

**INDIA**  
**SARVA SIKSHA ABHIYAN (SSA)**  
**20<sup>th</sup> JOINT REVIEW MISSION**

**STATE REPORT: BIHAR**  
**(October 7 - 17, 2014)**

**Introduction**

On behalf of the 20<sup>th</sup> Joint Review Mission (JRM) of the Sarva Shiksha Abhiyan (SSA) Manju Narula (GOI) and Supriti Dua (WB) visited Bihar from October 8-12, 2014 to review project implementation, as per the development objectives of the project viz. (a) reduction in number of out of school children and increase in enrolment; (b) narrowing of gender and social equity gaps and (c) improvement in quality of elementary education and learning levels of children. In the context of these objectives, the Mission focused specifically on the terms of reference for the JRM which were to (a) review progress in overall implementation, including processes and outcomes related to access, equity and quality (b) review financial management, procurement and safeguard issues and (c) examine issues related to state and district implementation capacity.

The Mission, in the course of its visit to Bihar, interacted with the State Project Director (SPD) and with other officials from the Department. The Mission visited two districts, West Champaran and Sitamarhi to observe project implementation at the district level. While in the district, the Mission interacted in both the districts with the District Magistrate, District Education Officer, District programme Officer and their teams, BRCCs and CRCCs. In addition the Mission also visited KGBVs, one Artificial Limb Centre of West Champaran District and apparently had close interaction with their members. The Mission also had interaction with the Village Shiksha Samiti (VSS) and had numerous discussions about quality issues at the local level. However, it must be noted that the Mission members were taken to two of the best performing districts in the state.

The Mission would like to place on record its deep appreciation of the cooperation and courtesy extended to it by the State Project Director and his team and the District officials throughout this visit.

**Overview and Key Issues**

**Achievements**

Some key achievements have been:

- Substantial decrease in out-of-school children i. e. from 45.00 Lakh in 2001 to 1.81 Lakh (0.74%) in 2014 in the state. Till date, 1.20 lakh OOSC are enrolled in schools against the target of 1.81 lakh during 2014-15.

- Introduction of a **School Development Plan (SDP)** and use of the data to track **OOSC** by creating child tracking register. The impact of this initiative through a well-planned study tracking improvements over time can be done.
- 1.95 lakh students received free textbooks and 53.19 lakh students have received 2 sets of uniform.
- Identification and support for **CWSN** through specialized training.
- For effective and efficient control over the maintenance of account at district the customized Tally ERP-9 package (web enabled) has been implemented from the year 2014-15. As a result, not only uniform accounting heads are being maintained across all districts, but daily synchronization of accounting entries at district level leads to real time updated books of accounts as SIS.

Similarly, the state has **responded proactively to the RTE**. One major achievement has been the publication and analysis of DISE data at all levels, which has raised the awareness of the need for RTE compliance in relation to norms and indicators.

Other achievements to note are listed below:

- **Comprehensive record keeping** at the school level where all schools visited provided CCE records with comments on students' performance, SDP, student portfolios, SMC meeting minutes and audit records.
- Introduction of a **Quality Improvement Programme**. Schemes that have been implemented are, for example, providing girls cycles, collecting book donations for libraries, gender awareness through street plays and competitions, healthcare provisions for girls etc.

**Key Issues:** Some of the key issues observed are shared below:

- The FM staffing in the state is functioning at 57% of the sanctioned strength. This is excluding the sanctioned post of one accountant at BRC for 50 Schools. Vacant posts are presently being managed by internal arrangements of giving additional charges to the existing staff. This may have led to technically enabled resources (teaching carder personnel) being engaged in administrative and accounting functions, thereby leading to in-appropriate utilization of already scarce resources.
- Internal controls need strengthening in areas such as control and accounting of advances and maintaining status of pending utilization certificates, accounting at sub-district level; management of fixed assets, preparation of Bank Reconciliation Statements (BRS), pre-numbering of vouchers, etc.
- Although regular training has been imparted to district officials, at sub-district level there is a substantial need for regular training. Specifically, Headmasters and SMC members at the school level have either not received training or require more support in order to improve record keeping. Further, the schools/ SMC are not being regularly visited by accounts officers from Districts and BRCs for training and overseeing the accounting functions.
- BRS are being prepared on monthly basis; however reconciling entries are not being addressed at the end of each month. There are long outstanding entries which may have resulted in overstatement of expenditures and advances or understatement of un-spent balances for the State.

- Completion of spill over civil works needs to be expedited and completed in a time bound manner. Further, construction of new schools, classrooms and toilets needs focused attention. In addition, existing schools should be surveyed to identify dilapidated classrooms. And necessary steps should be taken thereafter.
- Dedicated internal audits are not being carried out. Presently, only a concurrent auditor has been engaged, who carries on transaction audit on monthly basis; either a system of regular internal audit should be established or the concurrent auditor's ToR should be extended to include coverage of internal control aspects.
- The ToR of the statutory auditor of the SIS needs to be revised to cover the sub-district level on sample basis, in specific, all SMCs (incurring annual expenditure above a specific threshold, presently Rs. 1lakh) over a period of three years. Presently, the auditor visits the District office and very few BRCs. However, no records of the VSS are being reviewed the auditors.

## Progress towards the achievement of Goals

### Goal 1: All Children in School

#### Access

There are total of 1.12 lakh habitations in the State out of which 1.08 lakh (96%) are covered at primary level and 1.09 lakh (97%) are covered at upper primary level. There are 1896 and 1298 habitations which were un-served and eligible as per neighbourhood norms for primary and upper primary schools respectively.

#### Infrastructure Facilities

Good progress has been made to provide all children with access to a primary or upper primary school with 96.5% of habitations covered by primary schools. Though state of Bihar has made considerable efforts to provide access to all children, still for remaining habitations, acquisition of land for opening of school is a big challenge in front of the government.

### ACCESS

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Particulars	Status
<b>Total Habitations</b>	1,12,067
<b>Habitations Served with P. School</b>	1,08,074 (96.5%)
<b>Habitations eligible for P.S.</b>	1,896 (01.7%)
<b>Habitations not within norms of opening a new P.S.</b>	2,097 (01.8%)

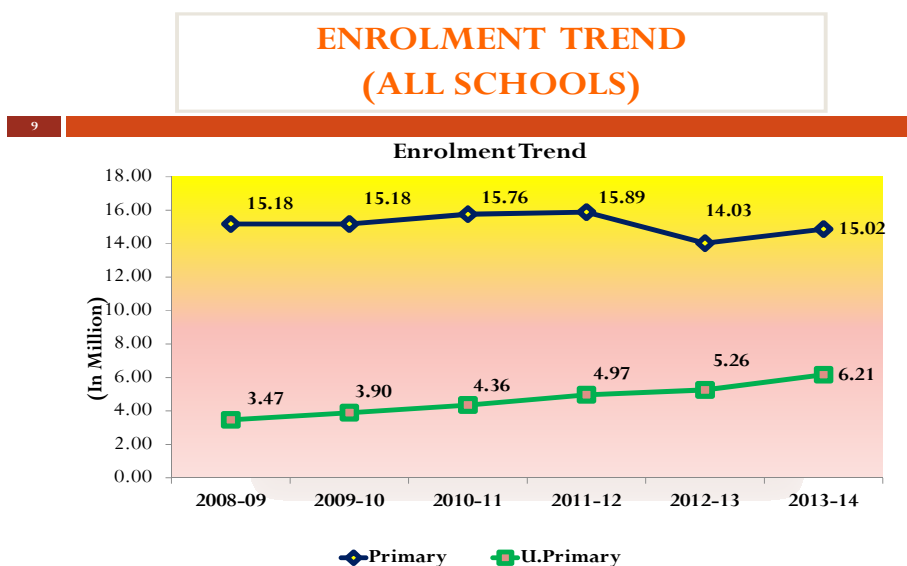
\*The norms for opening P.S. as per State RTE Rules: "Habitation having at least 40 children of 6-14 year age group and do not have access within 1 km"

Source:- District Plan, 2014-15 & Habitation Mapping, 2012-13

## Number of Schools and Enrolment Trend

As per the DISE data government primary schools increased from 40722 to 41345 and upper primary schools increased from 451 to 472 in the state during 2012-13 to 2013-14. The state has made considerable efforts to provide access to all children in the state.(Govt. decided to shift Upper Primary classes (VI-VIII) from Govt. High Schools to Middle Schools from year 2007-08.)

The following Table shows the enrolment trend for primary and upper primary level. at the primary level sudden dip in the enrolment was observed. The reason was data keeping was not very good. Every year enrolment is found increasing very fast. For example from 2009-10, the enrolment increased 58 lakh and again in 2010-11 it increased to 13 lakh.



## NER - Overall

Year	Primary			Upper Primary		
	Boys	Girls	Total	Boys	Girls	Total
2013-14	89	94	92	65	73	69
2012-13	85	90	88	50	57	54
2011-12	92	96	94	57	59	58

**Source: DISE Data**

- The NER at both Primary and upper primary level has improved during the year 2013-14.
- Reverse Gender gap has been noticed both at primary and upper primary level.

The GER for 2013-14 for primary classes (I – V) is 140.51 lakh and 58.61 lakh children are enrolled in elementary classes (I – VIII). Girls enrolment has also made huge stride. These achievements are reflected by the enrolment of group of SC, ST and minorities. The percentage of girls’ enrolment of SC, ST and Minorities are 19.10%, 1.81% and 14.95 respectively. The overall Gender Parity Index (GPI) is 0.98 and 1.02 at primary and upper primary level respectively during 2013-14.

It must be noted that despite this progress, many challenges remain to ensure that all schools meet the RTE/SSA norms and standards, particularly with respect to provision of playgrounds, compound walls and toilets, especially for girls.

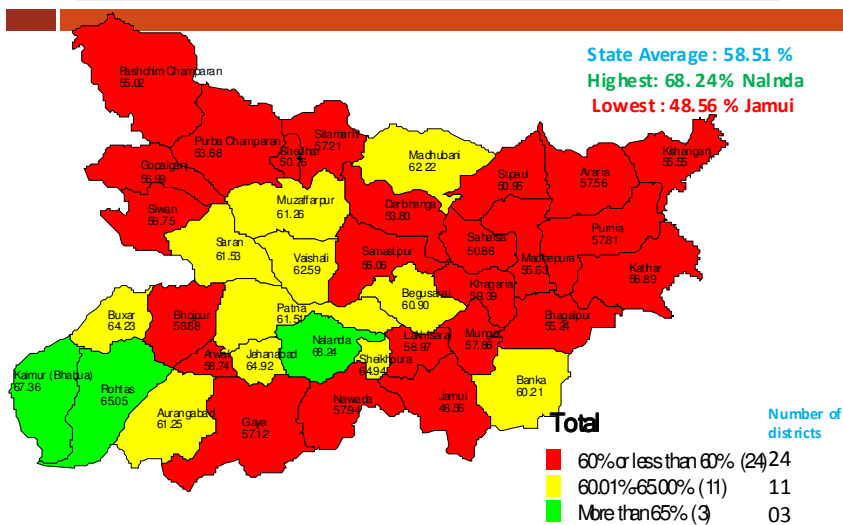
**Out of School Children (OOSC)**

There is substantial decrease in out-of-school children i. e. from 45.00 Lakhs in 2001 to 1.81 Lakhs(0.74%) in 2014 in the state. Till date, 1.20 lakh OOSC are enrolled in schools against the target of 1.81 lakh during 2014-15. About 70 lakh OOSC have been admitted directly to schools against the target of 71,675 during 2013-14. To track OOSC, "Child Tracking Register" is made and with the help of students, teachers, heads of schools and VSS members these children were mainstreamed. To retain children in the schools all the incentives like school uniform, scholarship, etc. are linked in the state with minimum 75% attendance. In addition the state has also developed a programme to monitor Student attendance through “Dopahar” (IVRS) of Mid-Day-Meal scheme.

The OOSC, who were never enrolled in schools were imparted Special-Residential Training. The children who were dropped out from schools were Special Non-Residential. The number of mainstreamed children in 2013-14 (RSTC+NRST) were 101,117.

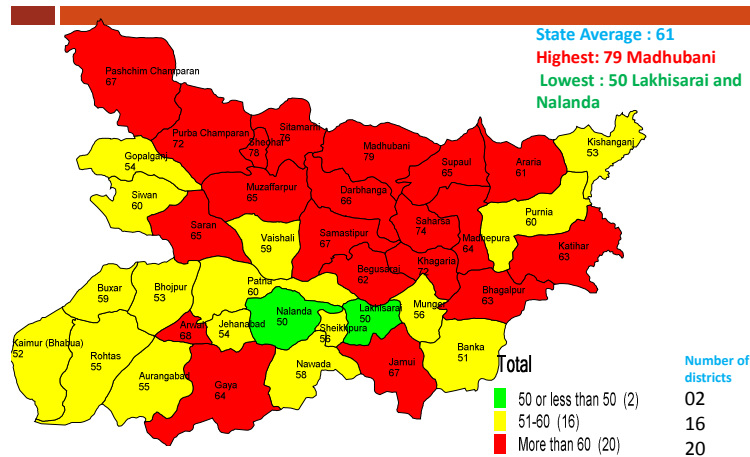
**School Building and Student Teacher Ratio**

**Overall Infrastructure availability rate by districts (Govt. Schools)**



School buildings on an overall were found in good condition. On account of large size students the classrooms are not adequate. In the state student classroom ratio is very high. Acquisition of land for the schools is a robust issue.

## Student Classroom Ratio (SCR) by districts (Govt. Schools)



### Community Participation

In each school as per the mandate of RTE Vidyalaya Shiksha Samiti(VSS) has been constituted. To make them aware about their functions and powers, a new module for 3 days training, "Lok Sambad" has been developed and in a faced manner VSS members are given training. Based on local dialect "Shiksha Adhikar Yatra 2014" have been completed in 6507 Panchayats (target 8465 Panchayats) for awareness on RTE Act.

It was observed that inspite of training imparted to VSS members, they were not properly aware of about their functions rather they reported that monitoring of MDM is only their job. Therefore training strategy need to relook.

### Goal 2: Bridging Gender and Social Gaps

#### Gender gaps

The Mission notes tremendous progress towards improving educational opportunities of girls at the elementary level. Participation of girls in primary education has increased over the years. The ratio of girls' to boys' enrolment at primary level is very negligible i.e. from 0.97 in 2011-12 to 0.98 in 2013-14. However the Table shows that from Grade I to Grade V promotion rate, repetition rates are increasing and there are no dropout at Grade V level.

Creteria	Grade-I	Grade-II	Grade-III	Grade-IV	Grade-V
<b>Promotion Rate</b>	79.86	98.21	95.38	85.15	98.95
<b>Repetition Rate</b>	7.37	9.46	5.24	1.94	1.05
<b>Dropout Rate</b>	12.76	-7.67	-0.62	12.91	0.00

In fact, the transition from primary to upper primary level is a matter of concern. It is 86.20% in 2012-13; however it was higher for girls (88.84%) in comparison to boys (85.56%) (DISE Flash Statistics, 2013-14).

It is observed that in terms of participation of children at the elementary level, the State has made remarkable progress in reducing gender gap at the state level. The Kasturba Gandhi Balika Vidyalayas (KGBVs) (residential schools/hostels for disadvantaged girls) is large scale interventions promoting gender equity in elementary education in the state.

In Bihar 535 sanctioned KGBVs, 530 are operational. 43,295 girls are enrolled in KGBVs, out of it 43% are SC, & % are ST, 35% are OBC, 5% are BPL and 10% are from Muslim and music. The vocational training is being imparted to the girls through BBOSE.

Each KGBVs capacity is 100 girls and in addition 25 physically challenged girls. All the seats need to be filled so that optimum utilization of the resources can be made and more girls can be benefitted.

Mission observed shortage of staff in the KGBVs, out of three teacher only one teacher was in place. Therefore need is to make available required qualified teachers as soon as possible.

### ***Observations***

The mission members were impressed by the confidence the girls demonstrated through a cultural performance and an impromptu interaction. Many girls were able to ask mission members questions and it was clear that these had not been rehearsed beforehand. The girls expressed desire to continue their schooling and the Mission members recommend that grades 9 and 10 need to be sanctioned for such enthusiastic girls.

Also the Mission members have appreciation by seeing Video, for those girls who displayed a spectacular mass karate on the occasion of Tarang 2014, from government and middle schools across Bihar.

### **Social Gaps: Scheduled Caste, Scheduled Tribe, Muslim Minority**

In the state enrolment of children from educationally disadvantaged communities such as SC, ST and Muslims has been steadily increasing. It was also reported that majority of SC and ST children attend government primary and upper primary schools. Enrolment of SC students in primary/upper primary classes has increased marginally from 18.76% (2011-12) to 19.10% (2013-14). Girls form nearly 49% of the overall SC enrolment. In the case of ST enrolment, there has been a decline from 2.10% (2011-12) to 1.81% (2013-14). Girls continue to account for half of ST enrolment. OBC enrolment in primary level has increased from 63.69% to 65.06% during same period. There is a similar increase in upper primary classes as well (65.93% to 66.09%). Bihar has substantial Muslim population. In 2011-12 the enrolment at primary level increased marginally i.e. from 15.20% to 15.63% at the primary level and at the upper primary level also increase was not substantial from 2012-2013-14 (13.23% to 13.30%).

### **Children with Special Needs**

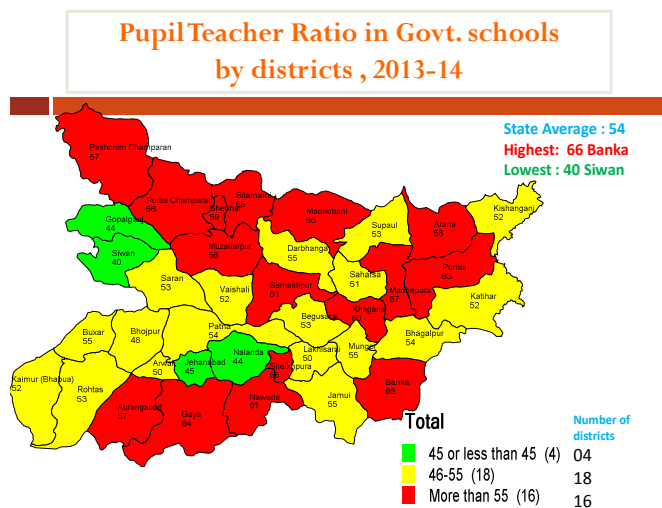
The RTE Act and SSA have been instrumental in changing the lives of millions of children with disabilities. It is noted that there are inter-district and even intra-district differences in the state. The state has done commendable job as far as identification, mainstreaming and making ICWN children capable to large extent with the problem of disability. Four Artificial Limb Manufacturing centers are functional with full set of all necessary tools, equipments. A Day care centre has been established in 20 districts. Computerised Braille Embosser have been established in the premise of state level office. Residential training programme is functional across the state. 1740 CWSN girls in HI and 680 girls in Visually Impaired have been enrolled in KGBVs. 74 numbers of Rehabilitation-cum-Resource Centre with all sorts of equipments functional in the state. 872 educational volunteers are in place at CRC level for educational support to severe and profound categories of CWSN. In 3 division of the State i.e. Bhagalpur, Purnea & Koshi, Camp for screening for disability certificates. 16645 nos. of disability certificates distributed up till now. In two districts of the State, Bhagalpur & Purnea, vision testing is done in each school with the support of Resource Teachers. 2925 children were detected for spectacles, 1334 children detected as low vision to whom low vision kit be provided, 847 children detected for surgical correction. All these activities are performed with convergence Health and Social Welfare sectors.

However differential identification and assessment, especially between and within the developmental disabilities, is a highly skilled activity, particularly in the case of Autism. Inadvertent mislabelling may have negative implications for the child's entire life. The Health and Social Welfare sectors can further strengthen their support in this effort.

#### Goal 4: Education of Satisfactory Quality

##### Pupil Teacher Ratio

The Pupil Teacher Ratio (PTR) in the state is very high as per the RTE norms. It is 54:1 as per DISE 2013-14. In some of the districts PTR is 66. The district wise PTR is shown in the Figure.





The teacher recruitment is decentralised in the state. Under SSA, so far, 2,88,786 (Panchayat/Prakhand/ Nagar Teachers and HM/GT teachers) have been appointed against the target of 4,02,042. Also 62,031 new teachers (subject specific teachers – 24090 & additional teachers - 37941) selected on the basis of TET are placed in schools during 2013-14. In 2014-15, 25219 new teachers recruited and the process of recruitment of rest elementary teachers (including subject specific teachers) through TET is in process. In addition 19,194 teachers (HM - 1211 & Graduate Trained - 17983) placed in upgraded primary schools by promotion.

During the visits in schools it was found overcrowding of classrooms. As per the transfer policy of the state teachers can only be transferred according to their will. Need is to rationalise teachers in schools and change in transfer policy.

### **Teacher Training**

Professional support is provided by BRCCs and CRCCs. It was observed in the district visited regarding training of teachers (short term and long term), training of VSS members and other activities BRCC make plan well in advance regarding clientele group, number of days, date and month etc. Accordingly trainings are planned. Various training modules have been developed at the state level like Falak for Class I; Pallave for class I-II; Udbhave for class III-IV. Teachers were given training in how to use these modules. The JRM team visited in two districts and found that 81,847 teachers (target 295925) have been imparted 3 days in-service training, 50,855 teachers have been imparted one day monthly cluster level meetings and peer group training sessions at CRC level, 19,606 teachers (target 62031) have been imparted 30 days induction training up to September.

It was observed that in one of the BRC at middle school level in BarwatPrasrain, children of VI getting assistance on special teaching by resource teachers through Brail and HI children getting assistance on special teaching through speech therapy.

It was observed that BRCCs and CRCCs are one of the important academic resource in the blocks and clusters. Role of CRCCs redefined for close monitoring of classroom transaction and onsite support. Their capacity need to be strengthened by giving additional hand for administrative work. Their presence increases the accountability of teachers. Therefore their status need to be enhanced in comparison to teachers.

Training of Head teachers is another important aspect for increasing the teaching learning process. The quality of education to a large extent depends upon the headship of the institution. During visit to school it was observed that hardly any head had gone through training or orientation programme.

### **Curriculum Reform**

In consonance with NCF 2005, State has developed BCF - 2008. On the basis of NCF 2008, the state has developed textbooks. In-lieu-of text books, worksheet based learning programme being piloted in 2014-15 for class I student in 4 districts namely Jamui, Jehanabad, Vaisahli and West Champaran. These workbooks are well developed and well executed. In addition bridge Materials (5 regional Languages) provided to districts. The

Mission members found that students are performing fairly well in basic competencies like 'Recognizing names of objects' and 'Addition'. Still fairly large number of students are lacking in recall of facts and reproducing it. Students' performance in relatively higher order skills is low and needs to improve. Reading comprehension in Hindi, and conceptual questions in Maths, that cannot be answered procedurally or by recalling facts or formulas, generally show a poor performance.

Student progress card (I-V), school assessment card is a good initiatives still teachers need to be sensitized about filling up and understanding the concept of introducing it. Workbook on mathematics (consolidated all the competencies from class I to V) developed.State has developed its own quality monitoring tools to monitor the pedagogical process and to support the teachers.

Many programmes have been started to increase the learning levels of children, like: Mission Gunwatta, Early Reading and Writing(ERW) and Early Mathematics Program(EMP), based on 'Padhe Bharat Badhe Bharat' MHRD Framework, etc.

### **Convergence and Linkages**

The state government is taking a mega initiative towards the convergence and linkage of other programmes in the field of elementary education viz. ICDS centres (Welfare Department), separate toilets for boys and girls (SSHE, UNICEF), drinking water (SwajalDharaYojna), Health check-up of children (KGBV), construction of girls common room(IAP scheme by KGBV), fixing of handpumps in schools (PHED), construction of classrooms in minority districts in middle schools and Madrasas in Minority blocks (MSDP scheme). Construction of Auditorium/ hall in KGBVs (MSDP scheme).

### **Recommendations**

- In most of the schools condition of school building is good. However because of large size students the classrooms the space in the classrooms are not adequate and student classroom ratio is very high. Need to build additional classrooms and recruit teachers timely.
- For opening of schools in remaining habitations, because of non-availability of Government and Community donated land, acquisition of land is a big challenge in front of the state government. With convergence and linkage with other departments and stakeholders the problem can be looked into. In light of the issue of land scarcity, vertical constructions should be carried out in case of both new and old buildings.
- Completion of all pending civil works is essential else there may be cost and time overruns and moreover the beneficiaries would be deprived of the infrastructural benefits. Further, Existing schools should be surveyed to identify dilapidated classrooms. And necessary steps should be taken thereafter.
- Mainstreaming and retention of all the children can be achieved with proper support with VSS members.
- The transition from primary to upper primary level is a matter of concern. With the help of VSS members the problem can be looked into.

- Kasturba Gandhi Balika Vidyalaya (KGBVs) (residential schools/hostels for disadvantaged girls) is playing a positive interventionist role to enhance self-esteem and self-confidence of girls. Timely human resource need to be provided.
- Initiative of convergence and linkage of different programmes in the field of elementary education is a well come step, further it can be strengthened.
- Differential identification and assessment, especially between and within the developmental disabilities, is a highly skilled activity, particularly in the case of Autism. Inadvertent mislabelling may have negative implications for the child's entire life. The Health and Social Welfare sectors can further strengthen their support in this effort.
- The schooling processes definitely play a critical role in protecting girls from cultural practices like child marriage, etc. Consequently, increase efforts to equip teachers with the requisite understanding and skills to seek and utilize necessary support from community and State structures.
- For increasing quality of education in schools need for development of a state wide initiative to rank schools against RTE norms.
- BRCCs and CRCCs are important academic support at the block level. They need to be continued and also their status need to be enhanced in comparison to teachers.
- Stress need to be on quality of education. Though students are performing fairly well in basic competencies like 'Recognizing names of objects' and 'Addition'. Still fairly large number of students are lacking in recall of facts and reproducing it. Students' performance in relatively higher order skills is low and needs to improve. Reading comprehension in Hindi, and conceptual questions in Maths, that cannot be answered procedurally or by recalling facts or formulas, generally show a poor performance.
- Orientation programmes both for newly recruited headmasters/principals need to be planned.

## **Financial Management:**

The years of SSA program implementation have resulted in constant strengthening of systems and procedures in the State. However, considering the multiplicity of spending/ executing agencies (States, Districts and Sub-district levels) and diverse capacities across these agencies, there are persistent systemic and implementations challenges. The major learning and areas for development identified during the JRM's visit has been detailed below.

### **A. Financial Progress and Budgeting:**

**Financial Progress:** For the FY 2013-14, the state was provided an outlay of Rs. 6,736 crore approved by the PAB. Share of GoI, after taking into account the opening fund balances with the State of Rs 670 crores and 13<sup>th</sup> CFC assistance of Rs 946 crores, was Rs. 3,327 crore, but funds actually released were Rs. 2,519 crore (~ 76%). The share of GoB was Rs. 1,719 crore and funds actually released were 1,154 crore (~ 64%). Corresponding to this, during 2013-14, the state reported expenditure of Rs.4,554 crore that is ~ 68% of the approved outlay and 86% of the total available funds.

For ongoing financial year 2014-15, against stipulated share of GoI, Rs. 4,521 crores and GoB, Rs. 2,458 crores, actual releases till date have been Rs. 730 crores (~16%) and Rs. 611 crore (25%), respectively and expenditure is reported at Rs. 2,166 crores, that is 27% of the approved outlay and

93% of funds available. The GoI funds for 2014-15 were released in mid-July 2014 to the bank account of the SIS.

### **Recommendations**

- Concentration of expenses at the end of the financial year needs to be avoided and expenditure should be paced throughout the year. It should be ensured that all conditions for release of funds by MHRD must be met to enable timely release of funds.
- Fund releases and utilizations for the ongoing year 2014-15 needs to be speeded up.

**Planning and Budgeting:** For the ongoing year 2014-15, an outlay of Rs. 7,681 crores has been approved by the PAB out of which GoI share is Rs. 4,362 crores and that of GoB is Rs. 2,349 crores with Rs. 970 crores coming from the 13th Finance Commission award.

- For FY 2014-15, till date only 17% of the GOI share and 26% of the State share has been released to the SIS.
- In the State budget, provision has been made for approximately 85% of the total outlay towards GOI and GoB share. It was shared with the JRM that during the supplementary budget preparation, the budgetary program allocation will be re-assessed in the light of the actual expenditure and accordingly increased if so needed.
- Although AWP&B is prepared at the blocks and consolidated at the districts, a system of preparation of School Development Plans (SDP) is being established from FY 2015-16. The forms have already been circulated to the school and training shall be provided soon for preparing the same. However, the JRM observed that the SDP are presently with the Head Masters of the Schools and the same have not been shared with the SMC members. Further the JRM would like to highlight that as per the FM&P manual, the SDP needs to be prepared only by the SMC members.

### **Recommendations**

- There is a need for a more realistic budgeting exercise in the state based on absorption and execution capacity and past trends.
- SMC members should only be preparing the SDPs. Trainings for preparing SDPs should be conducted at the earliest so that the community is geared up to prepare the SDPs, for 2015-16, as per the AWP & B planning schedule. This is important to reflect the local needs and create a sense of community ownership.

## **B. Staffing and Capacity Building of Accounts staff**

**Staff position of Finance and Accounts wing:** The overall FM staffing in the state is functioning at 57% of the sanctioned strength. For details on financial staffing please refer the below table below:

Office	No of offices	Staff Posts as per SSA norms	Staff Posts Sanctioned	Staff In position	Vacant positions	% of vacant posts
SPO	1	6	12	7	5	42%
DPO	38	152	152	74	78	51%
BRC	534	534	537	319	218	41%
<b>Total:</b>			<b>701</b>	<b>400</b>	<b>301</b>	<b>43%</b>
BRC: School accountant*	70,391	1,408	1400	0	1400	100%

\* States are allowed to engage one block level accountant for every 50 schools.

On the above vacancy status the SIS shared that the administrative section plans to fill majority of the positions during the current financial year. On the sanctioned post for engaging one accountants person for 50 schools, the SIS shared that the requirement is be assessed primarily in light of the fact :i) low number of annual transactions at SMC level (approximately 20); ii) at the BRC level in addition to the sanctioned post of one accountant an additional accountant is sanctioned at KGBV who has no full time work.

However, the mission will like to highlight that the present arrangement of majority of vacant posts being managed by internal arrangements of giving additional charges to the existing staff may have led to technically enabled resources (teaching carder personnel) being engaged in administrative and accounting functions. Thereby leading to in-appropriate utilization of already scarce resources.

Further, during visit to DPO's office in Sitamarhi district, it was shared that at district office there is only one accounts person and with no dedicated accounting staff at any of the BRCs in the district. The mission observed that the accounting for the entire district is being managed by this accounts person with the assistance of: i) part time help of one school teach (from the nearby school) and ii) BRP for accounting at BRC who has not received any training for accounting procedures.

**Capacity Building and Financial Reviews of the financial staff:**The mission observed that while regular training has been imparted to district officials, at sub-district level there is a substantial need for regular training. The JRM visit to the districts indicates that training provided to sub-district level staff on accounting procedures and record keeping is inadequate. Headmasters and teachers at the school level have either not received training or require more support in order to improve record keeping. Further, while there are guidelines for regular visits from accounts officers from Districts and BRC to the school/ SMC level. However, on observation the mission observed that in most of the cases the schools/ SMC are not been visited for training and overseeing the accounting functions.

***Recommendations:***

- The Mission recommends that the vacancies of Finance and Accounts need to be filled urgently in order to strengthen financial management system.
- The vacant positions of Accountants at the BRC level need to be filled up as they are essential for support to the schools in maintaining the books and complying with other norms.
- Extensive training programmes need to be organized by the SPO particularly at the sub-district level along with constant on-the job hand holding support, especially at the school/ VSS level.

**C. Accounting and Monitoring**

The major observations have been detailed below:

- ***Accounting Software:*** For effective and efficient control over the maintenance of account at district the customized Tally ERP-9 package (web enabled) has been implemented from the year 2014-15. As a result, not only uniform accounting heads are being maintained across all districts, but daily synchronization of accounting entries at district level leads to real time updated books of accounts as SIS.

However at BRCs, manual accounts in the form of Cash and ChequeRegisters are still being maintained with consolidating the UCs received from the schools in the form of a manual list for sharing with the District office. There after the respective accounting entries for the sub-district level are being passed in the books of accounts at the district office on the basis of the UCs submitted. The Mission would like to highlight that as per the arrangements under SSA, BRCs are charged with the function of maintaining accounts of the sub-district level. SIS shared with the mission that there is a plan for installing stand-alone Tally software at BRCs of accounting purposes.

***Recommendation:*** The mission recommends that the benefits of extending the application of Tally-9 to the BRC level should be assessed by the State.

- Discontinuation of Manual Accounts: It was shared with the mission that both at SIS and District offices, subsequent to the roll-out of Tally-9, other than the Cheque Register no manual books of accounts are being maintained.
- Electronic Fund Transfer: Electronic channels are being used for all fund transfers from states to districts and subsequently from districts to sub- district.
- Monthly Review Meetings: The Financial Controller is now holding monthly Review cum Training Meetings of Assistant Accounts Officers and Accountants at SPO. In these meetings various issues regarding audit, funds, classification, procurement provisions and methods, expenditure progress, financial and physical achievements etc. are discussed in detail and necessary clarifications, instructions, information are provided. On review of the West Champaran district, it was shared that the District Accounts officer is also holding monthly Review meeting, on the 7<sup>th</sup> of each months of Accounts personnel's in BRCs.

**Recommendations:** The mission suggests that this good practice should be followed rigorously at both SIS and across all Districts.

- Monthly Bank Reconciliation: It was shared with the mission that up-till District level BRSs are now being prepared on monthly basis. However, in case of both the districts visited the mission observed that while BRS are being prepared on monthly basis however reconciling entries are not being addressed at the end of each month. For instance: i)in case of West Champaran unadjusted reconciliation items are standing since year 2010; ii) in case of Sitamarhi, the reconciling items also consist of certain grants which though transferred to schools could not reach school bank accounts on account of RTGS issues since March 2013; ii) stale cheques of substantial amounts.

**Recommendation:** The mission strongly recommends that the reconciling entries should be cleared on monthly basis at the time of preparation of each BRS.

- Settlement of Advance: It was shared with the mission that a campaign has been started for adjusting huge outstanding advances pending since years. A team consisting of engineer and accounts personnel has been constituted and it visits each district at regular intervals to discuss the status of advances.

**Details of Advances dated 31.3.13 as on 30.09.2014: (in Rs Crores)**

Head	As on 01.04.2013 (upto 2012-13)	Advances released during 2013-14	Total Advance	As on 10.09.2014			Remaining as on 10.09.2014		
				Adj. of Adv. upto 2012-13	Adj. of Advances of 2013-14	Total Adj.	Advances upto 2012-13	Advances of 2013-14	Total
1	2	3	4 = (2+3)	5	6	7 = (5+6)	8 = (2-5)	9 = (3-6)	10=(8+9)
Capital	4395.76	1251.64	5647.4	2882.39	520.01	3402.4	1513.37	731.63	2245.00
General	3177.94	3739.18	6917.12	2885.54	2785.2	5670.74	292.4	953.98	1246.38
<b>Total SSA</b>	<b>7573.70</b>	<b>4990.82</b>	<b>12564.52</b>	<b>5767.93</b>	<b>3305.21</b>	<b>9073.14</b>	<b>1805.77</b>	<b>1685.61</b>	<b>3491.38</b>
NPEGEL	70.67	55.13	125.8	7.23	12.00	19.23	63.44	43.13	106.57
KGBV	255.68	107.23	362.91	86.91	88.88	175.79	168.77	18.35	187.12
<b>Total</b>	<b>7900.05</b>	<b>5153.18</b>	<b>13053.23</b>	<b>5862.07</b>	<b>3406.09</b>	<b>9268.16</b>	<b>2037.98</b>	<b>1747.09</b>	<b>3785.07</b>

**Recommendation:** The mission suggests that the advances upto 31<sup>st</sup> march 2013 should be adjusted on a priority. Moving forward, clear instruction should be insured that all advances should

be settled at the end of each financial year. In case, on non-settlement clear justification needs to be established. The same should also be regularly monitored.

- Grants treated as Advances: grants at sub-district level being treated as advances till their subsequent settlement through submission of UCs. However, refund of unspent balance at sub-district treated as income/receipts in certain cases, still remains an area of concern.

**Recommendation:** Un- spent balances at district and sub-district level should be analyzed in details before passing of the relevant accounting entries in the books of accounts.

- Internal Control Over Fixed assets: It has been shared with the mission that order has been issued for assets coding and maintenance of Fixed Assets Register at all units at both District and Sub-District level.

However on review it was observed that up-till BRC level even though fixed Assets Registers were maintained assets values were not recorded in 100% of the cases. Also at school level Fixedasset registers are not being maintained by each unit. Further assets are only being coded at some units that too partially.

**Recommendation:** Fixed Asset Registers should be maintained in each unit in Completeness. Furniture and other non-perishable items procured through SSA funds should be appropriately coded/ marked to identify them as SSA property.

- Pre-Numbered Vouchers: Presently pre-numbered vouchers are not being used at district and sub district units.

- Payment of Teachers salary: The Project Approval Board (PAB) of Govt. of India approves the teacher salary for working teachers (in position teachers) only against the sanctioned post under SSA. State Level Office of SIS releases the teacher salary to the District Level Office of SSA headed by DPO (EE & SSA) on quarterly basis in advance. The DPO (EE & SSA) releases the teacher salary to District Programme Officer (Establishment) on quarterly basis on the demand and further DPO (Establishment) the salary electronically to the account of the concerned teachers on monthly basis through Bank. For this process a single Bank has been identified in each district for smooth electronic transferring the salary to teachers. D.P.O (Esttb.) after payment of salary provides the UC to the district office. However, the mission observed that subsequently the DPO establishment does not share the Audit Report covering the audit of the teacher's salary with the DPO (SSA). On discussion it was shared with the JRM that moving forward, along with the UC payment folio issued by the bank shall also be requested which shall be subsequently reviewed at the time of annual audit.

**Recommendation:** Considering the fact that Teachers Salary comprises a substantial part of the expenditures under SSA, the mission suggests that DDP (establishment should be requested to share the Audit Report covering the audit of the teacher's salary with the DPO (SSA). Else along with the UC, payment folio issued by the bank (with whom teacher's salary accounts are being maintained) shall may be requested which can be subsequently reviewed at the time of annual audit.

#### **D. Management at School and SMC level:**

The mission applauds the initiatives been take in this direction. At each school visited, it was observed that there is a 15-17 member SMC with more that 50% being mothers of the students. Further, accounting at school level is primarily being carried out by the HM of the school:

Major Observations have been detailed below:

- District offices shared the trainings have been provided to the majority of SMC members, however on one to one discussion with the SMC members it was observed that at majority of units either one-off training or no training has been provided. Also, it was shared that in majority of cases there is very little regular interaction between DPO/BRC personnel's and SMC members. On detailed discussion it was observed that very few SMC member were aware about matters

such as: procurement procedures; proceeding written in the minutes of the meetings signed by them; contents of the SMC manuals; verification procedure of rice received under MID day meal, etc.

- SMC manual: The SIS shares that SMC manuals exist in hindi language for the state and has been shared at the district and sub district level. However, at none of the schools the SMC manual could be shown to the JRM members. It was shared that either the manual was at home of one of the members since a long time or has not yet been received (even after 3 months of selection).
- There is time lag (even up to two months) between issue of funds sanction letter by the district office and actual receipt of funds by schools. Funds to the SMCs were provided with delay.
- Instances were observed by the JRM wherein funds pertaining to non-SSA activities such as Mid-Day-Meal, Tour Grant, scholarship funds (other than under SSA) are being transferred to the School SMC's Bank account, where SSA funds are also credited. Thus, it becomes necessary to keep separate accounts of mid-day meal funds, to avoid mixing of funds in the opening / closing balance. Perhaps, there is need for a separate Bank account to be maintained for funds received from other sources.
- In majority of the units visited by the JRM the UCs submitted for usage of funds at school level do not report opening and closing balances in the account. Also it is observed that at BRC level no records are maintained regarding the un-utilized funds at the school levels. In certain cases these funds are substantial as they also include funds on account of accumulated interests.
- Almost all schools visited shared that regular training for accounting and financial matters including maintenance of cash book and other records has not been provided to the Head Master or the SMC members;
- Almost all schools visited by the JRM did not had notice boards displaying details of finances.
- It was observed that furniture and other non-perishable items procured through SSA funds had no markings on them to identify them as SSA property. Also, the JRM observed that in a number of schools damaged furniture were piled up within the school premises with no identified recourse of either re-using or disposing the same. The JRM would like highlight that in some cases, classrooms were used to store the damaged furniture while the class was being conducted outside the classrooms.

#### **Recommendations:**

- Dedicated efforts should be made to empower the SMC members by way of regular trainings and DPO/BRC support should be extended to HM and SMC members.
- More than one SMC manual should be given, with the instructions that one copy should be mandatorily retained in the school's office.
- SMC account should be used dedicated towards handling funds disbursed under SSA program.
- Assets should be appropriately coded to be identified as SSA property. The position of un-usable assets should be assessed from time to time and appropriate actions should be taken to repair/ disposed-off the same.

#### **E. Statutory Audits:**

The mission applauds the state's efforts in conducting timely audit. For FY 2013-14 the Statutory Audit Report was shared with MHRD by September 2014 along with the Audit Observation Compliance Report. For FY 2014-15, it was shared with the JRM that the appointment is under way.



**Audit Coverage:** as per the FMP manual, Statutory Auditors of the SIS are required to cover the sub-district level on sample basis, in specific, all SMCs (incurring annual expenditure above a specific threshold, presently Rs.1lakh) over a period of three years. It has been shared with the JRM that as per of the Audit procedures being observed, the auditor visits the District office and very few BRCs. However, no records of the SMC are being reviewed the auditors.

Further, it was shared that separate auditors are engaged to conduct school/SMC audit who provides audit report of the individual unit. The most recent audit was conducted for the year 2011-12 that covered 40% of the units.

**Recommendations:** It should be incorporated in the TOR of the Statutory Auditors of the State that Sub-districts are to be covered on sample basis, with physical visits of the sample. Further, if the State engages a separate auditor for SMC then a consolidate report of audit, both for each District and the State should be prepared and shared with the Statutory Auditor.

#### **F. Internal Audits:**

Presently no dedicated internal audits are being carried out. It has been shared with the mission that a concurrent auditor has also been engaged, who carries on transaction audit on monthly basis. However, on review of the TORs the JRM observed that it does not adequately cover Internal Audit aspects. This is also a violations of the guidelines laid out in the FM&P manual.

**Recommendations:** Concurrent Audit ToR of the State should be extended to include coverage of Internal Control aspects.