schools visited by the team in Bilaspur and Ambikapur district is shown below:

Sl. No.	Name of Block	Name of School	No. of student enrolled	No. of student present	Attendance (%)
Bilaspur District					
1.	Bilha	PS, Karma	81	23	71
2.		PS, Menjurpolri	95	49	50
3.		PS, Dhamni	299	210	30
4.		PS, Chakarbhata	118	62	49
5.	Takhatur	PS, Hafa	234	144	37
6.		PS, Sakarra	69	18	71
7.		UPS, Bharari	170	95	45
Ambikapur District					
8.	Bhaiyathan	UPS, Rajbahar	114	48	58
9.	Wadrafnagar	PS, Medanpur	148	101	33
10.	Balrampur	PS, Mahuwapara	91	61	30

It may be seen that absenteeism ranged between 30 and 71 per cent. The main reasons for absenteeism were the migration of Chhattisgarh labour along with their families from one place to another.

9.12 NON-FULFILLMENT OF CONSTITUTIONAL PROVISION

According to the constitutional amendment, education up to VIII Standard is made obligatory by State Government and Government of India. In view of this, the State Government made education free up to VIII standard, no fee, etc. is to be charged

from the students as all facilities/ funds are being provided by the Government to each school.

During field visit it was observed by the team that the following annual fees are being charged by PS and UPS from the students from class VI to VIII standard the entire State:

(in Rupees)

S.No.	Name of fee charged	Amount charged
1.	AF	15
2.	PBA	2
3.	GAF	1
4.	RED CROSS	10
5.	SCOUT GUIDE	8
6.	EXAM.	50
7.	SCIENCE	5
8.	PBF	40
TOTAL		131

In addition, Rs.2 for "KAB Bulbul" and Rs.17 are also being charged from each student of primary classes.

The charging of fee by the schools are against the orders and procedure laid down by the Government. It is one of the major reason for drop out of students in Chhattisgarh as most of the students can not afford the fee charged. It was seen that no receipt is being issued in respect of the fee paid by the students. The total amount of fee collected is nearly Rs. 10.50 crore per annum.

CHAPTER-10
KASTURBA GANDHI BALIKA VIDHYALAYA

10.1 INTRODUCTION

- (i) To promote Girls education in Chhattisgarh, scheme of opening of 100 seater or 50 seater residential schools for VI, VII and VIIIth Girls (UPS) student in educationally backward areas have been started in the name "*Kasturba Gandhi Balika Vidhyalay (KGBV)*" during the year 2004-05. The district-wise position of such schools are as under:

Sl. No.	Name of District	No. of KGBV (100 seater/50 seater)	Total	No. of Girls (Total)	No. of Girls (100 seater)
1.	Bastar (Jagdalpur)	0+2	2	98	06
2.	Bilaspur	5+3	8	421	40
3.	Dantewada	0+4	4	196	19
4.	Dhamtari	1+1	2	137	07
5.	Durg	2+0	2	147	10
6.	Janjgir	5+2	7	588	31
7.	Jashpur	0+1	1	50	7
8.	Kanker	0+1	1	50	7
9.	Kawardha	4+0	4	116	14
10.	Korba	3+0	3	300	15
11.	Korea	3+1	4	350	19
12.	Mahasamund	3+0	3	135	20
13.	Raigarh	2+0	2	199	13
14.	Raipur	4+0	4	366	20
15.	Rajnandgaon	--	--	--	--
16.	Ambikapur	0+4	4	200	18

As per provisions in FM&P manual, annual accounts for KGBV's are to be prepared separately. The accounts for the first year (2004-05) have only been prepared. As per records made available, the receipts and payments of KGBV's for the two years ending 2005-06 are as under:

(Rupees in lakh)

Year	Receipts	Payments	Surplus
2004-05	1080.44	778.00	302.44
2005-06	(i) Nil (ii) 353.00 (Intt.)	286.88	19.09

(ii) KGBV's of Bilaspur

During the field visit in Bilapur District it was noticed that the construction of Buildings at Bilha, Kota and Lormi was not complete (April 2007) even after release of total allocated funds to PWD. In respect of Mastoori Pathariya and Takhatpur only 1st Floor could be completed. The KGBV's were opened in the beginning in rental private buildings. The rents of the building were decided by the authorities and rents were fixed and paid without the approval of the Rent Controller of Chhattisgarh.

In the beginning, the girls of primary level were also got admitted whereas only UPS level (6th to 8th standard) were required to be admitted. This position remained in all KGBV's of Bilaspur during the year 2004-05 Some KGBV's were of 100 seater whereas only 60 seats could be filled due to accommodation problem in Bilha, Kota, Lormi, Pathariya and Takhatpur. The funds of 100 girls were being used by these schools on only 60 girls. It was seen that winter dresses like sweater/ shawls, etc. could not be provided to the girls up to the end of January 2007.

(iii) KGBV's of Ambikapur

As per instruction contained in DPO, Ambikapur's letter dated 23.06.2006, 12 computers valuing Rs.5.61 lakh was to be sent by M/s Electra, Raipur alongwith its accessories and payment was to be made by each KGBV respectively on production of bill.

The procurement of computers was made without obtaining the demands and even the purchase rules were not followed. No provision was made for KGBVs to procure the touch screen computers. Further no trained staff was available at KGBV level. This has resulted in unfruitful expenditure.

(iv) Poor performance of KGBV's

With a view to providing convenient and quality education to girls of remote and distant habitations of 11 to 14 years age group of class VI to VIII, there are being enrolled in KGBV's having the facilities of a residential school and being provided free of cost. During the visits it was noticed that the performance of all KGBV's of

Ambikapur during the year 2005-06 was not satisfactory as can be seen from the table below:

SLE	Name of KGBV	No. of teacher posted	No. of students	Enrolment VIII (2005-06)
1.	KGBV, Odgi	4	50	46
2.	KGBV, Prem Nagar	7	50	00
3.	KGBV, Main Pat	3	50	30
4.	KGBV, Rajpur	4	50	47

10.2 NATIONAL PROGRAMME FOR EDUCATION OF GIRLS AT ELEMENTARY LEVEL (NPEGEL)

NPEGEL has been introduced for an additional support to girls education at elementary level under SSA. It is meant for out of school girls, drop out girls, girls from marginalized social groups, Girls with low attendance, average girls who have not completed elementary education, working girls, and girls with low levels of achievement.

The main objectives of NPEGEL are to

- (a) develop and promote facilities to provide access and to facilitate retention of girls and ensure greater participation of women and girls in the field of education
- (b) improve the quality of education through various interventions and to stress the relevance and quality of girls education for their empowerment.

As per accounts for 2005-06 of Ambikapur district, civil work of 211 *saheli shalas* at an estimated cost of Rs.422 lakh were taken up, out of which 57 *shalas* were stated to be complete at various clusters and have started functioning. Besides, other infrastructure, two ladies hero cycles and one sewing machine were also provided to each *saheli shala*.

10.3 MID-DAY MEAL SCHEME

The mid day meals to the children of primary school from 1st to 5th class are being provided by *panchayats* and Social Welfare Department of the State. The arrangement of distribution of meal is made under the supervision of *Sarpanch* of the village and a committee nominated for the purpose. In this committee of 11 to 15 members, a

teacher of the school is nominated as member secretary. Fifty per cent members are to be ladies. A female servant as cook preferably a mother of school children is appointed at Rs.20 per day. Kitchen sheds were also constructed in each school to the school building.

Though the Government has fixed daily menu of mid day meal all over the State, in a test check of schools in Bilaspur and Ambikapur district revealed that only *Khichadi* was provided to the children as mid day meal in some school. It was also observed that quality and quantity of meal supplied to the children was neither good nor sufficient. In most of the schools, the condition of kitchen was not hygienic, cleanliness and water drainage system need to be improved.

In addition to the mid day meal, in schools under control of the State Tribal Department, biscuits were also provided to the SC/ ST students only.

10.4 STATUS OF SETTING UP OF SIEMAT

State Project Office, Chhattisgarh had released Rs.3 crore to SCERT for the construction of SIEMAT building as sanctioned under AWPB for the year 2004-05. The amount was paid to the Housing Board as building is being constructed by the Board and is in final stage. It was informed during discussion that the SCERT and SIEMAT will function in the same building but no such agreement in between SCERT and SIEMAT were shown to the Team. Even no staff was made available for SIEMAT and no programmes on behalf of SIEMAT has been taken up (March 2007).

10.5 DISTRICT INSTITUTE OF EDUCATION AND TRAINING (DIET)

As per SSA norms teachers are required to be given training for 20 days/ 60 days/ 30 days to improve the quality of elementary education. DIET's role is to serve as a nodal institution at district level to undertake the responsibility of improving the quality of elementary education. DIET is basically to provide academic guidance and performance support for teachers training. The training programme and its schedule is decided by SCERT.

Programme development of curriculum related to teaching, learning materials, undertake evaluation studies, conduct innovative intervention and academic supervision through BRC's/ CRC's as well as training of village community leaders. The performance of DIET during last three years in the State was as under:

Year	Trained Teachers		In-trained Teachers		Non-qualified Teachers	
	No. of Teachers	No. of Teachers under training (Graduate)	No. of Teachers	No. of Teachers under training (Graduate)	No. of Teachers	No. of Teachers under training (Graduate)
2003-04	58,122	21,857	14,825	--	--	--
2004-05	1,02,065	33,892	16,200	16,200	--	--
2005-06	63,566	56,285	27,857	27,857	--	--

During visit of educational institution by the team, in December 2006, January and February 2007, it was noticed during testing of knowledge of school children that the quality of education was much below the expected level which means the DIET could not achieve its main aim of improving the quality of elementary education during last four years.

10.6 COMPUTER EDUCATION

With a view to providing knowledge of computer technology to UPS students, 59 centres in the State were opened and 568 touch screen computer sets were installed during 2004-05 and 2005-06 at a cost of Rs.428.20 lakh as detailed under:

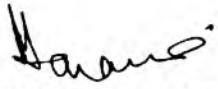
Sl. No.	Name of District	No. of Centres	No. of Computers
1.	Bastar	4	40
2.	Bilaspur	4	40
3.	Dantewada	4	40
4.	Dhamtari	4	40
5.	Durg	4	38
6.	Janjgir-Champa	4	40
7.	Jashpur	4	40
8.	Kanker	3	26
9.	Kawardha	4	40
10.	Korba	4	40
11.	Korea	3	25
12.	Mahasamund	4	40
13.	Raigarh	3	25
14.	Raipur	3	30
15.	Rajnandgaon	3	24
16.	Ambikapur	4	40
Total		59	568

Note: Cost at Rs.65,000 per computer	3,69,20,000
Installation and electrification charges at Rs.1,00,000 per centre	59,00,000
Total	4,28,20,000

Most of the computer centres were opened in Government Higher Secondary schools. As per scheme, students of UPS of that place and near by schools were to be given learning/ reading programme in a systematic manner as decided and intimated to students by centres.

During visit to Computer Centres, Government Higher Secondary School, Tarbahar MLB Girls HSS Dayalband, Bilha block, Bilaspur district. GHS, Rajpur and Vishrampur – Surajpur block, Ambikapur district, the study team noticed that computers were not being used for the purpose for which these were purchased/ installed. Computers were covered with dust. Learning course was not going on in any centre at the time of visit when teaching/ learning programme/ time table was asked for, it was stated that no such time table was prepared. Students of UPS Rajpur (boys) also stated that they were not being given any computer-learning course.

New Delhi
15 June, 2007


(HARISH CHANDER)
Director (Tech.)
INSTITUTE OF PUBLIC
AUDITORS OF INDIA
NEW DELHI - 110002.

ANNEXURE-I
(Referred to in para 1.5 and 9.5)

List of units visited

District	Block	Gram Panchayat	IPS	IGBY	IGBY
Bilaspur	Gorela	Gorela	1. Gorela	1. Gorela	---
			2. Khodari (Boys)	2. Khodri (Boys)	
			3. Khodari (Girls)	3. Khodari (Girls)	
			4. Jogisar (Boys)	4. Jogisar	
			5. Jogisar (Girls)	5. Balpat	
			6. Keonchi	6. Keonchi	
			7. Balpath	7. Lalpur	
	Takhatpur	Ganiyari	1. Takhatpur (Boys)	1. Tikaripara	Takhatpur
			Sakari	2. Takhatpur (Girls)	2. Takhatpur (Girls)
			3. Sakari	3. Sambalpur (Girls)	
			4. Sakarra	4. Sakari	
			5. Ganiyari	5. Sakarra	
			6. Bharari	6. Bharari	
				7. Ganiyari	
				8. Sambalpur (Boys)	
				9. Chhatauna	
	Bilha	Karma	1. Karma	1. Chakarbhata (Girls)	Bilha
			2. Gandhi Chowk	2. Chakarhata (Boys)	
			3. Dhamani	3. Achanakpur	
				4. Dhamani	
			5. Nayapara		
Ambikapur	Wadraf Nagar	Wadraf Nagar	1. Pandri (Girls)	1. Pandri (Girls)	
			2. Pandri (Boys)	2. Madanpur	
			3. Murali Ganj	3. Murali Ganj	
			4. Madanpur	4. Ray kmta	
			5. Kanya Ashram (W. Nagar)	5. Pandri (Boys)	
	Rajpur	Rajpur	1. Jhinga	1. Kulanpara	Rajpur
			2. Alkh Deeha	2. Mahnapara	
			3. Patratoo (Girls)	3. Alakhdeeha	
			4. Rajpur	4. Kotagahna	
			5. Kota Gahria	5. Patratoo	
			6. Budha Bagicha	6. Jhingo	
				7. Parujapara	
	Total			27	33

REPORT

ON

**MONITORING OF THE
FINANCIAL MANAGEMENT AND
PROCUREMENT RELATING TO
SARVA SHIKSHA ABHIYAN
IN MAHARASHTRA**

SPONSORED BY

**MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPTT. OF ELEMENTARY EDUCATION & LITERACY)
GOVERNMENT OF INDIA**

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ABBREVIATIONS

AIE	Alternative and Innovative Education
ALS	Alternative Schooling
AWP&B	Annual Work Plan & Budget
BAS	Baseline Assessment Survey
BEO	Block Education Officer
BRC	Block Resource Center
CRC	Cluster Resource Centre
DDO	Drawing and Disbursing Officer
DEP	Distance Education Programme
DIET	District Institute of Education and Training
DPEP	District Primary Education Programme
DPO	District Project Office
DRG	District Resource Group
EC	Executive Committee
ECCE	Early Childhood Care and Education
EGS	Education Guarantee Scheme
EMIS	Educational Management Information System
ICDS	Integrated Child Development Scheme
JRM	Joint Review Mission
MAS	Mid-term Assessment Survey
MGT	Multi-grade Teaching
MIEPA	Maharashtra Institute of Educational Planning & Administration
MFM&P	Manual of Financial Management & Procurement
MIS	Management Information System
MLL	Minimum Level of Learning
MPSP	Maharashtra Prathamik Shikshan Parishad
MSCERT	Maharashtra State Council of Educational Research & Training
MTA	Mother Teacher Association
NBT	National Book Trust of India

NCERT	National Council of Educational Research and Training
NFE	Non Formal Education
NGO	Non Governmental Organisation
NIEPA	National Institute of Planning and Administration
PAB	Project Approval Board
PMIS	Project Management Information System
PRI	Panchayat Raj Institution
PTR	Parent Teacher Association
PTR	Pupil Teacher Ratio
RP	Resource Person
SC	Scheduled Caste
SDR	Special Drawing Rights
SCERT	State Council of Educational Research and Training
SLM	Self Learning Material
SMART-PT	Statewide Massive and Rigorous Training for Primary Teachers
SPD	State Project Director
SPO	State Project Office
ST	Scheduled Tribe
TBB	Text Book Bureau
TLM	Teaching Learning Material
UEE	Universalisation of Elementary Education
UNESCO	United Nations Educational Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund
VEC	Village Education Committee
ZP	Zilla Parishad

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HIGHLIGHTS

- (i) Meetings of the Governing Body of the State Society were not held after 1998. The meetings of the Executive Committee, District Education Project Committee, Block Core Group and Village Education Committee were held irregularly and not in accordance with the Rules.
- (ii) Either no expenditure or negligible expenditure were incurred on certain interventions during the three years ending 2005-06 e.g. teachers salary, civil works, new schools, innovative activities, etc.
- (iii) Large unspent balance of grants was held with the State/ District Level Offices thereby effecting the implementation of the programme.
- (iv) Considerable delays occurred in release of funds by Govt. of India/ State Govt. and also funds released were not as per sharing arrangement.
- (v) Funds were released late to the State Society and further to the Districts by the Society.
- (vi) All the accounting records were not maintained or if maintained not properly kept. Cash books were only maintained and no ledgers were kept in the State/ District Office, BRC/ CRC or Schools.
- (vii) Utilization Certificates were submitted to the Govt. of India by the State Society belatedly (in 2006-07) for the years 2003-04 to 2005-06.
- (viii) No action has been taken on the Audit Reports submitted by the Chartered Accountants, which focused on routine matters only.

- (ix) The annual accounts of the Society for the years 2003-04, 2004-05 and 2005-06 were not approved by the Governing Body. The Executive Committee had also not approved the annual accounts for the year 2005-06.
- (x) Progress of Civil Works was tardy/ poor especially in respect of building of new schools, water facilities and toilets for schools.
- (xi) During visits to schools it was seen that Village Education Registers were not maintained in most of the schools in Pune/ Nagpur districts. The number of out of school children (of the age group of 6-14 year) increased from 4.40 lakh in 2004-05 to 4.59 lakh in 2005-06.
- (xii) Percentage of teachers trained to that planned was 56 during 2005-06.
- (xiii) Discrepancies existed in the number of text books distributed free in the two districts of Nagpur and Pune and that shown in the records of the State Society.
The value of excess books shown in the State Society as distributed but not actually distributed in 2005-06 alone amounted to Rs.122.12 lakh.
Free text books were received late in the schools for distribution and even received at the fag end of the sessions.

CHAPTER-1

1.1 INTRODUCTION

Sarva Shiksha Abhiyan (SSA) was launched in 2000-01 across the country as a Centrally Sponsored Scheme with the primary objective of universalisation of elementary education through provision of community-owned school system. The SSA is designed to assume within itself all other major governmental educational interventions. Existing schemes of Elementary Education of the Department (excepting Mahila Samakhya), National Bal Bhawan and National Council of Teacher Education (NCTE) are to be converged after IX Plan. The National Programme for Nutritional Support to Primary Education (Mid-Day Meal) will remain a distinct intervention.

1.2 OBJECTIVES OF SSA

The SSA is to provide useful and relevant elementary education to all children in the 6-14 age group by 2010. Other objectives of the SSA are to:

- Encompass all children in school, Education Guarantee Centre, Alternative School, 'Back-to-School' camp by 2003.
- Enable all children to complete five years of primary schooling by 2007.
- Enable all children to complete eight years of elementary schooling by 2010.
- Bridge all gender and social category gaps at primary stage by 2007.
- Achieve universal retention by 2010.

1.3 TERMS OF REFERENCE FOR STUDY

Govt. of India, Ministry of Human Resource Development (Department of Elementary Education and Literacy) New Delhi vide letter No.F15/4/2004-SSA(PR) dated 25th August 2006 assigned the Institute of Public Auditors of India, New Delhi, the study of financial management and procurement relating to Sarva Shiksha Abhiyan which *inter-alia* included:

- (a) Its financial aspect and such operational aspects as had linkages with financial aspects.
- (b) Financial management, fund flow and auditing arrangements.

- (c) Monitoring and utilization of funds released to the State Societies and financing of various activities at the State, District and School levels during 2003-04 to 2005-06.
- (d) Accounting of funds and maintenance of records.
- (e) Timely release of State share by the State Govt. and maintenance of expenditure level by the State Govt..

1.4 PROFILE OF THE INSTITUTE OF PUBLIC AUDITORS OF INDIA

The Institute of Public Auditors of India (IPAI) is a registered society of professionals. Its main aim and objectives are to:

- Promote education in the disciplines of auditing, finance, accounting in public bodies;
- Suggest ways for effective accounting and auditing in the Central and State Govt., Public Enterprises, Public Institutions, Govt. aided voluntary organizations, local bodies and authorities;
- Undertake and conduct studies, workshops, consultancy and research in these disciplines;
- Organize, finance and maintain schemes for studies and for conduct of professional examinations for the grant of diplomas, certificates and awards in these disciplines;
- Promote, plan and assist actively with the Govt. offices and its agencies for development of sound accounting system of accounting, auditing and financial accountability of Panchayat Raj Institutions (PRIs), Municipalities; and
- Promote the highest standards of professional competence and practices in disciplines of auditing, accounting and public finance.

The Comptroller and Auditor General of India is the Patron of the Institute.

1.5 METHODOLOGY OF STUDY

The study was conducted at State Project Office (SPO) Mumbai, two District Project Offices (DPO) at Pune and Nagpur and District Institute of Education and Training (DIET) at Lonikalbhor and Nagpur selected in consultation with the

SPO, two Block Resource centers (BRC) at Khed (Pune District), Kalmeswar (Nagpur District) and Cluster Resource Centre (CRC) at Takalkar Wadi (Pune District) and Sushdri (Nagpur District) and 55 schools of Pune and Nagpur Zilla Parishads as detailed in *Annexure-I*. The Study is based on scrutiny of basic records maintained by SPO, DPO, DIET, BRC's, Schools and interviews based on structured questionnaires with Gram Pradhans (Chairman of Village Education Committees), Head Masters, Teachers, Parents and Students.

1.6 The Institute of Public Auditors of India is an independent Organization registered under the Societies Registration Act, 1860 (as applicable to NCR off Delhi) and is engaged in professional work relating to accounts and audit. This report has been prepared in accordance with the mandate given and the information provided by the client organization and within the overall policy framework of reporting laid down by the Central Council of the Institute.

CHAPTER-2

2.1 Primary education in the State has been transferred to the Panchayat Raj Institutions in rural areas and Municipal bodies in urban areas for implementation. Accordingly, in Maharashtra 35 Zilla Parishads implement the programme in the rural areas and 22 Municipal Bodies in urban areas. Elementary education has a two-tier structure (a) Primary Schools, which have classes from I to IV and (b) Upper Primary Schools having classes from I to VIII. Besides, Upper Primary classes are also attached to Secondary Schools. The State at present have 35 Revenue Districts, 35 CD Blocks, 22 Municipal Corporations and 43219 Villages.

Primary and Upper Primary schools are generally run by Zilla Parishads or Municipal Corporations/ Bodies and Secondary Schools are mostly run by private management. A small section of primary schools is also run by private management both as aided schools and non aided schools. In all cases, schools can be opened only with prior approval of Govt. and the curriculum and textbooks are also prescribed by the Govt.. The State has 77476 primary schools and number of teachers in these schools are 4.62 lakh.

2.2 Educational Profile of the State is as detailed below:

(in numbers)

	State of Maharashtra	Pune District	Nagpur District
Population	9,68,78,627	72,32,555	40,67,637
Blocks	389	18	17
Clusters	5570	382	310
Villages	43219	2106	1869 (including wards)

Primary Education

	State of Maharashtra	Pune District	Nagpur District
Total Habitation	75987	3826	2066
School less habitations	1125	229	119
Schools (all)	62745	314	1199
Teachers	2,49,666	15843	5938
Building less schools	1716	160	78
Total child population (6-10 age group)	79,96,499	5,32,466	267574
Total enrolment	74,62,982	5,61,533	278374

Upper Primary Education

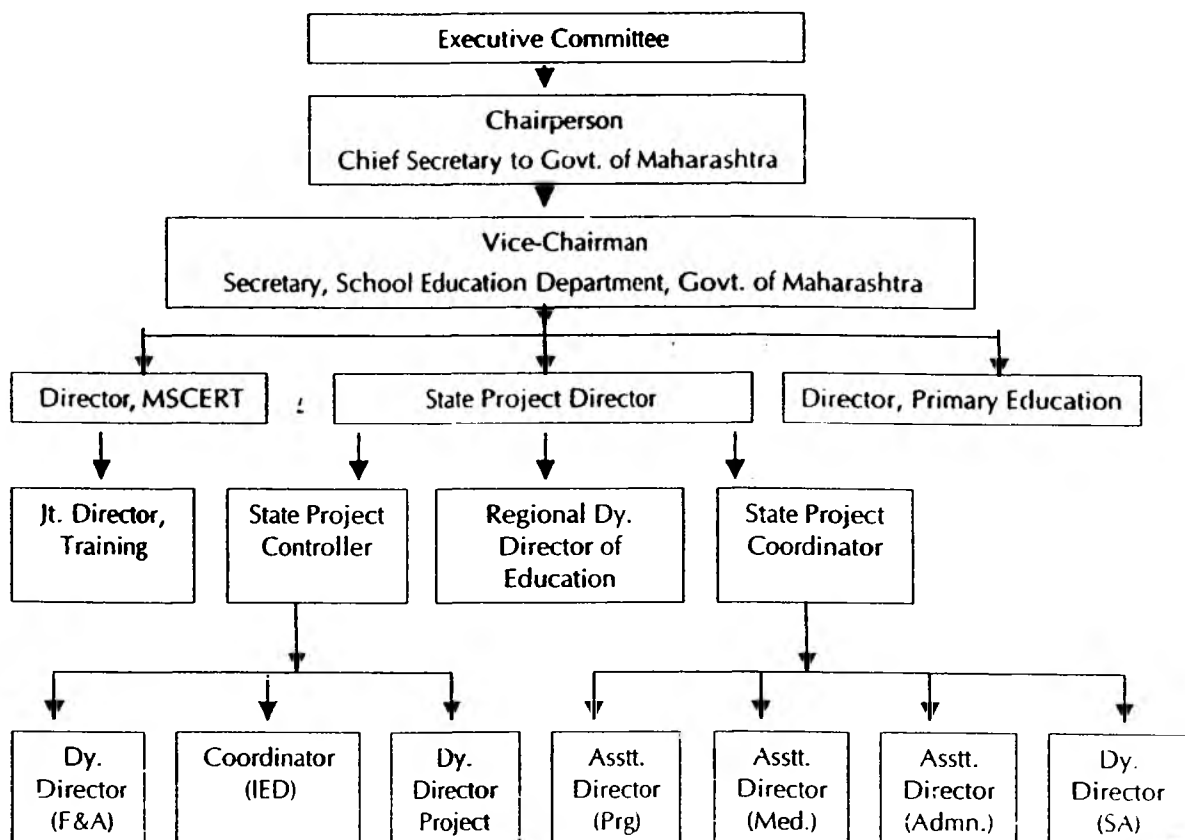
School less habitations	412	1	1
Schools (all)	35,232	853	1351
Teachers	2,22,338	15252	7889
Building less schools	661	0	49
Total child population (10-14 age groups)	76,24,070	480598	321841
Total Enrolment	82,96,353	489511	326730

CHAPTER-3

ORGANIZATIONAL SET UP

3.1 In March 1994, the Government of Maharashtra established the Maharashtra Prathamik Shikshan Parishad (MPSP), a Society under the Societies Registration Act, 1860, for the purpose of implementing the primary education programme in the State. This Parishad has also been entrusted with the task of implementing the SSA in the State.

3.2 There is a Governing Body whose President is Chief Minister of the State. The Minister, School Education is the Vice-President. The Members include Chief Secretary, Secretary (Planning), Secretary (Finance), Secretary (Rural Development Department) and Secretary (Women Welfare) and other Members including representative of Govt. of India. The State Project director acts as Member Secretary. Besides there is a Executive Committee. An organizational chart depicting the flow of authority from State Mission to District level for implementation of the scheme is given below:



The Executive Committee was headed by Secretary (Elementary Education), Govt. of Maharashtra upto 20.05.2004 and thereafter by the Chief Secretary, Govt. of Maharashtra.

3.3 MEETINGS

As per the Rule 15 of the Memorandum of Associations and Rules the Society Governing Body is to meet twice in a year and Executive Committee is to meet as often as necessary and at least once in each quarter of the year. The Governing Body of the Parishad did not meet any time after 1998.

3.4 The meeting of the Executive Committee were held as under:

2003-04	2004-05	2005-06
27.04.2002	21.05.2004	15.04.2005
16.06.2003	10.09.2004	18.06.2005
13.09.2003	24.12.2004	11.10.2005
26.12.2003		30.01.2006

One meeting of the Executive Committee was not held during the year 2004-05.

3.5 In the Districts visited by the Team, meetings of the Core Group of District Education Project Committee (DEPC) were held as under:

Year	Pune District Dates of Meeting	Nagpur District – Dates of Meeting	Remarks
2003-04	11.09.2003 03.10.2003	One meeting every month	
2004-05	02.07.2004 31.12.2004	12 meetings were held.	
2005-06	14.11.2005 19.01.2006	18.01.06 16.02.06 13.03.06 *	*The resolutions recorded on the minutes of the meetings were not signed by the President of the Committee

3.6 The meetings of Block Core Group were not held during 2003-04 to 2005-06 in the BRC's visited by the team.

3.7 VILLAGE EDUCATION COMMITTEE

As per the requirement under orders of April 2003, the Village Education Committee (VEC) should meet once in two months. It was observed during the visits to the selected villages schools that regular meetings are held in all most all villages, except Waroodi (Budruk), Taluka Bhor, Distt. Pune.

3.8.1 Till June 2003, there was no separate staff for SSA and the existing staff in the Parishad borne on DPEP I & II Projects (which were in operation in Maharashtra till June, 2003) carried out the functions of SSA also.

3.8.2 The MPSP had sanctioned 12,320 posts in different cadres for various offices from State level to Block Level Offices for implementation of the Scheme. Category-wise post vacant as on March 2007 is 7871.

3.8.3.1 Position of staff DPO, Pune was as under:

Sl. No.	Name of Post	Posts Sanctioned	In position
1.	Accountant	One	One
2.	Coordinators	13	13
3.	Computer Data Operator	15	15
4.	Computer Programmer	1	1
5.	Sr. Accounts Clerk	1	1

3.8.3.2 Position of staff in DPO, Nagpur was as under:

Sl. No.	Name of Post	Posts Sanctioned	Staff in position	Shortage	Remarks
1.	Account Officer	1	-		Post vacant from 1.3.04 onwards
2.	Cashier-cum-Sr. Clerk	1	-	-	Post vacant from 1.3.04 onwards
3.	Sr. Clerk	1	-	-	Post vacant from 1.3.04 onwards
4.	BRC Coordinator	14	13	1	1 Post vacant from 1.3.05 onwards
5.	Data Entry Operator	14	-	14	14 Post vacant from 1.4.05 onward
6.	Sr. Accounts Clerks	14	-	14	14 Post vacant from 01.4.05 onwards

CHAPTER-4
BUDGET AND ACTUALS

4.1 The table below indicates intervention-wise outlay approved and expenditure incurred thereagainst during the years 2003-04 to 2005-06:

(Rs. in lakh)

Sl. No.	Interventions	2003-04		2004-05		2005-06	
		AWP&B	Actual Expend.	AWP&B	Actual Expend.	AWP&B	Actual Expend.
A.	New Schools	-	-	-	-	-	-
B.	Block Resource Centres	960	157	2112.92	263.05	2936.16	1382.49
C.	Cluster Resource Centres	1537.52	862.13	1285.22	785.20	1244.66	1069.90
D.	Civil Works	20470.11	10654.84	31967.41	17676.46	37288.39	24676.60
E.	Out of school child	201.80	1418.52	5452.85	1764.46	8578.13	3405.23
F.	Free Text Books	13723.82	6178.26	7427.70	4786.90	6993.66	6993.66
G.	Innovative activity			1663.00	826.43	1209.99	533.94
H.	Int. for disabled children/ IED	4450.08	2215.13	4601.00	807.26	2307.50	1054.67
I.	Maintenance Grant	2891.00	2750.42	3876.80	3252.18	3914.35	3378.27
J.	Management & MIS	3292.41	779.70	3943.94	1404.09	3483.97	2679.38
K.	Research and Evaluation	1070.12	94.78	1431.48	586.32	598.11	448.77
L.	School Grant	1382.30	1189.93	1961.80	1969.53	1991.70	1930.05
M.	Teachers Grant	2061.80	1595.10	2103.32	1749.83	2027.88	1942.93
N.	Teachers Salary (New)			202.14	-	201.96	85.28
	Teachers Salary (Recurring)			952.83	-	516.96	106.98
O.	Teaching & Learning Equipment	4929.04	35.03	7787.56	86.10	8833.46	7462.94
P.	Teachers Training (EGS)	6700.99	937.26	7246.42	1957.47	4257.08	2565.91
Q.	Community Mobilization	215.08	19.15	193.49	72.45	206.75	107.96
	SEIMAT	-	-	-	-	-	-
	Others	4122.63	526.41	-	-	-	-
	SC/ST education	484.00	501.02	-	-	-	-
	Grand Total	-	-	-	-	86590.71	59825.03
	S. P. O.	318.00	247.89				
	NPEGEL			1392.30	264.73	1060.72	633.47
	Innovative activities for Girls	1255.00	1163.94				
	Grand total	75749.15	33363.91	85602.18	38254.46	87651.43	60548.50

It was seen that there was either no expenditure or negligible expenditure under certain interventions indicating inadequate tardy implementation of activities covered in these schemes.

As against provision of Rs.1,154.97 lakh made in 2004-05 under teachers salary, no expenditure was incurred in that year. Similarly, as against the provision of Rs.718.92 lakh in 2005-06, expenditure incurred was Rs.192.26 lakh. The low expenditure incurred under this head was attributed to the non-recruitment of teachers against existing vacancies or new post sanctioned. Similarly expenditure on the new schools, civil works, innovative activities, teachers training, etc. were much less by than that provided during the three years.

4.2 Payment of teachers grant/ school grant were made at the end of financial year in most of schools visited by Team and were utilized in next financial year.

CHAPTER-5

FUND FLOW

5.1 FUNDING PATTERN

SSA in the State is financed by both the Govt. of India and Govt. of Maharashtra in the ratio of 85:15 during IX Plan upto 2002, 75:25 during X Plan upto 2007 and 50:50 thereafter upto 2010. State Govt. is liable to maintain their level of investment in elementary education as in 1999-2000 and the contribution of State share for SSA is to be over and above this investment. Appreciating the necessity of strengthening this programme, International Development Association (IDA) has executed an agreement with the Govt. of India during June 2004 to lend an amount in various currencies equivalent to Special Drawing Rights (SDR) 33,49,00,000 and closing date for drawls of this amount was to be 31st December 2007.

5.2 FUNDING NORMS

Preparation of District Elementary Education Plans (Perspective as well as Annual Work Plan & Budget) by each district, appraisal of plans, approval of plans and financial outlay by the Project Approval Board (PAB) precede release of funds by Govt. of India, which would release funds, approved in two installments every year viz. April and September, subject to certain conditions, which inter-alia include the following:

- (a) Written Commitment by State Govt. regarding meeting its share of SSA outlay.
- (b) State Govt. would release its matching contribution within 30 days of release of funds by the Govt. of India.
- (c) State share of SSA to be over and above the level of expenditure on Elementary Education incurred by State for the year 1999-2000.
- (d) Second installment would only be released after previous installment of State share had been transferred to the Parishad and substantial progress has been made in expenditure as far as money already released is

concerned (expenditure of at least 50 per cent of funds transferred has been incurred.)

5.3 Both the Govt. of India and the State Govt. releases the funds directly to MPSP, which in turn releases funds to the DPOs. The DPOs release funds to BRCs, CRCs and VEC.

5.4 Level of investment by State Govt. in Elementary Education was maintained, as detailed below:

(Rs. in lakh)

Year	Non-Plan	Plan	Total	Actual share of State Govt. received by MPSP under SSA
1999-2000	263615.54	7661.64	271077.18	
2000-2001	286058.34	10804.60	295863.14	
2001-2002	390722.33	8888.41	399610.74	Nil
2002-2003	380616.27	3263.14	383879.41	1989.72
2003-2004	377730.29	2735.02	380465.31	8963.45
2004-2005	399490.41	2126.99	401617.40	8349.00
2005-2006	449541.46	15810.26	465351.72	14519.70

5.5 FUNDING PROFILE

As per Perspective Plan 2001-2007, the sanctioned outlay in respect of SSA was Rs.3,985.84 crore.

The funding profile of SSA in the State from 2003-04 to 2005-06 is summarized below:

(Rs. in lakh)

Year	Approved Annual Outlay	Funds released by			Expenditure	Balance
		Centre	State	Total		
2003-04	757549.15	20526.67	8963.45 [@]	37198.37*	33363.91	3834.46
2004-05	85602.18	35489.79 ^{@@}	8349.00	47673.25**	38254.46	9418.79
2005-06	87651.43	59654.10	14519.70	74173.80	60458.50	13715.30

* Includes opening balance of Rs.7708.25 lakh

** Includes opening balance of Rs.3834.46 lakh

[@]Rs.1169.78 related to 2002-03

^{@@}Rs.211.82 related to NPEGEL (received on 13.04.2005)

5.6 NON-UTILISATION OF FUNDS

On account of non-utilization of funds fully or partly there were savings under different heads of expenditure, which were kept in Saving Bank Account at the State level and Districts level. The position of bank balances at State Headquarters of two nationalized bank for the three years ending 31st March 2006 were as follows:

(Rs. in crore)

Year ending 31 st March	Cash at Bank as per accounts
2004	34.60
2005	169.06
2006	62.92

These unspent balances, kept with two Nationalized Banks (State Bank of India & Canara Bank) in savings banks accounts have obviously effected the implementation of SSA programme in the State.

5.7 DELAY IN FLOW OF FUNDS

The table below depicts extent of delay in release of funds by Govt. of India/ State Govt. of their respective shares:

Sl. No.	Govt. of India					Delays		
	Dates of Sanction	Amount (Lakh)	Date of receipt by MPSP	Date of Sanction	Amount (Lakh)	Date of receipt by MPSP	Sanction of central share to its receipt (days) (A & B)	Central share to receipt of state share (B & D)
	(A)		(B)	(C)		(D)		
1.	2003-04 1.9.03	20,381 <u>2,869</u> 23,250	23.9.2003	27.01.04	6793.67 <u>1169.78</u> ** 7963.45 <u>1000.00</u> 8963.45	Feb 04	23 days	5 months
2.	2004-05 17.05.2004 02.08.2004 07.02.05	5000 15000 <u>15000</u> 35000	17.05.2004 02.08.2004 07.02.2005	20.11.04 NPEGEL 25.02.05	7637.18 <u>211.82</u> 7849.00 <u>500.00</u> 8349.00 <u>5000.00</u> 13349.00	30.11.2004 25.02.2005 13.04.2005		6 month 6 month 2 month

* Unspent balance of 2002-03 adjusted

** Related to 2002-03

Sl. No.	Govt. of India Share			State Govt. Share			Delays	
	Dates of Sanction	Amt. (Rs. in lakh)	Date of receipt by MPSP	Date of Sanction	Amt. (Rs in lakh)	Date of receipt by MPSP	Sanction of central share to its receipt (days) (A & B)	Central share to receipt of state share (B & D)
	(A)		(B)	(C)		(D)		
3.	2005-06			29.03.05	150.00	20.04.2005		
	03.06.2005	20000.00	10.06.2005	18.11.05	9206.44	08.12.2005		6 month
	14.07.2005	9569.52	29.08.2005	09.03.06	2233.20	01.04.2006	45	8 month
	29.12.2005	20000.00 49569.52	13.01.2005	24.05.06	4668.02 16257.66	21.06.2006	14	5 month
4.	2006-07							
	3.07.2006	31,304.00	18.7.2006	25.8.2006	10434.95	22.9.2006	15	2 months

The following observations are made in this regard:

- (i) In accordance with Para 88.1 of MFM&P, Govt. of India was to release funds once in April and then again in September. However, it is seen that during 2003-04 funds were released, after delay of 5 month. Similarly funds for the year 2004-05 and 2005-06 were released in three installments belatedly.
- (ii) State share of SSA grants were released late by 5 months during 2003-04 and belated release by 2 to 8 months during 2004-05 & 2005-06.
- (iii) The Govt. of India funds for the year 2002-03 were routed through State Govt. and delayed by nearly 7 months.
- (iv) The State share of SSA funds for 2005-06 were actually received after close of the financial year.
- (v) According to para 87.2 of MFM&P the financial assistance under SSA programme was to be in the ratio of 85:15 during IX plan period upto 2002, 75:25 during X plan period upto 2007 and in the ratio of 50:50 thereafter upto 2010. The actual position of receipt of funds from the State Govt. was as under:

(Rs. in lakh)

Year	Annual outlay	Govt. of India Funds		State Govt. funds		
		75% share of annual outlay	Actual funds released	25% Share of State Govt.	Actual release of funds by State Govt.	Short receipt of funds from State Govt.
2003-04	75759.15	56819.00	23250.00	18939.70	8963.75	9975.95
2004-05	85602.18	64201.60	35000	21400.50	13287.18	8113.32
2005-06	87651.43	65738.68	49569.52	21912.80	16107.66	5805.14

There were not only delays in release of funds but also short release, both by Govt. of India and State Govt., as compared to the approved annual outlay for all the years from 2003-04 to 2005-06 and the sharing ratios.

5.8 The table below gives the position of fund flow from MPSP to the Districts Project Offices and others:

Receipt of funds at MPSP		Release of funds by MPSP including expenditure incurred by Project Office/ MPSP			
Date	Amount (Rs. in lakh)	From	To	No. of installment	Time taken
01.09.03 27.01.04 } 31.03.04 }	32213.75	11.06.03	25.03.04	4	4 month
01.05.04 to 31.03.05	48287.18	11.06.04	31.03.05	6	4 month
03.06.05 to 24.05.06	65677.18	02.05.05	31.03.06	9	4 month

In this connection the following is observed:

- (i) According to Para 89.3 of MFM&P State implementing Society is required to release funds to districts within 15 days of its receipts from Govt. of India and State Govt. However, none of the 15 instalments of release of funds were made within 15 days.
- (ii) Funds were released in one installment only on 12 occasions. Remaining funds were released between 2 to 8 installments.
- (iii) Funds were released by MPSP on last days of the financial year, as can be seen from the table, which could not have serve the intended purpose.

(Rs. in lakh)

Year	Total funds released	Funds released on the last days of financial year		
		Date	Amount	% of funds released
2004-05	34160.25	03.03.2005 to 25.03.2005	3,155	9
2005-06	58841.58	03.03.2006 to 31.03.2006	11,399.6	19

- (iv) Large unspent balances as detailed below were also held as cash in hand and at bank at the MPSP H.Qrs:

(Rs. in lakh)

Year	Amount
2003-04	3,954.96
2004-05	16,924.24
2005-06	20,757.34 FD 282.68

5.9 The DPO, Pune and Nagpur released the following funds to the DIET for pre-service and in-service training of teachers at the DIET Centre, as well as at Taluka level educational institutions:

(Amount in Rs.)

Year	Pune	Nagpur
2003-04 11.03.2004	4,00,200.00	Nil
2004-05 07.10.2004	15,98,850.00	65,164 (Actual expdr.)
2005-06 11.10.2006 11.10.2006	1,35,100.00 3,24,000.00	40,053 (Actual expdr.)

The DIET, Loni Kalbhor, District Pune conducted training programme at H.Qrs as well as at the Taluka level for imparting training to pre-service and in service training to teachers. The DIET, Nagpur conducted training of Specialist Guides, New trained teachers and Tribal Dialect Project during 2004-05 and 2005-06. The Zilla Parishad, Nagpur arranged training of all levels at districts level and centre levels.

It was observed that the Project incharge, DIET, Pune did not maintain any cash books. The advances were paid from time to time to training incharge. The amounts were deposited in Pune District Cooperative Bank, contrary to the instructions contained in Para 50 of MFP&P.

The MPSP releases funds to DPOs in lumpsum without indicating the programme to which these relates.

CHAPTER-6

ACCOUNTS AND BUDGET

6.1 SYSTEM OF ACCOUNTS

In Para 49 of MFM&P it has been laid down that complete accounts in respect of monetary transactions of the SIS in the Headquarters Office as well as in the subordinate offices shall be maintained in the same manner as required in the State Govt. Office and double entry method based on mercantile system of accounting shall also be followed under SSA. List of books, accounts and registers to be maintained has been given in Para. 50 ibid. In Para 52 ibid has been stated that books and forms of accounts shall be maintained in the forms in which these are maintained in State Govt. office and if some of the registers and forms are not in use in the State Govt. Office, the forms adopted by the office of the State society with the approval of SPD will be followed. In Para 77.2 ibid it has been laid down that cash book should be maintained under double entry system. In Para 80 and 81 instructions for maintenance of Journal and Ledger respectively have been given.

In this connection the following is observed:

- (i) No ledgers and Journals were maintained for the years 2003-04 to 2005-06.
- (ii) The State Project Office maintained cash book under double entry system but ledger accounts were not maintained. Journal entries were passed at the end of financial year. The BRCs/ CRCs maintained only cash books. In most of the schools visited by team only Cash Books were maintained for School grants, Teachers grant, construction of school buildings and construction of CRCs and additional classrooms. Ledger accounts were not maintained.
- (iii) The SSA funds received from District Project Office, Pune is being credited to Pune District Central Cooperative Bank Accounts by Principal, DIET, Kalbhor, Pune. The DIET, Nagpur credited SSA funds to PLA A/c of Principal, DIET and withdrawn these amounts and handed over to Project incharge, Training. Even though accounts were rendered by said Project

incharge, separate cash books is not being maintained to record day-to-day transactions.

- (iv) The BRC, Khed (Rajguru Nagar), Pune and at Kalmeshwar, Nagpur maintained cash book under double system entry of accounts. But ledger accounts, indicating amounts released to Village Education Committee/ Schools under various interventions are not being maintained.
- (v) The CRCs did not maintain Cash Books separately as funds were released to Village Education Committee. The Head Master, who is Secretary of Village Education Committee maintained Cash Book for Schools, as well as for CRC in respect of funds for construction of CRC and funds for purchase of furniture to CRCs at Pune and Nagpur district.

6.2 UTILIZATION CERTIFICATES

As per provisions of MFM&P the Society is required to furnish Utilization Certificate (UC) in the prescribed format duly authenticated by the Chartered Accountant to the Govt. of India along with the Annual Statement of Accounts within nine month of the close of the financial year.

However, UCs for the years 2003-04, 2004-05 and 2005-06 were submitted to the Govt. of India belatedly (viz. on 15.04.2006, 27.04.2006 and 25.01.2007 respectively).

6.3 MANAGEMENT COST

As per Para 37 of MFMP, management cost should not exceed 6 per cent of the total cost separately for each district and also in aggregate for the entire State. It was observed that the management cost of MPSP had exceeded the limit of 6 per cent and had gone upto 6.07 per cent and 8.40 per cent of the total cost in the years 2004-05 and 2005-06.

The management cost of Zilla Parishad, Nagpur had exceeded 6 per cent of the total cost on 2004-05 and 2005-06 and was 7.21 per cent and 9.03 per cent respectively.

6.4 PROJECT MANAGEMENT INFORMATION SYSTEM (PMIS) AND EDUCATIONAL MANAGEMENT INFORMATION SYSTEM (EMIS)

The PMIS and EMIS developed by MPSP is being utilized by DPOs. The BRCs collect the data from school and CRC and forward to DPO who in turn transmits the data under to the SPO for consolidation and submission to Govt. of India.

6.5 INTERNAL AUDIT

Norms for Internal Audit of SSA are laid down in Para 100 of MFM&P wherein it has also been stated that in case in house Internal Audit team is not available qualified Chartered Accountants firms may be engaged for carrying out internal audit. Prior to October 2004 there was no move to get the internal audit done as no in house Internal Audit team was available. Bids from renowned Chartered Accountants were invited by the MPSP and 21 Chartered Accountants were appointed as Internal Auditors after executing the agreements. It was seen that the observations of Internal Auditor were mostly of technical & procedural inadequacies rather than of financial irregularity. Some of the common inadequacies & omission noticed by the Internal Auditors were as follows:

- (i) Booking of the expenditure under incorrect/ improper head of classification resulting into improper accounting/ classification of expenditure and wrong construction of Final Accounts.
- (ii) Though Govt. Taxes were deducted at sources at DDO's (CRC) level, these were not remitted into Govt. Accounts/ Treasuries.
- (iii) In majority of the units the Books of Accounts envisaged in the MFM&P were not maintained or were not maintained properly.
- (iv) In many cases DPO deposited the SSA Funds in more than one Bank and maintained two set of Books of Accounts.
- (v) In many districts cash payments were made and in some cases payment was made by "Bearer Cheques".
- (vi) No effective action to recover the outstanding advances or adjustment thereof are being taken.
- (vii) The Parishad is paying pension contribution and leave salary contribution to the State Govt. in respect of staff on deputation but such payments

have not been exhibited separately nor provision made therefor in the accounts.

- (viii) Drafts/ cheques relating to earnest money/ security received from suppliers/ contractors are retained till completion of contracts in SPO, DPO at Pune and Nagpur, without crediting to banks.

6.6 Annual verification of stock articles are not being carried out as required vide para 62 of MFM&P by SPO, DPO, Pune and Nagpur. Most of the schools visited had not maintained stock registers. In almost all the schools the position of maintenance of voucher was not satisfactory.

6.7 CERTIFICATION OF ACCOUNTS

6.7.1 The Accounts for the year 2005-06 have not been approved by the Executive Committee. The Accounts for 3 years ending 31st March 2004, 31st March 2005 and 31st March 2006 were certified by the Statutory Auditors on 15th December 2004, 12th January 2006 and December 2006, respectively. These Accounts have, however, not been approved by the Governing Body as the Body has not met after 1998. The accounts for the years 2003-04 and 2004-05 only have been approved by the Executive Committee as envisaged in Rule 57 of the Rules of the Society.

It was also seen that:

- (a) Annual accounts of MPSP for the year 2003-04, 2004-05 and 2005-06 were not prepared within the prescribed date (30th September).
- (b) The certified accounts for the year 2005-06 were not finalized until January 2007.
- (c) Details of fixed Assets held by the MPSP as on the last date of financial year were not prepared and appended with the Annual Accounts for the years 2003-04 and 2004-05.
- (d) The DPO, Pune released funds during March, 2004 to Village Education Committee but record of release of funds was not kept at BRC Khed, Rajgurunagar nor utilization certificates watched by BRCs.

- (e) Action on observations made in respect of Nashik Region, Mumbai Region and Nagpur Municipal Corporations by the Auditors have not been taken.
- (f) Utilization Certificate from DIET, Pune was not available with DPO, Pune.
- (g) Maintenance of records are yet to be systematized (e.g. vouchers have not been numbered and preserved serially as per the entries in Cash Books.)

CHAPTER-7 CIVIL WORKS

7.1 Provision regarding Civil Works, maintenance and repair of school Buildings and financial norms thereof are contained in Para 26, 27 and Annexure-II of MFM&P.

7.2 The MPSP had sanctioned and released the following amounts for civil works to be undertaken under the SSA during 2003-04 to 2005-06:

(Rs. in lakh)

Year	Amount
2003-04	129.29
2004-05	302.07
2005-06	537.18
Total	968.54

7.3 PROGRESS IN EXECUTION OF CIVIL WORKS

The physical progress of civil works taken up and completed/ not completed during 2003-04 to 2005-06, in regard to construction of school buildings, boundary walls, water facilities, toilets, BRC & CRC centres is discussed below:

7.3.1 School Buildings

Reliable figures depicting progress in construction of school buildings for the years 2003-04 to 2005-06 were not made available.

7.3.2 Water Facilities

It was observed that only 3122 out of 6483 water facility works were taken up for execution and completed during 2004-05, leaving a balance of 3361 such works yet to be planned for executions, despite availability of funds.

7.3.3 Toilets

The position of planning and execution of works relating to toilets showed that only 3067 out of 5276 such works projected were taken up and completed.

7.4 SUPERVISION OF CIVIL WORKS

The MPSP appointed M/s P.T. Mase & Associates, Nagpur in January 2005 for verification and supervision of construction of additional school buildings/ BRCs/ CRCs in the Nagpur Division for one year (from 10th January 2005 to 9th Jan 2006) on a payment of Rs.32,15,010.

It was observed that the work was done during March 2006 and April 2006 for constructions under taken during 2004-05.

The reports submitted by M/s Mase & Associates were not complete in all respects.

The construction of the school Buildings/ BRCs/ CRCs for the year 2004-05 were only verified and not the work done during 2003-04 and 2005-06 and only 20 per cent work was supervised during 2004-05. The quality reports are not available. It is not clear from the reports received from the consultant as to how verification of the quality of construction done at plinth level and slab level in 2004-05 could be certified after visiting construction of sites during March 2006. The actual supervision at the plinth level, slab level and brick masonry and sand quality used, cement strengths and other technical aspects have not been brought out in the report.

7.5 The position of existing infrastructure of some of the schools in Pune and Nagpur District were as follow:

Sl. No.	Particulars of infrastructure	Pune District		Nagpur District	
		Primary	Upper Primary	Primary	Upper Primary
1	2	3	4	5	6
1.	Schools having no buildings	192	69	127	49
2.	Schools which do not have boundary walls	14	2	4	4
3.	Schools having no drinking water facilities	5	2	4	3
4.	Schools having no toilets	6	2	6	1
5.	Classrooms required as per ratio of 1:40	12865		4363	
6.	Actual availability	5751		3787	

In view of above effective steps need to be taken to develop the status of existing school infrastructure.

7.6 There were no core planning teams to prepare village level plan in any of the schools of Pune and Nagpur Districts visited by the study team to prepare village level plan.

7.7 The position of the civil works in some of the schools visited was as detailed below:

Sl. No.	Name of School	Remarks
1.	Upper Primary School, Bhimnagar, Block – Hingana, Distt. Nagpur	The construction was undertaken on Govt. land encroached (Zudapi Jungle). The construction of additional classrooms was taken up and Ramps were not according to the specification.
2.	Upper Primary School Wanadongri, Block – Hingana, Distt- Nagpur	The construction of additional classrooms 1+1(about 8 classes) was undertaken but the school had made the provision of 1+2 without the approval of the authority.
3.	Primary School Panchagaon, Block – Umred, Distt. Nagpur	The additional one classroom and Gat Samuh Kendra was constructed during 2003-04 was not utilized and construction of new additional classroom was also approved during 2005-06.
4.	Upper Primary School, Pipalgaon, Block – Saoner, Distt – Nagpur	The additional classroom and Gat Samuh Kendra constructed during 2004-05 have not been used so far. It was further observed that one classroom was given to the Gram Panchayat.
5.	Upper Primary School, Susundri, Block - Kalmeswar, Distt. Nagpur	The Gat Samuh Kendra constructed during 2005-06 was in use by the Jal Swaraj Yojana authority and the two additional class rooms constructed can not be used as it requires the shifting of Electric over head line.

Sl. No.	Name of School	Remarks
6.	Primary School, Bramhani, Block – Kuhi, Distt. Nagpur	The ramps had developed cracks, the flooring has broken and no railing was fixed on ramp.
7.	Primary School, Maroonji, Block – Mulshi, Distt. Pune	Additional two rooms were constructed but these rooms had been given to private aided school without the permission of ZP Pune.
8.	Primary School, Lawale Maroonji, Block – Mulshi, Distt. Pune	The 5 additional classrooms were constructed but 3 Classrooms had been given to private aided secondary school without the permission of Z.P. Pune.

7.8 It was seen from the records maintained at the Pune and Nagpur Zilla Parishads that these Parishads have no clear titles to lands used for the construction of infrastructure. All the legal documents about the title to the land have not been obtained from the concerned authorities. Lands belonging to Govt., Private Parties, donated land, Zudapi Jungle Land, Agril Land, Abadi Land and Land belonging to Govt./ Municipal Corporation for Bazar, Mandi have been used for the construction of school buildings CRCs and BRCs. No action was taken to verify the legal title to the land before release of advances for construction to the Zilla Parishad.

7.9 As per Para 62 of MFMP, it is mandatory on the part of School Authorities to maintain an Asset Register.

It was, however, seen during the visit that only a few school have maintained the Asset Registers but these were not in the proper form and in proper order.

CHAPTER-8 PROCUREMENT

8.1 Prior to introduction of SSA, a centrally sponsored scheme viz. District Primary Education Programme (DPEP) was in existence upto June 2003. This was funded by the World Bank and the Rules & Regulations for procurement and purchase were based on the guidelines, directives issued by the World Bank. After the SSA Scheme was introduced in State, the provisions of MFMP were made applicable. The Executive Committee of MPSP decided that the State Govt's Rules for procurement of materials/ components in SSA as well as provisions of the MFMP would be followed. The village/ school shall decide the best way of procurement in connection with upgradation, repair and maintenance of schools and teaching learning equipments. The SSA Framework has not specified the methods for procurement at school, CRC, BRC, district and state level. It was decided by the Elementary Education Bureau that procurement under SSA may be carried out as per the State Govt. procedure/ Rules. The procedure also provides that this choice may be exercised by the Executive Committee either for the entire procurement to be done by the Society in toto or for each item of procurement on case-to-case basis.

During the scrutiny of relevant records for the year 2003-04, 2004-05 and 2005-06 it was seen that MPSP made procurement of the following articles at DGS&D Rate Contract prices.

Sl. No.	Descriptions of Goods/ Equipment	Quantity	Value (Rs.)
2003-04			
1.	Computers	1445	4,33,73,599/-
2.	Printer	289	
3.	UPS	1423	
2004-05			
1.	Computers	1314	4,49,23,096/-
2.	Printers	266	
3.	UPS	1286	
4.	Speaker Headphone	1205	

During 2005-06 orders were placed for purchase of the following articles:

Sl. No.	Descriptions of Goods/ Equipment	Quantity	Value (Rs. in crore)
2005-06			
1.	Computers	1715	
2.	Printers	355	4.76
3.	UPS	7715	
4.	Speaker	1715	

Payment to the extent of ninety eight per cent of value of the purchase order was made during 2006-07.

CHAPTER-9

MISCELLANEOUS

9.1 INSPECTION OF SCHOOLS

Schools were inspected by District Education Officer, Block Education Officer and Village Extension Officers and Cluster incharge periodically and remarks were recorded in schools visit books. Action taken on suggestions/ instruction were to be complied and compliance recorded the Remarks Books. In Nagpur district compliance of remarks in visit books were not recorded as no action seems to have been taken in almost all schools visited by team.

9.2 VILLAGE EDUCATION COMMITTEE

As per Para 1.8 of MFM&P at Village level the critical unit is Village Education Committee (VEC), which assist the basic education system in securing the cooperation and participation of local community and at the same time supervises the implementation of SSA in the Village. The Head Master of Cluster Centre or Head Master of Primary School/ Head Master of Upper Primary School act as Secretary of VEC. Training of Community leaders is arranged at District level as well as at block level.

As per Status Report ending March 2006, 28,543 Village Panchayats and 28,543 VECs were formed. In a group of Gram Panchayats, there is one VEC, which covers more than two wadis or grams. Training of Community leaders/ VECs members were to be arranged twice in a year.

It was noticed that Varodi (Bk), Distt. Pune the meetings of VEC were not held regularly and it was held twice a year. The periodicity of duration of meeting at other schools were quite satisfactory and meetings were held bimonthly and proceedings were recorded regularly. Some of the VECs were quite active and associated with student census of eligible students in the villages.

9.3 VILLAGE EDUCATION REGISTER (VER)

The VER was not maintained in 17 schools in Pune and 30 schools in Nagpur district to facilitate identification of children in the age group of 6-14 as

envisaged in SSA programme. In Pune district "Higher Study" subject specialist posts have been created for each Taluka to assess the quality and identification of potentiality of student only in 2006-07.

9.4 . PARENT TEACHERS MEETING

Parent teachers meetings were not held at Varodi (Bk) Alande, Kasurdi – Gujan Mala, Kenjale in Bhore Taluka, Pune dist. Similar position existed in the Taluka Schools visited except a few schools at Khed Block. In Nagpur district also meetings were not held periodically.

9.5 DISPLAY BOARDS

It was noticed that boards depicting the presence of students was displayed in some of the schools. Boards displaying grants received and expenditure incurred was displayed only at Primary School at Annapur, Takalkarwadi, Dhore Bhamburwadi in Pune District.

9.6 TEACHER PUPIL RATIO

The "Framework for implementation of Sarva Shiksha Abhiyan" envisaged one teacher for every 40 children in primary school (at least two teachers in a primary school) and one teacher for every class in the Upper Primary Schools. The pupil teacher ratio in the 50 schools of Pune and Nagpur districts visited by study team revealed that there were imbalance in the deployment of teachers in the schools. It was observed during the year 2005-06 in Pune and Nagpur district that there were 216 and 59 schools with one teacher only. It was further observed that the teachers were engaged in Block Offices as coordinators for compilation of the field data, etc.

As reported by the State Govt. there are 2939 single teacher schools in the State with overall PTR 1:31. The PTR in primary schools and upper primary schools are 1:33 and 1:22 respectively.

9.7 OUT OF SCHOOL CHILDREN

The SSA assigns greatest importance for the need based planning. Data collected from household and School surveys are collected at the cluster block and district levels. Validation of Micro Planning data of out of schools children on the basis of house-to-house survey for families shows the following figures:

Out of school children	2003-04	2004-05	2005-06
6-14 age group	527647	439794	459034

Though the number of out of school children came down from 5.28 lakh in 2003-04 but again increased to 4.59 lakh.

9.8 TEACHERS TRAINING

MSCERT, Pune is the State level nodal agency for implementing teacher training programme for all teachers working in primary and upper primary schools. The DIET, BRCs and CRCs are actively involved in teachers training programme.

9.8.1 The position of trained and untrained teachers during the years 2003-04 to 2005-06 is indicated in the table below:

Year	Total teachers	Trained teachers	Untrained Teachers
2003-04	125397	123828	1569
2004-05	390238	332294	57944
2005-06	316274	270095	46179

9.8.2 The position about the teachers training for the year 2005-06 was as follows:

Amount of expenditure 2005-06	Type of Training	Planned 2005-06	Achieved 2005-06	Percentage of teachers trained to planned
Rs.2,021.00 lakh	20 days, 30 days & 60 days	430350	244880	56.9
		17603	10020	56.9
		7726	4395	56

The reasons for low achievement could not be explained by the SPD to the team.

As per instructions dated 15th December 2003 of the MSCERT, the training programme was to be planned in a phased manner i.e. 5 days, 8 days in a month. It was seen that during 2004-05 and 2005-06 training was arranged only on every Saturday and Sunday in a month to be continued for four months. This not only resulted in additional expenditure on traveling but also does not serve the purpose of training due to lack of continuity in the training. As the State has huge number of untrained teachers immediate action to impart training to these teachers is required to be taken.

9.9 Under SSA Teaching Learning Material grant is admissible @ Rs.10,000 for the new primary schools and Rs.50,000 per upper primary school and for new schools and upper primary schools not covered under Operation Black Board:

Sl. No.	Type of school	Year 2005-06		
		Sanctioned	Utilized	Shortfall
1	New Primary Schools	370	287	83
2	New UPS	92	66	26
3	UPS not covered under OBB	3192	3192	Nil

In order to watch utilization and use of the material purchased under TLM grant (i.e. Rs.500 per teacher) under SSA the same should be entered in the consumable article register of the school to show that the grant under SSA was actually utilized for the Teacher Learning Material.

The situation is worse in the Urban Areas such as Mumbai Municipal Corporation and other Municipal Corporations.

CHAPTER-10

FREE TEXT BOOKS

10.1 The distribution of Free Text Books to the eligible students in the age group of 6-14 for girls and SC/ ST students from the very first day of the academic session was to be done. The position of distribution for the year 2003-04 could not be verified, as records were not produced. Free Text Books were distributed to 9385913 students during 2004-05. It was seen that eligible students in Zilla Parishad, Nagpur was shown as 3,53,440 but the MPSP has shown the same 4,16,047 students. The Pune Zilla Parishad has shown the distribution of Free Text Books to 3,15,493 students whereas the MPSP has shown the same as 3,10,866.

The number of students covered during 2005-06 was 87,42,087. However, the State Society reported that 88,94,737 students were supplied free Text Books which is in excess by 1,52,650 the value of the excess books shown by the State Society but not actually distributed works out to Rs.122.12 lakh (1,52,650 x Rs.80 per set).

10.2 It was observed that in Primary School Zilla Parishad, Pirangoot, Tal-Mulshi, Distt. Pune more than 1000 books of various subjects for classes I to IV standards were not distributed but stocked in a classroom.

10.3 During the visits to Primary and Upper Primary Schools in Zilla Parishad, Pune and Nagpur it was observed that the Text Books for free distribution were received late as shown below:

Sl. No.	Year	Date of receipt of the Book
1.	2003-04	22.06.2004 to 25.09.2004
2.	2004-05	30.05.2005 to 19.07.2005
3.	2005-06	27.05.2006 to 21.07.2006

It was further seen that Zilla Parishad, Primary School Sawangi, Tal. Hingana, had received the text books during the year 2005-06 from 09.07.2005 to 19.01.2006 for the students of standard I to IV.

10.4 As per provisions under SSA only Girl students, SC and ST students are entitled for Free Text Books. It was, however, observed during the visit to the Block level in Nagpur Zilla Parishad, Taluka Ramtek, Mauda and Kuhi that the Free Text Books were given to all the students in the schools irrespective of their entitlement.

10.5 During the visit to the Primary and Upper Primary schools, the study team observed that no text books were received for free distribution during 2005-06 in the following Schools:

Sl. No.	Name of School	Particulars of non-receipt of text books
1.	Mohogaon Primary Zilla Parishad school, P.S. Hingana, Z.P. Nagpur	Standard II All subjects during 2005-06
2.	Upper Primary School, Veltoor	VII Standard (Hindi Books).
3.	Primary School, Kuhi Zilla Parishad, Nagpur.	V to VII Standard – Science (History and Geography) IV standard (English Text Books)
4.	Primary School Talegaon Dhamdere, Tal. Shiroor Zilla Parishad, Pune	V & VII Standards (Maths, Hindi, Geography, History, Social Science) and English for VII standard

CHAPTER-11
MID-DAY MEAL SCHEME

11.1 Maharashtra Govt. is implementing Mid day Meal Scheme in all the primary schools from I standard to V standard. The cooked food (Khichadi) is being served in all primary schools after the Supreme Courts decision in the matter.

It was observed that the food is cooked through Mahila Vikas Gat in the premises of school compound. The grant fixed by the Govt. of Maharashtra for cooking of the Mid Day Meals from September 2006 is as follows:

Sl. No.	No. of students on roll	Rate (Rs.)
1.	1 to 75	2.25 per student attended
2.	76 to 250	2.00 (minimum 170 per school)
3.	Above 251	1.75 (minimum 525 per school)

The remuneration to the Mahila Vikas Gat is released as per the approved rate of VEC and not as per the rate approved by the State Govt.

11.2 Sample of the meal cooked under the Scheme is not preserved till the close timings of schools. The findings of the schools visited is indicated below:

Sl.No.	Name of Schools	Remarks
1.	Bhor Block, Varudi (Bk), Pune Distt.	The Mid day Meal was not served on 28.12.06 to the students, as the Rice was not supplied by the Ration Shop despite the requisition was given on 15.12.2006 by the school authority.
2.	Alande Primary Schools, Bhor Block, Pune Distt.	No sample of Midday Meals kept till 5.00 p.m.
3.	Maroonji Primary School, Block Mulshi Block, Dist-Pune	The Mid day Meals was prepared and served by the contractor and not by the Village Mahila Gat.
4.	Mansar Mines, Khairi, Tal - Ramtek, Dist. - Nagpur	No Mid day Meals were provided from 03.02.2007 to 23.02.2007 i.e. the day of visit.

CHAPTER-12

NATIONAL PROGRAMME FOR EDUCATION OF GIRLS AT ELEMENTARY LEVEL

12.1 A new programme called National Programme for Education of Girls at Elementary Level (NPEGEL) was implemented at Pimpri Chinchawad Mahanagar Palika for providing additional components for education of girls at elementary level under the umbrella of SSA but with a distinct identity. The assistance under their component was to be 75:25 sharing arrangement during X Five-Year Plan and 50:50 sharing thereafter between the Govt. of India and State Govt. No activity under NPEGEL was implemented through SSA funds in Pune Zilla Parishad during 2003-2004 to 2005-06. The Mahanagar Palika Pimpri Chinchawad spent on amount of Rs.3,17,118 for execution of the scheme in the Urban area during 2005-06.

12.2 On visit to Pimpri Nagar Kamala Nehru Kanya Shala it was seen that training was imparted in production of Candle, Chalk, Detergent, Cycling and Teaching in sewing/ tailoring. There were 30 girls students enrolled during 2005-06. The daily attendance i.e. Girls-wise Register was not maintained but the no. of students attended had been recorded. The Centre had purchased two Bicycles, two sewing machines, one fall-Piko Machine. The dead stock register was maintained and a separate bank account alongwith cash book is maintained. The coordinator procures bulk quantity of raw material for practical experiments from the local market and distributes it to other Centres.

12.3 As per the provisions of the Scheme interest earned is to be refunded to the allottee organization and only the allotment amount on the schemes is to be spent. It was seen that Municipal Corporation (NPEGEL) Nagpur spent the interest of Rs.24,227 earned upto 2005-06 instead of refunding the same to the MPSP, the allottee organization.

CHAPTER-13

SCHOOL VISIT

13.1 The MPSP published a booklet in vernacular language detailing the system of maintenance of Cash Book, Ledger in respect of funds under SSA. The said booklet were circulated to all the schools/ BRCs/ CRCs for guidance.

13.2.1 It was seen from visits to 59 schools that only two schools in Pune district maintained cash book properly.

13.2.2 The following three schools did not produce or maintained any cash book:

Particulars	Remark
Primary School	
Ambeghar, Tal-Bhor, Distt. – Pune	Cash Book was not maintained.
Upper Primary School	
Pirangut, Tal – Mulshi, Distt. Pune	Head Mistress was not available in the school.
Zullar, Tal-Mauda, Distt. Nagpur	Head Master incharge was not available in the schools. He was on union work at Delhi.

In the remaining 54 schools, cash book had not been maintained properly. Although cash books are being maintained in parts for school grant, Teachers grant, Construction grant but consolidated Cash Book or ledgers are not being maintained. The main reason is that the Principal or the teachers are not trained in maintenance of accounts.

13.2.3 In the following Upper Primary schools, it was observed that there were excess teachers deployed on the basis of the strength of students and norms adopted by ZP, Nagpur:

Sl. No.	Name of the UP school	No. of Division	No. of teachers in position	Excess
1.	Upper Primary School, SRPF camp Tal. Hingana, Z.P. Nagpur	12 Divisions (12 + 1HM)	16	3
2.	Upper Primary school, Wanadongri, Block - Hingana, Z.P. Nagpur	13 Divisions (13 + 1 + 5) (Subject Specialist)	22	3
3.	Upper Primary School, Z.P. Weltoor, P.S. Kuhi, Distt. Nagpur	8 (7 Divisions 7 + 1 HM)	9	1

13.3 During the visit of Primary Schools and Upper Primary Schools, it was observed that all the Primary Schools visited (22) had the arrangement of sitting of student on Patti and in Upper Primary Schools visited (33), the students of VI and VII standards were provided desk and benches and students from I standards to V standard were provided floor mats.

13.4 During the visit to 54 Zilla Parishad Schools (Upper Primary and Primary) of Nagpur and Pune districts it was noticed that the drinking water facility was not available in as many as 15 schools. Toilet facility was not available in 16 schools.

13.5 The Study team had made surprise visit of 5 schools in Nagpur District as detailed below:

TD	Upper Primary
Mauda	1. Zullar 2. Mathani 3. Borgon
Kuhi	4. Sasegaon
	5. Welture

- (i) On the visit to Zullar Upper Primary School, Mauda Taluka it was found that the Head Master I/C was not available. There were 5 teachers sanctioned but only two teachers attended the school at 10.30 a.m. The other teachers were not available as one was on election training, one teacher was on leave and one teacher (i.e. I/C HM) had reported by gone to Delhi to take part in the union activity without sanction of the leave by Block Education Officer, Mouda. The records, such as Cash Book, Ledger, Vouchers, Bank Pass Book, VEC proceedings, Block Officers Inspection Book, Mid day Meals records, Free Text Book distribution etc were not made available for scrutiny.
- (ii) The sample of Mid-day Meal was not kept till 5.00 p.m. in the Schools visited.

- (iii) Free distribution of text books under SSA was made to all students of the schools irrespective of whether they are entitled for free text books or not.
- (iv) The schools visited had not maintained the ledgers of the expenses made for the respective years.
- (v) The attendance of the Teachers and the students was almost satisfactory except Zullar Upper Primary Schools.
- (vi) The Record of Right and title for land could not be verified at all schools visited.
- (vii) The construction of additional schools classrooms were undertaken but the Ramps were not provided with railings, floorings was not good. There were leakage and seepages of water and colour was defaced in the primary school Bramani, Tal. Kuhi, Distt. Nagpur. At the entry of the school no boards were exhibited showing the grants received and spent.
- (viii) The teachers Grant of Rs.500 for teachers were given but no stock book of articles purchased were kept and the material prepared out of the grant was also not found in the schools.
- (ix) Computer lab was provided in one of the school visited. (i.e. Mathani U.P. Schools, Tal. Mouda). However, the Lab was not utilized by the schools being located at a distance place. It was also observed that due to power cut limited benefit was being derived.



A. GANGULI
Sr. Administrative Officer
Institute of Public
Auditors of India
New Delhi

**THE LIST OF SCHOOLS VISITED BY TEAM
PUNE DISTRICT**

Sl. No.	Primary Schools	Sl. No.	Upper Primary Schools
A.	MUESHI Block		
	Pirangut		
	Mutha		
	Ambegaon		Lavale
	Marunji		
B.	KHED Block		
			Takalkar wadi
			Dhore Bhamburwadi
	Davane Mala, Ambethan		
			Ambethan
		Yelwadi	
C.	JUNNAR Block		Narayangaon I Boys
			II Girls
	SASWAD		Chive wadi
			Bhivadi
	Devadi		
D.	SHIRUR		
	Annapur – Patra – Purandare vasti		Talegaon Dhamdhare
			I Boys
			II Girls
	Kivathe Mala		
	Dhaki Vasti – Kavathe (Yemai)		
	Shinde wadi – Malthan		
E.	BHOR		Alande
			Ambeghar
			Kenjal
			Kasurdi (Gunjan Mala)
	Varodi		

-Cont.-

**THE LIST OF SCHOOLS VISITED BY TEAM
NAGPUR DISTRICT**

Sl. No.	Name of Taluka	Primary Schools	Upper Primary Schools
A.	Kalmeshwar		Dahegaon
			Bramhani
			Susundri
			Mhase Pathar
B.	Saoner	Patansawangi I	Dahegaon (Rangari)
		Patan Sawang II	Mangasa
		Welture	Pipala (Dak-Bangala)
C.	Umerd	Panchgaon I	Udasa
		Panchgaon II	Champa
		Khapri (Raja)	
D.	Ramtek	Nagardhan I	Mansar
		Nagardhan II	Pawani
		Sarakha	Kendri
		Mansar Mines	
E.	Hingana	Sawangi (Devli)	Raipur (Kanya)
		Mohgaon	Wanadongari
			SRPF Gr.4
			Bhimnagar
F.	Mounda		Zullan
			Mathani
G.	Kuhi	Bramhani	Borgaon
			Welture
			Sasegaon

SARVA SHIKSHA ABHIYAN

EXPENDITURE REPORT IN FMR-I, II & III

FOR THE PERIOD 1/4/2007 TO 30/9/2007

Summary Budget Analysis (Entire Program)

For the financial year ended on

30.9.2007

(Rs. in lakhs)

	1	2	3	4	5	6	
Name of State	AWP&B 2007-2008	Opening Balance	Releases by GOI (Incl external)	Releases by States	Reported Expenditure	Estimated AWP&B for next FY 2007-2008	Remarks
Andaman & Nicobar Island	929.19	203.37	50.00	0.00	115.71		
Andhra Pradesh	124607.30	15346.08	18100.00	1000.00	8030.67		
Arunachal Pradesh	6286.35	1212.38	0.00	0.00	1113.17		
Assam	62138.49	32604.63	46.37	0.00	10742.13		FMR-III not received
Bihar	333929.73	37081.28	53982.85	30923.21	63489.82		
Chandigarh	1953.69	335.90	25.00	235.00	358.55		
Chattisgarh	78478.27	4590.54	16191.50	16100.00	25130.83		
Dadra & Nagar Haveli*	794.36	0.53	125.00	40.00	144.01		
Daman & Diu	258.26	214.56	0.00	0.00	28.71		
Delhi	5234.32	117.21	2800.00	0.00	799.30		
Goa	1662.82	291.49	300.00	0.00	436.73		
Gujarat	37970.21	6603.24	9520.04	5090.00	15448.40		
Haryana	35706.60	5478.00	6000	6336.87	9823.12		
Himachal Pradesh	12198.37	2235.30	6250.75	2083.59	4999.08		
Jammu & Kashmir*	32151.79	1113.86	3000.00	0.00	3674.98		
Jharkhand	132192.31	2948.51	29959.00	33850.00	43245.39		
Karnataka	69746.00	6169.03	17700.00	15475.89	28630.12		
Kerala	15956.39	64.30	4500.00	100.00	1900.79		
Lakshadweep	235.17	85.43	58.79	90.00	13.47		
Madhya Pradesh	179824.44	53217.65	19159.52	5904.25	40971.18		
Maharashtra	89523.47	16416.03	12000.00	0.00	23596.57		
Manipur*	3684.00	417.38	0.00	0.00	25.82		
Meghalaya	9785.44	2737.39	0.00	551.51	1268.99		
Mizoram	2605.72	175.18	1210.00	1099.70	1591.68		
Nagaland*	1997.78	33.36	472.00	0.00	13.59		
Orissa	108844.48	10223.33	18947.04	5595.31	18237.47		
Pondicherry	893.50	255.35	0.00	0.00	132.63		
Punjab	18488.50	1077.93	3500.00	0.00	1622.66		
Rajasthan*	159999.45	5290.36	38939.15	23750.38	49819.91		
Sikkim	1580.42	579.29	0.00	0.00	457.55		
Tamil Nadu	70271.11	26.13	16250.00	10331.41	22092.88		
Tripura	3031.65	196.46	1000.00	0.00	999.99		
Uttar Pradesh	344219.38	17885.54	60300.00	55392.71	54541.87		
Uttarakhand	25283.55	4112.33	3550.00	4801.25	8854.44		
West Bengal	139323.99	3591.11	33088.34	20000.00	19306.85		
Total	2111786.46	232930.46	377025.35	238764.18	462159.06	0.00	
National Component							
Ed.CIL	1092.00				131.44		
NCERT	224.35	63.01	36.54		24.73		
NIEPA	15.00	5.29			6.36		
IGNOU	132.15				44.02		
NIAR	150.00	2.14			22.50		
NIC	78.00				0.00		
Total	1691.50	70.44	36.54	0.00	229.05	0.00	
Grand Total	2113477.96	233000.90	377061.89	238764.18	462388.11	0.00	

Information in r/o Andhra Pradesh, Bihar, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, Manipur, Meghalaya, Nagaland, Punjab Sikkim has been taken from the Expenditure Statement.

Credit -3882-IN
Elementary Education Project
Expenditure Report Summary (Entire Programme)
1.4.2007 TO 30.9.2007

FMR-III

Rs. in lakhs

Name of State	Op. Bal of the Year	Releases for the Half year	Releases for the financial year till date	Expenditure for the half year	Expenditure for the financial year till date	Estimated AWP&B for next FY
Andaman & Nicobar Island	.203.37	50.00	50.00	115.71	115.71	
Andhra Pradesh	15346.08	19100.00	19100.00	8030.67	8030.67	
Arunachal Pradesh	1212.38	0.00	0.00	1113.17	1113.17	
Assam	32604.63	46.37	46.37	10742.13	10742.13	
Bihar	37081.28	84906.06	84906.06	63489.82	63489.82	
Chandigarh	335.90	260.00	260.00	358.55	358.55	
Chattisgarh	4590.54	32291.50	32291.50	25130.83	25130.83	
Dadar & Nagar Haveli	0.53	165.00	165.00	144.01	144.01	
Daman & Diu	214.56	0.00	0.00	28.71	28.71	
Delhi	117.21	2800.00	2800.00	799.30	799.30	
Goa	291.49	300.00	300.00	436.73	436.73	
Gujarat	6603.24	14610.04	14610.04	15448.40	15448.40	
Haryana	5478.00	12336.87	12336.87	9823.12	9823.12	
Himachal Pradesh	2235.30	8334.34	8334.34	4999.08	4999.08	
Jammu & Kashmir	1113.86	3000.00	3000.00	3674.98	3674.98	
Jharkhand	2948.51	63809.00	63809.00	43245.39	43245.39	
Karnataka	6169.03	33175.89	33175.89	28630.12	28630.12	
Kerala	64.30	4600.00	4600.00	1900.79	1900.79	
Lakshadweep	85.43	148.79	148.79	13.47	13.47	
Madhya Pradesh	53217.65	25063.77	25063.77	40971.18	40971.18	
Maharashtra	16416.03	12000.00	12000.00	23596.57	23596.57	
Manipur	417.38	0.00	0.00	25.82	25.82	
Meghalaya	2737.39					
Mizoram	175.18	2309.70	2309.70	1591.68	1591.68	
Nagaland	33.36	472.00	472.00	13.59	13.59	
Orissa	10223.33	24542.35	24542.35	18237.47	18237.47	
Pondicherry	255.35	0.00	0.00	132.63	132.63	
Punjab	1077.93	3500.00	3500.00	1622.66	1622.66	
Rajasthan	5290.36	62689.53	62689.53	49819.91	49819.91	
Sikkim	579.29	0.00	0.00	457.55	457.55	
Tamil Nadu	26.13	26581.41	26581.41	22092.88	22092.88	
Tripura	196.46	1000.00	1000.00	999.99	999.99	
Uttar Pradesh	17885.54	115692.71	115692.71	54541.87	54541.87	
Uttaranchal	4112.33	8351.25	8351.25	8854.44	8854.44	
West Bengal	3591.11	53088.34	53088.34	19306.85	19306.85	
Total	232930.46	615789.53	615789.53	462159.06	462159.06	
National Component						
Ed.CIL				131.44	131.44	
NCERT	63.01	36.54		24.73	24.73	
NIEPA	5.29			6.36	6.36	
IGNOU				44.02	44.02	
NIAR	2.14			22.50	22.50	
Total	70.44	36.54	0.00	229.05	229.05	0.00
Grand Total	233000.90	615826.07	615789.53	462388.11	462388.11	0.00

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = **Andaman & Nicobar Islands**

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	14.85	14.85
2	New Upper Primary School	3.24	3.24
3	Block Resource Centre	2.12	2.12
4	Cluster Resource Centre	34.13	34.13
5	Civil Works	0.00	0.00
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	1.01	1.01
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	1.37	1.37
11	Innovative Activities	1.45	1.45
12	Interventions for Disabled Children	2.04	2.04
13	Maintenance Grant	20.95	20.95
14	Management & MIS	11.19	11.19
15	Research and Evaluation	0.00	0.00
16	School Grants	8.46	8.46
17	Teacher Grants	14.90	14.90
18	TLE Grants	0.00	0.00
19	Teacher Training	0.00	0.00
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	Teacher Salary		0.00
24	Others		0.00
Total		115.71	115.71

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

FMR:-III

NAME OF THE STATE / U.T. = **Arunachal Pradesh**

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	866.23	866.23
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	49.70	49.70
4	Cluster Resource Centre	71.55	71.55
5	Civil Works	1.00	1.00
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	39.53	39.53
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	2.41	2.41
11	Innovative Activities	6.73	6.73
12	Interventions for Disabled Children	0.00	0.00
13	Maintenance Grant	0.00	0.00
14	Management & MIS	48.49	48.49
15	Research and Evaluation	1.41	1.41
16	School Grants	0.00	0.00
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	1.50	1.50
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	24.62	24.62
23	NPEGEL	0.00	0.00
24	Others	0.00	0.00
Total		1113.17	1113.17

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Chandigarh

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	39.80	39.80
2	New Upper Primary School	146.80	146.80
3	Block Resource Centre	0.00	0.00
4	Cluster Resource Centre	10.33	10.33
5	Civil Works	23.61	23.61
6	Major Repais	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	19.97	19.97
9	Free Text Books	60.54	60.54
10	Innovative Activities	8.00	8.00
11	Interventions for Disabled Children	6.37	6.37
12	Intervention for Girl Children	0.00	0.00
13	Maintenance Grant	0.00	0.00
14	Management & MIS	28.03	28.03
15	Research and Evaluation	0.00	0.00
16	School Grants	0.00	0.00
17	Teacher Grants	12.15	12.15
18	TLE Grants	0.00	0.00
19	Teacher Training	2.95	2.95
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	National Components (NPEGEL)	0.00	0.00
Total		358.55	358.55

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Chhattisgarh

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	6434.56	6434.56
2	New Upper Primary School	6201.15	6201.15
3	Block Resource Centre	199.92	199.92
4	Cluster Resource Centre	115.14	115.14
5	Civil Works	6585.24	6585.24
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	386.23	386.23
9	Free Text Books	1514.60	1514.60
10	Innovative Activities	220.83	220.83
11	Interventions for Disabled Children	11.66	11.66
12	Intervention for Girl Children	0.00	0.00
13	Maintenance Grant	1086.60	1086.60
14	Management & MIS	321.31	321.31
15	Research and Evaluation	44.09	44.09
16	School Grants	742.98	742.98
17	Teacher Grants	440.42	440.42
18	TLE Grants	44.49	44.49
19	Teacher Training	495.40	495.40
20	Community Mobilisation	45.41	45.41
21	SIEMAT	0.00	0.00
22	State Component	101.74	101.74
23	National Components (NPEGEL)	139.08	139.08
Total		25130.83	25130.83

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Delhi

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	0.00	0.00
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	0.00	0.00
4	Cluster Resource Centre	0.00	0.00
5	Civil Works	400.00	400.00
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	6.81	6.81
9	Free Text Books	0.00	0.00
10	Innovative Activities	50.62	50.62
11	Interventions for Disabled Children	0.00	0.00
12	Intervention for Girl Children (NPEGEL)	0.00	0.00
13	Maintenance Grant	0.00	0.00
14	Management & MIS	41.87	41.87
15	Research and Evaluation	0.00	0.00
16	School Grants	0.00	0.00
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	300.00	300.00
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	National Components (NPEGEL)	0.00	0.00
24	Others	0.00	0.00
Total		799.30	799.30

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = GOA

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	131.09	131.09
3	Block Resource Centre	16.26	16.26
4	Cluster Resource Centre	27.76	27.76
5	Civil Works	0.27	0.27
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	6.97	6.97
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	100.51	100.51
11	Innovative Activities	0.00	0.00
12	Interventions for Disabled Children	0.40	0.40
13	Maintenance Grant	50.90	50.90
14	Management & MIS	27.38	27.38
15	Research and Evaluation	0.39	0.39
16	School Grants	30.84	30.84
17	Teacher Grants	31.76	31.76
18	TLE Grants	0.00	0.00
19	Teacher Training	12.20	12.20
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	NPEGEL	0.00	0.00
24	Others	0.00	0.00
Total		436.73	436.73

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Gujarat

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	0.00	0.00
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	218.90	218.90
4	Cluster Resource Centre	344.32	344.32
5	Civil Works	5789.40	5789.40
6	Major Repairs	308.07	308.07
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	632.93	632.93
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	583.45	583.45
11	Innovative Activities	382.88	382.88
12	Interventions for Disabled Children	254.90	254.90
13	Maintenance Grant	2552.17	2552.17
14	Management & MIS	300.71	300.71
15	Research and Evaluation	163.18	163.18
16	School Grants	1084.19	1084.19
17	Teacher Grants	890.00	890.00
18	TLE Grants	0.00	0.00
19	Teacher Training	1287.29	1287.29
20	Community Mobilisation	39.42	39.42
21	SIEMAT	0.00	0.00
22	State Component	334.94	334.94
23	NPEGEL	173.27	173.27
24	KGBV	108.38	108.38
Total		15448.40	15448.40

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Haryana

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	4864.00	4864.00
3	Block Resource Centre	571.13	571.13
4	Cluster Resource Centre	7.41	7.41
5	Civil Works	2196.26	2196.26
6	Major Repair	0.00	0.00
6	Toilets; Drinking Water	0.00	0.00
7	Interventions for Out of School Children	109.35	109.35
8	Intervention for Girl Children NPEGEL	19.07	19.07
9	Free Text Books	3.11	3.11
10	Innovative Activities	39.85	39.85
11	Interventions for Disabled Children	23.81	23.81
12	Maintenance Grant	681.56	681.56
13	Management & MIS	213.96	213.96
14	Research and Evaluation	14.95	14.95
15	School Grants	278.80	278.80
16	Teacher Grants	313.33	313.33
17	TLE Grants	0.00	0.00
18	Teacher Training	220.58	220.58
19	Community Mobilisation	1.27	1.27
20	SIEMAT	0.00	0.00
21	State Component	192.16	192.16
22	KGBV	72.52	72.52
Total		9823.12	9823.12

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Himchal Pradesh

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2006
1	New Primary School	0.00	0.00
2	New Upper Primary School	1356.48	1356.48
3	Block Resource Centre	221.39	221.39
4	Cluster Resource Centre	123.55	123.55
5	Civil Works	1087.61	1087.61
6	Major Repair	38.62	38.62
6	Toilets, Drinking Water	51.80	51.80
7	Interventions for Out of School Children	33.22	33.22
8	Intervention for Girl Children	5.20	5.20
9	Free Text Books	0.00	0.00
10	Innovative Activities	180.73	180.73
11	Interventions for Disabled Children	42.55	42.55
12	Maintenance Grant	687.24	687.24
13	Management & MIS	142.39	142.39
14	Research and Evaluation	66.85	66.85
15	School Grants	289.10	289.10
16	Teacher Grants	224.68	224.68
17	TLE Grants	27.00	27.00
18	Teacher Training	208.59	208.59
19	Community Mobilisation	45.53	45.53
20	SIEMAT	0.00	0.00
21	NPEGEL	34.70	34.70
22	State Component	105.85	105.85
23	KGBV	26.01	26.01
	Total	4999.08	4999.08

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Jammu & Kashmir

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	3368.16	3368.16
3	Block Resource Centre	0.00	0.00
4	Cluster Resource Centre	0.00	0.00
5	Civil Works	0.00	0.00
6	Major Repair	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	0.00	0.00
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	0.00	0.00
11	Innovative Activities	0.00	0.00
12	Interventions for Disabled Children	0.00	0.00
13	Maintenance Grant	0.00	0.00
14	Management & MIS	0.00	0.00
15	Research and Evaluation	0.00	0.00
16	School Grants	0.00	0.00
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	0.00	0.00
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	306.82	306.82
23	Others	0.00	0.00
Total		3674.98	3674.98

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = **Jharkhand**

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	10245.76	10245.76
2	New Upper Primary School	2199.00	2199.00
3	Block Resource Centre	142.50	142.50
4	Cluster Resource Centre	748.24	748.24
5	Civil Works	19614.99	19614.99
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	59.67	59.67
8	Interventions for Out of School Children	228.00	228.00
9	Intervention for Girl Children NPEGEL	696.70	696.70
10	Free Text Books	3593.81	3593.81
11	Innovative Activities	29.88	29.88
12	Interventions for Disabled Children	54.29	54.29
13	Maintenance Grant	1498.36	1498.36
14	Management & MIS	742.11	742.11
15	Research and Evaluation	131.70	131.70
16	School Grants	869.06	869.06
17	Teacher Grants	488.49	488.49
18	TLE Grants	446.90	446.90
19	Teacher Training	409.39	409.39
20	Community Mobilisation	32.64	32.64
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
24	KGBV	1013.90	1013.90
Total		43245.39	43245.39

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-II

NAME OF THE STATE / U.T. = Karnataka

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	7754.62	7754.62
3	Block Resource Centre	438.43	438.43
4	Cluster Resource Centre	1121.90	1121.90
5	Civil Works	6748.90	6748.90
6	Major Repairs		0.00
7	Toilets, Drinking Water		0.00
8	Interventions for Out of School Children	3063.02	3063.02
9	Intervention for Girl Children NPEGEL	452.65	452.65
10	Free Text Books	331.85	331.85
11	Innovative Activities	63.94	63.94
12	Interventions for Disabled Children	847.95	847.95
13	Maintenance Grant	2909.18	2909.18
14	Management & MIS	1238.96	1238.96
15	Research and Evaluation	51.45	51.45
16	School Grants	1349.35	1349.35
17	Teacher Grants	943.14	943.14
18	TLE Grants	83.40	83.40
19	Teacher Training	983.28	983.28
20	Community Mobilisation	23.04	23.04
21	SIEMAT		0.00
22	State Component		0.00
23	KGBV	225.05	225.05
24	Others		0.00
Total		28630.12	28630.12

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended

on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Kerala

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	0.00	0.00
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	324.24	324.24
4	Cluster Resource Centre	6.09	6.09
5	Civil Works	179.93	179.93
6	Major Repair	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	29.66	29.66
9	Intervention for Girl Children	96.31	96.31
10	Free Text Books	242.85	242.85
11	Innovative Activities	134.71	134.71
12	Interventions for Disabled Children	122.22	122.22
13	Maintenance Grant	0.15	0.15
14	Management & MIS	213.95	213.95
15	Research and Evaluation	0.00	0.00
16	School Grants	2.34	2.34
17	Teacher Grants	380.41	380.41
18	TLE Grants	0.00	0.00
19	Teacher Training	167.93	167.93
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total		1900.79	1900.79

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

FMR/II

NAME OF THE STATE / U.T. = **Madhya Pradesh**

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	5551.27	5551.27
2	New Upper Primary School	5964.13	5964.13
3	Block Resource Centre	720.37	720.37
4	Cluster Resource Centre	3438.34	3438.34
5	Civil Works	955.63	955.63
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	1727.11	1727.11
8	Interventions for Out of School Children	1294.31	1294.31
9	Intervention for Girl Children NPEGEL	5269.75	5269.75
10	Free Text Books	5368.40	5368.40
11	Innovative Activities	162.36	162.36
12	Interventions for Disabled Children	62.77	62.77
13	Maintenance Grant	2880.81	2880.81
14	Management & MIS	1869.71	1869.71
15	Research and Evaluation	195.19	195.19
16	School Grants	1886.14	1886.14
17	Teacher Grants	1145.35	1145.35
18	TLE Grants	0.00	0.00
19	Teacher Training	1913.51	1913.51
20	Community Mobilisation	293.83	293.83
21	SIEMAT	0.00	0.00
22	State Component	272.20	272.20
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total		40971.18	40971.18

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Maharashtra

(Rs. in lakhs)

S.. I No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	0.00	0.00
2	New Upper Primary School	203.06	203.06
3	Block Resource Centre	4130.22	4130.22
4	Cluster Resource Centre	306.92	306.92
5	Civil Works	6166.65	6166.65
6	Major Repairs	472.66	472.66
6	Toilets, Drinking Water	148.33	148.33
7	Interventions for Out of School Children	1186.34	1186.34
8	Intervention for Girl Children NPEGEL	65.83	65.83
9	Free Text Books	0.00	0.00
100	Innovative Activities	112.47	112.47
111	Interventions for Disabled Children	445.27	445.27
122	Maintenance Grant	2921.80	2921.80
133	Management & MIS	1329.13	1329.13
144	Research and Evaluation	73.29	73.29
155	School Grants	1928.42	1928.42
166	Teacher Grants	2048.89	2048.89
177	TLE Grants	19.40	19.40
188	Teacher Training	1612.43	1612.43
199	Community Mobilisation	39.29	39.29
200	SIEMAT	0.00	0.00
211	State Component	0.00	0.00
222	NPEGEL	0.00	0.00
233	Others	386.17	386.17
Total		23596.57	23596.57

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended

on
1.4.2007 to 30.9.2007

FMF-III

NAME OF THE STATE / U.T. = Mizoram

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	448.12	448.12
3	Block Resource Centre	53.76	53.76
4	Cluster Resource Centre	99.84	99.84
5	Civil Works	0.00	0.00
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	309.11	309.11
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	289.34	289.34
11	Innovative Activities	203.73	203.73
12	Interventions for Disabled Children	25.98	25.98
13	Maintenance Grant	0.00	0.00
14	Management & MIS	89.85	89.85
15	Research and Evaluation	12.34	12.34
16	School Grants	0.00	0.00
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	0.00	0.00
20	Community Mobilisation	5.20	5.20
21	SIEMAT	0.00	0.00
22	State Component	50.81	50.81
23	NPEGEL	3.60	3.60
	Total	1591.68	1591.68

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Orissa

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	6168.17	6168.17
3	Block Resource Centre	53.64	53.64
4	Cluster Resource Centre	96.71	96.71
5	Civil Works	5166.74	5166.74
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	610.60	610.60
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	279.65	279.65
11	Innovative Activities	457.13	457.13
12	Interventions for Disabled Children	258.00	258.00
13	Maintenance Grant	1825.85	1825.85
14	Management & MIS	894.49	894.49
15	Research and Evaluation	126.47	126.47
16	School Grants	758.51	758.51
17	Teacher Grants	545.17	545.17
18	TLE Grants	53.90	53.90
19	Teacher Training	180.08	180.08
20	Community Mobilisation	18.38	18.38
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	NPEGEL	743.98	743.98
Total		18237.47	18237.47

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

NAME OF THE STATE / U.T. = Pondicherry

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	0.00	00.00
2	New Upper Primary School	0.00	00.00
3	Block Resource Centre	11.13	111.13
4	Cluster Resource Centre	0.00	00.00
5	Civil Works	0.00	00.00
6	Major Repairs	0.00	00.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	2.14	2.14
9	Intervention for Girl Children	0.00	0.00
10	Free Text Books	0.00	0.00
11	Innovative Activities	35.22	35.22
12	Interventions for Disabled Children	21.81	21.81
13	Maintenance Grant	24.70	24.70
14	Management & MIS	27.16	27.16
15	Research and Evaluation	0.86	0.86
16	School Grants	8.34	8.34
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	1.27	1.27
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	0.00	0.00
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total		132.63	132.63

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Rajasthan

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School		
2	New Upper Primary School	30784.71	30784.71
3	Block Resource Centre	143.50	143.50
4	Cluster Resource Centre	526.26	526.26
5	Civil Works		
6	Major Repairs		
7	Toilets, Drinking Water	10036.64	10036.64
8	Major Repairs	0.00	0.00
9	Interventions for Out of School Children	678.71	678.71
10	Intervention for Girl Children	1471.82	1471.82
11	Free Text Books		0.00
12	Innovative Activities	96.66	96.66
13	Interventions for Disabled Children	460.95	460.95
14	Maintenance Grant	770.56	770.56
15	Management & MIS	1552.28	1552.28
16	Research and Evaluation	68.15	68.15
17	School Grants	1152.43	1152.43
18	Teacher Grants	842.55	842.55
19	TLE Grants	0.00	0.00
20	Teacher Training	1182.61	1182.61
21	Community Mobilisation	52.08	52.08
22	SIEMAT	0.00	0.00
23	State Component	0.00	0.00
24	Teacher Salary	0.00	0.00
25	Others	0.00	0.00
Total		49819.91	49819.91

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-4

NAME OF THE STATE / U.T. = **Tamil Nadu**

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	0.00	0.00
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	1770.27	1770.27
4	Cluster Resource Centre	2647.42	2647.42
5	Civil Works	9304.82	9304.82
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	689.73	689.73
9	Intervention for Girl Children NPEGEL	412.98	412.98
10	Free Text Books	0.00	0.00
11	Innovative Activities	584.09	584.09
12	Interventions for Disabled Children	274.14	274.14
13	Maintenance Grant	2055.19	2055.19
14	Management & MIS	622.91	622.91
15	Research and Evaluation	59.60	59.60
16	School Grants	1018.60	1018.60
17	Teacher Grants	990.28	990.28
18	TLE Grants	13.90	13.90
19	Teacher Training	1478.20	1478.20
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	170.76	170.76
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total		22092.88	22092.88

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Tripura

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year ended 30.9.2007
1	New Primary School	238.67	238.67
2	New Upper Primary School	173.89	173.89
3	Block Resource Centre	78.40	78.40
4	Cluster Resource Centre	171.67	171.67
5	Civil Works	0.00	0.00
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	9.00	9.00
9	Intervention for Girl Children NPEGEL	3.91	3.91
10	Free Text Books	0.00	0.00
11	Innovative Activities	0.00	0.00
12	Interventions for Disabled Children	0.00	0.00
13	Maintenance Grant	0.00	0.00
14	Management & MIS	55.49	55.49
15	Research and Evaluation	0.45	0.45
16	School Grants	0.00	0.00
17	Teacher Grants	0.00	0.00
18	TLE Grants	0.00	0.00
19	Teacher Training	0.00	0.00
20	Community Mobilisation	0.00	0.00
21	SIEMAT	0.00	0.00
22	State Component	35.16	35.16
23	Teacher Salary OBB	217.16	217.16
24	KGBV	16.19	16.19
Total		999.99	999.99

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on
1.4.2007 to 30.9.2007

FMF-III

NAME OF THE STATE / U.T. = Uttar Pradesh

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	12846.29	12846.29
2	New Upper Primary School	0.00	0.00
3	Block Resource Centre	178.20	178.20
4	Cluster Resource Centre	392.26	392.26
5	Civil Works	21066.80	21066.80
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	0.00	0.00
8	Interventions for Out of School Children	780.42	780.42
9	Intervention for Girl Children NPEGEL	8915.61	8915.61
10	Free Text Books	19.52	19.52
11	Innovative Activities	331.08	331.08
12	Interventions for Disabled Children	424.92	424.92
13	Maintenance Grant	6133.75	6133.75
14	Management & MIS	832.92	832.92
15	Research and Evaluation	132.82	132.82
16	School Grants	11.14	11.14
17	Teacher Grants	1401.95	1401.95
18	TLE Grants	173.21	173.21
19	Teacher Training	618.69	618.69
20	Community Mobilisation	0.00	0.00
21	SIEMAT	15.77	15.77
22	State Component	266.52	266.52
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total		54541.87	54541.87

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended

on
1.4.2007 to 30.9.2007

FMR-III

NAME OF THE STATE / U.T. = Uttaranchal

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	806.13	806.13
2	New Upper Primary School	1346.75	1346.75
3	Block Resource Centre	112.79	112.79
4	Cluster Resource Centre	427.10	427.10
5	Civil Works	2649.26	2649.26
6	Major Repairs	0.00	0.00
7	Toilets, Drinking Water	333.07	333.07
8	Interventions for Out of School Children	447.50	447.50
9	Intervention for Girl Children NPEGEL	71.97	71.97
10	Free Text Books	711.15	711.15
11	Innovative Activities	161.72	161.72
12	Interventions for Disabled Children	33.20	33.20
13	Maintenance Grant	735.47	735.47
14	Management & MIS	195.84	195.84
15	Research and Evaluation	38.44	38.44
16	School Grants	321.02	321.02
17	Teacher Grants	194.83	194.83
18	TLE Grants	18.30	18.30
19	Teacher Training	107.33	107.33
20	Community Mobilisation	37.02	37.02
21	SIEMAT	0.00	0.00
22	State Component	105.55	105.55
23	Teacher Salary	0.00	0.00
24	Others	0.00	0.00
Total :		8854.44	8854.44

ELEMENTARY EDUCATION PROJECT
Activity-wise Expenditure Statement
of SSA for the Half Year Ended
on 1.4.2007 to 30.9.2007

FMR-10

NAME OF THE STATE / U.T. = West Bengal

(Rs. in lakhs)

S. No.	Expenditure by Activity	Half Year Ended 30.9.2007	Financial Year Ended 30.9.2007
1	New Primary School	1846.12	1846.12
2	New Upper Primary School	5953.14	5953.14
3	Block Resource Centre	87.57	87.57
4	Cluster Resource Centre	191.47	191.47
5	Civil Works	6773.31	6773.31
6	Major Repair	0.00	0.00
7	Toilets, Drinking Water	25.40	25.40
8	Interventions for Out of School Children	459.72	459.72
9	Intervention for Girl Children NPEGEL	42.23	42.23
10	Free Text Books	286.03	286.03
11	Innovative Activities	85.88	85.88
12	Interventions for Disabled Children	305.01	305.01
13	Maintenance Grant	378.84	378.84
14	Management & MIS	1389.33	1389.33
15	Research and Evaluation	57.36	57.36
16	School Grants	214.54	214.54
17	Teacher Grants	140.36	140.36
18	TLE Grants	207.47	207.47
19	Teacher Training	307.09	307.09
20	Community Mobilisation	58.65	58.65
21	SIEMAT	0.00	0.00
22	State Component	127.38	127.38
23	KGBV	179.00	179.00
24	NPEGEL	190.95	190.95
Total		19306.85	19306.85

**Status of Audit Reports 2006-07
and Compliance Reports of Audit
State-wise for 2005-06**

STATUS OF AUDIT REPORT 2006-07 AND COMPLIANCE REPORT OF AUDIT STATEWISE FOR 2005-06

Audit of the annual accounts of State Implementation Society is conducted by a Chartered Accountant, appointed by the Society as per the Procedures contained in the Manual on Financial Management and Procurement issued by MHRD.

Audit of State Society for the year 2005-06 has been conducted by the Chartered Accountants in 35 States / UTs and Audit Reports received from them.

(ii) COMPLIANCE OF AUDIT REPORTS / OBJECTIONS

The Compliance with objections made by the State Implementation Society is to be reported to the Auditor who is required to verify the same for settlement of objections at the time of next audit visit as prescribed in para 105 of the Manual. The progress in the settlement of audit objections is monitored by GO quarterly. A quarterly statement showing the position of settlement of audit objections has been prescribed for submission by the SIS. A summary of audit observation and their compliance for the year 2005-06 is enclosed for perusal of 7th JRM members.

(iii) STATUS OF AUDIT REPORTS FOR THE YEAR 2006-07

Audit Reports for the year 2006-07 have been received for the following States:-

1. Assam
2. Chhattisgarh
3. Gujarat
4. Jharkhand
5. Mizoram
6. Rajasthan
7. Tripura
8. Uttar Pradesh
9. West Bengal

**STATEMENT SHOWING SUMMARY OF OBSERVATIONS ON
AUDIT REPORTS POINTED OUT TO SPDs & RESPONSE RECEIVED IF ANY
For the year 2005-2006**

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
1.	A & N Island			
2.	Andhra Pradesh	<p>The following documents are found missing:-</p> <ul style="list-style-type: none"> (i) Procurement Audit Certificate (ii) Letter to the Management issued by the Auditor (iii) A consolidated financial statement in the format given in Annexure XVIII of the Manual on Financial Management & Procurement. (iv) Audited FMRs <p>Further the total of unspent balance and advances outstanding at the close of the financial year 31.3.2005 was Rs.12747.97 lakhs as per the utilization certificates but the utilization certificate submitted for the year 2005-06 shows a total unspent balance of Rs.552672005/- only. A revised utilization certificate taking into account all outstanding advances as on 31.3.2005 may please be furnished.</p>	<ul style="list-style-type: none"> (i) Provided (ii) Provided 	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																																																																												
3.	Arunachal Pradesh	<p>(i) As per the utilization certificate the unspent balance for the previous year is Rs.633.52 lakhs whereas the OB as on 1/4/2005 has been shown as Rs.1233.89 lakhs in FMR-I & FMR-II.</p> <p>(ii) The expenditure under the following activity heads exceeds the approved AWP&B for the year 2005-2006.</p> <p style="text-align: right;">(Rs. in lakhs)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Activity Head</th> <th>Approved AWP&B including spill over</th> <th>Exp.</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>Civil Works</td> <td>1905.60</td> <td>2322.24</td> <td>416.64</td> </tr> <tr> <td>School Maintenance Grant</td> <td>89.05</td> <td>93.83</td> <td>4.78</td> </tr> <tr> <td>Teacher Grant</td> <td>46.36</td> <td>53.22</td> <td>6.86</td> </tr> <tr> <td>TLE</td> <td>121.09</td> <td>173.66</td> <td>52.57</td> </tr> <tr> <td>SIEMAT</td> <td></td> <td>0.05</td> <td>0.05</td> </tr> <tr> <td>State Component</td> <td></td> <td>151.06</td> <td>151.06</td> </tr> </tbody> </table> <p>The auditors point out that</p> <p>(i) In most of the cases entries in the cash book were made without recording the proper heads of accounts and without proper narrations. Only the Payees' names are mentioned. Many districts have not maintained ledger book, Journal book, Fixed Asset Register, Register of Works, Advance Register, Cheque, Issue Register, Stock Register and Salary Register.</p> <p>(ii) There was no report of any verification of fixed assets.</p> <p>(iii) The vouchers for Purchase of furniture equipment, etc should be supported by proper documents of</p>	Activity Head	Approved AWP&B including spill over	Exp.	Excess	Civil Works	1905.60	2322.24	416.64	School Maintenance Grant	89.05	93.83	4.78	Teacher Grant	46.36	53.22	6.86	TLE	121.09	173.66	52.57	SIEMAT		0.05	0.05	State Component		151.06	151.06	<p>(iii) Reconciliation Statement of Unspent Balance as on 31.3.2005 and Opening Balance as on 1.4.2005.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Unspent Balance as per the UC dated 31st March 2005</td> <td>6,33,52,111/-</td> <td></td> </tr> <tr> <td>Add: Liabilities Payable</td> <td></td> <td></td> </tr> <tr> <td>State Office</td> <td>6,50,00,000/-</td> <td></td> </tr> <tr> <td>Along</td> <td>26,263/-</td> <td></td> </tr> <tr> <td>Yingkiong</td> <td>273/-</td> <td>6,50,26,536/-</td> </tr> <tr> <td>Refer Annex UC: 2 of previous years Audit Report</td> <td></td> <td></td> </tr> <tr> <td>Less: Advance Relaisable</td> <td></td> <td></td> </tr> <tr> <td>State Office</td> <td>1,05,100/-</td> <td></td> </tr> <tr> <td>Daporijo</td> <td>33,35,660/-</td> <td></td> </tr> <tr> <td>Pasighat</td> <td>2,000/-</td> <td></td> </tr> <tr> <td>Yupia</td> <td>7,000/-</td> <td></td> </tr> <tr> <td>Tezu</td> <td>2,000/-</td> <td></td> </tr> <tr> <td>Yingkiong</td> <td>93,930/-</td> <td></td> </tr> <tr> <td>Ziro</td> <td>15,500</td> <td>35,61,190</td> </tr> <tr> <td>Closing Balance as per the consolidated Receipts & payments A/c as on 31.3.2005 (Refer previous year's Audit Report)</td> <td></td> <td>12,48,17,457/-</td> </tr> <tr> <td>Less: Excess</td> <td></td> <td>14,28,910/-</td> </tr> </tbody> </table>	Unspent Balance as per the UC dated 31 st March 2005	6,33,52,111/-		Add: Liabilities Payable			State Office	6,50,00,000/-		Along	26,263/-		Yingkiong	273/-	6,50,26,536/-	Refer Annex UC: 2 of previous years Audit Report			Less: Advance Relaisable			State Office	1,05,100/-		Daporijo	33,35,660/-		Pasighat	2,000/-		Yupia	7,000/-		Tezu	2,000/-		Yingkiong	93,930/-		Ziro	15,500	35,61,190	Closing Balance as per the consolidated Receipts & payments A/c as on 31.3.2005 (Refer previous year's Audit Report)		12,48,17,457/-	Less: Excess		14,28,910/-	<p>1. The reconciliation of the opening balance as on 1/4/2005 given in your letter does not appear to be correct as the net closing balance arrived at in UC-2 of the Previous year's Audit Report is also Rs.63352111/- and not Rs.123388547/-. The Utilization Certificate as certified by the Auditor for the year 2005-06 also shows the unspent balance for the year 2004-05 as Rs.63352111/-.</p>
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S. No.	Name of the State	Observations	Response		Further Comments/Remarks						
		<p>tender where applicable, quotations comparative statement etc.</p> <p>2. Para on Procurement Audit is found missing. Auditors certificate of Procurement Audit is required in the format sent vide letter No. 15/2/2003-SSA(PR) dated 29th September 2006.</p>	<table border="1"> <tr> <td data-bbox="1288 294 1464 605"></td> <td data-bbox="1464 294 1611 605">cash at bank balance shown in the balance sheet of Papum Pare Dist. As on letter to Management)</td> <td data-bbox="1611 294 1800 605"></td> </tr> <tr> <td data-bbox="1288 605 1464 859">Opening Balance as on 01/04/06 as per the consolidated receipts & payment A/c as well as FMR-I & FMR-II</td> <td data-bbox="1464 605 1611 859"></td> <td data-bbox="1611 605 1800 859">12,33,88,547</td> </tr> </table>		cash at bank balance shown in the balance sheet of Papum Pare Dist. As on letter to Management)		Opening Balance as on 01/04/06 as per the consolidated receipts & payment A/c as well as FMR-I & FMR-II		12,33,88,547		<p>2&3. Any expenditure incurred in excess of the approved PAB activitywise allocations for the year is irregular. The excess expenditures incurred by the districts has, therefore, to be disallowed</p> <p>4. The Expenditure of Rs. 151.06 lakhs incurred by the SPO has to be shown under the relevant activity heads under which allotment of funds exists. Revised FMRs may please be furnished.</p> <p>5,6 & 7 Compliance to the audit observations may please be reported to the auditors for verification/settlement of audit objections during the next audit. Progress of settlement of audit objections may be included in the quarterly report on settlement of audit objections prescribed for the purpose.</p>
	cash at bank balance shown in the balance sheet of Papum Pare Dist. As on letter to Management)										
Opening Balance as on 01/04/06 as per the consolidated receipts & payment A/c as well as FMR-I & FMR-II		12,33,88,547									
<p>2) Regarding the excess expenditure of the consolidated report of the State a district wise list has been prepared against the districts for activities at S. No. 1 to 4 of your letter even No. dated 30th October 06 and we have asked the districts to explain the matter. The reports are awaited from the districts.</p> <p>3) Regarding the expenditure on SIEMAT, it was noticed that DDSE, East Kameng, was reported booking of expenditure of Rs.5000/- under SIEMAT. He was asked to explain why and how he has booked the expenditure under SIEMAT.</p> <p>4) In case of the State Component, Rs.61.06 has been spent against the PAB approval of</p>											

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>Rs.109.07. The excess expenditure of an amount of Rs.151.06 lakh as shown in the letter relates to the expenditure of SPO against the district budget of Rs.90.00 lakh for Computer Aided</p> <p>5) Learning. Therefore there is no excess expenditure in case of SPO above the PAB approval in this regard. Photocopy of the activity-wise expenditure statement of the statement of the Audit Report of SPO is enclosed at Annexure-II.</p> <p>6) Further instruction are sent to the districts to maintain all the books of accounts. In this regard 3 days training programme also conducted for the district level finance management staffs. The maintenance of the books of accounts also being monitored by the SPO Finance & audit staffs during their visit to districts.</p> <p>7) Verification of fixed assets was not done in earlier due to lack of Capacity Building at the district/state. After the training programme the districts were asked to maintain fixed assets register in addition to General Non consumable stock register. This also being monitored regularly.</p> <p>8) For procurement of furniture & equipment the district were advised to observed all the formalities like open tender or limited tender methods. Copy of the letter issued earlier is also attached.</p>	<p>Response:</p> <p>1. The closing balance as on 31.3.05 as per the audit report is Rs.63352111.00 and the same has been recalled as the opening balance on 1.4.05. the utilization certificate given by the auditor for the year 2004-05 is attached herewith for reconciliation at your level as it has been already rectified at our level.</p> <p>1. Closing Balance as on 31.3.2005 : Rs.63352111.00</p> <p>2. Opening Balance as on 1.4.05 : Rs.63352111.00</p> <p>2&3. The communication received vide letter No. 17.2.2006-SSA(DIS) dated 6th February 2007 has been intimated to all the DPOs who have made expenditure more than the PAB. Since the district offices did not have skilled man power in the accounts Branch during that period it is requested that this excess expenditure may kindly be approved for re-appropriation. The detail statement and proposal will be send after obtaining</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>approval from the EC.</p> <p>4. The expenditure of Rs.151.06 lacs of SPO includes the expenditure of Rs.90.00 lacs against the CAL of Innovation activity head of District budget. The expenditure has been incurred as per the policy decision of the Govt. Therefore, this expenditure is reflected under the head B. Innovation head of state component plan. The revised Intervention / activity wise expenditure is annexed for your information.</p> <p>5, 6 &7 The appointed auditors for 2006-07 was asked to review the audit notes of previous audit and asked to submit the report and also to reflect it in the audit report.</p> <p>The matter has been taken care of and will be intimated with quarterly report for settlement of Audit objection.</p> <p>The excess expenditure of Rs.480.90 lakhs incurred by the DPOs be got regularized through competent authority.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks												
4.	Assam	<p>(i) As per the Income & Expenditure Accounts the expenditure incurred by the Project during 2005-2006 is Rs.22533.01 lakhs which includes an expenditure of Rs.641.33 lakhs incurred by the DMOs for the AWP for the year 2002-03, 2003-04 and 2004-05 vide schedule B.2. This expenditure of Rs.641.33 lakhs is irregular as activities approved during previous years which are not spilled over cannot be carried out during subsequent years as the funds allotted for the same to be spent on those activities lapse with the close of the financial year. With the addition of capital expenditure of Rs.79.10 lakhs shown in Schedule B, the total expenditure works out to Rs.22612.11 lakhs. Against this the eligible expenditure is Rs.21970.78 lakhs (22612.11-641.33). But the expenditure claimed as per the FMRs and the utilization certificate is Rs.22714.55 lakhs. This needs to be clarified. A consolidated Annual Financial statement in the format at Annexure XVIII of the Manual on Financial Management & Procurement may also please be furnished.</p> <p>(ii) The expenditure on the following activities has exceeded the PAB approvals.</p> <p>(i) Teaching Learning Equipment while there is No allotment of funds by PAB an expenditure of Rs.88.37 lakhs has been shown in FMR-III.</p>	<p>(iii) Total expenditure reported in the audited Income & expenditure A/C 2005-06 for Rs.22,533.01 lakh comprises expenditure including Rs.641.33 lakh incurred by different DMOs related to AWP 2002-03, 2003-04 and 2004-05 which is indicated as irregular. However in this context it is clarified that the reported expenditure of Rs.641.33 lakh was only adjustment of advances made by different DMOs during AWP 2002-03, 2003-04 and 2004-05. (Dist. Wise adjustment list is enclosed at Annexure-A). Again total expenditure reported at FMR for Rs.22,714.55 lakh comprises the net value of fixed asset (Rs.181.54 lacs) acquired during AWP&B 2005-06 (Rs.22,714.55 - Rs.181.54 = Rs.22,533.01 lakh)</p> <p>(iv) i) In audited accounts an amount of Rs.88.37 lakh has been reported as expenditure under Teaching Learning Equipment (TLE) head while there is no allotment of fund by PAB. However concerned CA firm has verified the matter and reported that the following amount was wrongly incorporated in TLE head instead of teachers grant (TLM) head and agreed to produce one certificate to that effect.</p> <table border="1" data-bbox="1311 1125 1809 1310"> <thead> <tr> <th>S. No.</th> <th>Name of the District</th> <th>Amount booked in TLE Head instead of TLM Head (Rs. in lakhs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kamrup</td> <td>84.90</td> </tr> <tr> <td>2.</td> <td>Golaghat</td> <td>2.03</td> </tr> <tr> <td>3.</td> <td>Kokrajhar</td> <td>0.855</td> </tr> </tbody> </table>	S. No.	Name of the District	Amount booked in TLE Head instead of TLM Head (Rs. in lakhs)	1	Kamrup	84.90	2.	Golaghat	2.03	3.	Kokrajhar	0.855	<p>(i) It is noted that the expenditure of Rs.641.33 lakhs relates to the AWP&B 2002-03, 2003-04 and 2004-05 and is only the adjustment of advances for those years given to DMOs. You have not clarified as to whether the expenditure was actually incurred in the year in which the advance was given or during 2005-06. If the expenditure were incurred in the year 2002-03, 2003-04 & 2004-05 then the expenditure should not have been merged in the expenditure for the year 2005-06 in FMRs but shown separately as adjustment of expenditure for the years 2002-03, 2003-04 & 2004-05. This may please be confirmed and reasons for the abnormal delay in adjustment furnished.</p>
S. No.	Name of the District	Amount booked in TLE Head instead of TLM Head (Rs. in lakhs)														
1	Kamrup	84.90														
2.	Golaghat	2.03														
3.	Kokrajhar	0.855														

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																					
		<p>(ii) Community Mobilization against the PAB allotment of Rs.118.42 lakhs an expenditure of Rs.283.33 lakhs has been claimed.</p> <p>(2) The auditors point out:</p> <p>(i) Certain irregularities in the vouching in State Mission Office in Para-12 of the Audit Report. The excess expenditure involved has to be recovered / adjusted.</p> <p>(ii) Procurement Audit the prescribed procedures for the construction of SEIMET office building have not been followed. This is a serious lapse as according to Para-122.1 of the Manual on Financial Management & Procurement, the goods, works and services which are not procured in accordance with the prescribed procedures shall be treated as MIS-Procurement and Expenditures incurred considered ineligible.</p>	<table border="1" data-bbox="1327 288 1827 370"> <tr> <td>4.</td> <td>Dhubri</td> <td>0.54</td> </tr> <tr> <td>5.</td> <td>Darrang</td> <td>0.045</td> </tr> <tr> <td></td> <td>Total</td> <td>88.37</td> </tr> </table> <p>ii) In community Mobilization against total PAB allotment of Rs.118.42 Lakh, an expenditure of Rs.283.33 Lakh was reported in the audited accounts. The disparity is due to misclassification. The following expenditure relates to other PAB cost head than the Community Mobilisation head.</p> <table border="1" data-bbox="1290 633 1827 818"> <thead> <tr> <th>PAB Cost Code</th> <th>Activity Name</th> <th>Amount (Rs. in lacs)</th> </tr> </thead> <tbody> <tr> <td>K 10.02</td> <td>Research and Evaluation</td> <td>197.71</td> </tr> <tr> <td>Q 17.01</td> <td>Community Mobilization</td> <td>85.62</td> </tr> <tr> <td></td> <td>Total</td> <td>283.33</td> </tr> </tbody> </table> <p>2. The revised FMR duly certified by CA is enclosed herewith. Regarding observation of Para 12 of CA audit report following clarifications are submitted.</p> <p>a) Previously fooding and loading bills of 1st day's programme was used to pay as per the office indent and next day onwards such payment were made as per the attendance sheet of the participants. However necessary step has been taken to rationalize the 1st day payments.</p> <p>b) As pointed out by audit concerned vouchers have been checked and the corresponding attendance sheet has been traced out.</p> <p>c) Though dates of arrival of the participants were recorded the date and time of departure of the participants were not found recorded at</p>	4.	Dhubri	0.54	5.	Darrang	0.045		Total	88.37	PAB Cost Code	Activity Name	Amount (Rs. in lacs)	K 10.02	Research and Evaluation	197.71	Q 17.01	Community Mobilization	85.62		Total	283.33	<p>Further as per the Balance sheet the value of fixed assets acquired during the year is Rs.967.51 lakhs (Rs.1628.74 lakhs (-) Rs.661.23 lakhs) but you have taken into account only Rs.181.54 lakhs. Please give details.</p> <p>You were requested to clarify the position regarding the expenditure of Rs.641.33 lakhs relating to the AWP&B of 2002-03, 2003-04 & 2004-05 adjusted during 2005-06 and also the difference of Rs.785.97 lakhs between the value of fixed assets acquired during the year 2005-06.</p> <p>Further you were requested to submit parawise compliance on the Audit observations to the Auditors and obtain their reaction. No reply has been received.</p> <p>I, therefore, again request you to furnish the necessary clarifications on the above observations along with detailed clarifications in respect of the following observations made by the Auditors in the Audit Report.</p>
4.	Dhubri	0.54																							
5.	Darrang	0.045																							
	Total	88.37																							
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>the Hotel attendance register. This point is noted and action is being taken to enforce register of departure of the incumbents.</p> <p>B. a. Regarding observations of vehicle hiring charge bill vide Vr. No.628, bill No.867 dated 17/5/2006, necessary action is being initiated for recovery of the incumbents.</p> <p>b. Regarding observations of carriage bill for discrepancy in dispatch and receipts of quantity of materials, concern DMOs are being instructed to look into the matter and for taking necessary action/enforcing recovery if needed.</p> <p>c. Regarding observations on printing bills necessary fine for delay in delivery of materials have been recovered from the subsequent bills of the party.</p> <p>ii) In respect of observation on procurement audit related to construction of SEIMAT office building, it may be clarified that the said works was done as per prevailing financial rules of Govt.of Assam. Necessary tender notice etc. was published in THE ASSAM TRIBUNE, which is a widely circulated newspaper of 50 years old and it covers all the eight North Eastern States and it has own offices at Kolkata, Delhi and London etc. You are therefore requested not to treat the matter as mis-procurement and violation of procurement guide lines.</p>	<p>(i) Funds transferred to other programmes Rs.1.19 crore Para 8 of Auditors letter to Management.</p> <p>(ii) Non-reversal of old outstanding cheques going back to 2001-02 (list B & list A) of Bank Reconciliation Statement.</p> <p>An early response in the matter is requested.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
5.	Bihar	<p>The following are found missing.</p> <p>(i) Procurement Audit Certificate in the format sent to you vide my d.o. letter No.15/2/2003-SSA (PR) dated 29th September 2006 (copy enclosed).</p> <p>(ii) Letter to the Management issued by the auditors</p> <p>(iii) Audited FMRs I, II & III</p> <p>(iv) A consolidated annual financial statement in the format at annexure XVIII of the Manual on Financial Management and Procurement.</p> <p>Further the auditors report that:-</p> <ol style="list-style-type: none"> 1) Fixed Assets register in proper form to identify the assets, its location, cost etc. needs to be updated. Further, system of physical verification of assets needs to be strengthened. 2) Most of the Districts have not maintained separate books of account for grants in aid received from Department of Primary Education, Mass Education, Girl's Education etc. 3) Internal Audit carried out by Chartered Accountants firms but to make internal audit more effective, timely appointment, scope of internal audit, submission of internal audit report and compliance thereof needs to be strengthened. 4) Bihar Siksha Pariyojna Parishad is in default in respect of timely compliance with the provisions in respect of deduction and deposit of Statutory dues / TDS etc. Annual Return/TDS certificates were also not issued/submitted timely. 5) Term Deposit Register maintained by SLO needs to be properly maintained as per the maturity of the individual Term Deposit and Interest earned, date of maturity, rate of interest etc. should be recorded and its summary should be reconciled with books of accounts. 6) Internal Audit report of some of the DLO for the year 	<p>Please find enclosed copy the following documents:</p> <p>(i) Procurement Audit Certificates in prescribed format issued by the Statutory Auditors for the year 2005-06.</p> <p>(ii) Copy of Management Letters issued by the Auditors in respect of the DPOs for the year 2005-06.</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>2005-2006 and in some cases part of the year was not made available to us.</p> <p>7) Balance with individual parties and concern as well as Parishad's other programme balance both debit and credit are subject to confirmation.</p> <p>8) In our opinion advances needs more close monitoring and timely adjustment.</p> <p>9) Activity wise details were not submitted by some of the districts.</p> <p>10) Transaction with Text-Books Corporation needs to be properly reviewed and reconciled.</p> <p>11) Bank balance reconciliation statement of some units including SLO was not made available to us.</p> <p>12) Some of the other advances like advance-to District Level Office amounting to Rs.7,59,999.00, SEIMAT amounting to Rs.2,18,750.00, Advance for PSM Honorarium Rs.3,25,87,500.00, Advance to SD Grant Rs.46,78,000.00 were found stagnant, and no transaction was noticed during the year, proper attention should be made by the management for adjustment of these advances.</p> <p>13) Reversal of stale cheques into liability account were not done by the most of the units.</p> <p>14) Remittance in Transit (Bank) Rs.16,31,90,870.04 (Dr.) and Remittance in transit (Kind) Rs.15,36,54,236.27 (Dr.) are subject to reconciliation.</p> <p>15) Advances made to State Programme for Elementary Education Development (SPEED) during the financial year 2002-03 and 2003-04 have since been adjusted and the expenditure incurred have been charged during this year.</p> <p>16) Standard Activity/budget heads have not been used for recording the expenditure.</p> <p>17) An expenditure of Rs.178298317 has been shown as programme expenditure (speed) which not a standard/budget activity/heads</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>18) An Adjustment of Rs.3236000 in unspent grant related to errors has been under the standard budget/activity heads.</p> <p>19) Expenditure on fixed assets has not been included in the relevant activity/budget heads.</p> <p>20) The Balance Sheet as on 31.3.2006 shows un-adjusted advances to the tune of Rs.577.51 crore while the total expenditure as certified by the auditor for the year is only Rs.218.18 crore only and balance un-utilized funds in Banks is Rs.822.10 crore. This is a matter of concern as funds were released to the Project for implementation of the approved Project activities and not keeping the same in the Banks. Obviously the approved Project activities have not been taken up and carried out effectively.</p>		
6	Chandigarh	<p>The following are found missing</p> <p>(i) Audited FMR I, II & III</p> <p>(ii) Utilization Certificate</p> <p>(iii) Procurement Audit Certificate in the format sent to your vide my d.o. letter No.15/2/2003-SSA(PR) dated 29th September 2006.</p> <p>(iv) Receipts & Payment Account.</p> <p>(v) A Consolidated annual financial Statement in the format at Annexure XVIII of the Manual on Financial Management & Procurement.</p> <p>(vi) Letter to the Management issued by the Auditors</p> <p>Further the Income & Expenditure Account includes an expenditure of Rs.1,68,670.00 under the activity head 'other expenses' which is not an approved activity. This needs to be clarified.</p>	<p>(i) it is correct that Govt. of India has not allocated / approved activities under the Head "other expenses". However, it is clarified that SSA, UT has obtained applications for the recruitment of teachers and fee amounting to Rs.200/- from general candidates and Rs.50/- were charged from the respective candidates. The expenditure incurred for the recruitment of teachers was debited to this head of account by crediting Miscellaneous Receipt.</p> <p>(ii) The SSA Project was started late as the 1st Installment from Government of India was received in the month of November 2003 and the funds allocated under the Head Text Books were released to the funds allocated under the Heads Text Books</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>Audit Observations</p> <p>(i) During the Financial Year 2005-06 the Society has booked an expenditure of amounting Rs.47,28,000/- (Rs. Forty Seven Lacs Twenty Eight Thousands Only) under the head of Free Text Books as the society received an amount of Rs.47,28,000/- (Rs. Forty Seven Lacs Twenty Eight Thousands Only) against the Grant for fund for Free Text Books. The society has disbursed the full amount of Rs.47,28,000/- (Rs. Forty Seven Lacs Twenty Eight Thousands Only) to various cluster for utilization as on 30.03.2006. Whereas the Clusters utilized the above mentioned amount in the next financial year.</p> <p>(ii) Out of total unutilized funds with cluster of Rs.2,68,260.80 (Rs. Two Lacs Sixty Eight Thousand Two Hundred and Sixty and Eighty Paise only) as Advances for Expenses that pertains to financial year 2004-05 but the same was not adjusted during the financial year 2005-06.</p>	<p>were released to the Cluster's incharges at the fag end of the financial years 2003-04. Since, the Academic Session 2003-04 was at advanced stage. Books had already been purchased by the Children and the funds so released could be utilized by the Schools in the next Academic Session 2004-05. Similarly, textbooks grant released during the year 2004-05 could be utilized during 2005-06 only onwards. It is already pointed out by the Chartered Accountant in its report that the funds amounting to Rs.2,68,260.80 which are stands against required to be adjusted during the year against the relevant expenditure. The necessary adjustment was not made in the books during the year. It is clarified that the necessary entries of adjustment of these advances are to be made during the current financial year 2007-08.</p> <p>(iii) As desired the revised FMR-III duly signed by the Chartered Accountant by debiting the other expenditures to the Head of Account Management cost is prepared and enclosed.</p>	<p>The following further comments:</p> <p>(iii) Since there is no activity approved as 'others' and no funds were allotted under the same no expenditure can be booked there under. The expenditure of Rs.168670.00 incurred on the recruitment of teachers under SSA is debit able to the Management Cost. Needful may please be</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>(iv) As replied earlier vide Memo No.Spl-I dated 19th March 2007 Sarva Shiksha Abhiyan Mission/society U.T. Chandigarh was started in the month of Nov. 2003 and funds allocated in favour of SSA Chandigarh at the fag end of the academic Session 2003-04 and Academic Session was at an advance stage so the funds allocated for the year 2003-04 were utilized in the next academic year 2004-05 since funds released for the 2004-05, were utilized for the next academic year 2005-06. It is true that this is a wrong practice but due to late start of Sarva Shiksha Abhiyan project the funds could not be utilized in year 2004-05, 2005-06 however, this practice discontinued from the academic year 2006-07.</p> <p>(v) It is submitted that advance amounting to Rs.2,68,260.80 was given to field agency to incur Expenditure on account 2004-05 however, the agency have not submitted that expenditure/utilization against the advance. However, matter has been taken up with respective agency to furnish the utilization of advance amount stands against them.</p>	<p>done and revised FMR-III furnished.</p> <p>(iv) The auditor's observation that the funds of Rs.4728000/- released by the Society on 30/3/2006 would not be utilized in the financial year 2005-06 is correct. The society should not have released the funds on 30.3.2006 for an activity, which could not be completed during the same financial year as funds would lapse with the close of the financial year and could not be utilized.</p> <p>(v) The reasons for not carrying out the adjustment, if the expenditure has already been incurred during the year 2005-06, in the year 2005-06 itself be intimated. However utilization, of lapsed funds without prior approval of the competent authority in the following year is irregular.</p> <p>Compliance to the observations made by auditors may be furnished to</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>them for settlement of the audit objections as per the Procedure laid down in the Manual on Financial Management & Procurement and position of settlement intimated to GOI in the quarterly report prescribed for the purpose.</p> <p>Response :-</p> <p>As desired the revised FMR-III duly signed by the Chartered Accountant by debiting the other expenditures to the Head of Account Management cost is prepared and enclosed.</p> <p>As replied earlier vide Memo No.Spl-I dated 19th March 2007 Sarva Shiksha Abhiyan Mission/society U.T. Chandigarh was started in the month of Nov. 2003 and funds allocated in favour of SSA Chandigarh at the fag end of the academic Sesssion 2003-04 and Academic Session was at an advance stage so the funds allocated for the year 2003-04 were utilized in the next academic year 2004-05 since funds released for the 2004-</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>05, were utilized for the next academic year 2005-06. It is true that this is a wrong practice but due to late start of Sarva Shiksha Abhiyan project the funds could not be utilized in year 2004-05, 2005-06 however, this practice discontinued from the academic year 2006-07.</p> <p>It is submitted that advance amounting to Rs.2,68,260.80 was given to field agency to incur Expenditure on account 2004-05 however, the agency have not submitted that expenditure/utilization against the advance. However, matter has been taken up with respective agency to furnish the utilization of advance amount stands against them.</p>
7	Chhattisgarh	(i) An amount of Rs.3,17,62,992, has been shown as other Receipts. As per the notes on accounts, this amount represents the amounts refunded by working agencies, which could not be adjusted against the expenditure head. Presumably the amount refunded is the un-spent balance out of the expenditure reported by the sub-districts for the year 2004-05. If it is correct then the amount refunded by the sub-districts has to be treated as 'Deduct Expenditure' for the year in which it was reported as expenditure but remained unspent. Details of activities in FMR-3 under	(i) An Amount of Rs.3,17,62,992/- has been shown as other receipts in the audited accounts of the financial year ended 31 st March 2006. The details of other receipts have been provided in Schedule "S" forming part of Income and Expenditure account have been restated in annexure "A". It may be observed that out of Rs. 317.62 lacs reported as other income, a sum of Rs.261.69 lacs purports to the districts. The break up of Rs.55.93 lacs as reported in the audited accounts State Project	<p>The following comments are offered.</p> <p>(I) Schedule 'S' to the Income and Expenditure Account shows districtwise amount of other Receipts and not the details of those receipts. Your office has again provided the break up of Receipts of Rs.55.93 lakhs shown in the</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																		
		<p>which the amount remained un-spent are also required for verification and to refund the share of expenditure disbursed by External Development Partners which has not actually been incurred.</p> <p>(ii) The total expenditure incurred by the Project is as under:</p> <table border="1" data-bbox="534 561 1223 898"> <tr> <td>(a) As per Income & Expenditure A/c</td> <td>=</td> <td>Rs.11214.86 lakhs</td> </tr> <tr> <td>(b) As per balance sheet Purchase of fixed amounts & Capital W.I.P (Rs. 45.29 + 6113.84)</td> <td>=</td> <td>Rs.6159.13 lakhs</td> </tr> <tr> <td>Total</td> <td>=</td> <td>Rs. 17373.99 lakhs</td> </tr> <tr> <td>(c) Less ' Other Expenses</td> <td>=</td> <td>Rs. 82.06 lakhs</td> </tr> <tr> <td>(d) Less prior period adjustment</td> <td>=</td> <td>Rs. 18.28 lakhs</td> </tr> <tr> <td>Total</td> <td>=</td> <td>Rs. 17273.68 lakhs</td> </tr> </table> <p>Whereas in the Utilization Certificate an Expenditure/Utilization of Rs.42442.29 lakhs has been certified (A difference of Rs.25168.61 lakhs).</p> <p>Further the auditors report that :</p> <p>(i) There is a net debit balance of Rs.50,16,909 under suspense.</p> <p>(ii) During the year inter project transfer of funds have taken place on several occasions and as on 31st March 2006 an amount of Rs.2,66,08,219/- was receivable by SSA from NPEGEL & KGBV. However a separate set of accounts have been kept by the mission in respect of funds received for SSA, NPEGEL and KGBV project activities.</p>	(a) As per Income & Expenditure A/c	=	Rs.11214.86 lakhs	(b) As per balance sheet Purchase of fixed amounts & Capital W.I.P (Rs. 45.29 + 6113.84)	=	Rs.6159.13 lakhs	Total	=	Rs. 17373.99 lakhs	(c) Less ' Other Expenses	=	Rs. 82.06 lakhs	(d) Less prior period adjustment	=	Rs. 18.28 lakhs	Total	=	Rs. 17273.68 lakhs	<p>Office is stated in Schedule "B". The breakup of other receipts reported in the audited accounts of the districts is being sought for from the concerned districts and will be submitted to you as soon as these are received.</p> <p>(ii) The details of reported utilization of funds of Rs.42442.29 lacs are provided in annexure "C".</p> <p>(iii) The rest of the comments in the report of the auditors primarily relate to the accounts of the districts, for which the comments/clarifications is being sought for from the districts and will be submitted to you as soon as these are received.</p>	<p>Schedule 'S' against SPO but details thereof viz. the reasons for refund of amounts under SSA and NPEGEL by the districts have not been provided. It may be clarified whether these refunds relate to funds released by the SPO to the districts or to the unspent amounts of expenditure reported by the districts in the audited accounts in previous year/years.</p> <p>(II) The observation regarding actual expenditure incurred by the Project during 2005-06 has not been clarified (advances cannot be treated as expenditure Para 73.1 of the Manual on Financial Management & Procurement refers).</p> <p>(III) The details of expenditure in formats FMR-I,II & III duly certified by the auditor have not been furnished.</p>
(a) As per Income & Expenditure A/c	=	Rs.11214.86 lakhs																				
(b) As per balance sheet Purchase of fixed amounts & Capital W.I.P (Rs. 45.29 + 6113.84)	=	Rs.6159.13 lakhs																				
Total	=	Rs. 17373.99 lakhs																				
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Total	=	Rs. 17273.68 lakhs																				

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<ul style="list-style-type: none"> (iii) Bank accounts have not been reconciled at some of the Block Project Offices. (iv) Expenditure report / Utilization Certificate has not been regularly obtained by the blocks from the schools & CRC as applicable. (v) Some of the districts / Blocks Project offices have not fully complied with the Provisions of the Income Tax Act & Commercial Tax Act. (vi) Substantial advances are provided for Procurement and other activities which are not settled within reasonable time period. The Settlement is pending due to non furnishing of utilization details and relevant vouchers after the utilization. (vii) Some of the district Project Offices have incurred expenditure more than the approved Annual Plan for which no sanctions have been obtained.(Details required) (viii) The Comments/observations of the previous audit report have not been dealt with on the date of conduct of Audit. (ix) The accounts of block Ussor & Bhopalpatnam of Dantewada District and block Lundra of Surguja District could not be made available for audit. 		
8.	Dadar & Nagar Haveli			
9.	Daman & Diu	<p>1. The following documents which form part of the annual accounts are found missing.</p> <ul style="list-style-type: none"> (i) Income & Expenditure Account (ii) Receipts & Payment Account (iii) Para on Procurement Audit (iv) Letter to the Management issued by the Auditors (v) Audited FMRs <p>2. Further it is observed from the utilization certificate that</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>the opening balance as on 1/4/2005 has been taken as Rs.37,68,636/- whereas the closing balance as on 31/3/2005 as per utilization certificate and the Receipt & Payment Account Certified by the auditor was only Rs.3,68,636.88. A copy of, these documents is enclosed for your ready reference. The difference in OB as on 1/4/2005 and the closing balance on 31/3/2005 may be reconciled and clarified.</p>		
10	Delhi	<p>(i) Procurement Audit Certificate in the format sent to you vide my d.o. letter No. 15/2/2003-SSA(PR) dated 29TH September 2006 (copy enclosed).</p> <p>(ii) Audited FMRs I, II & III</p> <p>(iii) A consolidated Annual Financial Statement in the format at Annexure XVIII of the Manual on Financial Management & Procurement.</p> <p>(iv) Audit Certificate on the utilization certificate.</p> <p>2. As per the utilization certificate received with the above audit report a sum of Rs.18,90,19,532/- is certified to have been utilized during the year whereas in schedule 'B', the expenditure for the year 2005-06 works out to Rs.18,8601,773 which should be rectified. Moreover activitywise details of expenditure incurred on the Project during 2005-06 have not been provided.</p> <p>3. Further the State should also provide detail comments on auditors report, which highlight following infirmities.</p> <p>(i) Our audit covered the accounts of the Institution verification of the actual utilization of grants by the recipient individuals / organizations beyond the scope of this audit.</p> <p>(ii) Maintenance of Accounts: It is imperative that a person well versed in accounts should take over the</p>	<p>(i) Procurement audit certificate is attached (Annexure-A)</p> <p>(ii) Already sent, however photo copy of the same is attached (Annexure-B)</p> <p>(iii) Consolidated annual financial statement is attached (Annexure-C)</p> <p>(iv) Certificate already recorded on the body of the audit report.</p> <p>2. The position already been clarified on the utilization certificate by the CA itself. Moreover expenditure component wise is attached for the year 2005-06 (Annexure-D)</p> <p>3(i) As per audit rules</p> <p>(ii) A senior accounts personal well versed in accounts will be appointed as F.C. in UEE Mission shortly</p> <p>(iii) The monthly reconciliation is being done now.</p> <p>(iv) Proper record has been maintained.</p> <p>(v) Grants are being released to Govt./Autonomous bodies such as Directorate of Education MCD, NDMC, SCERT etc. and no private organization is involved. Hence we have to rely on the utilization certificate of the Departments.</p>	<p>(a) The Procurement Audit Certificate sent by your office is not in the format</p> <p>(b) The audited FMR-I, II & III not received from your office as pointed out in my d.o. letter dated 24th May relate to the year 2005-06.</p> <p>(c) Consolidated annual financial statement sent is incomplete as all the columns have not been filled up.</p> <p>Audit certificate on the utilization certificate has not been endorsed. Please refer format of UC at Annexure XVII. Of the Manual on Financial Management & Procurement.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>responsibility of maintenance of day to day accounts of the Institution.</p> <p>(iii) Need to Prepare Monthly Bank Reconciliation Statement and Trial balance: In absence of periodic reconciliation of the Bank account considerable problems were faced at the year end during finalization stages. It is suggested that monthly bank reconciliation should be carried out and Trial balance be struck on monthly basis.</p> <p>(iv) Proper quantitative record showing location etc. of assets/equipments purchased needs to be maintained.</p> <p>(v) As far as Utilization of grants are concerned we were provided only with utilization certificates however the supporting to verify those Utilization certificates were not provided to us. We have been informed that the grants are released to Directorate of Education, MCD, NDMC, Delhi Eontonment Board SCERT and Autonomous bodies of Delhi/MHRD and their certificates are to be believed.</p> <p>It is requested that the above missing documents may please be provided to me immediately and comments/ clarifications on the audit observation furnished at the earliest.</p>		<p>2. It has been stated that the position has been clarified by the CA on the Utilization Certificate whereas the U.C. furnished by your office does not contain Auditor's certificate More over the component wise expenditure statement furnished does not tally with the component wise expenditure shown & certified by CA in the Income & Expenditure Account. The difference of Rs.417759 is because of the Grants received back which cannot be treated as expenditure/utilized.</p> <p>3. (i) The detailed procedure for Audit of Accounts of the State Implementation Society is contained in Chapter VIII of the Manual on Financial Management & Procurement. As per para 101.8, the audit of accounts will</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>cover the State Society office, all District Project Offices & Su-district units selected on a random basis. Therefore, the auditors observations:</p> <p>'Our audit covered the accounts of the Institution verification of the actual utilization of grants by the recipient individuals /organizations is beyond the scope of this audit' is not in keeping with the Provisions contained in the manual</p> <p>3 (ii) (iii) & (iv) The Procedure for compliance with the Audit objections is contained in para 105 of the Manual According to which compliance of the audit objections is to</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>be reported to the auditor who will verify the same during his next visit to your office for settlement of the objection. Progress of settlement of the audit objections is to be reported to GOI in the quarterly report prescribed for the purpose.</p> <p>3. (v) The scope of Audit as per the TOR for appointment of chartered Accountant firm for Audit of Accounts of SSA covers 'The accounts of State Implementation Society, all district Project offices and sample BRC, CRC Schools / VECs which would be of representative nature of the district', therefore, the contention of your office that utilization</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>certificates of the Departments only have to be relied upon is not acceptable This follows that the audit of accounts has not been got done as per the procedures laid down in the Manual on Financial Management & Procurement</p> <p>In continuation of our letter of even No. dated 10.7.2007 on the subject cited above, the revised information is as follows:</p> <p>(i) Procurement audit Certificate is attached (annexure-A) revised</p> <p>(ii) Audited FMR I, II & III for 2005-06 enclosed</p> <p>(iii) A consolidated Annual Finance Statement in format of Annexure XVIII of the Manual of Financial management & procurement is enclosed. (Revised)</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>(iv) Utilization Certificate duly signed by CA is enclosed "</p> <p>2. Necessary correction have been made & Utilization Certificate for Rs.18,86,01,773/- enclosed in place of Rs.18,90,19,532/- Activitywise detail of expenditure statement is enclosed.</p> <p>3. There is no transfer of funds at district level. Hence in SSA Delhi there is no District Project Office.</p>
11	Goa	<p>The following are found missing.</p> <p>(i) Letter to the Management issued by the Chartered Accountant</p> <p>(ii) A consolidated annual financial statement in the format at Annexure-(XVIII) of the Manual on Financial Management & Procurement</p> <p>(iii) Procurement Audit certificate in the format sent to your office with my letter No.15/2/2003-SSA(PR) dated 29th September 2006 (copy enclosed)</p> <p>(iv) Audited FMRs</p> <p>Further it is noticed that:-</p> <p>(i) An advance payment of Rs.194.01 lakhs has been released to PWD for construction of Civil works whereas the method of procurement to be followed for Civil Works under SSA as per the provisions</p>	<p>In continuation to this office letter No.DE/SSA/06-07/127 dated 23/2/2007, please find enclosed herewith the following missing documents as mentioned at (i), (ii), (iii), (iv) of the above referred DO letter.</p> <p>Further, as regards to the queries at Para 2 (i) & (ii) it is stated as follows:-</p> <p>(i) GSSA was implemented in 2005-06. The actual SSA intervention started from Oct.2005 and being the first year of its inception and in the absence of VEC's the above works were entrusted to PWD and PWD carried out the SSA's works as per the norms and codal formalities. In 2006-07, the work of constitution of VECs has been started and is in progress</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>contained in Para 109.1 of the Manual on Financial Management and Procurement is 'by Community Participation'. The Framework for SSA also provides 'that the Participation of the community in all civil work activities will be mandatory in order to ensure a sense of ownership and a departure from Contractor driven approaches'.</p> <p>(ii) Para 73.1 of the Manual on Financial Management and Procurement provides that 'advances will constitute expenditure only when supported by appropriate utilization certificates/expenditure statement'. Therefore, advance of Rs.194.01 lakhs released to the PWD could not be treated as expenditure and shown in the Income & Expenditure Statement as has been done.</p>	<p>and from 2007-08, the community participation is effective.</p> <p>(ii) Para 73.1 of the Manual on Financial Management & Procurement stipulates that Advances will constitute expenditure only when supported by appropriate utilization certificate / expenditure Statement.</p> <p>Being the first year of implementation of GSSA to complete the civil works, the GSSA had to rely upon the PWD. In turn, PWD on giving estimates and Technical sanctions of the various civil works, the GSSA had to accord Administrative Approval along with placement of 50% funds of the Total Estimate to carry out the works as per the SSA norms.</p> <p>Since the "Civil Works" are ongoing works the amount of Advances, which are placed at PWD Divisions should be considered as expenditure as the works are to be carried out thereafter.</p> <p>Please note that the additionality to complete the "Civil Works" over and above the SSA norms have been provided by the State Govt.</p>	
12	Gujarat	<p>1. The following documents are found missing:-</p> <ol style="list-style-type: none"> 1. Utilization certificate 2. Management letter 3. Audited FMRs 	<ol style="list-style-type: none"> (i) Provided (ii) Provided (iii) Provided <p>2. We State that sum of Rs.1,26,40,484/- was</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>2. A sum of Rs.12640484 has been added under Receipts on account of 'Grant Returned Savings.' Presumably the above amount is comprised of the savings out of the grants released to the sub districts which were treated as expenditure and reported as expenditure in the audited accounts for the year 2004-2005. If this presumption is correct, then the above receipt of Rs. 126.40 lakhs is in reduction of expenditure for the year 2004-05 and has to be termed as Deduct – expenditure 2004-05. In such a case a detailed Statement showing the reduction of expenditure under each activity / sub activity head is required to be enclosed with the audit report / audited accounts.</p>	<p>received as a grant return from districts and the same is treated as a receipt in annual accounts. This fund is saving amount of previous year that is before 2005-06. District wise and activity wise break-up of the saving amount is shown in the attached statement duly signed by the Chartered Accountant, which is enclosed herewith.</p>	
13	Haryana	<p>(i) Procurement audit certificate in the format sent to you vide my d.o. letter No.15/2/2003-SSA-(PR) dated 29th September 2006 (copy enclosed) is found missing.</p> <p>(ii) A consolidated financial statement in the format in Annexure XVIII of the Manual on Financial Management & Procurement has not been furnished.</p> <p>(iii) The Project has paid advances against expenditure totaling Rs.592039601 during the year 2005-06. Advances to the tune of Rs.295209549 which were treated as expenditure during the Previous year in the utilization certificate but no expenditure was incurred in the previous year and have been returned by the districts/sub districts have been taken under Receipts in the Receipts & Payment Account and shown as opening advances in the utilization certificate. But instead of adding this amount of advances to the amount of advances given in the year 2005-06, the same has been</p>	<p>(i) Procurement Audit Certificate in the revised format is enclosed.</p> <p>(ii) A consolidated financial statement in the format in Annexure XVIII of the Manual on Financial Management & Procurement is also enclosed.</p> <p>(iii) The Project has paid advances against expenditure during the year 2005-06 amounting to Rs.29,68,30,052/- and not Rs.59,20,39,601/- as pointed out in the letter referred to above. The advance of Rs.29,52,09,549/- pertains to the period prior to 2005-06. Further no amount of advance given to the District/Sub District during previous year have been returned by them. The position has also been clarified in the revised Utilization Certificate for the year 2005-06. it is also added that in</p>	<p>(i) You have clarified that the Project has paid advances amounting to Rs.29,68,30,052/- during the year 2005-06 and advances amounting to Rs.29,52,09,549 pertain to the period prior to 2005-06. You have also confirmed in the UC that total advances of Rs.59,20,39,601 remain un-adjusted as on 31.3.2006. It, therefore, transpires that advances amounting to Rs.29,52,09,549 pertaining prior to 2005-06 were shown as expenditure in the Account Books, UCs and FMRs for those years. Thus the expenditures for these years</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>deducted from the amount of advances given in the year 2005-06 and net amount of Rs.296830052 instead of Rs.887249150 taken as advances in the U.C. (Rs.592039601 + Rs.295209549). The net amount of advances viz. Rs.296830052 has further been added to the expenditure of Rs.167199520 shown in the U.C. and total expenditure for the year worked out Rs.1976029572 which does not appear to be correct. The Manual on Financial Management and Procurement provides in para 73.1 that advances will constitute expenditures only when supported by appropriate utilization certificates/expenditure statements. The total expenditure incurred by the Project during 2005-06 as per the Income & Expenditure A/Cs is Rs.1677099520 (Rs.163775376+Rs.39345759) and not Rs.1976029572.</p> <p>2. Further the advances which were treated as expenditure during the previous year against which no expenditure was incurred in the previous year and have been returned by the districts / sub districts should have been added to opening balance for the current year as the same resulted in reduction of the expenditure for the previous year. This needs to be clarified and corrected.</p> <p>Following observation made by the Auditor in Schedule B of Notes on Accounts for the year 2005-06. Should also be complied.</p> <p>The expenditure against teacher salary has been incurred by way of depositing the amount in State Government Treasury. The amount of salary has been calculated as per Provisions in the approved Plan".</p>	<p>the FMR the actual expenditure of Rs.1679199520/- has been shown and Rs.296830052/- as advance against expenditure (Total Rs.197,60,29,572/-)</p> <p>(iv) The revised consolidated FMR is also enclosed.</p> <p>The following details were provided:</p> <p>Primary Teachers: It was informed by the Director Elementary Education that the following Nos of teachers were appointed:-</p> <p>(1) 3606 teachers were appointed during Sept.2003. (2) 2856 teachers were recruited during Sept.2003. (3) From Sept.2005 onward 7500 (approximately) guest JBT Faculty were engaged and requisition for 3500 JBT teachers for regular recruitment is lying pending with Haryana Staff Selection Commission. (4) Approximately 250 JBT teachers from handicapped category have been recruited recently.</p> <p>Upper Primary</p> <p>(i) 387,1248 and 52 masters were recruited during the year 2003, 2004 and 2006 respectively. In addition 4644 SS/Science, Math Masters have been recruited as Guest Faculty from Sept.2005 to onward. (ii) 1562C&V (which includes Languages Teachers) teachers were appointed in the year 2004 and 1750 C&V teachers have</p>	<p>have been overstated in the accounts for those years, which also need to be corrected.</p> <p>(ii) Your kind attention is also drawn to para 73.1 of the Manual on Financial Management & Procurement according to which advances will constitute expenditure only when supported by appropriate utilization certificate/expenditure statement.</p> <p>The following comments:-</p> <p>1. The details of teachers posts sanctioned yearwise furnished by your office account for a total of 7678 posts of teachers upto 2006-07, whereas as per para 6(v) (b) of the minutes of 99th Meeting of the Project Approvals Board held on 22nd May 2007, number of Teachers posts sanctioned upto 2006-07 is only 6950 (1524 Primary, 2221-Upepr Primary &</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																														
		<p>The above observation is confirmed by the fact as an expenditure of Rs.3364.68 lakhs is found to have been debited to SSA under Teacher Salary in the accounts of the Project for the year 2005-06 which is also the amount of Allocation for the year for this activity.</p> <p>It is further noticed that the Project has given a reply in response to an audit objection raised by AG Audit Haryana, Chandigarh on 6th May 2005 which States as under:-</p> <p>The expenditure on Salary is made on additional Posts created on up-gradation of schools and teachers are looking after the work of SSA".</p> <p>In another reply furnished by the Project in response to an observation made by the IPAI Review Team the Project has stated that:</p> <p>"Postings of teachers in the upgraded schools is not done by SSA society i.e. HPSPP, Legally it is not advisable to appoint teachers under SSA due to various decisions of the report. As such appointment of teachers in the upgraded school under SSA is made by Education Department, which is the appointing authority. Since the salaries are paid through govt. Treasury, the amount in respect of teacher salary are deposited in Government Treasuries".</p> <p>When asked to furnish a copy of the order under which new teachers under SSA were appointed, the Project replied that the matter has been referred to the Education Department.</p> <p>It, is therefore, vlewed that salary for all the posts</p>	<p>been recruited as Guest Faculty since 2005 and onward to fill up the vacancies on account of up-gradation under SSA and other shortage.</p> <p>ABRC</p> <table border="1" data-bbox="1249 435 1809 675"> <thead> <tr> <th>S. No.</th> <th>Year</th> <th>Post sanctioned by GOI</th> <th>Post created by HPSPP</th> <th>Working status</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>2002-03</td> <td>1210</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>(ii)</td> <td>2003-04</td> <td>1168</td> <td>791</td> <td>427</td> </tr> <tr> <td>(iii)</td> <td>2004-05</td> <td>1690</td> <td>812</td> <td>533</td> </tr> <tr> <td>(iv)</td> <td>2005-06</td> <td>1680</td> <td>833</td> <td>495</td> </tr> <tr> <td>(v)</td> <td>2006-07</td> <td>1416</td> <td>1332</td> <td>498</td> </tr> </tbody> </table> <p>It was informed by the Director Elementary Education that the State Govt. has decided to pay the salary to the teachers appointed against the posts of ABRCs/CRCs created during DPEP time and also continuing after the creation of SSA during 2002-03 from Govt. Treasury after Oct.2007.</p>	S. No.	Year	Post sanctioned by GOI	Post created by HPSPP	Working status	(i)	2002-03	1210	Nil	Nil	(ii)	2003-04	1168	791	427	(iii)	2004-05	1690	812	533	(iv)	2005-06	1680	833	495	(v)	2006-07	1416	1332	498	<p>3205 Additional).</p> <p>2. The information furnished under number of teachers appointed (Primary & Upper Primary) does not indicate the actual No. of teachers appointed against the Posts sanctioned under SSA and State Govt. respectively. It gives the total No. of Teachers recruited without bifurcation which is not sufficient to work out the SSA liability and State liability.</p> <p>3. Payment of Salary to the teachers appointed against the posts of ABRCs/CRCs created during DPEP time and continuing under SSA is the liability of the State Govt. after the closure of DPEP in June 2003 and not from October 2007. The salary of such ABRCs/CRCs</p>
S. No.	Year	Post sanctioned by GOI	Post created by HPSPP	Working status																														
(i)	2002-03	1210	Nil	Nil																														
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>of teachers sanctioned under SSA were released to the existing teachers and no fresh appointments of teachers made.</p> <p>The IPAI Review Team also pointed out in their Review Report that Salary of existing teachers appointed as ABRCs and transferred to the various BRCs have been paid salary from SSA funds. As these teachers were already drawing their salaries from the State Government and were not freshly recruited, the charging of expenditure to SSA is not in order. This was to be borne by State Government.</p> <p>In It's reply the Project has stated that "the Posts of ABRCs were filled up on deputation by taking surplus staff of Education Department but no appointments against them have been made by State Government.</p> <p>Under the above circumstances it is requested that details of Teachers posts and ABRCs sanctioned under SSA each year from 2001-02 onwards and details of teachers appointed against the sanctioned posts yearwise may please be furnished to us at the earliest to enable us to proceed further in the matter. If reply is not received within 15 days of this letter the Ministry is constrained to initiate process to recover this amount from state share of SSA accounts.</p>		<p>charged to SSA has to be refunded to SSA.</p> <p>You should, therefore, furnish the details of Teachers actually recruited against the sanctioned posts under SSA yearwise each year. Action for the refund of the amounts of salary of ABRCs/CRCs debited to the SSA account in the previous years to the SSA account may also be taken & confirmed.</p>
14	Himachal Pradesh	<p>1. Procurement audit certificate is not as per the format sent to you vide my d.o. letter No.15/2/2003-SSA(PR) dated 29th September 2006 (copy enclosed). A revised Audit Certificate may please be furnished.</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>2. A consolidated annual financial statement in the format given in Annexure XVIII of the Manual on Financial Management and Procurement has not been furnished.</p> <p>3. The auditors have reported that :</p> <p>(i) The amount released is treated as utilized even if the cheque issued is not presented for release of Payment by the Payee. Such cheques are outstanding in the BRS and some of these related to the year 2003-04. Embazzlement of funds by Shri O.C. Guleria Rs.9.53 lakhs.</p> <p>(ii) Grant for NPEGEL is overspent by Rs.8.29 lakhs.</p>		
15	Jammu & Kashmir	<p>1. The following documents are found missing.</p> <p>(i) A Consolidated Annual Financial Statement in the format at Annexure XVIII of the Manual on Financial Management & Procurement.</p> <p>(ii) Management letter Issued by the Auditor</p> <p>(iii) Procurement Audit Certificate In the format sent to your office vide my d.o. letter No.15/2/2003-SSA(PR) dated 29th September 2006. (copy enclosed)</p> <p>(iv) FMRs I, II & III</p> <p>2. The following discrepancies are observed in the financial statement:-</p> <p>(i) The accounts of KGBV have been merged with SSA accounts. Separate accounts statements are required.</p> <p>(ii) Expenditure has been booked in several activity</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>heads instead of the standard activity heads under which budget allocation was approved by the PAB. (Schedule 'H' shows an expenditure of Rs.1348594425/- under 57 activity heads including KGBV)</p> <p>(iii) The following payments shown as expenditure in the Income & Expenditure Account do not appear to be project expenditures.</p> <p>(iv) Opening of Account Rs.31000.00</p> <p>(v) Dy.C.E.O. Rs.35000.00</p> <p>(vi) H.H.S. Rs.4,53,767.00</p> <p>(vii) Others Rs.13,82,337.00</p> <p>(viii) Data Entry Operator Fund Rs.10,000.00</p> <p>(ix) Loan Rs.30,000.00</p> <p>(x) Motor facilities Rs.15,000.00</p> <p>(xi) Zonal Gender Rs.32,000.00</p> <p>(xii) Fees Charges Rs.2000.00</p> <p> 1. Misc. Rs.10026.00</p> <p> 2. Purchases under SSA/Others Rs.904362.00</p> <p>(xiii) Expenditure on Fixed Assets has been shown separately (Schedule-A=Rs.14428713) instead of merging the same with the expenditure under main activity head to which the asset relates and under which the budget allocation exists.</p> <p>(xiv) The total expenditure under SSA & NPEGEL based on the statements furnished works out to</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>Rs.1362525488. Under KGBV the expenditure is Rs.497650/- only. Therefore, the closing balance under SSA & NPEGEL is Rs.18026.84 lakhs and under KGBV Rs.263.22 lakhs. Separate Utilization Certificate under SSA and KGBV are required.</p> <p>(xv) Utilization Certificate has not been signed by the SPD. A signed copy of the UC is required.</p> <p>3. Further the auditors point out that:-</p> <p>1. There were difference in opening balances as on 01.04.05 as per Audited Accounts and as per Books of Account Maintained in the District/Sub-Districts as produced to us at the time of our audit. During discussions, it came to the notice of Management that these differences are not for the year 2004-2005 alone but are accumulated one from the inception of the Society. Management of the Society took the matter seriously and appointed another firm of Chartered Accountants to reconcile the differences. The firm so appointed submitted their report which forms part and parcel of these financial statements (Report attached at the extreme end of the Financial Statements). Management has adjusted the expenditure/income as reported in the reconciliation statements as such this year's expenditure/income is not comparable with the Budget Estimates approved for the year 2005-2006. The auditor has however, not reported the net effect of the reconciliation on the Budget Estimates both under</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>receipts and expenditure of the current year viz. 2005-06. This may be ascertained and intimated to us.</p> <p>2. Society has not prepared the financial statements of KGBV & NPEGEL funds separately because of amalgamation of all the funds at Districts/Sub-District level</p> <p>3. Cash system of Accounting has been followed as against the Double Entry method based on mercantile system prescribed in SSA Manual.</p> <p>4. Bank balance including remittance in transit are not reconciled in most of the District/Sub-district offices.</p> <p>5. Overall control (Internal check/Internal Audit) at the level of SPO also needs to be strengthened.</p> <p>It is requested that the missing documents pointed out above may please be furnished urgently. A revised statement showing component wise expenditure under the main activity heads under which the budget allotment exists may also please be furnished. Separate UC for the SSA including NPEGEL and KGBV funds may please be sent alongwith comments/ clarifications on the observations made by the Auditor in the Audit Report. A soft copy of the audit report is also required.</p>		
16	Jharkhand	<p>1. The following are found missing.</p> <p>(i) Letter to management issued by the Auditor.</p>	<p>(i) Letter to Management issued by the Auditor has already been submitted vide letter No.</p>	<p>Further response /</p> <p>(i) You have clarified that</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(ii) Consolidated annual financial statement in the format given in Annexure XVIII of the Manual on Financial Management and Procurement.</p> <p>2. The auditors report that</p> <p>(i) There is unspent grant of Rs.43725.95 lakhs as on 31.3.2006 which is represented by advances Rs.37698.79 lakhs and Rs.6014.95 lakhs undisbursed balance in Bank Accounts.</p> <p>(ii) Advances for civil works are released 100% instead of 75% as required in the Manual on Financial Management & Procurement.</p> <p>(iii) Rs.374.22 lakhs disbursed in excess of PAB's approval in eight DLOs.</p>	<p>AC/02/228/0708/III dated 15/04/07 (Photo copy enclosed)</p> <p>(ii) Consolidated Annual Financial Statement in the format XVIII is being enclosed herewith.</p> <p>2.</p> <p>(i) Civil works being time-taking jobs, fund released for the same should be taken as deemed expenditure and not as advance as being treated as present. It is worth mentioning here that belated releases of funds to districts/VECs i.e. in January, February and March does not serve the purpose of quick completion of works within the year but it crosses the financial year and advance remains as unspent at the end of the year i.e. in March. Civil Works/Programme - related advances Rs. Rs.37698.79 lakhs as on 31/03/2006 have vigorously been reviewed/mentioned and now it has been brought down after adjustment to a satisfactory level during 2006-07. Out of Rs.37698.79 advance as on 31.03.06, we have adjusted substantial advances till the last month. Regarding un-disbursed balance of Rs.6014.95 lakhs in bank accounts of districts it is pertinent to point out that funds were released by the Govt. of India/State Govt. at the end of the year i.e. in Feb. and March that year and thereafter funds even when released to districts at the earliest could not be utilized/dispensed within the year and remained unspent at the end of the financial year. As a result, this appeared as fund undisbursed in DLO's Bank Accounts.</p> <p>(ii) Disbursement of 100% advance for civil works was made on the basis of decision taken in state level reflection meeting of JEPC assuming</p>	<p>the advances of Rs.37698.79 lakhs as on 31/3/2006 have been brought down to satisfactory level but have not indicated the balance outstanding as on 31.3.2007.</p> <p>(ii) Disbursement of 100% advance for Civil Works instead of 75% prescribed in the Manual is an irregularity, which requires regularization.</p> <p>(iii) The excess expenditure of Rs.169.17 lakhs over & above PAB's approved Budet, may be got re-certified by the Auditor, recovered, and credited to SSA account.</p> <p>(iv) Para 72.1 of Manual on Financial Management & Procurement provides that funds released to the districts & sub-districts level are initially classified as advances. Para 73 stipulates that advances will constitute expenditure only when</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(iv) (a) Rs.514.90 lacs disbursed on 31.3.2006 by cheques in Lohardoga DLO. Which remained un-presented on 31.3.2006. Rs.218.11 lakhs disbursed on 31.3.2006 by cheques in Simdega DLO, which remained un-presented on 31.3.2006.</p> <p>(v) Slow adjustment of advances for Civil Works. The total advances under Civil Works Stood at Rs.36034.69 lakhs. The DLOs have adjusted only Rs.2056.09 lakhs during 2005-06 towards Civil Works.</p> <p>(vi) Expenditure incurred by VECs, BRCs and CRCs of Rs. 4154.54 lakhs is not based on UCs as required vide para 73 of the Manual.</p> <p>(vii) Grant of Rs.84000/- disbursed in excess of PABs approval in Hazaribagh DLO.</p>	<p>that this practice will lead to completion of Civil Works in time. However,</p> <p>(iii) Excess expenditure over and above PAB's approved budget was only Rs.169.17 lakhs (not Rs.374.22 lakhs as shown).</p> <p>Three districts (Hazaribagh, Ranchi and Chatra) are thus exonerated. Remaining five districts (Gumla, Lohardaga, Latehar, Palamau and Bokaro) have been asked to reconcile/analyze the difference and expedite the action needed with submission of ATR.</p> <p>(iv) & (v) It was all due to belated releases of funds by the Government to SIS and in turn by SIS to DLOs</p> <p>(vi) Civil works are time-taking jobs. Due to late releases of funds, advances for civil works could be made at the fag end of the ear as such the same could not be spent during that year and remained unspent/unadjusted at the end. However, after adjustment substantial amount on the basis of SOE, the balance was brought down to about 15% at the end of 2006-07. Further adjustment is in process.</p> <p>(vii) As per compliance submitted by DPOs all the grants released to VECs, BRCs and CRCs were annual. Further grants were released after obtaining the utilization certificate of previous grants. Such practice is adopted for every year.</p> <p>viii) As per compliance submitted by the DPO, Hazaribagh 72 units were sanctioned under NPEGEL programme for construction of CRC buildings but only 71 units could achieve their</p>	<p>supported by appropriate utilization certificates/expenditure statement.</p> <p>The observation of the Auditor is correct. The correct procedure should be followed in future. The utilization certificates for Rs.4154.54 lakhs may be shown to the Auditor & expenditure got recertified.</p> <p>(v) Rs.84000/- disbursed in excess of PABs approval by DPO Hazaribagh may be recovered & credited to SSA account.</p> <p>(vi) Rs.4 lakhs recovered by DPO Hazaribagh may be credited to SSA account & got re-certified by the Auditor.</p> <p>(vii) Recovery of Rs.0.57 lakhs may please be confirmed.</p> <p>(viii) Recovery of Rs.39.12 lakhs from NGO may please be confirmed.</p> <p>(xi to (xiv) & (xv) your further</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(viii) Rs.4 lacs disbursed under TLE in excess TLE of Rs.50,000 disbursed to 4 UPs covered under OBB Scheme by Hazaribagh DLO.</p> <p>(ix) Excess furniture grant of Rs.0.57 lacs granted to Muglaban CRC in 2004-05 is still to be recovered (Pakur DLO).</p> <p>(x) Excess disbursement of Rs.30.12 lacs to NGOs by Gumla DLO.</p> <p>(xi) Improper adjustment of Rs.7.01 lacs against Bridge Course by Kodarma DLO.</p> <p>(xii) Improper adjustment of Rs.87.73 lacs against Bridge Course by Simdega DLO.</p> <p>(xiii) Non adjustment of advances to NGOs.</p> <p>(xiv) Hazaribagh DLO has not deducted 5% administrative cost from Rs.23.85 lakhs disbursed to NGOs.</p> <p>(xv) Un-recovered advances of Rs.24.37 lakhs from NCERT Rs.16.80 lakhs from Staff and other un-adjusted advances.</p>	<p>target. A proposal for re-appropriation duly sanctioned by the DC, Hazaribagh was received in SPO.</p> <p>The proposal was not accepted and the DPO has been instructed to furnish proper compliance early for sanction by the state E.C.</p> <p>(ix) As per compliance submitted by DPO, Hazaribagh Rs.4 lakhs granted to 8 Upper Primary Schools covered under OBB has been taken back.</p> <p>(x) As per DPO, Pakur letter for refund of Rs. 0.57 lakhs has been issued.</p> <p>(xi) DPO, Gumla has been instructed to take suitable action in the matter and submit ATR at the earliest.</p> <p>(xii) DPO, Kodarma has been instructed to take proper action early under intimation to the SPO</p> <p>(xiii) As per compliance submitted by DPO Simdega the adjustment was made on the basis of Income Expenditure Account submitted by the NGO. However, the NGO has been asked to submit the audited balance sheet.</p> <p>(xiv) (a) The DPO, Latehar has been instructed to adjust the advance as suggested by the auditor immediately and submit the proper compliance.</p> <p>(b) As per compliance submitted by the DPO, Hazaribagh advance has been adjusted substantially during the financial year 2006-07. Action is being taken for adjustment of the remainder.</p> <p>(xv) As per compliance submitted by DPO, Hazaribagh the administrative cost will be recovered at the time of final payment.</p>	<p>Action Taken Report will be awaited.</p> <p>(xvi) to (xxi) your further communication indicating the Action Taken will be awaited.</p> <p>The Procedure for compliance with the Audit objections is contained in para 105 of the Manual on Financial Management & Procurement. According to which compliance with the audit objections is to be reported to the Auditors who are required to verify the same during their next audit visit to your office for Settlement of the audit objection. The Progress of settlement of audit objection is to be reported to GOI through the quarterly report on the position of settlement of audit objections prescribed for the purpose.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(xvi) Non-submission of Compliance Report of Previous years Statutory Audit Report by 13 Out of 22 DLO due to which the Auditors could not comment on the Compliance of Previous years Audit Report.</p> <p>(xvii) Internal audit for 2005-06 was either not conducted or Compliance Report was not submitted.</p> <p>(xviii) Bank Reconciliation Statements & Stale cheques 1723 Stale cheques for Rs.537.28 lakhs. As a result advances / expenditure are overstated.</p> <p>(xix) BRS was not prepared on a monthly basis in Several DLOs.</p> <p>(xx) Difference in bank balances as per BC and as per DLO Bokaro and discrepancies in BRS in other DLOs.</p>	<p>DPO has been instructed to submit proper compliance forthwith.</p> <p>(xvi) (a) NCERT has refunded the balance amount of Rs.48,80,808.00 pertaining to 2003-04 and 2004-05 vide their DD No. 19807 dated 11/12/2006.</p> <p>Action is being taken to adjust the same by DPO. Action taken report is awaited.</p> <p>As per compliance submitted by the DPO, Sahibganj that action is being taken to adjust the advance. Action taken report is awaited.</p> <p>As per compliance submitted by the DPO, Jamtara advance has since been adjusted during the financial year 2006-07.</p> <p>As per compliance submitted by the DPO, Deoghar action is being taken to adjust the advance. Action taken report is awaited.</p> <p>As per compliance submitted by the DPO, Girdih action has been taken to adjust the advances.</p> <p>As per compliance submitted by the DPO, Godda action has been taken to adjust the advances.</p> <p>DPOs Dumka Sahibganj, Deoghar Girdih and Godda have been instructed to submit proper action taken report at the earliest.</p> <p>(xvii) As per compliance submitted by all the 13 DPOs concerned, compliance report on the previous statutory audit has been prepared and will be furnished to the statutory audit for 2006-07.</p> <p>(xviii) Except DLO Bokaro, the Internal Audit for 2005-06 of all the DLOs was completed and the compliances thereof prepared and</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(xxi) Improper maintenance of Prescribed Registers</p> <p>(xxii) Advances Register</p> <p>(xxiii) Fined Asset Register</p> <p>(xxiv) Cheque issue Register</p> <p>(xxv) TDS not deposited by some DLOs</p> <p>(xxvi) Inter unit transfer of funds not adjusted.</p> <p>2. Further it is noticed from the FMR-III that advances for approved activities given in the previous years have been adjusted during the current year and expenditure included in the current years 2005-06 expenditure. It may please be clarified if the expenditure against the previous years advances was incurred in the year 2005-06 against the approved activities for the year 2005-06 pr for the approved activities for the previous year.</p>	<p>reviewed.</p> <p>(xix) DPOs have been directed to do the needful in the matter of stale cheques and to take suitable remedial action as suggested by the Audit.</p> <p>(xx) As per compliance submitted DLOs Deoghar, Sahibganj and Pakur are prearing the BRS on monthly basis and DPOs Godda, Jamtara, Dumka and Lohardaga have strictly been directed to clear the backlog now and regularize the system henceforth.</p> <p>(xxi) As per DPOs compliance the difference has since been reconciled/reconciled/rectified.</p> <p>As per compliance submitted by the DPO Dhanbad details of Rs.143580 has since been analyzed/ascertained and the error set right. DPO has been directed to furnish the proper compliance early. Difference is to be reconciled and set right early. Action taken report is awaited. Bank Commission is not usually to be charged/debited to our account. DPO has been asked to look into the matter Action Taken report is awaited.</p> <p>(xxii) As per compliance submitted by the DPOs Advance Registers are being maintained in prescribed format.</p> <p>(xxiii) As per compliance submitted by the DPOs Fixed Assets Registers are being maintained in prescribed format.</p> <p>(xxiv) Cheque Issue Register in Bokaro DLO is</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>being maintained from financial year 2006-07.</p> <p>(xxv) DLO's have strictly been instructed to follow the prescribed procedure regularly.</p> <p>(xxvi) Letters have been issued to concerned DPOs for early adjustment of funds. They have also been directed to submit action taken report at the earliest.</p>	
17	Karnataka	<p>a. An amount of Rs.1434.86 lakhs has been taken as Receipt on account of refund of un-utilized expenditure. Presumably the amount which was treated as expenditure in the previous year but remained unspent and has been refunded during 2005-2006. If this presumption is correct then the amount has to be classified as 'Minus Expenditure of the year in which it was accounted for as expenditure. Activity headwise details are also required as the share of expenditure disbursed by the External Development partners shall have to be refunded. Activity headwise details may please be furnished.</p> <p>b. An expenditure of Rs.1230.44 lakhs has been shown under the activity 'others' which is not an approved activity & no funds were allotted for the same. The expenditure may please be classified under the correct activity head under which the funds were allotted.</p> <p>2. The auditors report that:-</p> <p>(i) A register of assets acquired wholly or substantially out of grant has not been maintained. Fixed assets created out of project funds have not been</p>	<p>a. The details are being collected from the districts regarding the refunds made by the blocks to the districts to the extent of Rs.1434.86 lakhs and the same will be submitted.</p> <p>b. The expenditure of Rs.1230.44 lakhs was wrongly shown as expenditure under Others in FMR-III for the year 2005-06. Revised FMR-III has been submitted rectifying the error. The omission is regretted.</p> <p>2.(1) The assets acquired out of SSA project funds have been accounted under the same register maintained for accounting the assets acquired in the earlier years. However a separate Register of assets will be asked to be maintained by the implementing units.</p> <p>(ii) These advances shown as outstanding at the end of the financial year gets adjusted in the next financial year as permitted in para 73.1 of the Manual on Financial Management and Procurement. However, the districts have been addressed in this behalf of take steps to clear the outstanding advances early.</p> <p>(iii) Capacity building measures with regards</p>	<p>a. As regards para 1 relating to un-utilized expenditure of Rs.1434.86 lakhs your further communication will be awaited. Para 2 may please be treated as settled as revised FMR-III has since been received.</p> <p>b. The Procedure for Settlement of Audit objection is laid down in para 105 of the Manual on Financial Management & Procurement. As such compliance to audit objections raised by the Chartered Accountants may please be reported to the Auditors who will review / check the compliance during their next visit to your office, as provided in their TOR. The position of settlement of Audit objections by the Auditors may be reported to us in the</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>physically verified during the year.</p> <p>(ii) Outstanding advances amounting to Rs.30734170 at SPO and Rs.1345607300 at DPO & DIET & Rs.38516627 at NPEGEL are subject to reconciliation and confirmation.</p> <p>(iii) Capacity Building Measures: In Book- keeping and maintenance of records. As observed by us and also as can be seen from reports of other Chartered Accountant firms entrusted with the audit of scheme accounts, the officers of project implementing offices are not fully aware of double entry system of book keeping and importance of capturing accounting information. Qualified and experienced staff in the line of maintenance of accounts. Many of the offices of DPOs are not fully following the provisions in the manual on Financial Management and Procurement and also Chart of Accounts. Accounts at BEO level are written by non-accounting staff- some times by BRC co-ordinator and teachers.</p> <p>Responsibility of maintenance of accounts has not been fixed on any particular official. There are frequent changes in the staff in charge of accounts. The personnel in charge of accounts need more training in keeping the scheme accounts in double entry system of accounting.</p>	<p>maintenance of book-keeping in the double entry system at the District level is ensured by giving the assistance of retired personnel from Corporate bodies, on contract basis. The key staffs who are vested with the responsibility of maintenance accounts are considerably well-versed with accounts knowledge required for the project. However, the capacity building measures would be increased and required staff will be provided to the Districts. The DPOs are being given orientation through short term trainings and workshops regarding the familiarization of the provisions of the Manual.</p> <p>Due to dearth of regular hands and due to freezing of recruitment by the Govt. additional hands could not be provided for maintenance of accounts at the Block level. Staff turn over is also another area of concern which needs to be addressed. The same would be addressed.</p> <p>With regard to maintenance of Accounts a proposal for engaging CA firms has been approved by the Executive in its meeting dated 9.2.2007. TOR and other details are being worked out in this behalf. This will take care, the maintenance of accounts at SDMC, BLOCK and DISTRICT levels along with financial reporting. The suggestion of the CA is well taken regarding sustainable measures to be taken regarding awareness among the SDMCs with respect of financial and Accounts Management.</p> <p>Presently the implementation of the Project activities is being monitored by the SDMCs, Block Implementing Committee, District Implementing Committee, besides frequent Departmental</p>	<p>quarterly Report prescribed for the Purpose</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>SDMCs are primarily responsible for implementing project activities. They should be given importance. Unless the maintenance of accounts is strengthened at SDMC level, there is no way that SPO would get correct financial position of the scheme as a whole.</p> <p>There should be in place proper control for maintenance of accounts at SDMC level. This would commence with fixing the responsibility on a particular person for maintenance of accounts who has adequate expertise and qualification in maintenance of accounts under double entry system of accounting. Sustained measures are to be taken to create awareness as to the role and responsibility in implementation of the project account and periodical financial reporting.</p> <p>(iv) Need to strengthen the internal control measures</p> <p>There is a need to strengthen internal controls relating to project activities. Opening balance of project funds at various project-implementing agencies, release of grants from time to time to implementing agencies, utilization of those grants and closing balances at implementing agencies at the close of the financial year are to be reconciled. End use of the project funds is to be closely monitored. Adequate care is to be exercised in accepting and analyzing the Utilization Certificates</p>	<p>Inspections, Surprises Visits by the Top Official Burocrates, Zilla Panchayat Officials and Elected members of the ZP, Members of the Legislative Assembly, Members of Legislative Council, and District Ministers etc. This has created a lot of alertness among the implementing staff.</p> <p>In addition to these, periodical checks by the DPO and staff for overseeing of obtaining the Utilization Certificates, accounts returns, bank reconciliation are being scheduled.</p> <p>Guidelines regarding the Financial Management and accounting have been designed and disseminated to the SDMC level and the Primary School teachers are being given One Day training at the CRC level with a Simplified Methods in account maintenance. A handy compendium-cum-implementing Manual has been developed and distributed among all implementing staff including the Head Teachers who are at the SDMC levels. Several brochures are developed for circulation on implementation of various activities under SSA linked with financial requirements. Consulting firms have been engaged for Third Party Evaluation of the Civil Constructions, financial audit of the civil works.</p> <p>(vi) There are although, being adhered to, would be intensified</p> <p>(v) The manual on Financial Management and Procurement issued by the GOI has been translated in to the local language and distributed to the SDMC levels. The staff</p>	

S/Sl. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>issued by project implementing offices for Utilization of project funds.</p> <p>Guidelines regarding capitalization of assets created out of project funds should be well defined and put in place. There should be inbuilt mechanism in place to identify in time the assets created out of project funds, physical verification assets, accounting of such assets, maintenance of assets and asset register, safe guarding of assets till such time the same are handed over to the user community or otherwise.</p> <p>Further, there is a need to review the existing procedure regarding pre and post inspection mechanism of projects, periodical review of project work, incorporation of expenditures incurred by BEOs in the books of DPOs at periodical intervals, accounting for project expenditure, audit and inspection, utilization of surplus project funds (unspent amount) and opening of project Bank account.</p> <p>There should be periodical monitoring and review of project expenditures incurred at the level of SDMC, BEO and DPO by concerned project authority. Annual financial statements prepared on the basis of expenditure incurred at the level of SDMC and BEO are to be reviewed periodically for its authenticity and accuracy.</p> <p>(v) Implementation of Financial Management Manual In most of the cases, the books of accounts and other records maintained at various district offices, BEOs and SDMCs are not as per procedures prescribed in manual on Financial Management and</p>	<p>turnover at the block and SDMC levels is considerably more, due to which the new comers who are to make available the records for audit may not be aware of the availability of the Manuals in their offices. Strict instructions would be issued in this behalf. Change over from the conventional method of maintenance of accounts to Maintenance of accounts in double entry system of book-keeping would take some time.</p> <p>The importance of maintenance and utility of the books referred to by the audit would be made known to the staff at all levels and see that they are maintained.</p> <p>(vi) This is being done during the periodically called meetings of the DYPCs, Accounts staff at the statel level and at the District level in the meetings of the BEOs and the BRCs & CRCs at the block level and in the monthly meetings of the Head Teachers.</p> <p>(vii) It would be proposed to have half yearly inspections of the implementing offices.</p> <p>(viii) The irregularities and the deviations pointed out in the various audits are being taken up.</p> <p>(ix) It has been strengthened.</p> <p>(x) The implementing offices would be asked to adhere to the periodicity fixed for obtaining the UCs and also regarding the settlement of Outstanding Advances at all levels.</p> <p>(xi) The suggestions made in the audit are being considered for adherence</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>Procurement. Some of the implementing officers are not aware of existence of such manual or implemented partially. In most of the implementing offices and DPOs, accounts in respect of SSA transactions are not maintained fully on Double Entry Method based on Mercantile System of accounting as required by Financial Management Manual. In most of the cases, the following books of accounts and other records as suggested in Financial Management Manual are not maintained.</p> <ul style="list-style-type: none"> ➤ Ledger ➤ Journal ➤ Stock Register ➤ Capital Goods <ul style="list-style-type: none"> • Register of works • Non-consumable articles ➤ Fixed Assets Register ➤ Classification of the project accounts ➤ Temporary Advance Register <p>(vi) Review of Budget at periodic intervals There is a need to closely monitor the budget with actual at periodical intervals under various project components and/or project activities by DPOs, CRCs, BRCs and SDMCs. This would facilitate close monitoring of the project funds.</p> <p>(vii) Audit and Inspection The accounts of the project funds are audited once in a year. This is normally after the close of the</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks			
		<p>financial year. In between the year, there is no audit and inspection either the project offices of implementing offices accounts and records during the period under review. In view of nature of expenditure and funds involved, it is suggested that proper concurrent audit mechanism be introduced to review the operations of the project offices at periodic intervals.</p> <p>(viii) Various accounting & procedural irregularities pointed out by auditors entrusted with the audit of District Accounts.</p> <p>(ix) The internal audit system is to be strengthened.</p> <p>(x) There are several instances of delay in receipt of UCs resulting in huge amounts of Project fund reflected in the accounts as advance outstanding.</p> <p>(xi) The auditors have also made certain suggestion which are worth consideration and implementation.</p>					
18	Kerala	<p>1. The following are found missing</p> <p>(i) Audited FMRs</p> <p>(ii) Consolidated Annual Financial Statement in the format given at Annexure XIII of the Manual on Financial Management and Procurement</p> <p>2. The following discrepancies in the Statement of accounts are also observed.</p> <p>(a) Income & Expenditure Account. Expenditure on the following items is not Project expenditure as no such activities were approved in the AWP&B for the year 2005-06</p> <table border="0" data-bbox="646 1241 1185 1273"> <tr> <td style="padding-left: 20px;">1.</td> <td style="padding-left: 20px;">Hand Book</td> <td style="padding-left: 20px;">Rs. 106920.00</td> </tr> </table>	1.	Hand Book	Rs. 106920.00	<p>1. (i) Audited FMR (ii) Consolidated Annual financial Management</p> <p>2. (a) Further, I may clarify the following as it is observed as non-project expenditure approved in AWP&B for the year 2005-06.</p> <p>1. Hand Book-Rs. 1,06,920/- Handbook for Rs.1,06,920/- was purchased from the SCERT and distributed to the teachers as a part of TLE.</p> <p>2. Pre project refund-Rs. 651942.00 It is reported that the funds received from the MHRD for the pre-project activities and SSA activities were operated through a single Bank Account. During the year 2005-</p>	<p>(i) Pre Project funds of Rs.651942/- refunded to MHRD is not a Project expenditure. The refund made is to be shown in the</p>
1.	Hand Book	Rs. 106920.00					

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>2. Pre project refund Rs. 651942.00</p> <p>3. Quality improvement Rs. 2834928.00</p> <p>(b) Receipt & Payments A/C Refund from DPOs & BRCs - A sum of Rs.15667077.00 has been shown on the Receipt side. It may be clarified if the amount received is unspent balance out of the amounts treated as expenditure during the previous years. If so activity wise details of unspent balance and the year in which the same was treated as expenditure may please be provided.</p> <p>3. Further the auditors report that: (i) Some of the DPOs have not maintained proper books of accounts as per double entry system of accounting. There is no system of preparing quarterly receipts and payments accounts,</p>	<p>2006, some District Project Officers has refunded the unspent balance of Pre-project activities; which in turn was deposited in the account maintained for SSA activities. On receipt of the direction from the MHRD to refund the unspent balance of pre-project, the said amount was withdrawn from the Bank Account and remitted back to MHRD on 15.2.2006. As it was withdrawn from the Bank account, it has been shown as expenditure.</p> <p>3. Quality improvement s.2834928.00 The amount was expended for Quality Improvement Programme consisting of supply of Free Text Books, printing of work book, evaluation tools, Teacher Training, Research and Evaluation and related components.</p> <p>(b) Receipts and payments Clarification for Rs.1,56,67,077/- shown on the receipt side as refund from the DPOs and BRCs. The amount relates to settlement of unspent balance which were given to DPOs and BRCs for carrying out various interventions during the financial year 2005-2006 only. The intervention-wise expenditure has already been booked in each districts accounts for 2005-2006.</p> <p>3. (i) I may report that all the DPOS are maintaining Double Entry System of accounting preparing quarterly receipts and payments accounts and submitting statement of expenditure and Bank</p>	<p>pre-project grant account as minus receipt. This cannot, therefore, be shown as expenditure in the FMRs. Revised FMRs may, therefore, please be furnished.</p> <p>(ii) Parawise compliance to the audit observations made by the Auditor in the Audit Report may please be furnished to the Auditors for verification during the next audit. The position of settlement of the audit objections by the auditor may please be reported to GOI in the quarterly report prescribed for the purpose.</p> <p>(Response) (i) Revised FMR provided.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>Statement of Expenditure and Bank Reconciliation statement at DPOs.</p> <p>(ii) The collections and remittances of statutory dues were not seen booked in its respective ledger accounts, hence it is difficult to ensure that the collected statutory dues are properly remitted to the concerned authorities within due dates.</p> <p>(iii) From our verification we found that some DPOs and most of the BRCs are not maintaining ledger accounts properly and hence we are recommending strict adherence of accounting manuals and implementation of accounting software in all DPOs and BRCs.</p> <p>(iv) From our verification we found that almost all the BRCs were not collecting interest from bank accounts in schools and not remitting the same properly to DPO as per SPD guidelines.</p> <p>(v) There is no proper system of verifying / auditing the advances given to BRCs and CRCs by the district project office at periodic intervals. There was no regular internal audit during the year and the books and records maintained by the DPOs and BRCs are also not updated daily. A proper and effective audit system to be implemented to ensure that the books and records are updated daily and all the transactions are carried on as per the specified manuals and guidelines.</p> <p>(vi) The vouchers for the expenses incurred against the advances given to BRCs are verified by us on a</p>	<p>Reconciliation.</p> <p>(ii) The statutory dues were accounted in the cash book and remitted to the concerned authorities by chalans. Directions were issued to the DPOs to book the collection and remittance of statutory dues in its respective ledger accounts.</p> <p>(iii) All the DPOs and most of the BRCs are maintaining Ledger Accounts properly. However strict direction has been issued to the DPOs to ensure the maintenance of ledger accounts in the BRCs under their control.</p> <p>(iv) Direction has been given to the DPOs to ensure that interest accrued in the BRCs and schools are remitted properly to the DPOs.</p> <p>(v) The DPOs were given strict direction to verify the expenditure of advances given to the BRCs, CRCs and the schools. Most of the DPOs are complying the instruction even with the insufficient staff pattern. Internal audit wing is strengthened and regular internal audit has been conducted. In most of the DPOs, the internal audit has been completed upto 03/2006. The District Project Officers were also directed to conduct internal audit at BRC/CRC and schools effectively and regularly and to confirm that the books and records were updated daily.</p> <p>(vi) Details of BRCs which have not produced books and records are being collected and the matter will be</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>2. Pre project refund Rs. 651942.00</p> <p>3. Quality improvement Rs. 2834928.00</p> <p>(b) Receipt & Payments A/C Refund from DPOs & BRCs - A sum of Rs.15667077.00 has been shown on the Receipt side. It may be clarified if the amount received is unspent balance out of the amounts treated as expenditure during the previous years. If so activity wise details of unspent balance and the year in which the same was treated as expenditure may please be provided.</p> <p>3. Further the auditors report that: (i) Some of the DPOs have not maintained proper books of accounts as per double entry system of accounting. There is no system of preparing quarterly receipts and payments accounts.</p>	<p>2006, some District Project Officers has refunded the unspent balance of Pre-project activities; which in turn was deposited in the account maintained for SSA activities. On receipt of the direction from the MHRD to refund the unspent balance of pre-project, the said amount was withdrawn from the Bank Account and remitted back to MHRD on 15.2.2006. As it was withdrawn from the Bank account, it has been shown as expenditure.</p> <p>3. Quality improvement s.2834928.00 The amount was expended for Quality Improvement Programme consisting of supply of Free Text Books, printing of work book, evaluation tools, Teacher Training, Research and Evaluation and related components.</p> <p>(b) Receipts and payments Clarification for Rs.1,56,67,077/- shown on the receipt side as refund from the DPOs and BRCs. The amount relates to settlement of unspent balance which were given to DPOs and BRCs for carrying out various interventions during the financial year 2005-2006 only. The intervention-wise expenditure has already been booked in each districts accounts for 2005-2006.</p> <p>3. (i) I may report that all the DPOS are maintaining Double Entry System of accounting preparing quarterly receipts and payments accounts and submitting statement of expenditure and Bank</p>	<p>pre-project grant account as minus receipt. This cannot, therefore, be shown as expenditure in the FMRs. Revised FMRs may, therefore, please be furnished.</p> <p>(ii) Parawise compliance to the audit observations made by the Auditor in the Audit Report may please be furnished to the Auditors for verification during the next audit. The position of settlement of the audit objections by the auditor may please be reported to GOI in the quarterly report prescribed for the purpose.</p> <p>(Response) (I) Revised FMR provided.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>the following deficiencies / discrepancies have been observed.</p> <ul style="list-style-type: none"> (i) The following documents are found missing <ul style="list-style-type: none"> (a) Management letter (b) Procurement Audit Certificate (c) FMRs I, II & III (d) Audit Report (ii) The Consolidated Annual Financial Statement prime face seems to be in-complete as no activitywise approval of AWP&B shown in the column "approved AWP&B including spillover". In case no AWP&B was approved then the expenditure of Rs.18.67 shown to have been incurred under certain activity heads is irregular. Please look into it and send a revised statement. (iii) Refund of Rs.2.34 to MHRD is not an expenditure, it is a Minus-Receipt and should have been shown as such in the statement. (iv) Traveling advance of Rs.35000/- has been shown as expenditure, which is not correct. (v) The expenditure under (a) Computer & Printer (b) Repairing charges & (c) Traveling expenses are to be shown under the relevant activity heads in which the same were approved in the AWP&B. 		
20	Madhya Pradesh	<p>1. The following discrepancies are observed:</p> <ul style="list-style-type: none"> (i) The Procurement audit certificate in the format sent to you vide my d.o. letter No.15/2/2003-SSA(PR) dated 29th September 2006 has not been furnished (copy enclosed). (ii) Opening balance of Rs.34943.44 lakhs as shown in 	<p>I am sending pointwise responses required in the reference letter.</p> <ul style="list-style-type: none"> (i) The Procurement Audit Certificate alongwith Management letter, given by Chartered Accountant regarding Audit of 2005-06 is enclosed. 	<p>The following comments are offered.</p> <ul style="list-style-type: none"> (i) The Procurement Audit Certificate stated to have been sent alongwith the

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>FMR-I does not tally with FMR-I opening balance as per our records which is Rs.36698.37 lakhs. This needs to be reconciled.</p> <p>(iii) The expenditure under the activity head Free Text Books viz. Rs.5319.21 lakhs as shown in FMR-III exceeds the PAB allotment of Rs.5032.70 lakhs for the year.</p> <p>(iv) Expenditure of Rs.1580.83 lakhs shown under the activity head. Research, Evaluation and Monitoring in FMR-III exceeds the PAB allotment of Rs.930.38 lakhs for the year.</p> <p>(v) A consolidated annual financial statement in the format given in Annexure-XVIII of the Manual on Financial Management & Procurement has not been furnished. The same my please be furnished.</p> <p>2. The auditors have reported that:</p> <p>(i) Most of the district offices have not fully complied with the provision of the Income tax Act1961. M.P. Commercial Tax Act.1994 and M.P. Professional Tax Act.1995 regarding deduction, timely deposition of deducted tax and filing of the required returns. The details are furnished in enclosure attached.</p> <p>(ii) We suggest for periodical reconciliation of accounts of SPO with ZSKs and of ZSKs with Janpad Shiksha Kendra to have proper monitoring of movement of funds.</p> <p>(iii) The Internal Audit has been carried out in 16 Zila Shiksha Kendra, which in our opinion is neither effective nor reasonable looking to size of organization, volume of work and nature of activities. The Internal Audit is carried out concurrently, which in our opinion should be carried out during the year to have more productive outcome.</p> <p>(iv) Fixed Asset register & Store Register at some of the</p>	<p>(ii) The difference in amount of opening balance of Rs.1754.93 lakhs is related to balance available of other schemes like DPEP, 10th Finance, OBB etc.</p> <p>(iii) The excess expenditure under Activity head Free Text Books viz. of Rs.286.51 lakhs over PAB allotment of Rs.5032.70 lakhs includes the cost of Free Text Books distributed to Madarasas/Sanskrit School, that is approved under SSA. This include cost of Transportation up to school level.</p> <p>(iv) As per audit report, some districts have booked professional fees expenditure (Salary of Block level staff) in to budget head of REMS so the expenditure of Rs.650.45 lakhs has been erroneously booked into REMS head.</p> <p>(v) A consolidated annual financial statement in the format given in Annexure XVIII of Manual on Financial Management & Procurement has been prepared by Chartered Accountant. Some is attached further the action taken report of Audit observations (State level) given in Audit Report of 2005-06, have been prepared in the Annexure XXII of Financial Management and Procurement manual also attached along with this letter.</p>	<p>Management letter has not actually been received. The same may please be furnished.</p> <p>(ii) No comments</p> <p>(iii) The expenditure of RS.286.51 lakhs incurred in excess of the PAB allotment under Free Text Books is irregular. This may either be got regularized by the competent authority viz. PAB or credited to SSA Account.</p> <p>(iv) The misclassification in the booking of expenditures may be rectified and expenditure booked under the relevant activity head failing which the excess expenditure of Rs.650.45 lakhs booked under REMS should be credited to SSA account.</p> <p>(v) (a) As per the consolidated financial statement furnished</p>

S. No	Name of the State	Observations	Response	Further Comments/Remarks																																			
		<p>Zila Shiksha Kendra are not maintained properly and registers of block offices in some of the ZSKs have not been produced before the auditors for verification.</p> <p>(v) Fixed Assets have not been physically verified by us. As explained the physical verification is carried out by the management at reasonable intervals except in few districts.</p> <p>(vi) Procurement norms have not been complied completely in many of the Zila Shiksha Kendras. The details are furnished in 'Annexure-II'</p> <p>(vii) Substantial advances are provided for procurement and other activities which are not settled within reasonable time period. The settlement is pending due to non furnishing of utilization details and relevant vouchers after the utilization.</p> <p>(viii) Some of the Zila Shiksha Kendras have incurred expenditure under different heads more than the approved annual work plan for which no post sanctions have been obtained.</p> <p>(ix) There are substantial staff advances which are pending for settlement due to non furnishing of expenditure details by the staff.</p> <p>(x) Total WIP amounting to Rs.676,33,35,670.00 under SSA and Rs.12,78,32,128.00 under NPEGEL are pending to transfer to Fixed Assets due to non submission of Completion Certificates from implementing agencies.</p> <p>(xi) There are aggregate unsettled advances of Rs.19,07,03,349/- on DIETs provide by SPO, ZSKs & BRCs for trainings. The delay in submission of utilization details is noticed.</p> <p>(xii) Separate set of books of accounts and separate bank account for NPEGEL, 11TH Finance, PMGY funds have not been maintained at some of the Districts as per the SPO instructions. The details</p>		<p>now expenditure incurred under the following activity heads exceeds the budget allotment for the year.</p> <table border="1" data-bbox="1870 510 2196 1045"> <thead> <tr> <th>S. No</th> <th>Name of the Activity</th> <th>Approved AW P&B 2005 -06</th> <th>Exp.</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>BRC</td> <td>2293.50</td> <td>4288.70</td> <td>1995.20</td> </tr> <tr> <td>2.</td> <td>Free Text Books</td> <td>5032.70</td> <td>5319.21</td> <td>286.51</td> </tr> <tr> <td>3.</td> <td>Research & Evaluation</td> <td>930.38</td> <td>1580.83</td> <td>650.45</td> </tr> <tr> <td>4.</td> <td>SIEMAT</td> <td>-</td> <td>23.01</td> <td>23.01</td> </tr> <tr> <td>5.</td> <td>Others</td> <td>-</td> <td>8.65</td> <td>8.65</td> </tr> <tr> <td></td> <td></td> <td>8256.58</td> <td>1122.04</td> <td>2963.82</td> </tr> </tbody> </table> <p>The total excess expenditure under the above activity heads works out to Rs.2963.82 lakhs which may please be got looked into again and position clarified urgently.</p>	S. No	Name of the Activity	Approved AW P&B 2005 -06	Exp.	Excess	1.	BRC	2293.50	4288.70	1995.20	2.	Free Text Books	5032.70	5319.21	286.51	3.	Research & Evaluation	930.38	1580.83	650.45	4.	SIEMAT	-	23.01	23.01	5.	Others	-	8.65	8.65			8256.58	1122.04	2963.82
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>are furnished in Annexure-III.</p> <p>(xiii) Bank Accounts of BRCs, ZSKs & RSK are reconciled except of BRC Sailana of ZSK Ratlam and BRC Bagli of ZSK Dewas.</p> <p>(xiv) We have noticed many shortcomings & discrepancies in the transactions at ZSK & block levels, which are elaborated in the Annexure-IV.</p>		<p>(b) The point wise reply to the audit observations may please be submitted to the auditors for verification/settlement of audit objections during the course of Audit for the year 2006-07. Progress made in the settlement of Audit objections may please be reported to the GOI in the Quarterly Statement prescribed for the purpose. It may also be ensured that the observations of previous years are not repeated by the Auditor in the current year.</p> <p>The position regarding the excess expenditures of Rs.2963.82 lakhs pointed out above may please be got rechecked and clarified urgently. In case any rectifications in the booking of expenditure is required due to misclassification, the same may be got done quickly and revised activitywise expenditure statement certified by the Auditor furnished to us.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
21	Maharashtra	<p>1. The following are found missing.</p> <ul style="list-style-type: none"> (i) Receipt & Payment Accounts (ii) Utilization certificate (iii) Procurement Audit Certificate in the format sent to you vide my d.o. letter No.15.12.2003-SSA (PR) dated 29th September 2006 (iv) Audited FMRs (v) A consolidated financial statement in the format at Annexure XVIII of the Manual FM&P. <p>2. It is further observed from the Income & Expenditure Account that :</p> <ul style="list-style-type: none"> (i) Standard budget/account heads have not been used and expenditure has been shown under different account heads as under: <ul style="list-style-type: none"> (i) Miscellaneous Payments (ii) Repairs & Maintenance (iii) School Maintenance Grant (iv) Maintenance Grant (v) Depreciation <p>Expenditure on the Project is to be recorded in the Budget Account heads under which allotment of funds is made by the PAB.</p> <ul style="list-style-type: none"> (i) The following has been shown as income <ul style="list-style-type: none"> (i) Funds refunded by district Rs.51532501 (ii) CRC Grants received Rs.8660000 (iii) Miscellaneous Receipt Rs. 9750629 (iv) Other Receipts Rs.7323388 	<ul style="list-style-type: none"> (i) Receipts & Payment Accounts (ii) Utilization Certificate (iii) Procurement Audit Certificate (iv) Audited FMRs (v) A Consolidated financial statement in the format at Annexure-XVIII of the Manual FM&P <p>The Receipt & Payment Accounts with Standard budget account heads has been prepared and is submitted herewith. Further the details of the funds refunded by District, CRC grant received back and Miscellaneous Receipts & Other Receipts are furnished herewith, duly attested</p> <p>Further, the comments of the Maharashtra Prathamik Shikshan Parishad with regard to the Observations of the Statutory Auditors, as mentioned in Annexure A, B & C are being submitted to Government of India Separately. The issue of effective internal control has been taken into account and detailed guidelines have been given to the staff/supervisory staff during the training sessions organized in the month of December 2006, and also detailed, instructions have been passed on to the district level officers. It is also being ensured to strengthen the internal audit mechanism. So as to reduce such type of observations in statutory audit.</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks						
		<p>No details have been provided. Please furnish details of the above receipts/income.</p> <p>3. The auditors have made various observations in Annexures as under:</p> <table border="1" data-bbox="539 440 1203 620"> <tr> <td data-bbox="539 440 748 498">Annexure – A</td> <td data-bbox="748 440 1203 498">Information and Explanation not provided</td> </tr> <tr> <td data-bbox="539 498 748 556">Annexure - B</td> <td data-bbox="748 498 1203 556">Books of accounts / records not maintained</td> </tr> <tr> <td data-bbox="539 556 748 620">Annexure – C</td> <td data-bbox="748 556 1203 620">Books of accounts not in agreement with books</td> </tr> </table> <p>4. The auditors have also pointed out certain Internal Control including Procurement issues.</p>	Annexure – A	Information and Explanation not provided	Annexure - B	Books of accounts / records not maintained	Annexure – C	Books of accounts not in agreement with books		
Annexure – A	Information and Explanation not provided									
Annexure - B	Books of accounts / records not maintained									
Annexure – C	Books of accounts not in agreement with books									
22	Manipur	<p>The following discrepancies/deficiencies have been observed:-</p> <p>(vi) The following documents are found missing.</p> <p>(a) A consolidated Annual Financial Statement in the format at Annexure XVIII of the Manual on Financial Management & Procurement</p> <p>(b) FMRs I, II & III</p> <p>(c) Procurement Audit Certificate in the format sent to you vide my d.o. letter No. 15/2/2003-SSA(PR) dated 29th September 2006 (copy enclosed)</p> <p>(vii) As per this Ministry records, the Project was having an opening balance of Rs.1937.17 lakhs on 1.4.2005 (the Project's expenditure during 2004-2005 was only Rs.256.87 lakhs and not Rs.566.45 lakhs as shown in the UC for the</p>								

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>year 2004-05) as against Rs.1604.77 lakhs shown in the Utilization Certificate.</p> <p>(viii) (a) The total expenditure incurred by the Project as per the Income & Expenditure Account is 141604042.57 whereas the same has been certified as Rs.12,80,16,630.37.</p> <p>(b) Expenditure of Rs.20993 on Bank charges has been shown under 'others' whereas the same should be included under the activityhead Management cost.</p> <p>(c) The expenditure on Kaia Jatha Rs.50,000/- and Rs.3878.00 on Pre-project activities are not Project expenditures & should be excluded.</p> <p>(ix) The unspent balance with the Project including advances as shown in the Receipts & Payments Account is Rs.239041110.60 whereas the same as per the utilization certificate is Rs.23,01,04,845.59.</p> <p>Further the auditors report that:-</p> <p>1. System of Accounts:</p> <p>The system of accounts leaves much to be improved to confirm to generally accepted accounting practice in as much as</p> <p>(i) The cash book does not indicate the component of the programme i.e. the head of account for which the payment is made. Instead, the payee's name is indicated such as "Paid to.....". Thus</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>the cashbook does not render possibility of making the posting of the entris into headwise ledger accounts.</p> <p>(ii) The ledger accounts are not maintained. Thus the activitywise expenditure is not compiled.</p> <p>(iii) The nature of advance payment is not indicated clearly in the cashbook.</p> <p>(iv) No entry in respect of the adjustment of advances is passed in the books. Only the voucher is passed and kept as record and usually voucher No. is not assigned to such adjustment entries.</p> <p>(v) Bank Reconciliation statement is never prepared, rather not attempted.</p> <p>(vi) Cheque Issue Register maintained is not in order as the entries are made therein as and when the cheques are delivered to the payee and not as and when issued. The entries in the register should be made in order of the cheque No. and date</p> <p>(vii) The register of grants received and register to record the grants released to Districts are not maintained.</p> <p>Thus the requirement of maintaining cash book under double entry system as per guidelines is not complied with.</p> <p>It is suggested that:-</p> <p>Ledger Accounts, Journal ledger (to record adjustment entries) should be introduced and the monthly progress of</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>expenditure should be compiled.</p> <p>The main reason of poor system of accounting followed is the poor knowledge of accounting both in the Head Office as well as District Offices. Therefore the staff handling the accounts need an intensive training of practical accounting as well as accounting with computer package.</p> <p>4. Accounting policy</p> <p>The method of accounting followed is on cash basis thus any liability arising from the obligations in respect of goods and services received has not been accounted. Thus the maintenance of accounts on accrual basis under guidelines issued by the Ministry is not followed.</p> <p>5. Physical Verification of Assets</p> <p>There is no evidence of physical verification of assets having been carried out periodically.</p> <p>6. Assets Register</p> <p>The assets register is not properly maintained. The Register is not maintained in the form of GFR-40. The Stock Register is treated as Assets Register. The stock register does not carry full particulars as contained in the Assets Register. Therefore in addition to stock register an ASSETS REGISTER should be maintained.</p> <p>7. Monitoring of District Accounts by Head Office</p> <p>There is no mechanism to monitor the expenditure as well as activities of the Districts.</p> <p>8. Advances for expenses</p> <p>The advances paid for expenses need follow up. The list of advances is in the attached statement.</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p style="text-align: center;">Cheques in hand</p> <p>The cheque in hand amounting to Rs.99,85,000 appearing in the statement of account pertains to cheques drawn in favour of two District Offices towards grant in aid for the programme. The amount of these cheques is not reflected in the books of the Districts. These cheques have been encashed only after 31.3.2006. Thus these cheques have been treated in the statement of account of the head office as cheques in hand.</p> <p>9. Loan to Board of Secondary Education, Manipur (BSEM)</p> <p>As per agreement with BSEM the loan was advanced {for the purpose of printing of free textbook} with interest at the existing rate of advance charge by the United Bank of India. However the interest chargeable has not been calculated and accounted. As the text books printed by BEMS were to be supplied to SSA the amount should have been treated as Advance.</p> <p>10. Purchase of Aids and Appliances under Intervention for Disabled Children worth Rs.418.392 from Artificial Limbs Manufacturing Corporation of India. The amount was paid in advance on 25.1.2006. However there is no record in the Head Office (State SSA) to show the receipt of appliances and distribution thereof to Districts. Reportedly the consignment of appliances was directly retired by the District SSA. But in the District level also there is no record/stock register to show the receipt and distribution of the appliances. Therefore the amount paid has been treated as advance.</p> <p>An amount of Rs.168,580.00 was released in 2004-05 to Director, SCERT, Manipur for conducting teachers training. But the detailed statement of account has not been submitted. Only a mere utilization certificate has been</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks								
		<p>submitted by the recipients of the amount which is not acceptable as evidence of expenses.</p> <p>In respect of amounts released to various institutions for conducting teachers training programmes the physical report-viz the number of teachers admitted/trained etc. is not obtained.</p>										
23	Meghalaya	<p>The following discrepancies are observed:-</p> <p>i The total expenditure under the Activity-head IED as per the Income & Expenditure Account is Rs.443854/- but in the FMR-III it has been shown as Rs.492854/-</p> <p>ii. Under Research & Evaluation the expenditure as per I&E Account is Rs.2382435/- but in the FMR it has been shown as Rs.2876755.00</p>	<p>(i) FMR -III is prepared on the basis of Receipt & Payment Account and not of Income and Expenditure Statement. The IED Expenditure of Rs.4,92,854.00 appearing in the FMR-III comprised of Rs.4,43,854.00 appearing in Schedule 11 and Rs.49,000.00 paid as Advance in March 2006 from SPO but adjusted only in April 2006. The expenditure on IED is thus reduced by Rs.49,000.00 with corresponding increase in Advances to Sub-Districts in the FMR-III</p> <p>(ii) The Research & Evaluation expenditure of Rs.28,76,755.00 appearing in FMR-III comprised of:</p> <table border="1" data-bbox="1287 1023 1733 1321"> <tbody> <tr> <td>Research & Evaluation Schedule 13</td> <td>Rs.23,82,435.00</td> </tr> <tr> <td>Community Survey (East Khasi Hills)</td> <td>Rs. 1,94,120.00</td> </tr> <tr> <td>Monitoring of CRC/VEC (West Garo Hills)</td> <td>Rs.300,200.00</td> </tr> <tr> <td>Total</td> <td>Rs.28,76,755.00</td> </tr> </tbody> </table>	Research & Evaluation Schedule 13	Rs.23,82,435.00	Community Survey (East Khasi Hills)	Rs. 1,94,120.00	Monitoring of CRC/VEC (West Garo Hills)	Rs.300,200.00	Total	Rs.28,76,755.00	
Research & Evaluation Schedule 13	Rs.23,82,435.00											
Community Survey (East Khasi Hills)	Rs. 1,94,120.00											
Monitoring of CRC/VEC (West Garo Hills)	Rs.300,200.00											
Total	Rs.28,76,755.00											

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>iii. The expenditure under 'Teacher Training' as per I&E Account is Rs.1014173.00 but the same has been shown as Rs.3798743.00 in FMR-III.</p> <p>iv. The expenditure under 'Management Cost' for state component as per the I&E Account is Rs.2962995.93 whereas in the FMR-III it has been shown as Rs.2890817.00.</p> <p>v. As per the notes on accounts an amount of Rs.1690772.93 on account of depreciation has been included in Management cost in Income & Expenditure Account which is not correct. Depreciation is not an expenditure item. Depreciation denotes reduction in the value of fixed assets due to wear & tear and affects the Profit & Loss Account & the Balance Sheet only. it does not involve outgo of cash.</p> <p>Further the auditors report that:-</p> <ol style="list-style-type: none"> 1. Fixed asset registers have not been maintained / produced for verification. 2. Some applicable books, accounts and register as 	<p>Further scrutiny, however, revealed that the expenditure at the (ii) above pertains to Pre-Project activities and not of Research & Evaluation. The Expenditure under Research & Evaluation, thus reduced by Rs.1,94,120.00 with corresponding increase to Pre-Project activities in the FMR-III.</p> <p>(iii) Teachers Training of Rs.37,98,743.00 appearing in the FMR-III comprised of Rs.10,14,173.00 (Schedule 17D) and Rs.27,84,570.00 paid to IGNOU from SPO for Distance Education Course of Primary and Upper Primary Teachers Distance Education (CPE) under IGNOU is a component of Teachers Training in the AWP&B.</p> <p>(iv) Rs.16,90,772.93 on account of Depreciation has not been included in the Management Cost appearing in the Receipt & Payment Account which is the basis of FMR-III and hence there was no outgo of Cash. The Management Cost is.</p> <p>i) District (Schedule 12) - Rs.96,09,609.00 ii) State - Rs.28,90,817.00</p> <p>A revised FMR-III on the basis of the clarification given above is submitted for your necessary action. As regards reply to the Audit Observations, a separate communication will follow.</p>	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>mentioned in the Manual on Financial Management & Procurement are not maintained.</p> <p>3. Bank accounts show some un-reconciled differences.</p> <p>4. Advances lying outstanding since 2004-2005 have not been fully adjusted.</p> <p>5. In most cases utilization certificates in respect of grant in aid have not been furnished by the recipient.</p> <p>6. The audit report of each year has been taken to be the utilization certificate.</p> <p>7. The release of funds to various sub district units are being treated as expenditure and not as advances in contravention of the provisions under clause 72.1 of the Manual on Financial Management & Procurement.</p> <p>8. UCs/Expenditure statements from school etc. have either not been received or if received are not properly maintained.</p>		
24	Mizoram	<p>1. It is observed that:-</p> <p>(i) Audited FMRs are missing.</p> <p>(ii) Procurement audit certificate is not as per the format sent to you under my d. o. letter No. 15/2/2003-SSA(PR) dated 29th September 2006.</p> <p>(iii) The expenditure incurred during the year 2005-2006 as certified by the auditor is Rs.582628490 while the AWP&B including spill over as approved by the PAB is Rs.3686.93 lakhs. An excess expenditure of Rs.2139.35 lakhs has been incurred which is irregular.</p>	<p>a) Documents</p> <p>(I) Audited FMRs duly signed by our Auditors</p> <p>(II) Procurement Audit certificate as per the format sent by you under your D.O. Letter No.15/2/2003-SSA(PR) dated 29th September 2006.</p> <p>(III) The expenditure incurred during the year 2005-2006 as certified by the auditor is Rs.58,26,28,490/- while the AWP&B including spill over as approved by the PAB is Rs.3686.93 lakhs. An excess expenditure of Rs.2139.35 lakhs was incurred.</p>	<p>The clarification is not accepted. The Project has been advised to get the excess expenditure regularized in the next PAB. The visional Head has been informed to take up.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
25	Nagaland	<p>The following comments are offered.</p> <p>(i) The reported expenditure of Rs.2877.58 lakhs in FMR-I, II & III for the year 2005-06 has been certified by the auditor on the basis of fund released by State Mission Authority to District & Sub-district level agencies. It is therefore not the actual expenditure incurred by the Project on the approved activities during the year as has been certified by the auditor in the utilization certificate which reads as under.</p> <p>"A sum of Rs.287758225.50 (Rupees twenty eight crore seventy seven lakhs, fifty eight thousand two hundred twenty five & fifty paise) only has been utilized for the purpose for which it was sanctioned."</p> <p>The above two statements issued by the auditor are contradictory.</p> <p>Your attention is drawn to para 72.1 of the Manual on Financial Management and Procurement according to which funds released to the districts and sub-district level are initially classified as advances and the same indicated as such in the books of accounts.</p> <p>Further para 73.1 of the Manual on Financial Management & procurement provides that advances will constitute expenditure only when supported by appropriate utilization certificates/expenditure statement. Where as your office is treating the releases as expenditure. Thus the correct procedure as laid down in the manual is not being followed by your office.</p> <p>The following discrepancies are also observed in the financial statements.</p> <p>(i) The opening balance with the Project as on 1.4.2005 should be Rs.1261.19 lakhs as the expenditure for the year 2004-05 was taken as</p>		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																										
		<p>Rs.1792.05 lakhs instead of Rs.2792.05 lakhs. Please refer my d.o. letter No. 17/4/2005-SSA(Dis) dated 7th September 2006 (copy enclosed).</p> <p>(ii) The unspent balance with the Project as per the utilization certificate is Rs.18,28,298.58 whereas the Project is having the following balances as per the</p> <table border="1" data-bbox="583 501 1180 893"> <thead> <tr> <th colspan="2">SMA</th> </tr> </thead> <tbody> <tr> <td>Cash in hand</td> <td>=Rs.9872.00</td> </tr> <tr> <td>Cash at Bank</td> <td>=Rs.1818426.00</td> </tr> <tr> <td>Amount in transit</td> <td>=Rs.12402000.00</td> </tr> <tr> <th colspan="2">DMA</th> </tr> <tr> <td>Cash in hand</td> <td>=Rs.1025312.66</td> </tr> <tr> <td>Cash at Bank</td> <td>=Rs.23118812.22</td> </tr> <tr> <td>Advances DMAs A/C</td> <td>=Rs.400940.50</td> </tr> <tr> <td>Advances to Staff</td> <td>=Rs.54000.00</td> </tr> <tr> <th colspan="2">Less Liabilities</th> </tr> <tr> <td>Audit Fee Payable</td> <td>=Rs.337850.00</td> </tr> <tr> <td>Honorarium</td> <td>=Rs.57360.00</td> </tr> <tr> <td>Net unspent balance</td> <td>=Rs.137369153.38</td> </tr> </tbody> </table> <p>Balance Sheet.</p> <p>1. Advances outstanding = Rs. 98935000.00</p> <p>2. Closing Balance</p> <p>This needs to be clarified.</p> <p>1. Interest receipt by DMAs amounting to Rs.701713.78 has not been taken into account in the utilization certificate.</p> <p>2. As per Schedule – VI, the actual expenditure under Civil Works is Rs.18500000 whereas as per I&E account it is Rs.85155250.00.</p> <p>3. The total expenditure as per the I&E account is Rs.261276608.50. Whereas the same has been certified as Rs.287758225 in the utilization certificate and in FMRs which equals the total payments / funds released by the Project during the year.</p>	SMA		Cash in hand	=Rs.9872.00	Cash at Bank	=Rs.1818426.00	Amount in transit	=Rs.12402000.00	DMA		Cash in hand	=Rs.1025312.66	Cash at Bank	=Rs.23118812.22	Advances DMAs A/C	=Rs.400940.50	Advances to Staff	=Rs.54000.00	Less Liabilities		Audit Fee Payable	=Rs.337850.00	Honorarium	=Rs.57360.00	Net unspent balance	=Rs.137369153.38		
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>A Consolidated financial statement in the format prescribed at annexure XVIII of the Manual on Financial Management & Procurement indicating the actual expenditure incurred by the project under each approved activity w.r. to the approved AWP&B, duly certified by the auditor has not been furnished.</p> <p>Further the auditors report that:</p> <p>(i) The State Mission authority has made major releases of Payments during the month of March 2006.</p> <p>(ii) The Bank Account has not been reconciled.</p> <p>(iii) Fixed Asset Register has not been maintained.</p> <p>(iv) Advance Register has not been maintained by the Authority and the regularization of advances has also not been done properly.</p> <p>(v) Internal Control, Supervision & Monitoring should be strengthened and proper report register should be maintained.</p> <p>(vi) Cash Book, Ledger and other books of accounts maintained by the DMA are not proper and there is an urgent need of Providing proper training to the accounts personnel in regard to maintenance of books and voucher maintenance.</p>		
26	Orissa	1. The letter to the Management, issued by the auditor which forms part of the Audit Report, is found missing.	1. Provided	
27	Pondicherry	<p>The following are found missing.</p> <p>(i) Procurement Audit Certificate in the format sent to you vide my letter No.15/2/2003-SSA (PR) dated 29th</p>	(i) Enclosed as prescribed	The following further observations:-

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>September 2006 (copy enclosed).</p> <p>(ii) Audited FMRs I, II & III</p> <p>(iii) Management letter issued by the Auditor.</p> <p>(iv) Income & Expenditure Account in the format at Annexure (XX) of the Manual on Financial Management and Procurement.</p> <p>(v) A Consolidated Financial statement in the format at Annexure (XVIII) of the Manual on Financial Management & Procurement.</p> <p>(vi) The utilization certificate submitted is not in the format at Annexure (XVII) of the Manual on Financial Management & Procurement.</p> <p>Further the Auditor reports that: -</p> <p>(i) Proper books of accounts reflecting day to day cash and Bank Balance have not been maintained. Various books/registers including Fixed Assets Register specified in the manual on financial management and procurement (Chapter 4) too not maintained.</p> <p>(ii) Advances made towards various expenses are not promptly adjusted in particular, refund of balance amount after conducting various training programs/meetings are not being followed up and not promptly remitted to the bank.</p> <p>(iii) Monthly bank reconciliation is not done as required.</p> <p>(iv) There is no system of internal audit as prescribed under Para 100, Chapter 7.</p> <p>(v) Between June'05 and March'06, cash has been drawn for a total amount of Rs.65000/- towards petty cash. Bills/Vouchers are not available for verifications. No proper record of petty expenses is maintained.</p>	<p>(ii) Enclosed as prescribed</p> <p>(iii) Enclosed as prescribed</p> <p>(iv) Enclosed as prescribed</p> <p>(v) Enclosed as prescribed</p> <p>(vi) Enclosed as prescribed</p> <p>Further comments are as follows:-</p> <p>(i) Proper Books of Accounts / Registers etc. are now being maintained from 01.11.2006</p> <p>(ii) This is due to lack of adequate staff for this purpose. Now things have been regularized.</p> <p>(iii) This is due to lack of adequate staff for this purpose. Now things have been regularized.</p> <p>(iv) The State Project Office is running without any Internal Audit wing since its inception. No action has also been initiated to create or filling up of the posts. As there are no in-house internal audit team, it is proposed to engage qualified chartered accountant for this purpose as per the manual.</p> <p>(v) The ministerial staff i.e. One LDC who has been drafted for SSA purpose has gone on transfer. Though the vouchers are available it could not be made available to the auditor during the time of audit. Later on the bills are traced and submitted to the auditors for verifications. Since the bills are available for Rs.65000/- the para may be ignored and necessary certificate form the auditor is being arranged. Petty expenses register also not maintained because of lack of</p>	<p>(i) The Procedure for compliance of audit objections contained in para 105 of the Manual on Financial Management and Procurement, according to which compliance in respect of the objections revised by the auditors is to be reported to them. The Auditors will verify the compliance during their next visit for settlement of the objections as required in their TOR. The position of Settlement of the audit objection is to be reported to GOI in the quarterly report prescribed for the purpose.</p> <p>(ii) According to the auditors letter out of Rs.1,20,000/- shown as advance as on 31.3.2005(not 31.3.2006) a sum of Rs.1,16,135/- has been re-imbursed by TSG (SSA) New Delhi on 1.7.2005 and the balance unspent amount of Rs.3865/- received back and deposited on 20/6/2005 But these</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(vi) Interest due on outstanding Bank deposits have not been taken into account, as they are not quantifiable by the nature of respective deposit accounts.</p> <p>It is further observed that:</p> <p>(i) The Closing Balance with the Project on 31/3/2004 was Rs.432.36 lakhs including an advance of Rs.1.20 lakhs for Teacher Training but opening balance has been shown as Rs.431.15 lakhs only.</p> <p>(ii) The construction of Civil Works is being got done by the PWD, Pondicherry which is against the Provisions made in the Framework for implementation of SSA. According to the Frame work the participation of the community in all civil work activities will be mandatory in order to ensure a sense of ownership and a departure from contractor driven approaches. The Procurement Procedure prescribed for Civil Work in the Manual on Financial Management & Procurement is 'by Community Participation' vide Para 109.1 (e).</p>	<p>ministerial staff.</p> <p>(vi) The outstanding deposits are deposited in Flexy Deposit.</p> <p>(i) Auditor letter is enclosed herewith</p> <p>(ii) The approval of MHRD has been obtained vide letter No.F-13-9/2004-EE.3. dated 23rd June 2005.</p>	<p>transactions do not appear to have been reflected in the accounts for 2005-2006. Please clarify.</p>
28	Punjab	<p>The following are found missing:</p> <p>(i) Consolidated Annual financial statements in the format at Annexure XVIII of the Manual on Financial Management & Procurement</p> <p>(ii) Audited FMRs I, II & III</p> <p>The following discrepancies in the audited accounts are also observed:</p>	No response.	<p>1. Following documents are missing in the Audit Report</p> <p>i) Consolidated Annual Financial Statements In the format at Annexure XVIII of the Manual on Financial Management &</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																				
		<p>(i) As per the Income & Expenditure Account the total expenditure for the year works out to Rs.1175178875.44 whereas the same has been shown as Rs.1155514142.97 in the utilization certificate</p> <p>(ii) An expenditure of Rs.30605756.00 has been shown under 'Work Books 2005-06', which is not covered under SSA, and no funds for the same were allotted by PAB. This has to be excluded.</p> <p>(iii) An amount of Rs.8443145.68 utilized for fixed assets is not included in the total expenditure of Rs.1175178875.44. The total expenditure incurred by the Project during the year thus works out to Rs.1183622021.12 and not Rs.1155514142.97.</p> <p>(iv) The following amounts received by the Project during the year as shown in the Income & Expenditure Account as Income have not been shown in the utilization certificate & the balance sheet under Receipts.</p> <table border="1" data-bbox="546 854 1230 1105"> <tr> <td>(i) Interest received</td> <td>=Rs.13297101.52</td> </tr> <tr> <td>(ii) Grant shown utilized in Previous year but remained unutilized</td> <td>= Rs. 339934.00</td> </tr> <tr> <td>(iii) Miscellaneous Income</td> <td>= Rs. 5953657.35</td> </tr> <tr> <td>(iv) Bank charges reversed</td> <td>= Rs. 74040.00</td> </tr> <tr> <td>Total</td> <td>= Rs. 19664732.87</td> </tr> </table> <p>It is further noticed that loans & advances to the tune of Rs.1411675151.36 remain un-adjusted as on 31.3.2006. These loans & advances pertain to the years 2002-03, 2003-04, 2004-05 & 2005-06 but neither yearwise break up of these advances has been shown nor the reasons given. However the total amount of loans & advances as given in Schedule VI is Rs.1411673396.36, which does not reconcile with the amount shown in the utilization certificate</p>	(i) Interest received	=Rs.13297101.52	(ii) Grant shown utilized in Previous year but remained unutilized	= Rs. 339934.00	(iii) Miscellaneous Income	= Rs. 5953657.35	(iv) Bank charges reversed	= Rs. 74040.00	Total	= Rs. 19664732.87	<p>(i) The expenditure of Rs.115,55,14,142.44/- shown in the utilization certificate is correct & is also as per the income & expenditure account. The figure of Rs.117,51,78,875.97 pertain to the total of Income and expenditure account in which the following items related to the incomes other than the grant received from GOI and State. These items are as under:-</p> <table border="1" data-bbox="1246 572 1751 885"> <tr> <td>Interest received</td> <td>Rs.1,32,97,101.52</td> </tr> <tr> <td>Grant shown utilized in previous year but remain unutilized</td> <td>Rs.339934.00</td> </tr> <tr> <td>Misc. Income</td> <td>Rs.5953657.35</td> </tr> <tr> <td>Bank charges reversed</td> <td>Rs. 74040.00</td> </tr> <tr> <td>Total</td> <td>Rs.1,96,64,732.87</td> </tr> </table> <p>Thus the amount shown under Utilization certificate is the Net of Grant utilized which meant by deducting Rs.1,96,64,732.87 from the total expenditure of Rs.117,51,78,875.97 and the same figure is appearing in the UC as well as in the balance sheet.</p> <p>(iii) The expenditure against work book 2005-2006 stand approved by PAB for Rs.3,02,34,250.00 refer file no.2-29/2006 EE.3 Dt. May 8, 2006 (photocopy attached) against which is a sum of Rs.3,06,05,756.06 has been spent in the financial year 2005-2006.</p> <p>(iv) The capital expenditure of Rs.84,43,145.68</p>	Interest received	Rs.1,32,97,101.52	Grant shown utilized in previous year but remain unutilized	Rs.339934.00	Misc. Income	Rs.5953657.35	Bank charges reversed	Rs. 74040.00	Total	Rs.1,96,64,732.87	<p>procurement</p> <p>ii) Audited FMRs I, II & III</p> <p>2. The total expenditure incurred on the project as shown in the Income & Expenditure Account is Rs.117,51,78,875.84 and not Rs.115,55,14,142.97 which has been arrived at by deducting the expenditure of Rs.19964732.87 received by the project on account of</p> <p>a) Interest received</p> <p>b) Grant shown utilized in previous year but remain un-utilized</p> <p>c) Misc. Income</p> <p>d) Bank charges reversed</p> <p>This deduction from the total expenditure is not correct as the above amounts are receipts to the Project and have to be added with the grant amounts because:-</p> <p>a) Interest has been earned on grant released by GOI & State Government is to be accounted as income against the approved plan as per Para 89.4 of the Manual on Financial Management &</p>
(i) Interest received	=Rs.13297101.52																							
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks						
			<p>has been incurred during the financial year 2005-06 has correctly been shown in the Balance Sheet. The same amount was not shown in the certificate by clubbing with Revenue Expenditure on the plea that the expenditure was of Capital nature. However, now as desired the same amount i.e. Rs.84,43,145.68 incurred on fixed assets may be added as Total expenditure by the auditors.</p> <p>(v) This Para has already been clarified at serial no. (i) As mentioned above.</p> <p>(vi) It is submitted that the loans and advances of Rs.141,16,75,151.36 has correctly been adjusted in the final accounts and shown in the assets side under the major head "Loans & Advances" as per the detail given as under:-</p> <table border="1" data-bbox="1235 793 1754 909"> <tr> <td>Loans and advances</td> <td>Rs.141,16,73,396.36</td> </tr> <tr> <td>TDS receivable</td> <td>Rs.1,755.00</td> </tr> <tr> <td>Total</td> <td>Rs.141,16,75,151.36</td> </tr> </table> <p>The year wise break up of the said amount is already been shown in the schedule VI attached with the balance sheet however as desired the copy of the same is enclosed at annexure -A. hence there is no difference as evident that the amount of TDS receivable Rs.1755.00 has shown separately.</p>	Loans and advances	Rs.141,16,73,396.36	TDS receivable	Rs.1,755.00	Total	Rs.141,16,75,151.36	<p>Procurement. (Amendment No.1 dated 28th April 2005). (copy enclosed)</p> <p>b) Grant shown utilized in previous year but remaining un-utilized is available grant for project activities hence it reduces last year's expenditure and increase unspent balance.</p> <p>c) Misc. Income will also form part of available grant during the currency of year, hence an income to the project.</p> <p>d) Reversal of Bank charges are available grants and reduces expenditure & increases unspent balance. The expenditure of Rs.117,51,78,875.84 plus the capital expenditure of Rs.8443965.68 totaling Rs.1183622021.52 is the total expenditure incurred on the Project during the year and the same has to be shown in the utilization certificate. All receipts by the project are to be shown in addition to the Grants received from GOI & State Government of</p>
Loans and advances	Rs.141,16,73,396.36									
TDS receivable	Rs.1,755.00									
Total	Rs.141,16,75,151.36									

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>Punjab in the UC. In view of this the State should ensure following:</p> <ul style="list-style-type: none"> i) These receipts are to be merged with the Grant funds and shown in the financial statements and the utilization certificate. ii) Furnished a revised UC as per process given above. iii) The expenditure incurred by the project exceeds the PAB allocation by Rs.371606, which requires adjustment. iv) Furnished year wise break up and details of the loans and advances of Rs.1411675151.36 shown under assets and reasons for non-adjustment of advances lying un-adjusted since 2002-03 onwards.
29	Rajasthan	<ul style="list-style-type: none"> (i) The actual expenditure in the training Programme in various units is in excess of the budget provided in the DPOs but is well within the overall limits and required the proper apportionment. (ii) No proper records showing the particulars of 		

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>quantitative details, location etc. of the fixed assets have been maintained at the DPOs, BRCs & CRCs.</p> <p>(iii) The council has not been particular in complying with the provisions of the Income Tax Act mainly at the level of District offices in respect of deduction and deposit of Tax deducted at source.</p> <p>(iv) Non adjustment of Advance Payments made to BEEOs ____ for example Rs.124000 (Dausa).</p> <p>(v) Un-authorized advance of Rs.1.00 lakh to M/s Vinayak Catrer (Jaipur).</p> <p>(vi) Un-authorized Payment of TA/DA to Trainees for Yoga as Yoga Training is not a part of SSA Scheme _____Rs.6,66,857 (Jaipur).</p> <p>(vii) Un-authorized Yoga Training expenditure = Rs.14,49,672 (Jaipur).</p>	<p>(iv) The amount was related with the Teacher's Salary which is now adjusted in the accounts of current financial year.</p> <p>(v) Advanced amount has been adjusted against actual expenditures from firm. Action against concerning authority for irregularity for financial sanction of advance to the firm has been proposed.</p> <p>(vi) Training was organized under instructions issued by the SPO for trainees of the entire district at a center level.</p> <p>Over all expenditure under training head was not affected by payments through DPC, Jaipur</p> <p>(vii) Observations are also related with para No.4 and the amount shown in previous para is also again included in this para. It is again replied that training was organized under instructions issued by the SPO for trainees of the entire district at a center level.</p>	<p>(iv) Would be checked during the course of next audit.</p> <p>(v) Satisfied with the comments.</p> <p>(vi) District wise apportionment of expenditure is still required although the overall effect of expenditure does not have my impact on the Consolidated financial statement.</p> <p>(vii) District wise apportionment of expenditure is still required although the overall effect of expenditure does not have any impact on the consolidated financial</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		(viii) Incorrect totaling of Cash Book-resulting in loss of Rs.7457.00 (Banswara).	Over all expenditure under training head was not affected by payments through DPC, Jaipur	statement. (viii) Would be examined during the course of next Audit.
		(ix) Excess expenditure of Rs.33751/- under Training (Balmer).	(viii) Difference amount mentioned has been reconciled during the audit as an advance and necessary adjustments for this advance has been made. Instructions for future awareness are issued.	(xi) Satisfied with the comments.
		(x) Non-adjustment of advance Payment of Rs.251290 (Balmer).	(xi) Training programme projected for the 20 days in a year in which some training of different periods is included. Overall expenditure of the block under training head is not excess from the prescribed limit of Rs.70/- per participant.	(x) The matter has been examined during the course of audit at district level and satisfied with the comments.
		(xi) Excess expenditure of Rs.41934.00 under Training (BRCF-Nagar).	(x) All the advances have been adjusted against expenditure at the time of final payments.	(xi) Satisfied with the comments.
		(xii) Excess expenditure of Rs.46480/- under Teacher Training (Dungargarh).	(xi) Training programme projected for the 20 days in a year in which some training of different periods is included. Overall expenditure of the block under training head is not excess from the prescribed limit of Rs.70/- per participant.	(xii) Satisfied with the comments.
		(xiii) Un-authorized aid of Rs.133399/- to the supplier (Churu).	(xii) Training programme projected for the 20 days in a year in which some training of different periods is included. Overall expenditure of the block under training head is not excess from the prescribed limit of Rs.70/- per participant.	
		(xiv) Excess expenditure of Rs.48708/- under Teacher Training (Hanumangarh).	(xiii) All the advances have been adjusted against expenditure at the time of final payments.	(xiii) Would be checked during the course of next audit.
			(xiv) Training programme projected for the 20 days in	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		(xv) Excess expenditure under Head Teacher Training Rs.161534/- (Hanumangarh).	a year in which some training of different periods is included. Overall expenditure of the block under training head is not excess from the prescribed limit of Rs.70/- per participant.	
		(xvi) Payment without Proper authority Rs.40800 (Jaisalmer).	(xv) Training programme projected for the 20 days in a year in which some training of different periods is included. Overall expenditure of the block under training head is not excess from the prescribed limit of Rs.70/- per participant.	(xv) Satisfied with the comments.
		(xvii) Non recovery of Advance of Rs.36429/- from Shri Bhagwan Singh Rao (BRCF-Rainwala).	(xvi) Inquiry against relevant person is under process for the procurement without proper sanction of ECE Kit.	(xvi) No comments.
		(xviii) Non recovery of Rs.68843.00 from Shri Nain Singh Rajpurohit (BRCF-Algore).	(xvii) Recovery has been made from Shri Bhagwan Singh Rao, BRCF Raniwada.	(xvii) Satisfied with the comments.
		(xix) Excess expenditure of Rs.17180/- on account of Hire Charges of Vehicles (Jalore).	(xviii) Instructions have been issued for the recovery from the Shri Nain Singh Rajpurohit, Ex-BRCF, Ahore will be recovered early.	
		(xx) Excess expenditure of Rs.32737/- on RP Training (Sriganganagar).	(xix) During the special campaign as Mukhyamantri Shiksha Sambal and others, vehicles were used for the field visit during campaign period but the expenditure was, as according to the approved rates.	(xviii) Matter is still pending.
		(xxi) Bank Interest of Rs.38805/- given by UT I not taken in the Cash Book (Shriganganagar).	(xx) Instructions for the inquiry in this matter have been issued.	(xiv) On the basis of the comments by the competent authority para may be dropped however we recommend that a policy may be framed to avoid such
		(xxii) Non-receipt of material for Handicapped- Rs.7931596 (Sriganganagar).	(xxi) After reconcile the amount is included in the cash-book of current financial year. Effect may be shown in this year.	
		2. Pending UCs :- The auditors also report that some UCs for which effect has been given in accounting entries at district level are still pending.	(xxii) Amount was released under condition for advance against supply. The firm is Govt. approved and recognized for the supply of	

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>material for handicapped persons. All the material has been received now.</p> <p>2. Pending UCs at the district level has been obtained and effect of which, are now being adjusted in the accounts. Few UCs are still pending which will be obtained as earliest as possible.</p>	<p>action in future.</p> <p>(xx) Matter is still pending.</p> <p>(xxi) Would be checked during the course or next audit.</p> <p>(xxii) Penal action may be initiated against the concerning institution.</p> <p>2. The UCs obtained by the SPO office has been checked by us and the remaining UCs would be checked at the district offices during the courses of audit.</p>
30	Sikkim	<p>1. Utilization Certificate :</p> <p>(i) The U.C. has not been signed by the State Project Director.</p> <p>(ii) The utilization certified for the year is Rs.96120515.51 whereas as per the I&E account, the expenditure incurred is Rs.96297673.00 and as per the FMR-II it is Rs.987.17 lakhs and FMR-III Rs.908.07 lakhs.</p> <p>(iii) An expenditure of Rs.75719.00 has been shown in the I&E account as prior year's expenses. The expenditure has to be classified in the relevant activity for the year to which the expenditure relates.</p>	<p>Ref. Your letter No.17/2/2006-SSA(DIS) of 11/04/07, the utilization certificate is re-submitted as per the observations.</p>	<p>You have not furnished Procurement audit Certificate in the format sent to office vide ministry of letter No.15/2/2006 dated 29/9/2006 (copy enclosed for ready reference). You have also not clarified the position in regard to Para 2 (excess expenditure of Rs.37.70 lakhs) and Para 3 regarding the auditor's.</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks																																																															
		<p>2. Consolidated Annual financial Statement The Expenditure under the following activity heads exceeds the budget Provisions for the year 2005-06 as under</p> <table border="1"> <thead> <tr> <th>Sl. No</th> <th>Activity head</th> <th>Budget Provision</th> <th>Expenditure</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>School Maintenance Grant</td> <td>39.15</td> <td>41.51</td> <td>2.36</td> </tr> <tr> <td>2.</td> <td>Management Cost</td> <td>75.00</td> <td>76.34</td> <td>1.34</td> </tr> <tr> <td>3.</td> <td>Teachers Grant</td> <td>28.72</td> <td>30.14</td> <td>1.42</td> </tr> <tr> <td>4.</td> <td>Community Training</td> <td>2.90</td> <td>7.98</td> <td>5.08</td> </tr> <tr> <td>5.</td> <td>Others</td> <td>-</td> <td>27.50</td> <td>27.50</td> </tr> <tr> <td colspan="2">Total</td> <td>145.77</td> <td>183.47</td> <td>37.70</td> </tr> </tbody> </table> <p>An excess expenditure of Rs.37.70 lakhs has been incurred which is irregular</p> <p>3. Further the auditors have pointed out:- "In our opinion Books & Accounts though maintained by the State and District Project Offices require to be in accordance with accepted accounting Principles".</p> <p>4. Procurement Audit Certificate in the format sent to you vide my office letter No.15/2/2003-SSA(PR) dated 29.9.2006 has not been received.</p>	Sl. No	Activity head	Budget Provision	Expenditure	Excess	1.	School Maintenance Grant	39.15	41.51	2.36	2.	Management Cost	75.00	76.34	1.34	3.	Teachers Grant	28.72	30.14	1.42	4.	Community Training	2.90	7.98	5.08	5.	Others	-	27.50	27.50	Total		145.77	183.47	37.70		<p>observations made in the audit report.</p> <p>As per the revised U.C. the excess expenditure incurred by the Project now works out to Rs.13.50 lakhs as under: (Rs. in lakhs)</p> <table border="1"> <thead> <tr> <th>Activity head</th> <th>Budget provision</th> <th>Exp.</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>School Maintenance Grant</td> <td>39.15</td> <td>41.51</td> <td>2.36</td> </tr> <tr> <td>Management Cost</td> <td>75.00</td> <td>79.64</td> <td>4.64</td> </tr> <tr> <td>Teachers Grant</td> <td>28.72</td> <td>30.14</td> <td>1.42</td> </tr> <tr> <td>Community Training</td> <td>2.90</td> <td>7.98</td> <td>5.08</td> </tr> <tr> <td>Others</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>145.77</td> <td>169.27</td> <td>13.50</td> </tr> </tbody> </table>	Activity head	Budget provision	Exp.	Excess	School Maintenance Grant	39.15	41.51	2.36	Management Cost	75.00	79.64	4.64	Teachers Grant	28.72	30.14	1.42	Community Training	2.90	7.98	5.08	Others				Total	145.77	169.27	13.50
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31	Tamil Nadu	The following documents are found missing:	I. Documents called for	(I) The audited FMRs I, II & III																																																															

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(ii) Audited FMRs I; II & III</p> <p>Further the auditor has reported that:</p> <p>(i) The funds disbursed for Civil Works for the Construction of Classroom, Drinking Water and Toilet scheme are not treated as capital expenditure but treated as revenue expenditure since these were constructed at the places not owned by SSA.</p> <p>(ii) The funds disbursed to Village Education Committee were treated as "Grants" to them and treated as revenue expenditure.</p> <p>(iii) (a) Fixed Assets of Rs.8,90,07,089/- represents Furniture and Equipments for which breakup details are not available. Further Fixed Assets register in the format prescribed in the Government of India Manual on Financial Management and Procurement is yet to be maintained.</p> <p>(b) Even though all the furniture's orders are not received before 31.03.06 entire furniture grant given to BIRC's and CRC's are capitalized and shown as Fixed Assets as on 31.03.06 in the Balance Sheet.</p> <p>(iv) (a) The current liabilities includes a sum of Rs.1,25,53,626 due to DPEP Fund for which there is no confirmation from DPEP.</p> <p>(b) The current liabilities includes a sum of Rs.20,88,346 pertaining to Krishnagiri District shown as Salary etc. payable brought forward from</p>	<p>(i) I send herewith the Audited FMR, I, II & III as called for</p> <p>II. Remarks on the Auditors report</p> <p>(i) As the civil works are carried out in the land/places not owned or alienated to the SSA and the buildings are to be handed over to local bodies for further maintenance, the expenditure on civil works is not capitalized and treated as Revenue Expenditure.</p> <p>(ii) The funds distributed to the VECs are towards School grant, Teacher grant TLE, Repairs and Maintenance of school buildings, civil works by community which are all in the nature of grants. As the funds distributed to the Village Education Committees are grants. Utilization Certificate is obtained as required in Para 73 of the Manual on Financial Management and Procurement</p> <p>(iii) (a) The details of furniture and equipments acquired and shown under Fixed Assets are maintained at district level. The fixed assets of Rs.89907089/- represents the value of furniture and equipments acquired from the inception of the scheme and available in all the districts.</p> <p>(b) The expenditure towards the acquisition of furniture is capitalized and shown under Fixed Assets in the Balance Sheet. Advance payment is made to the State owned Tamil Nadu State Industries Corporation Ltd. (TANSI). The receipts of furniture is watched through Advance Payment Register. In respect of the districts where such advance payments have been made, the date of</p>	<p>received with your above letter do not bear the counter signature of the auditor and, therefore, cannot be termed as audited. However on scrutiny the following discrepancy is observed.</p> <p>(iii) An expenditure of Rs.17.426 lakhs has been shown in FMR-III under the activity others - EMD Repaid and DPEP funds repaid, which is neither a Project expenditure item nor it is an approved activity. This has to be rectified and revised FMR-I, II and III duly audited furnished to us.</p> <p>(iv) Your kind attention is drawn to para 72(i) of the Manual on Financial Management & Procurement to which the released to me and sub-district level are initially classified as advances and the same indicated as such in the books of accounts. Para 73(i) further provides that advances will</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks										
		<p>2004-05 for which there is no details.</p> <p>(v) A sum of Rs.329392 has been written off during the year by State Project Directorate under the head Management which represents the amount spent at Erode DPO in 2003-04 as DRDA expenses but shown in the Balance Sheet as Loans and Advances as on 31.03.04 and brought forward in the accounts of SPD in 01.04.05. As the amount is stated to be not recoverable and there is no details it has been written off during the year.</p> <p>(vi) (a) A sum of Rs.35,34,991 being the amount included under current liabilities at State Project Director in 2004-05 accounts for which there is no details. (b) A sum of Rs.4,49,842 being the opening balance difference at DPO, Vellore (c) A sum of Rs.3,29,551 being the unexplained difference at DPO, Pudukkottai</p> <p>(vii) Since the entire amount of grants to VEC's is treated as expenditure, balances lying with VEC's banks and accrued interest thereon are not considered in SSA account and accordingly not included in closing cash & Bank balance.</p> <p>(viii) The State Implementing Agency has not prepared the Balance Sheet, Income and Expenditure Account and Receipts and Payment Account in the format prescribed by the Ministry of Human Resource Development in the Manual on Financial Management and Procurement.</p> <p>(ix) A sum of Rs.1,75,375 being the part of</p>	<p>receipt of the articles will be reviewed by this State Project Directorate.</p> <p>(iv) (a) The liability due to DPEP Fund has been arrived at from the grants received towards DPEP activities and expenditure incurred from time to time and the balance of Rs.12553626/- has been remitted back to GOI and GOTN and Utilisation Certificate for the DPEP funds have also been furnished to GOI.</p> <p>(vi) (b) The C.A. Firm audited the accounts of Krishnagiri District in their Note on accounts have furnished the following details for the current liabilities of Rs.2083346/-.</p> <table border="1" style="margin-left: 20px;"> <tr> <td>Teachers Salary</td> <td>Rs.1977646</td> </tr> <tr> <td>Reimbursement of expenses to supervisors</td> <td>Rs.600</td> </tr> <tr> <td>EGS salary</td> <td>RS.77700</td> </tr> <tr> <td>Bridge Course</td> <td>Rs.32400</td> </tr> <tr> <td>Total</td> <td>Rs.2088346</td> </tr> </table> <p>(v) In Erode District, Rs.340000/- was received from DRDA towards the implementation of School Total Health program and the scheme was implemented in 2003-2004. But the expenditure has been shown under Loans and Advances. Since the program has been implemented out of the funds received from other agencies, the amount has been written off from SSA accounts.</p> <p>(vi) (a) The current liability relates to the DPEP funds and funds received for Pre-project activities. The surplus funds of DPEP funds and Pre project activities have been</p>	Teachers Salary	Rs.1977646	Reimbursement of expenses to supervisors	Rs.600	EGS salary	RS.77700	Bridge Course	Rs.32400	Total	Rs.2088346	<p>constitute expenditure only when supported by appropriate utilization certificates/ expenditure statements. The funds released to VECs cannot, therefore, be directly booked as expenditure. The Project should follow the correct procedures.</p> <p>(iii) (a) The fixed asset registers which are stated to be maintained at district-levels may be shown to the auditors.</p> <p>(b) Any expenditure which is to be incurred for the Procurement of goods (furniture etc.) cannot be treated as expenditure unless the goods have been received- by the consignee and taken into stock. Therefore, booking of expenditure on furniture and its capitalization which was not actually received before 31.3.2006 in the year 2005-06 is irregular. The correct procedures may please be followed.</p> <p>III. The responses pertaining</p>
Teachers Salary	Rs.1977646													
Reimbursement of expenses to supervisors	Rs.600													
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S. No.	Name of the State	Observations	Response	Further Comments/Remarks																				
		<p>expenditure incurred by State Project Office for IED National Work shop and not reimbursed by Government of India for want of certain details, has been written off as revenue expenditure under the head Research & Evaluation.</p> <p>(x) A sum of Rs.14,75,46,333 has been received as Advance grant from Government of Tamil Nadu in 2004-05 to be adjusted towards grants due for 2005-06. Instead of treating it as advance grant received, this amount has been treated as income in 2004-05 accounts. Hence, there is a shortfall in share of grant from Government of Tamil Nadu to that extent as per Income and Expenditure account for the year 2005-06.</p> <p>(xi) We are satisfied that the procurement procedure prescribed in the Manual on Financial Management and Procurement under SSA has been generally followed except the following.</p> <p>It is further observed that:</p> <p>(i) The expenditure under the following activities has exceeded the approved AWP&B for the year 2005-06</p> <table border="1" data-bbox="546 1125 1235 1306"> <thead> <tr> <th colspan="5" style="text-align: right;">(Rs. in lakhs)</th> </tr> <tr> <th>S. No.</th> <th>Activity</th> <th>AWP&B for 2005-06</th> <th>Expenditure</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Research & Evaluation</td> <td>302.197</td> <td>332.493</td> <td>30.296</td> </tr> <tr> <td>2.</td> <td>School Grant</td> <td>1013.42</td> <td>1015.797</td> <td>2.377</td> </tr> </tbody> </table>	(Rs. in lakhs)					S. No.	Activity	AWP&B for 2005-06	Expenditure	Excess	1.	Research & Evaluation	302.197	332.493	30.296	2.	School Grant	1013.42	1015.797	2.377	<p>remitted back to GOI and GOTN in March 2007.</p> <p>(b) The CA Firm audited the accounts of Vellore District in their Note on Accounts have pointed out that the difference between the books of accounts of DPO and record of the Bank aggregating to Rs.449842/- were credited and treated as other income and shown as Miscellaneous Receipt in the absence of details. The amount has been brought as income in SSA Accounts.</p> <p>(c) The CA Firm audited the accounts of Pudukottai District in their Note on Accounts have pointed out that the Bank account of District Project Office, Pudukottai has been reconciled with a unexplained difference of Rs.329550.80. The difference relates to previous years and the same is being reconciled.</p> <p>(vii) Since the funds released to VECs are grants for specific purpose and utilization certificate is furnished by the VECs after expending the amount, the balances if any available for utilization as at the end of the year is not brought to closing cash and bank balance. In this connection kind attention is invited to para 8(a) of the minutes of the 11th Review Meeting for the Financial Controllers of States, wherein it was clarified that the funds released to sub districts are treated as expenditure and the unspent balance at districts (DPO) AND state (SPO) are added to arrive at reported unspent balance for the programme and</p>	<p>to serial nos. (i) to (xi) of II of the letter pertaining to observations of auditor should be got certified from next CA audit. The state should, however, provide explanation on following:</p> <p>(i) Reasons for carry forward of the liability of Rs.2088346/- for the year 2004-05 to 2006-07.</p> <p>(ii) The position given in minutes of 11th Finance controllers meeting pertains to reported expenditure and not to the audited expenditure. Hence the state should follow the procedures as given in II (ii) of the letter.</p> <p>(iii) The SIS should follow the procedures laid down in the Manual and adopt the formats prescribed therein.</p> <p>IV: (i) The funds released in 2004-05 and carried forward to 2005-06 un-spent in the year 2005-06 were to be treated as unspent balance for the previous year 2004-05 to be adjusted against the grants for the subsequent year 2005-06 and could not be spent in addition to the grants for the</p>
(Rs. in lakhs)																								
S. No.	Activity	AWP&B for 2005-06	Expenditure	Excess																				
1.	Research & Evaluation	302.197	332.493	30.296																				
2.	School Grant	1013.42	1015.797	2.377																				

S. No.	Name of the State	Observations				Response	Further Comments/Remarks
		Total	1316.62	1348.29	32.673		
		<p>Thus an excess expenditure of Rs.32.673 lakhs has been incurred which is irregular.</p> <p>(ii) As per the Income & Expenditure Account the expenditure under SSA is Rs.4012498989.84, under NPEGEL Rs.67171732.50 & KGBV Rs.39816374.50 whereas in the utilization certificate the same has been shown as Rs.4635504590/-, Rs.97002850/- and Rs.39915183 under SSA, NPEGEL & KGBV respectively.</p>				<p>(viii) that emphasise is made that the same pattern should be followed by all State/UTs. The State Implementation Society has prepared the Balance Sheet, Income and Expenditure Account and Receipts and Payments Accounts in a slightly modified form comprising all the information required in the format prescribed and the accounts are prepared in this format from the inception of the scheme.</p> <p>(ix) A national level workshop on Inclusive Education was convened in Chennai from 29.06.05 to 01.07.05. The vouchers and bills to a tune of Rs.611359/- was sent to the Director, MHRD in this office letter dated 25.11.05 to reimburse the expenditure initially met from SSA funds. As the reimbursement has not been received, after contacting the MHRD officials and on their instructions copy of this office letter and copy of vouchers were sent on 20.02.06. In letter No. 10 (4) 05/SSA/05 dated 20.04.06 of the C.O.D.L. TSG sent a cheque for Rs.435984/- informing that bills have been received only to an extent of Rs.522211/- as against Rs.611359/- and that in regard to vehicle hiring charges of Rs.86227/- statement alone has been received without supporting vouchers. In as much as the vouchers already sent were reported to have been not received, the balance amount could not be claimed and therefore met out of the SSA funds in as much as the expenditure is on conducting "The National Level Workshop on Inclusive Education".</p>	<p>subsequent year 2005-06. The expenditure of Rs.32.673 lakhs incurred by the Project is, therefore, irregular and requires adjustment.</p> <p>(ii) Even though the UC is required to be prepared on the basis of Receipts & Payment Account as per Para 101.15 of the Manual the entire amount paid/released which may also include advances & deposits cannot be certified as expenditure/utilized for the purpose for which it was sanctioned. Only the Payments, which constitute expenditure in terms of Para 73(1) of the Manual and are shown as expenditure in the Income & Expenditure Account can be certified as expenditure/utilized. Only expenditure figures excluding unadjusted advances are required to be shown in the FMRs under the column "reported expenditure".</p> <p>V. The procedure for pursuance of Audit objections is laid down in para 105 of the Manual on Financial Management & Procurement. You are request to follow the</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>(x) In 2004-2005, GOI released Rs.2716139000/-. But GOTN have released Rs.1052925999/- as against the due matching share of Rs.905379666/- to be released. Thus there was an excess release of Rs.147546333/- by GOTN and it was subsequently ordered that excess release in 2004-2005, may be taken as release against the share due for 2005-2006. Though the entire grant of Rs.1052925999/- from GOTN was accounted for in Receipts and Payments account and Income and Expenditure Account for 2004-2005, it was pointed out in the Utilisation Certificate furnished for the year 2004-2005 that the unspent balance includes Advance Grants in aid received from GOTN for the financial year 2005-2006. In 2005-2006, GOI have released Rs.3495908000/- and GOTN have released Rs.1017755334/- after adjusting the excess release made in the year 2004-2005. Therefore there is no short fall in release of State share.</p> <p>(xi) The instant cases where printing of modules, teaching materials and research forms were got printed by Royapethah Stationery & Printing and allied Products producers Industrial Co-operative Society Ltd., Chennai without following open tender system will be ascertained from the district functionaries, as it is not indicated in the comments of the Auditors and remedial action taken.</p> <p>III Further Observation</p>	<p>same and report compliance of the audit objections to the Auditors who will check the same during their next visit to your office. The position of settlement of audit objections may be reported to GOI in the quarterly report prescribed for the purpose.</p> <p>VI. I shall be grateful if you could kindly take necessary action in the matter and issue suitable instructions to all concerned to follow the procedures laid down in the Manual to ensure proper maintenance of the accounts of the Project.</p> <p>Response: I. The Audited FMR I, II & III duly revised excluding the expenditure towards EMD repaid and DPEP funds repaid and the auditors are herewith.</p> <p>II. (i) The civil works (construction) are being carried out only in Govt. owned / controlled land and the remarks offered was that the land / places are not</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
			<p>(i) In regard to the excess expenditure pointed out under Research & Evaluation and School Grant, Expenditure is incurred in 2005-2006 from out of the funds released in 2004-2005 and received back in under Other Receipts.</p> <p>(ii) In regard to the Utilization Certificate is of Receipts and Payments opening balance and closing Receipts and payments account as required in Para 101.15 of the Manual on Financial Management and Procurement.</p>	<p>owned or alienated to the SSA.</p> <p>the release to them and treated as "Grants" to them and treated as revenue expenditure. In the reply also it is indicated that utilization Certificate is obtained and then only treated as expenditure. The correct procedure is followed.</p> <p>(iii) (a) The fixed asset register maintained at district level will be shown to the auditors during the audit for the year 2006-2007 to be taken up shortly.</p> <p>(b) Furniture against the advance payment made has been received subsequently. The correct procedures of capitalizing after the receipt of materials will be followed.</p> <p>III. The response to the observations of auditor will be get certified during next Chartered Accountant Audit.</p> <p>(i) The liability shown in the</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>accounts for 2004-2005 has been carried forward to 2005-2006. The provision made will be verified and discharged in the accounts for 2006-2007.</p> <p>(ii) The procedure outlined in II (ii) is followed (The observations by the auditor is that the closing bank balances including interest earned in VEC's Bank accounts are not included).</p> <p>(iii) The procedures laid down and format prescribed in the Manual will be adopted from the accounts for the year 2006-2007.</p> <p>IV (i) In the revised FMR III prepared with reference to the expenditure in the Income & Expenditure Statement sent duly to the Chartered Firm</p> <p>V. Auditors objections are included in the list of audit objections for further pursuance and sending audit</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>compliance.</p> <p>VI. The deficiencies pointed out will be avoided in future and the procedures laid down in the Manual to ensure proper maintenance of accounts of the project will be followed.</p>
32	Tripura	<p>The following observations:-</p> <p>Observations (i)&(ii) Even though the Manual on Financial Management & Procurement provides that the Utilization Certificate should be prepared strictly on the basis of the Receipts & Payments account, the format prescribed at Annexure XVII of the Manual requires that the Project Authority should certify the actual amount which has been utilized for the purpose for which it was sanctioned and this certificate is further required to be verified & certified by the Auditor as has been done. Obviously the amount actually utilized means the end use of the fund, which the CA has clarified that the end use has been reflected in the Income & Expenditure Account as has been pointed out in my letter. Therefore, the amount actually utilized is the amount of expenditure shown in the I&E Account & not the funds released as per the Receipts & Payment Account. However the difference in expenditure figures as shown in the Annual Report has not been clarified.</p>	<p>Observations (i) : In this respect we would like to inform you that the Utilization Certificate has been prepared purely on the basis of Receipts and Payments Account for the year 2005-06. The Receipts & Payments Account has been drawn on the basis of format prescribed by SSA in its booklet. The format of Receipts & payments Account as prescribed by SSA has considered all payments including payments to Districts, not the end use of it. So, we had to go only on the basis format and consequently prepared the Utilisation Certificate considering the payments to Districts as fund utilized. However, the end use of the fund has been reflected in the Income & Expenditure as per format prescribed.</p> <p>Observations (ii) : The unspent balance shown in the Utilization Certificate was consisting of balances lying with the State Project Office and unspent balances shown in the Balance Sheet were of balances lying with SPO, Districts and Blocks. There would be obvious difference due to the reason narrated to observation (i) above.</p> <p>Observation (iii) : The amounts, shown in FMR-III</p>	<p>Observations (i)&(ii) Even though the Manual on Financial Management & Procurement provides that the Utilization Certificate should be prepared strictly on the basis of the Receipts & Payments account, the format prescribed at Annexure XVII of the Manual requires that the Project Authority should certify the actual amount which has been utilized for the purpose for which it was sanctioned and this certificate is further required to be verified & certified by the Auditor as has been done. Obviously the amount actually utilized means the end use of the fund, which the CA has clarified that the end use has been reflected in the Income & Expenditure</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>Observation (iii) FMR-III is a statement showing activity wise expenditure incurred during a given period and only the expenditure figures not Payment figures are required to be shown in this statement. Revised FRMs may please be furnished.</p> <p>Observation (iv) The difference in the opening balance shown in the utilization certificate needs to be reconciled with the closing balance of the previous year.</p>	<p>are consisting of amount paid to Districts under different head. So, obviously there would be a difference.</p> <p>Observation (iv) : The opening balance as shown in the Utilization Certificate for 2005-06, has been taken from closing balance of Utilization Certificate for 2004-05 and there is no difference in this respect.</p>	<p>Account as has been pointed out in my letter. Therefore, the amount actually utilized is the amount of expenditure shown in the I&E Account & not the funds released as per the Receipts & Payment Account. However the difference in expenditure figures as shown in the Annual Report has not been clarified.</p> <p>Observation (iii) FMR-III is a statement showing activity wise expenditure incurred during a given period and only the expenditure figures not Payment figures are required to be shown in this statement. Revised FRMs may please be furnished.</p> <p>Observation (iv) The difference in the opening balance shown in the utilization certificate needs to be reconciled with the closing balance of the previous year.</p> <p>(Response)</p> <p>(i)& (iii) It has been accepted by you vide your above D.O. that the Utilization Certificate should be prepared strictly on the basis of Receipts &</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>Payments Account and amount to be certified should be the actual expenditure. On the other hand the prescribed format for Receipts & Payment Account in the Manual does not reflect the actual position of fund in consolidation. So, there arises a contradiction between utilization certificate and Receipts & Payments. Account and the matter has become a matter of principle. In such a situation an amendment is required in format of Receipts & Payment Account where amount paid to districts and adjustment to districts should be deleted and balances with Districts and Blocks should be inserted.</p> <p>We have discussed the matter with the Auditor M/S Mitra Roy & Datta, Chartered Accounts and they have agreed to incorporate the changes in the Receipts and Payments Accounts and Utilization Certificates for all the last 3 (three) years if we receive consent from your end regarding amendment in format of Receipts & payment</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>accounts.</p> <p>(iii) FMR-II shall be revised suitably and will be sent to you soon.</p> <p>(iv) There is no difference between balance of 2004-05 and opening balance of 2005-06 in the utilization certificate certified by the auditor.</p>
33	Uttar Pradesh	<p>(i) The opinion expressed by the auditor is only in respect of 17 districts and SPO audited by M/s Dhawan & Madan Associates and does not include the opinion of the other auditors who have audited the remaining 53 districts (DPOs & DIETs), the accounts of which (Trial Balance) have been incorporated in the financial statements.</p> <p>(ii) The Procurement audit certificate furnished by the Auditors is also in respect of the 17 districts & SPO audited by M/s Dhawan & Madan and does not cover other 53 districts.</p> <p>(iii) The miscellaneous receipts of Rs.15662170/- shown in the accounts also include amounts refunded by district level implementing agencies e.g. BRCs & VECs etc. in respect of unspent funds of previous year which were reported and certified</p>	<p>(i) Our Audit Report covers the attached Annual Financial Statement of Sarva Shiksha Abhiyan, UP for all the districts of UP. As per Financial & Auditing Guidelines, where a Chartered Accountant is Lead Auditor, along with other auditors, it is the duty of the lead auditor to disclose the same in his auditor report and also to take cognizance of the audit reports of other chartered accountants in framing his final report of the total Project. Hence though our audit report covers all the project districts of the UP, the disclosure to that effect is made in our audit report itself.</p> <p>(ii) In respect of the Procurement Audit Certificate, the same as above.</p> <p>(iii) Funds refunded by BRC's & VEC's amounting to Rs.1,56,62,170.00 have been shown as Misc Receipts, by District Offices on account of non-availability of the related records at DPO & DIET levels. The same has been mentioned in the point no. f of Significant accounting policies</p>	<p>While the auditor's reaction to points No. 1 & 2 is accepted, reply to points No. 3 & 4 cannot be accepted for the following reasons.</p> <p>3. The amount of Rs.156,62,170.00 refunded by the BRCs & VECs is the unspent balance of the amounts treated as expenditure in the year 2004-05. Therefore, the amount refunded is in Reduction of the Expenditure for the year 2004-05 and cannot be termed as miscellaneous Income. Treating it as income means overstating the</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>by audit as expenditure, but details of the same (activity headwise) have not been furnished. The details are required as the share of expenditure funded by the Development Partners for the previous year is required to be refunded / adjusted.</p> <p>(iv) The closing balance with sub-districts has not been shown in the financial statements. Does the closing balance with DPO include the closing balance with sub-districts?</p> <p>2. An expenditure of Rs.103691914.81 has been shown in FMR-III under the activity head 'Expenses at various Institutions' which is not an approved activity and no funds have been allotted by the PAB.</p> <p>3. An amount of Rs.23,805,733.00 has been shown as expenditure on account of 'Funds refunded to MHRD for Pre project activity bal', which is neither an activity of the above Project nor the refund of funds received can be termed as Expenditure. It is deduct-receipt. The total expenditure for the year 2005-06 therefore, is Rs.22,381,821,198.43 .</p>	<p>of Schedule J of the Annual Financial Statements for the year 2005-2006.</p> <p>(iv) With regard to the Cash & Bank Balances of Sub-District level units, your kind attention is drawn towards point no. g of Significant accounting policies of Schedule J of the Annual Financial Statements for the year 2005-2006 in which it is mentioned that Expenditure at Sub-district level is accounted for at the time of payment itself and hence the question of Cash & Bank Balances at Sub-district level units, does not arise.</p> <p>2: Revised FMR provided. Further comments sent at 3</p>	<p>expenditures & understanding the balances with the Project for the year 2004-05. This should form part of the closing balance as on 31.3.2005 & OB on 1.4.2005. This amount has, therefore, to be correctly reflected in the Project accounts.</p> <p>4. As per para 73.1 of the Manual on Financial Management and Procurement which lays down norms for regulating advances, advances will constitute expenditure only when supported by appropriate utilization certificates/expenditure statement.</p> <p>This follows that advances which are supported by utilization certificates/expenditure statements could only be treated as expenditure & the balance will remain as</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
				<p>advances. As such treating all payments as expenditures at the time of release of funds is not in conformity with the Provisions of Manual on Provisions of Manual on Financial Management & Procurement which is to be followed by the Project for the maintenance / of the Project Accounts.</p> <p>I shall be grateful if you could kindly get the needful done and ensure that the accounts of the Project are correctly maintained as per the provisions of the Manual on Financial Management & Procurement.</p>
34	Uttaranchal	<p>(i) Accounts have been prepared on cash basis of accounting, which is not as per the Accounting Standards issued by the institute of Chartered Accountants of India as well as Manual on financial management & Procurement.</p> <p>(ii) Expenses shown in the Income & Expenditure Account under various heads include transfer/advance made to the BRCs/CRCs/DIET for meeting their expenses.</p> <p>(iii) Expenses pertaining to prior period expenses have been shown as current year expenses which is not as per the Accounting Standard. The liability for outstanding expenses has not been provided for in the books of accounts</p>	<p>(i) The various units have been instructed to adopt mercantile system of accounting.</p> <p>(ii) All advances for expenditure are being adjusted against actual expenditure and are recorded on actual basis.</p> <p>(iii) Necessary instructions regarding the prior period expenditure and outstanding liabilities if any, have been issued to concerned units.</p> <p>(iv) The concerned units have been instructed to update status of utilization certificates and collect the same, immediately wherever lying pending.</p> <p>(*) The para has been revised / omitted by the</p>	<p>The Parawise comments furnished by your office have been examined with the following observations.</p> <p>Para i) to iv), vi), vii), viii) & ix)</p> <p>It has been stated that necessary instructions have been issued for compliances. As you are aware the detailed procedure for compliance of audit objections/paras is laid</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(iv) Expenses have been booked by the DPOs without getting utilization certificate from BRCs/CRCs /DIET.</p> <p>(v) The procurement procedure as prescribed in the manual on financial management and procurement issued by the Central government was not followed by the district Project offices, BRCs/CRCs /VECs.</p> <p>(vi) Bank Reconciliation was not prepared / produced by DPO/BRCs/CRCs/VECs.</p> <p>(vii) Physical verification of stock/asset items has not been done at any time during the year</p> <p>(viii) TDs/standard tax requirement of law was not generally followed.</p> <p>(ix) Advances for various expense including civil works was treated as expenditure which is against the generally accepted accounting principles.</p> <p>2. Further it is seen that an expenditure of Rs.25480.00 has been certified in the financial statements as Misc. Expenditure and clarified under 'others' in the FMR-III whereas No such activity as 'Others' was approved by the PAB. Thus this expenditure is irregular.</p> <p>3. A consolidated annual financial statement in the proforma given in Annexure XVIII of the Manual on Financial Management and Procurement has also not been furnished.</p>	<p>concerned auditor when asked to specify the cases of non-compliance of procurement rules & procedures.</p> <p>(vi) The concerned units have been instructed to prepare bank reconciliation statement regularly on monthly intervals.</p> <p>(vii) The concerned units have been instructed to carry out physical verification of inventory items.</p> <p>(viii) TDS is being regularly deducted & deposited in respective head of account.</p> <p>(ix) The concerned units have been instructed to follow the generally accounting principles.</p>	<p>down in Chapter VIII- Para 105 of the Manual on Financial Management & Procurement according to which the compliance to the objections is to be reported to the auditor who will verify the same for settlement during the next audit visit. Progress of settlement is to be reported to the GOI in the quarterly report prescribed for the purpose. Needful may please be got done.</p> <p>Para (v) In case, the auditor has omitted the para on Procurement, a certificate in the format sent to you vide may d.o. letter No. 15/2/2003-SSA(PR) dated 29th September 2006 (copy enclosed) may please be furnished.</p> <p>A Consolidated annual financial statement in the format given in Annexure XVIII of the Manual on Financial Management & Procurement has not been furnished. This may also please be furnished.</p>

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				<p>(Response)</p> <p>I am enclosing herewith procurement certificate received from the Auditor for necessary action at your end. Whatever anomalies have been pointed out by the auditor are not anomalies at all since the SIS has been empowered vide J.S(EE-II) letter nO. 15/3/2004-SSA/PR) dated 22.07.2004 to procure goods or group of goods vaulting up to \$ 1000/- without invitation of tender.</p> <p>The following further comment.</p> <p>It is, however, noticed from the details given in the Procurement audit certificate that the Procurement by Nainital DPO for Rs.47,400/- is not covered under the ceiling of \$1000/-. Therefore, the same is a deviation from the prescribed procedure.</p> <p>I would request you to kindly bring the contents of this Ministry's letter dated 22nd July 2004 to the notice of the auditors and get the Procurement Audit Certificate revised. An early action in the matter is requested.</p>


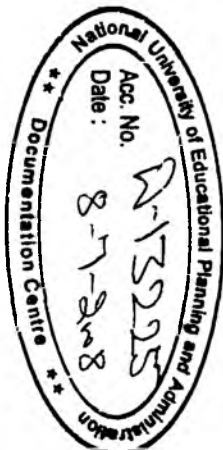
S. No.	Name of the State	Observations	Response	Further Comments/Remarks
35	West Bengal	<p>1. Balance Sheet</p> <p>(i) Schedules giving details in respect of (i) adjustments and (ii) liabilities under capital fund have not been attached.</p> <p>(ii) Details of (i) sundry assets and advances (outstanding & other advances) are also found missing.</p> <p>(iii) The amount of deficit viz. Rs.2213498784.30 does not tally with the amount of deficit in the I & E account which is Rs.2221976708.30 under SSA.</p> <p>(iv) The balance as on 31.3.2006 works out to Rs.19980979019.85 and not Rs.19978019019.85.</p> <p>(v) The deficit as per the I & E account is Rs.6978581.03 where as the same has been taken as Rs.8815341.76 in the Balance Sheet under NPEGEL.</p> <p>(b) Income & Expenditure Account</p> <p>(i) Expenditure has not been shown approved activity headwise / budget headwise.</p> <p>(ii) There is no activity approved by PAB as</p>	<p>Balance Sheet</p> <p>(i) Replies in respect of adjustments and liabilities under Capital Fund have been furnished by the Statutory Auditors in their reply at serial No.10 &11, which is enclosed.</p> <p>(ii) Replies in respect of Sundry Assets and Advances (Outstanding and Advances) have been furnished by the Statutory Auditors in their reply at serial No. 13, which is enclosed.</p> <p>(iii) The amount of deficit in the Income and Expenditure account under SSA has since been modified and revised. The revised Income and Expenditure account have been modified and revised. The revised Income and Expenditure account have been furnished by the CA firm.</p> <p>(iv) The balance as on 31.3.2006 has since been modified and revised.</p> <p>(v) Replies in respect of deficit as per Income and Expenditure account as well as balance sheet under NPEGEL have been furnished by the Statutory Auditor in their reply at serial No.7 which is enclosed. In view of the above a revised statement of Income and Expenditure and Balance Sheet have been furnished by CA firm.</p> <p>(b) Income and Expenditure Accounts</p> <p>(i) The expenditure has been modified as per approved activities/budget headwise as far as possible. The District Offices have been instructed to adhere the same in future.</p> <p>(ii) Replies in respect of other activities under SSA have been furnished by the Statutory Auditors in their reply at serial No.9, which is enclosed. In this respect a revised annual</p>	<p>1. (a) I am happy to note that a major portion of the outstanding advances have been adjusted by your office but still a huge balance remains to be adjusted. Please intimate the yearwise breakup of the un-adjusted advances of Rs.53359.15 lakhs</p> <p>2. The GOI have no objection if PBSSM carries out certain tasks assigned by the State Government. The PBSSM has, however, to ensure that the accounts of such activities are not mixed with the accounts of SSA. Opening of a separate bank account for implementing other activities is a step in the right direction.</p> <p>3. (i), (ii), (iii) and (iv) I shall be grateful if you could ensure that expenditure under SSA is correctly classified under the standard activity/Budget heads and accounts maintained properly under these</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>'other activity' but an expenditure of Rs.22634742.00 has been shown in the account.</p> <p>(iii) An expenditure of Rs.4755290 has been shown as 'Provisions' which is not correct. Expenditure has to be shown activity headwise as approved by PAB.</p> <p>(c) Receipts & Payment Account (i) Details of other Receipts of Rs.78964502.47 not given. Please provide the same. (ii) An amount of Rs.4361690972.00 has been, shown as 'Funds allotted to States' which is not understood. Please give details.</p> <p>2. The following documents are found missing:</p> <p>(i) Utilization certificate (ii) Procurement Audit Certificate (iii) Audited FMRs (iv) Letter to the Management issued by the Auditor (v) A consolidated Annual Financial Statement in the format given in Annexure XVIII of the Manual of Financial Management & Procurement</p> <p>3. The Auditors report that:- (i) In most of the Districts, TDS has not been deducted and deposited properly.</p>	<p>account has been furnished by CA firm.</p> <p>(iii) Replies in respect of provisions have been furnished by the Statutory Auditors in their reply in serial No.10, which is enclosed.</p> <p>(c) Receipts and Payments Account (i) Replies in respect of other receives have been furnished by the Statutory Auditors in their reply at serial No. 8 which is enclosed. (ii) Funds allotted to the districts, which have been reflected in the individual financial statement of the concerned districts.</p> <p>2. Comments on Serial No. 1,2, 4 & 5 have already been sent to Gol. Audited FMRs have been furnished by the statutory auditors which is enclosed.</p> <p>(i) Provided (ii) Provided (iii) Provided (iv) Provided (v) Provided</p> <p>3. Replies of Auditors report: (i) As per order No.21-1/2006-EE-16 dated 27.11.2006 the TDS are not required to be deducted on the payments in respect of civil works and hence there is no lapses on the part of the Sanstha in complying of the respective provisions of I/T act. (ii) The districts authorities have suitably been instructed to deposit the profession tax in time.</p>	<p>standard account heads.</p> <p>Para 1 (ii) (a) The expenditure incurred by the SPO on activities other than Management which are separately specified in the AWP&B should have been booked in the relevant activity and not under the SPO. This has resulted in excess expenditure of Rs.4602.56 lakhs under State Component. These expenditures may please be included in the relevant activities and a revised FMR-III furnished. The expenditure under maintenance grant exceeds the budget of Rs.2023.10 lakhs by Rs.423.03 lakhs. Reasons for exceeding the budget allotment may be furnished.</p> <p>(i) Expenditure under State Component under SSA exceeds the budget allocation by Rs.4602.56 lakhs as stated in para (i) above.</p> <p>a) under SSA</p>

S. No.	Name of the State	Observations	Response	Further Comments/Remarks
		<p>(ii) In some of the Districts, Professional Tax has not been deposited within the due date specified by the authority.</p> <p>(iii) Double Entry accounting system has not been followed by some of the Districts in maintenance and the preparation of the Accounts.</p> <p>(iv) Appropriate Internal control procedures such as preparation of monthly Bank Reconciliation Statements, Trial Balances, list of outstanding advances etc. should be strictly implemented in all the Districts.</p> <p>(v) Appropriate Internal control procedure over collection/recording of Utilization Certificate in respect of Civil Advances granted to various CLRC/ Schools should be implemented strictly and immediately in all the districts.</p> <p>(vi) Standardized Head of Accounts, as advised in the Annual Budgets provided by State Project Office, have not been followed in majority of the Districts.</p> <p>4. The auditor has certified utilization of funds amounting to Rs.4808770019.75 whereas the total expenditure as per the I&E Account submitted by your office is Rs.2328747286.25. The position may be clarified and a statement showing Activitywise /</p>	<p>(iii) The most of the districts have adopted the Double Entry accounting system and maintaining the books of accounts accordingly. A few districts which are not following the same, have been instructed to implement the same immediately.</p> <p>(iv) At present the internal control system has been developed adequately and most of the districts offices are preparing monthly BRS monthly Trial Balance and Advance Register in a regular manner.</p> <p>(v) The district offices have also been instructed to maintain a register for recording UCs in respect of all civil advances/other advances for its production before the statutory auditor.</p> <p>(vi) All the districts offices have been instructed to adhere the standardized head of accounts, as per Annual Budget provided by the SPO.</p> <p>4. (a) Under SSA – Utilisation Certificate of fund in respect of SSA accounted for to the time of Rs.48087.70 lakh whereas the total expenditure shown in the Income and Expenditure Statement of Balance Sheet as Rs.23287.47 lakh. In this respect, it is to mention here that only the expenditure incurred under Revenue nature are accounted for in I/E and the expenditure incurred which are of capital in nature including the capitalized amount against civil works/assets, advances including the Revenue expenditure for the accounting year are incorporated in Receipts and Payments Statement of Annual Accounts and thus these considerable differences are found in between the statement of Receipts and</p>	<p>(ii) Your response to my d.o. letter No.17/4/2005-SSA(Ds.) dated 7th September 2006 is still awaited.</p> <p>(Response)</p> <p>(ii) (a) In fact there was Rs.290.49 lakh in the approved AWP&B for the year 2005-06 under state Component but erroneously an amount of Rs.4893.05 lakhs was booked under State Component which includes placement of fund directly to PBRSSM for implementation of different activities of SSKs & MSKs and DLB, Municipal Affairs Deptt. for SSPs normally this kind of expenditure are booked under OOSC as well as in Project Management and accordingly transferred to proper head of account. In this regard, the needful entries have been passed and fresh FMR submitted by the CA firm which is enclosed for taking necessary action.</p> <p>(i) The expenditure under maintenance grant exceeds</p>

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		Budget headwise expenditure as certified by the auditor may kindly be furnished to enable us to reconcile the same with the financial statements.	<p>Payments and I/E. However, as desired a statement showing the district wise/intervention wise (Budget Head wise) Audited Expenditure on SSA for 2005-06, duly certified by the Chartered Accountants is enclosed for kind perusal.</p> <p>(b) Under DPEP-II- Utilisation Certificate certified by the Statutory Auditors shown as Rs.4368.96 lakhs but reimbursement claim preferred with the GOI for the Rs.4005.46 lakh which has exceeded by 336.50 lakh than that of Audited Expenditure. In this regard it would be mentioned here that the reimbursement claim bill prepared based on the reported un-audited expenditure figures submitted by the concerned districts in which there might have not been conveyed to us for its incorporation in the Reimbursement Claim Bill and hence this difference is occurred which may please be appreciated. In this respect, as desired a statement showing the districtwise & interventionwise audited expenditure is enclosed.</p> <p>(c) Under DPEP-I – In this context it may please be mentioned here that the expenditure incurred on this score during 2005-06 is only because of advances were booked during the earlier years in the Phase-I districts' accounts against which, subsequently, utilization certificates were received and incorporated as expenditure in the DPEP Phase-I districts, and as such, there was no other alternative but for its incorporation into the Phase-I accounts during 2005-06. In this regard it would be evident from the U/C that the total amount of expenditure incurred are in conformity with the amount of unspent balance of the previous year 2004-05 plus interest earned during 2005-06 from the bank yielding a small amount of Rs.5.57 lakh which was arranged from</p>	<p>the budget of Rs.2023.10lakhs by Rs.423.03 lakhs. 1. When the district authority released any fund for the activities of Maintenance Grant, such type of payments were booked as advance for the year 2004-05 and while UCs were collected, expenditure also booked under said activity accordingly. UCs are collected after completion of work but maintenance work of school buildings could not be completed within the stipulated time during 2004-05 due to delay in receipt of fund from GOI & GOWB and this exceeded the budgeted amount which may please be agreed to.</p> <p>3. There are large number of dilapidated school buildings in West Bengal occurred due to natural calamities almost in every year and owing to disasters the major quantum of valuable school buildings in West Bengal are obviously repaired twice or thrice in every year.</p>

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		<p>5. Under NPEGEL the utilization certificate shows a utilization of Rs.74121213 during the year 2005-06 whereas as per the Income & Expenditure Account received from your office shows the total expenditure during the year 2005-06 as Rs.8360603.00 only. The difference needs to be clarified.</p>	<p>other available funds likely from the SSA account maintained by the districts.</p> <p>5. Under NPEGEL- In this regard the utilization of fund to the tune of 741.21 lakh has been certified by the Chartered Accountant's firm during 2005-06 whereas an amount of Rs.83.61 lakh has been shown in I/E account of the Annual Accounts. The reasons, in fact, are the activities under NPEGEL have started functioning for the period from 2005-06 and thus this difference is very low.</p>	<p>(iii) Already replied to Para 1 (ii) (a) above which will please see.</p> <p>a) Under SSA</p> <p>(iv) In response to your D.O. No. 17/4/2005-SSA(Dis) dated 07.09.2006 it would be mentioned here that the advance of Rs.189.00 crore against Civil Works for the year 2004-05 have subsequently been adjusted in the accounting year 2005-06 and 2006-07. All the relevant UCs have been collected by the respective District Project Offices against the said advances and due to this practical difficulties it could not be feasible to recast the audited accounts for the year 2004-05 which may please be appreciated.</p> <p>In this regard all the districts concerned are more vigilant and cautions about the adjustment against advances issued particularly for Civil</p>

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		<div data-bbox="585 540 707 760" style="text-align: center;">  NIUEPA DC ID13225 </div> <div data-bbox="638 854 860 1304" style="text-align: center;">  <p> National University of Educational Planning and Administration ** Documentation Centre ** Acc. No. <i>W-13225</i> Date: <i>8-7-2008</i> </p> </div>		<p>Works purpose.</p> <p>Further Comments.</p> <p>You have clarified that an excess expenditure of Rs.423.03 lakhs during 2005-06 under school maintenance was due to non completion of maintenance work within the stipulated time during 2004-05, due to delay in receipt of funds from GOI and GOWB. Obviously the maintenance work for those schools was carried out in the year 2005-06 with the funds for the year 2004-05. Therefore, these schools, the maintenance work of which was already carried out in 2005-06 did not require maintenance again in 2005-06 & were not eligible for school maintenance grant for the year 2005-06, but the same has been provided to them. This is irregular. The excess expenditure incurred by the Project may either be got regularized by the competent authority or credited to SSA funds Account.</p>