

STUDY
ON
MONITORING THE FINANCIAL
ASPECTS RELATING TO SARVA
SHIKSHA ABHIYAN IN
HARYANA

SPONSORED BY

MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPARTMENT OF ELEMENTARY EDUCATION AND LITERACY)
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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 aims 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 Governments, Public Enterprises, Public Institutions, Government aided voluntary organizations and local bodies;
- 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 governments and its agencies for development of sound systems of accounting, auditing and financial accountability of Panchayati Raj Institutions (PRI) and 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.

TERMS OF REFERENCE FOR STUDY

The Ministry of Human Resource Development (Department of Elementary Education and Literacy), New Delhi, vide Ministry's letter No. 1-1/2003-EE-XI dated 2nd September 2004 assigned the Institute of Public Auditors of India, New Delhi, the study on "Monitoring the Financial Aspects relating to Sarva Shiksha Abhiyan (SSA)" particularly the fund flow and utilization of funds released to State Societies and the financing of various activities at the State, District and School levels. The study also covers the procurement system in the SSA Haryana.

SCOPE OF STUDY

The study was conducted at State Project Director office, Chandigarh and Distt. Education Officer-cum-District Project Coordinator, Gurgaon and Ambala. A total of 50 schools were selected for study – 25 each in Gurgaon and Ambala. A detailed list of the schools visited is at Annexure-A. The study was also conducted at BRC-CRC, DIET, SCERT. Meeting was also held with the DPI (Primary) and DPI (Secretary).

Study team composition:

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CHAPTER-I

SSA MISSION IN HARYANA

Introduction

1.1 Sarva Shiksha Abhiyan (SSA) was formally launched in the State w.e.f. 18th April 2002. SSA is an effort to universalize elementary education by community ownership of the school system. The SSA has a clear time frame, responding to the demand for quality basic education, effectively involving the participation of the community in management of schools. The programme aimed to provide useful and relevant elementary education to all children in the 6-14 age group by 2010. The scheme has the objective of bringing all eligible children to schools, educational guarantee centre, alternate school, back to school by 2003, so that they complete five years of primary schooling by 2007, and complete eight years of education by 2010. There are, however, already slippages in missing the target dates viz. bringing all out of school children back by 2003.

The present system of school education in Haryana State can be grouped in four categories of schools, Primary, consisting of I to V Class, Middle consisting of VI to VIII classes, High, consisting of VI to X classes, Senior Secondary consisting of VI to X classes and XI & XII classes. Out of these four, Primary Schools & Middle Schools are standalone units and admit students of their respective levels only. But High and Sr. Secondary Schools have overlapping levels, since these schools have also classes upto Middle level. Primary & Upper Primary Schools are also being run by private managements as aided schools and even non aided schools in urban as well as rural areas. The State has 15756 Primary and Upper Primary Schools and number of teachers in these schools is 65554.

Haryana, being one of those states which had the benefit of having DPEP implemented, started with definite advantages while switching to implement SSA. Out of 19 districts in the state, DPEP was implemented in seven educationally backward districts and this has given a good base to the Elementary Education System in the State like establishment of Cluster Resource Centres (CRCs), Block Resource Centres (BRCS) and Village

Education Committees (VECs). In addition, enrolment of children including the disabled children in Primary Classes made a quantum-jump. Prior to launching of DPEP, under the scheme “Book Banks” introduced in 1975-76, students belonging to schedule caste and weaker section of society are given Text Books free of cost in the beginning of the academic session. The SSA, therefore, came out to the State in the midst of these advantages and hence better placed theoretically to achieve the SSA objectives.

1.2 Organisational Setup/ Management Structure.

In Haryana, administrative control in respect of Primary Schools, vests with the Director Public Instructions (Primary) whereas the administrative control of other three levels viz. Middle, High and Sr. Secondary vests with the DPI (Secondary). In order to improve efficiency of the delivery system and to make Elementary Education as independent unit, the Haryana Government in their perspective plan on SSA committed to undertake Institutional reforms in order to improve the efficiency of previous system. It was proposed that Director Primary Education will be re-designated as Director Elementary Education who could also work in dual capacity holding charge of State Project Director (SSA). The State Project Director (SPD) in response to our query on these reforms informed that the matter regarding reorganization of school education system including the setting up of separate Elementary Education Directorate was discussed at the highest level of the State Government and the view taken was that a separate Elementary Education Directorate may create more problems than it may solve.

In Haryana for the implementation of DPEP, a society known as Haryana Prathamik Shiksha Pariyojna Parishad (HPSPP) was set up in March 1993 as an autonomous and independent society under the Registration of Societies Act, 1860. The implementation of SSA in Haryana was entrusted to this society (HPSPP). The authorities of this society are the Governing Council (Parishad) and Executive Committee (EC). The Governing Council headed by the Chief Minister would periodically review implementation of the Project and lay down necessary broad policy guidelines.

The Executive Committee to be chaired by the Chief Secretary with Financial Commissioner and Secretary, Education as the Vice-Chairman of the

Committee is mainly to provide directions and guidance for project formulation, prepare strategy for implementation of the Project and monitor and supervise the implementation of the Project. The State Project Director (SPD) is the principal Executive Officer of the Parishad and is responsible for proper administration of the affairs and funds of the Parishad and implementation of various activities of the Parishad under the overall direction and guidance of the Executive Committee.

The State Project Director, who is also Director Primary Education, Haryana is assisted by three Dy. Directors, three Assistant Directors, One Project Officer, One General Coordinator, One Chief Accounts Officer, One Executive Engineer & One Section Officer, besides other supporting staff. Although organizational structure embodies the provision for appointment of one Finance-cum-Internal Audit Officer also but no such appointment has so far been made.

District Level Implementation Unit (DLU)

At the District Level, the implementation authority is Additional Dy. Commissioner of the district with District Education Officer as the Member Secretary-cum-Chief Coordinator (DPC) for implementation of the Programme. The DPC is assisted by Assistant Project Coordinator, Section Officer (Accounts) besides other supporting staff. During 2003-04, the DLU met 19 times and in 2004-05, seven meeting were held (upto December 2004). At the Block Level there is a Block Education Officer (BEO) posted in each Educational Block. In order to monitor the various educational activities of the schools falling under the jurisdiction of the block, seven posts of Assistant Block Resource Persons have been sanctioned for each DPC Office as well as for each Block Office. In Gurgaon & Ambala Districts, which we test checked under the Study, there were only 23 and 21 Block Resource Persons against sanctioned posts of 70 & 49 respectively. All these Block Resource Persons were working as Lecturers/ Teachers. Due to deployment of these Teachers as Block Resource Persons, 44 teachers posts had fallen vacant in Gurgaon & Ambala districts. Since this practice prevails in all the blocks it affects vitally the teaching resource personnel and the shortages are endemic in some cases. None of these ABRCs has been imparted training for capacity development and community mobilization. During interaction with the ABRCs of both

these districts, the team noticed that most of them are unaware of their responsibilities and duties.

At the Village Level, there is a Village Education Committee & Village Construction Committee with each school with concerned Head Master/ Head Teacher as the Secretary of the Committee; the other members of the Committee comprise two persons from Panchayat (one of whom must be female), two person from Parent Teachers Association (PTA) (one of whom must be female), one ex-serviceman, one retired teacher and one donor/ NRI. The Chairman of the Committee is elected by members excluding Headmaster/ Head Teacher. In practice the Chairman is usually the Village Sarpanch.

The organizational Chart depicting the flow of authority from the State Mission to Schools is at Annexure-B.

1.3 Meetings

After the formation of the Parishad in April 2002, no meeting of the Governing Body was held upto February 2005.

As per rules and regulations of the State SSA Parishad, the Executive Committee shall meet as often as necessary but at least once in every quarter of the year. However, the Executive Committee met twice in 2003-2004. During 2004-05, only one meeting has been held as on 11-08-2004.

The main functions of the Executive Committee include exercising all administrative, financial and academic powers including powers to rationalize posts of all descriptions and make appointments, to frame regulations with approval of the State Government including bye laws for the conduct of activities of the Parishad in furthering its objects and also to decide about the bankers of the Parishad. In addition to above, the Annual Reports on the working of the Parishad and the work undertaken by it during the year together with audited accounts are required to be approved by the Executive Committee for placing the same before the Annual General Meeting of the Parishad, which after its approval, shall submit the same to the State Government. The State Government would, with comments, if any, forward the Annual Report alongwith the audited accounts of the Parishad and Audit Report thereon to the Central Government by 30th September every year.

1.4 Demographic and Educational Profile

The Demographic and Educational Profile of the State of Haryana is given below:

Sl. No.	Particulars	Haryana State	Gurgaon Distt.	Ambala Distt.
1	Area	40222 sq. Km.	2670 sq.km.	1569 sq.km.
2	Population	2.11 crores	16.58 lacs	10.14 lacs
	Male	1.13 crores	0.09 crore	0.05 crore
	Female	0.98 crore	0.08 crore	0.05 crore
3	Villages	6955	726	499
4	Panchayats	6032	516	499
5	Community Blocks	116	9	6
6	Educational Blocks	124	10	7
7	Habitations	6781	726	499
8	No. of Primary Schools	11374	942	537
	Government Schools	8787	805	508
	Non Government	2587	137	29
9	No. of Upper Primary Schools	* 6969	475	205
	Government Schools	4175	275	176
	Non Government	2794	200	29
10	No. of Teachers Primary	36232	3297	1762
11.	Upper Primary Teachers	29322	2550	881

*Includes High & Secondary Schools as Middle Classes (6th to 8th) are also attached with them.

12. Profile of children (2003-04)				
(a) Between 6-11 Years				
	Boys	15.21 lacs	1.23 lacs	3.24 lacs
	Girls	12.94 lacs	0.98 lac	3.01 lacs
Total		28.15 lacs	2.21 lacs	6.25 lacs
(b) Between 11-14 years				
	Boys	9.73 lacs	0.67 lacs	0.17 lac
	Girls	7.05 lacs	0.52 lac	0.20 lac
Total		16.78 lacs	1.19 lacs	0.37 lac

13. Profile of Children Enrolled (2003-04)				
(a) Between 6-11 years				
		Total Enrolment	Government Schools	Non-Government Schools
1	Boys	14.40 lacs	9.79 lacs	4.61 lacs
2	Girls	11.75 lacs	7.02 lacs	4.73 lacs
Total		26.15 lacs	16.81 lacs	9.34 lacs
(a)(i) Gurgaon District				
1	Boys	0.99 lac	0.76 lac	0.23 lac
2	Girls	0.69 lac	0.53 lac	0.16 lac
Total		1.68 lacs	1.29 lacs	0.39 lac
(a)(ii) Ambala District				
1	Boys	0.64 lac	0.32 lac	0.32 lac
2	Girls	0.59 lac	0.30 lac	0.29 lac
Total		1.23 lac	0.62 lac	0.61 lac
(b) Between 11-14 Years				
1	Boys	9.17 lacs	4.72 lacs	4.45 lacs
2	Girls	6.22 lacs	3.38 lacs	2.84 lacs
Total		15.39 lacs	8.10 lacs	7.29 lacs
(b)(i) Gurgaon District				
1	Boys	0.52 lac	0.21 lac	0.31 lac
2	Girls	0.36 lac	0.16 lac	0.20 lac
Total		0.88 lac	0.37 lac	0.51 lac
(b)(ii) Ambala District				
1	Boys	0.33 lac	0.17 lac	0.16 lac
2	Girls	0.39 lac	0.20 lac	0.19 lac
Total		0.72 lac	0.37 lac	0.35 lac

From the above, it would be seen that 35.7% and 47.4% students are studying in Non-Government Primary and Upper Primary Schools.

In Gurgaon Distt. 57.6% boys and 59.6% girls are studying in Non-Government/ Upper Primary Schools. In Ambala District, almost 50% boys and 50% girls are studying in Non-Government/ Primary & Upper Primary Schools.

CHAPTER-II

FINANCE, ACCOUNTS AND INTERNAL AUDIT

Funding arrangements

The SSA envisages release of funds in two instalments every year i.e. April & September, subject to certain conditions being fulfilled. One of the essential conditions is that State Government will maintain investment on Elementary Education at a level not less than that in the year 1999-2000. Further, the State's share to the Mission was to be given within a month of release of Central share.

The level of investment by the State Government during 1999-2000 and thereafter on the Elementary Education is as below:

(Rs. In lacs)		
Year	Budget Provision as per Finance Account	Expenditure
1999-2000	542.11	560.24
2000-2001	608.78	581.96
2001-2002	684.25	666.49
2002-2003	709.51	686.88
2003-2004	741.77	712.26
2004-2005	951.20	360.16 (upto 9/2004)

The level of investment/ expenditure by Haryana Government in Elementary Education as in 1999-2000 has thus been maintained in the subsequent year, which showed ascending trend.

2.1 Fund flow

As would be seen from the details presented in the tables below, fund flow was an area of concern. Funds were released not only late than the prescribed timeframe, these were released in fragmented manner, in several tranches. While this was the position at all levels, the position was specially bad in regard to funds released to districts and more important, sub-district level offices.

The issue of fragmented funds releases and delayed funds releases needs to be addressed urgently as this vitally affects proper programme planning and budgeting and has adverse impact on programme results and achievements.

In the first year of SSA viz. 2001-02, Rs.211.00 lacs were sanctioned by the GOI out of which Rs.75.00 lacs were received by the Parishad in April 2002. The remaining amount of Rs.136.00 lacs was kept by the Haryana Government and was not released to the State SSA Mission during that year but was released in September 2003. In addition State share of Rs.24.00 lacs was also not released to them. In effect, therefore, in the year 2001-02, there were no funds available to the Parishad. The State Government released funds only in 2002-03 as shown below:

2002-03

(Rs. In lacs)

Date of Submission of AWP&B	Date of Approval by PAB	Amount sanctioned	GOI Share		Government of Haryana Share		Gap between amount sanctioned and released	Release of funds to Districts	
			Date of release	Amount	Date of release	Amount		Date	Amount
01.08.02	12-08-02	8138.40	19-3-02 01-7-02 27-9-02	136.00 75.00 <u>2705.28</u> <u>2916.28</u>	19-4-02 30-9-02 30-1-03	24.00 13.24 <u>901.76</u> <u>939.00</u>	4283.12	08-02 12-02 01-03 03-03	182.60 754.02 1060.11 <u>1274.62</u> <u>3271.35</u>
Unspent as on 31-03-03 Rs.1147.00									

2003-04

21-03-03	21-05-03	12119.71	3.7.03 12.3.04	4375.00 <u>2500.00</u> <u>6875.00</u>	12-9-03 25-3-04	1458.33 <u>833.33</u> <u>2291.66</u>	2953.05	04-03 05-03 06-03 07-03 08-03 10-03 11-03 12-03 01-04 02-04 03-04	12.82 66.87 153.77 12.01 1837.67 100.00 173.20 1521.01 1033.94 728.02 <u>2924.00</u> <u>8563.31</u>
Unspent as on 31-03-04 Rs.1772.00									

2004-05

31-3-04	15-7-04	20708.38 Spill over 1686.05	13-8-04 04-2-05	5000 7500	12-10-04 --	1667.00 --	6541.38 (upto 28-2-05)	04/04 05/04 6/04 7/04 8/04 9/04 10/04 11/04 12/04 1/05 2/05 3/05	70.35 189.19 192.52 50.06 3467.52 259.06 952.00 833.50 625.00 125.00 2229.00 851.93
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- The above table reveals huge unspent balances with SPD at the end of the year 2002-03 (Rs.1147 lacs), 2003-04 (Rs.1772.00 lacs). Short release of

funds in such circumstances, needed investigation and corrective measures.

- Funds did not flow as per the prescribed time frame at any level.
- The AWP&B for 2002-03 was submitted late (by 5 months) in August 2002 as against the due date of March. However, the AWP&B for 2003-04 was approved by PAB in May 2003. Funds were, however, released late despite early approval of AWP&B by the PAB in the year 2003-04 (May 2003). The funds were released on 1-7-2002 against which the State share of Rs.13.02 lacs was released on 30-9-2002, i.e. after a delay of three months. The second instalment (Rs.2705.28 lacs) was released in September 2002 against which State share (Rs.901.76 lacs) was released on 30-1-03, after delay of four months. In 2003-04 too, despite early approval of AWP&B, the first release was only in July 2003.

In 2004-05, first instalment of Central Share of Rs.5000 lacs was released on 13.8.04 against which State Share of Rs.1667.00 lacs was released on 12.10.04, after a delay of two months. The second instalment of Rs.7500.00 lacs was released on 4.2.05 against which no State share has been released upto 21.03.05

SIS released funds to districts in four instalments of which Rs.1274.62 lacs was released in March 2003. The funds released in March do not anyway serve the intended purpose.

The second instalment of 2003-04 was released by the Government of India in January 2004 and by the State at the end of March 2004. The SIS released funds to the districts in eleven instalments bulk of these (Rs.2924.00 lacs) in March 2004. Obviously, funds released at the fag end of the year could not be used that year.

Compared to approved outlay of Rs.12119.71 lacs in 2003-04, funds released by the Government of India and the State was Rs.9166.66 lacs – a short fall of Rs.2953.05 lacs. Similarly, during 2004-05, there was a shortfall of Rs.6541.38 lacs in the release of funds by the Ministry and the State (position upto 21st March 2005). The reasons for such big gaps between approved outlays and actual funds release could not be explained by the mission but a look at the financial performance of the State would indicate that the problem lies to a large extent in the inability of the State to spend even the released

money fully as detailed in our analysis of outlay and expenditure in para 2.4 below.

2.2 Delay in disbursement of grants by districts to BRC/ VEC/ VCC, etc.

(i) Gurgaon District

Funds received by the District Project Officer, Gurgaon and their further releases to BRC/ VEC/ VCC, etc. shows (vide table below) that these were in several instalments against the stipulated norm of 2-3 transfers (except in 2003-04). In additions, bulk of the funds were transferred in the month of March further jeopardizing their utilization during the year concerned.

(Rs. in Lacs)

Year	Funds received from State Project Director		Funds transferred to BRC/ VEC/ VCC etc.	
	Month	Amount	Month	Amount
2002-03	09/02	1.00	1/03	14.60
	12/02	22.58	2/03	18.68
	01/03	49.83	3/03	96.81
	03/03	60.00	--	--
	Total			
2003-04	7/03	3.38	9/03	75.81
	8/03	25.00	10/03	5.71
	9/03	75.00	12/03	34.78
	12/03	50.00	1/04	8.70
	¼	11.24	2/04	59.12
	2/04	55.84	3/04	122.05
	¾	110.00	--	--
	3.03.04	64.28	--	--
	Total			
2004-05	8/04	260.68	4/04	2.79
	9/04	4.94	6/04	19.27
	10/04	40.00	7/04	11.72
	11/04	203.44	8/04	96.82
	--	--	9/04	15.93
	--	--	10/04	140.49
	--	--	11/04	31.74
	Total			

(ii) Ambala District

(Rs. in Lacs)

Year	Funds received from State Project Director		Funds transferred to BRC/VEC/VCC etc.	
	Date	Amount (Rs. in Lacs)	Date	Amount (Rs. in Lacs)
2002-03	12/02	37.53	2/03	59.59
	1/03	68.45	3/03	43.53
	Total			
2003-04	8/03	100.00	6,7/03	6.17
	10/03	100.00	9/03	33.86
	12/03	50.00	10/03	66.88
	2/04	30.00	11/03	42.30
	3/04	50.00	12/03	7.57
			1/04	18.65
			2/04	14.25
			3/04	86.75
	Total	330.00		276.43
2004-05 (position upto February 2005)	8/04	150.00	10/04	13.70
	12/04	100.00	11/04	110.35
			12/04	52.15
	Total	250.00		176.20

From the above tables, it would be revealed that there were fragmented releases of funds; besides, a contributory factor for the delay in release of funds to the VECs/ Schools was due to the fact that funds are being transferred by the SPD to the district authorities earlier but the component wise approval is being issued after a time lag of 2-3 months after the release of funds by the SPD to the district authority.

As regards the delay in release of funds for construction of civil works, it was informed by the district authorities that the same was released after obtaining approval of the Additional Deputy Commissioner, who is the Chairman of the District Construction Committee. In villages where there was no branch of any bank there was a delay ranging between 7-15 days in opening of bank account/ encashment of cheques.

2.3 Funds for Pre-Project Activities

For Pre-Project Activities (PPA), the Government of India sanctioned to the State Implementing Society (SIS) of Haryana a sum of Rs.184.61 lacs in three installments as detailed below:

(Rs. in Lacs)			
Sr.No.	Letter reference Government of India/ Ministry of Human Resource Development/ Deptt. of Elementary Education and Literacy, New Delhi	Amount Sanctioned	Date of receipts by SIS
1	F.2-8/2001-Deptt.(EE) dated 27.7.01	130.64	26.2.02
2	F.12-12/2000 DPEP-3/EGS-III dated 7.11.01	23.38	26.2.02
3	F.12-12/2000DPEP-3EGS-III dated 19.8.02	30.59	23.10.02

These funds were meant for use in household surveys, social assessment surveys and community mobilization. The study revealed that the procedure prescribed by the Ministry of HRD in the sanctions were not followed and various deviations made as detailed below:

- (a) Though the amount of Rs.130.64 lacs and Rs.23.38 lacs were transferred to the Haryana State by the Government of India on 27.7.01 and 7.11.01 respectively through RBI, the amount remained with the State Government and was released to the mission only in February 2002 i.e. after 6-4 months of their receipt from the Government of India.
- (b) Despite availability of funds from 26.2.02 only a meagre expenditure on Pre-Project Activities (Rs.41.88 lacs) was incurred upto 31.3.03.
- (c) On 31.3.03 the State Mission transferred Rs.1.00 crore to SIEMAT at Bhiwani by encashing the fixed deposits. Reasons for transferring this amount to SIEMAT were not available. This amount was received back from the SIEMAT in July 2003, which was again invested in the fixed deposits. No explanation was given for this seemingly futile exercise of transferring Rs.1.00 crore to the SIEMAT for a period of 4 months without any purpose.
- (d) The third instalment of Rs.30.59 lacs released by the Government of India vide their sanction dated 19.8.02 was received by the mission on 23.10.02. The funds were to be utilized by 31.3.2003. The Government of India pointed out that display boards have not been installed in most

of the schools and as such allowed to meet the expenditure for purchase of display boards from the unspent balances under PPA.

The team noticed that SPD's office placed orders amounting to Rs.40.88 lacs for purchase of display boards for 2693 Upper Primary Schools with a firm on 29.3.2004. During the visit of the team to the DPCs Offices at Gurgaon and Ambala, it was noticed that some of the Display boards had been received but were lying in stock. The team, during its visit to the 50 schools (25 each in Ambala and Gurgaon distt.) did not find Display Boards installed in any of these schools. In most of the schools visited, no proper door-to-door survey was conducted in the village. In case the survey was done, necessary information were noted in the loose forms and no consolidation in respect of all the household of any village was done and kept in the prescribed register. In the absence of the consolidation of house-to-house survey of each village, the Annual Plans of both these districts could not be considered realistic based on actual data.

2.4 Budget and Expenditure

The table given below indicates the approved outlay for each activity and expenditure incurred against each for the year 2002-03, 2003-04 and 2004-05:

(in Rs. lacs)							
Sr. No.	Name of Component	Approved AWP&B 2002-03	Expenditure	Approved AWP&B 2003-04	Expenditure	Approved AWP&B 2004-05	Expenditure
1	Civil Work	1464.25	326.40	3331.12	3492.65	6654.75	3459.62
2	Maintenance and Repair of School Building	420.20	215.10	610.60	605.15	639.05	623.54
3	Teacher Salaries	515.70	317.78	1095.36	477.46	2490.26	1093.39
4	School Grant	124.62	45.50	273.06	246.46	261.58	257.36
5	Teacher Grant	245.41	67.77	331.23	283.09	339.95	297.65
6	Teacher Training	546.00	158.72	932.06	363.52	1126.45	513.94
7	Community Training	19.99	1.00	33.55	7.53	32.46	3.96
8	Integrated Education for Disabled Children	170.38	8.30	342.58	80.79	341.32	41.96
9	TLE Grant	1409.30	3.63	71.60	1071.41	537.93	133.94
10	Free textbooks	734.78	0.00	1687.83	569.70	2251.44	47.99
11	Management Cost	233.72	6.09	719.27	225.92	1069.94	409.39

Sr. No.	Name of Component	Approved AWP&B 2002-03	Expenditure	Approved AWP&B 2003-04	Expenditure	Approved AWP&B 2004-05	Expenditure
12	Education Guarantee Scheme	174.41	0.00	317.04	0.00	3315.40	62.21
13	Research Evaluation, Supervision & Monitoring	177.17	0.00	191.10	6.17	183.13	3.11
14	Innovative activity for Girls Education, Early Childhood Education	749.90	0.00	950.00	787.35	1184.86	91.22
15	Block Resource Centre	1037.84	0.00	1156.84	308.94	18811.73	466.20
16	Clustre Resource Center	114.73	--	76.48	16.24	154.18	48.83
Total		8138.40		12119.72	8542.37	22394.43	7554.31

Against the approved AWP&B for Rs.8138.40 lacs and Rs.12119.72 lacs for 2002-03 and 2003-04 respectively, funds of Rs.3854.28 lacs and Rs.9166.66 lacs were released by the Government of India and State Government during these years.

Table shows that during 2002-03, no expenditure was incurred on Education Guarantee Scheme, Research Evaluation, Supervision & Monitoring, Innovative Activity for Girls Education, etc. Block Resource Centres and Cluster Resource Centres. Further, nominal expenditure was incurred on Community Training, Integrated Education for disabled Children and Teaching Learning Equipment during that year.

Similarly, no expenditure was incurred on Education Guarantee Scheme for 2003-04 and nominal expenditure was incurred on Community Training, Research Evaluation, Supervision and Monitoring and Cluster Resources Centres.

In 2004-05, we find that the dismal performance in interventions like EGS, research evaluation, community training, integrated education for disabled children continued. Such continued neglect in these important areas, no doubt, affect adversely the quality of education, and programme outcome in general; besides this will definitely impact adversely the programme of bringing back to school out of school children.

(i) **Gurgaon District**

The following table shows the budget provision and expenditure incurred by the District Authority during 2002-03 & 2003-04.

(in Rs. lacs)

Sr. No.	Name of Component	2002-03		2003-04	
		Approved AWP&B	Expenditure	Approved AWP&B	Expenditure
1	Civil Work	9.00	0.00	0.00	1.75
2	Repair & Maintenance	13.45	0.00	54.75	53.65
3	Teacher Salaries	4.20	28.00	5.76	5.76
4	Free Text books	25.50	0.00	133.21	36.83
5	TLE	72.30	0.00	0.00	74.96
6	School Grant	2.50	0.00	21.68	21.46
7	Teacher Grant	7.58	0.00	19.91	19.29
8	Teacher Training	21.29	0.00	55.72	22.86
9	Community Training	0.00	0.00	3.50	0.56
10	Research, Evaluation, Supervision & Monitoring	4.65	0.00	8.67	0.18
11	Innovative activity	45.00	0.00	0.00	0.00
	Computer Education	0.00	0.00	15.00	14.90
	Education for Girls	0.00	0.00	15.00	16.42
	Education for SC & ST	0.00	0.00	10.00	0.47
	ECCE	0.00	0.00	10.00	9.90
12	BRC	26.27	0.00	76.04	34.09
13	CRC	2.32	0.00	4.54	0.12
14	IED	0.00	0.00	15.30	0.44
15	FGS	0.00	0.00	6.34	0.00
16	Management Cost	2.00	0.56	29.00	16.16
Total					0

The table would reveal that inspite of provision of Rs.236.06 lacs in 2002-03, expenditure of Rs.28.56 lacs only was incurred, which was not a satisfactory performance.

On the other hand against the provision of Rs.4.20 lacs during the year 2002-03 for teacher salary, expenditure incurred was Rs.28.00 lacs. The booking of excess teachers' salary has been dealt with separately and commented upon in our report [vide para 6.2(a)].

2.5 Non-Approval of AWP&B by the Executive Committee

The Executive Committee (EC) of the SIS administers the affairs of the society, and it is the responsibility of the EC to ensure that the objects of the society are achieved.

It was noticed that EC did not discuss the Plans for the years 2002-03, 2003-04 and 2004-05. The Project Director did not get approval of the EC before transmission to the Ministry.

2.6 Financial Monitoring & Control

SIS Haryana had not framed any financial rules/ regulations for Sarva Shiksha Abhiyan but was following the relevant State Government financial rules. The EC, however, in its meeting held on 11th August 2004 adopted the Manual of Financial Management and Procurement issued by Ministry of HRD. The SIS has delegated the financial powers to the officers in the SPD's office as well as in the District offices.

SIS is intimating the expenditure component wise provided in the annual work plan/ budget approved by the PAB. At the State Project Office, there is one Chief Accounts Officer with two Section Officers and two accountants. One Section Officer and one accountant are on contract basis. One accountant has been withdrawn from Panchkula district whose salary is being met from the district office. The Chief Accounts Officer and one SO are on deputation from the State Finance Department. There is a shortage of one Internal Audit Officer, two Section Officers/ four Accountants. No other staff having sufficient accounting background is working in the SPD's Office. None of staff working in the Accounts branch has been imparted any orientation training in accounting during the last 2-3 years.

Following deficiencies in accounts were noticed.

2.6.1 Cash book

At State Project Office there were three Cash books, one each for the pre-project funds, Sarva Shiksha Abhiyan funds and National Programme for Education of Girls at the Elementary Level (NPEGEL). No physical verification/ surprise verification of cash balance was conducted at any time for any of the 3 cash books.

2.6.2 Accounting Records

Except maintenance of Cash book, Stock Account & vouchers in support of expenditure, all other particulars on accounts are stored in electronic mode. In the absence of proper and uniform code, the required information was found to be difficult to be retrieved.

2.6.3 Accounting Records not maintained

The following registers/ books of Accounts were not maintained by the SPD office:

- register of money orders and bank drafts received,
- register of remittances made into the bank,
- register of money order, postal order & bank draft despatched,
- register of temporary advances, register of investments.

It was also seen that:

- No valuation in respect of the works completed/ goods including computers received has been worked out in the assets register.
- No record is being maintained to watch the receipt of utilization certificates corresponding to the funds transferred to the district authorities. In effect this means absence of any effective monitoring control on the expenditure.

In conclusion, the maintenance of accounts needs improvement for which immediate posting of adequate trained staff on a long term basis and training in accounts is necessary.

2.7 Internal Audit

The scope and extent of internal audit are given in the Manual of Financial Management and Procurement, which has since been made mandatory. The reports of Internal Audits are to be placed before the EC. During discussions, we were informed that a Section Officer, who is on contract basis, is being sent to field occasionally for a day or two for checking about 10-15 schools. Occasional administrative supervision visits of H.Qrs staff to certain districts for a day or two can not be termed as Internal Audit as envisaged in the scheme/ manual.

Though a post of Internal Audit Officer is sanctioned, it is lying vacant since the inception of Sarva Shiksha Abhiyan. The reports given by the accounts

staff have not been submitted to the EC. In the 22nd meeting of the EC held on 11.08.04 approval for creation of Internal Audit wing under SSA was accorded. No such wing has, however, come into being so far (May 2005). In effect, therefore, no internal audit in the real sense has ever been done. However, statutory audit has been done by the Accountant General (Audit), Haryana, Chandigarh upto the period 31.3.03. Statutory audit for the year 2003-04 is in progress.

Urgent action is called for the constitution of competent Internal Audit Wing. **It can be done either through in-house resources but looking to the experience so far, it may be better and more effective if an external agency competent in the field is given the task.**

2.8 Annual Accounts

As per Rule 2.19 of Rules & Regulations of Haryana Prathmik Shiksha Pariyojna Parishad (HPSPO), it is required to prepare Receipt & Payment Accounts annually. The Accounts so prepared are to be audited by the Chartered Accountant appointed by the Parishad.

Further, Rule 2.20, *ibid*, requires that Annual Report on the working of the Parishad and the work undertaken by it during the year together with Balance Sheet and Audited Accounts shall be approved by the EC and placed before the Annual General Meeting of the Parishad. After approval by the General Body, these shall be submitted to the State Government, which will furnish one set, thereof to the Government of India not later than six months from the close of the financial year i.e. by September 30 each year.

The HPSPP submitted the Annual Audited Statement of accounts for the year 2002-03 to the Government of India in February 2004 after getting the approval of EC i.e. after a delay of five months.

Annual Audited statement of Accounts for the year 2003-04 has been submitted to the Ministry in December 2004 i.e. after a delay of 3 months but without getting the approval of EC. During discussion, the Chief Accounts Officer assured that necessary approval of the EC will be obtained in the next meeting.

2.9 Non-approval of appointment of Chartered Accountant

The HPSPP has appointed the Chartered Accountant for the audit of annual accounts after following the procedure laid down in Manual of Financial Management and Procurement and the terms of references of its appointment are also in accordance with the provision contained therein. However, the Parishad appointed the Chartered Accountant under the order of the SPD but no approval of the EC has so far been obtained.

2.10 Outstanding advances to outside agencies/ department

2.10.1 On scrutiny of trial balance with relevant records, it was noticed that huge advances made to outside agencies/ department are lying unadjusted/ unrecovered. The details of these advances as on 31.03.2004 are as under:

Director, NCERT	5752410.00
HARTRON (Haryana Electronic Corporation)	24033962.00
M/s Steel Furnitures, Chandigarh	21875.00
Department of Printing & Stationery	40519845.00
Institute of Development com	162668.00
SME, Central Works	101137.00
NPEGEL	4320000.00
Kurukshetra University, Kurukshetra	331625.00
Controller, Printing & Stationery	39909.00
MDHRDF Board	13700.00
Jat Sabha, Chandigarh	3600.00
Metro Motors	10100.00
R H Mech	33278.00

Urgent action is needed for their adjustment.

2.10.2 In addition to above, the staff members had also been paid advances, as detailed below, which are still outstanding (May 2003) and need to be recovered/ adjusted at the earliest:

Sharvan, Clerk	5069.00
Rishi Pal, CT	5364.00
Raj Kumar, Driver	133.00
Hitesh Sharma, Steno	218.00
Renu, DSE Subject Specialist	600.00
Rajesh, Driver	4690.00
Desh Raj, Peon	4122.00
Sanjeev Kumar, Peon	6500.00
Ajay Dhanial, DSE Cashier	10000.00
KK Jha, DEO	150.00
Om Parkash, Peon	1500.00
Tejinder Kaur	40000.00
Total	.00

2.10.3 Advance register showing advances to outside agencies/ deptts and staff members is required to be maintained to keep a watch about the adjustment of advances so granted. No such separate register has been maintained. During discussion the project office informed that adjustment of advances was being watched through ledgers. The advance register is to be maintained as per para 74.1 of Manual on Financial Management & Procurement (SSA) and the next higher authority above the authority who released the advances is to strictly monitor the adjustment of advances. These requirements are not being followed.

2.11 Accounts maintenance at District Level

2.11.1 Gurgaon District

In respect of funds transferred to schools, blocks, VECs and VCCs, etc. these are initially treated as advances and on receipt of the utilization certificates through the block officer, component wise expenditure is being booked at the District Head Quarters. The expenditure in respect of all the blocks is compiled and necessary information thereof is supplied to the State Project Director's Office during the monthly meetings.

Utilisation Certificate

Utilisation Certificate for Rs.89,86,579 were awaited as on 31.12.04 out of this Rs.23,85,450 related to the year 2002-03 and remaining amount of Rs.66,01,129 related to the year 2003-04.

2.11.2 Ambala District

(i) Staff Position/ Completion of Accounts

In the District Project Coordinator office no Accountant has been posted and as such the cash book, preparation of Accounts etc. is being manned by the Section Officer only.

(ii) Cash Book

In the District Project Office, Ambala, 7 cash books were being maintained in respect of the funds related to SSA activities. The district office had opened 7 accounts in different banks in Ambala as detailed below:

Sr. No.	Name of the Bank	Bank Account No.	Closing balance as per cashbook (In Rs.)	
			31.03.04	31.12.04
1	PNB, Court Road	8929	1052567.00 (-) 192911.00 wrongly includes Rs. 192911.00 being sundry creditors	18523.00
2	PNB, Model Town	22576	105147.00	4094.00
3	PNB, Model Town	384781	1344565.00	195246.00
4	State Bank of Patiala	10507	350585.98	7054.72
5	OBC	15300	2574174.00	70366.00
6	Union Bank of India	14097	231287.00	703.16
7	Canara Bank	61750 (opened on 26.8.03)	0.00	1543734.00

The District Project Coordinator has, however, now closed the accounts with the 6 banks. Cash book maintenance was not satisfactory upto June 2004 but cash book is now being maintained on the double entry system (26th August 2004).

(iii) Non-maintenance of Accounts Records

The following records/ registers were not maintained by the District Project Office as required as per provisions of the Manual of Financial Management and Procurement:

- Ledger,
- Journal,
- Register of Journals, Magazines & News papers,
- Register of temporary advances,
- Register of Money-orders & Bank Drafts received,
- Register of remittances made into the Bank,
- Register of Money orders, Postal Orders & Bank Drafts dispatched,
- Establishment Register,
- Register of Capital Goods, Non-consumable articles, Consumable articles,
- Register of works,

- Register of grants, Advances given to agencies, NGO's/ Voluntary Agencies,
- Fixed Assets Register,
- Register of investments, Classified Accounts of the Project, Monthly accounts of receipts and expenditure,
- Temporary Advances Register of (i) Staff (ii) Contractors/ Suppliers/ VCCs (iii) TA/ DA advances,
- File Register,
- Consolidated Register indicating progressive expenditure.

2.11.3 Shortcomings noted/ record maintenance in schools/ VEC

The Study Team visited 25 schools, each in Gurgaon & Ambala districts and noted the following shortcomings/ deficiencies in the maintenance of Accounts records:

- (i) In almost all the schools, Cash Book has not been opened in the proper form and maintained properly. The Cash Books were neither totalled and closed, nor the cash balance tallied with Banks, with the result that the entries in the Cash Book could not be traced in Bank Pass Book. The contribution from the Village Panchayat/ Donor's etc. were also not found recorded in the Cash Book. It was also observed that the Cash Book was neither checked by the BEO, nor any officers from DEO Office. The teachers incharge stated that they were not imparted training in writing Cash Book and other allied accounts records. The training of teachers in accounts needs to be given a priority. Also it is necessary that during their supervisory visits, the BEO/ DEO offices carry out a check of account records also.
- (ii) Payment exceeding Rs.500 were made by cash while these were to be made by cheques.
- (iii) Paid vouchers were not defaced by stamping 'Paid and Cancelled'. The details of expenditure incurred were not got approved from the Village Construction Committee.
- (iv) Material-at-site account, which is required for accountal of the materials brought for the construction work was not maintained in any of the school visited by the Team.

- (v) The Stock Register (both consumable and non-consumable) were not properly maintained.
- (vi) No Assets Register has been maintained by any of the Schools.

CHAPTER-III

CIVIL WORKS AND INFRASTRUCTURE

3.1 Execution of Works

The investment on civil works was to be limited to 33% of the Project Cost. The SSA norms also stipulates certain norms for execution of civil works and all proposals should conform to those norms and all other conditions. For execution of construction works, it is essential that while preparing the Annual Work Plan & Budget (AWP&B) school-wise plan should be prepared so that the funds should be allocated as per actual needs. The State SSA mission has its own Engineering Cell, which is, headed by one Executive Engineer at the Head Office. At each district Head Office, one SDO has been posted alongwith one or two JEs for smooth execution and monitoring of works. In each school, there is one Village Construction Committee (VCC) for execution of civil works upto Rs.15.00 lacs. The VCCs are empowered to purchase material of good quality for which at least 3 quotations are required to be obtained to determine the reasonability and competitiveness of the rates.

The Government of India after appraisal of the Plan for the year 2002-03 approved budget provision for Rs.8138.40 lacs against which funds released were Rs.3854.28 lacs (including State share of Rs.939.00 lacs). Similarly, during 2003-04 against the approved budget outlay of Rs.12119.72 lacs, funds amounting to Rs.9166.66 lacs were released. The expenditure during 2002-03 and 2003-04 was Rs.326.40 lacs and Rs.3047.59 lacs respectively on civil works.

The tables below indicate the target of construction, funds released, physical achievements and expenditure as on 31.03.2003 and 31.03.2004. Component-wise expenditure for 2004-05 was not made available by the SPDs office:

Table-‘A’
Year 2002-03

(Amount in Rs. lacs)

S. No.	Component	Unit Cost	Physical Target	Financial Outlay	Works Completed as on 31.03.03	Works Progress as on 31.03.03	Expenditure
1	Construction of BRC	6.00	19	114.00	2	17	23.33
2	Construction of CRC	2.00	86	172.00	2	84	26.85
3	Construction of New						
	Primary Schools	3.00	48	144.00	--	48	48.25
	Upper Pry. Schools	5.00	123	615.00	--	123	39.50
4	Buildings for building less						
	Primary Schools	3.00	32	96.00	4	28	34.98
	Upper Pry. Schools	5.00	11	55.00	--	11	21.50
5	Construction of Additional rooms						
	Primary Schools	1.50	--	0.00	--	--	70.08
	Upper Pry. Schools	1.50	--	0.00	--	--	15.00
6	Toilets	0.08	1955	156.40	235	1720	28.38
7	Drinking Water	0.12	932	111.84	84	848	18.53
Total							0

Table-‘A’
Year 2003-04

(Amount in Rs. lacs)

S. No.	Component	Unit Cost	Spill over 2002-03	Target 2003-04	Total Column of 4+5	Works Completed as on 31.03.04	Works Progress	Financial Outlay 2003-04	Expenditure	Percentage / Remarks
1	2	3	4	5	6	7	8	9	10	11
1	Construction of BRC	6.00	17	27	44	47	--	162.00	323.60	3 works in excess of AWP&B completed
2	Construction of CRC	2.00	84	15	99	65	34	30.00	51.44	66%
3	Construction of New									
	Primary Schools	3.00	48	73	121	46	75	219.00	266.03	38%
	Upper Pry. Schools	5.00	123	88	211	29	182	440.00	224.43	13.5%
4	Buildings for building less									
	Primary Schools	3.00	28	78	106	22	84	234.00	89.51	20.5%
	Upper Pry. Schools	5.00	11	32	43	2	41	160.00	129.10	4%
5	Construction of Additional rooms									
	Primary Schools	1.50	--	1036	1036	583	701	1554.00	1271.83	45%
	Upper Pry. Schools	1.50	--	248	248			372.00	527.82	
6	Toilets	0.08	1720	937	2657			1577	1080	
7	Drinking Water	0.12	848	663	1511	906	605	78.16	78.62	
Total:								3331.12	3047.59	

The percentage of the completed works ranged between zero to 12 per cent during the year 2002-03 which shows negligible construction activity during the year. However, during 2003-04, the percentage of completed works, ranged between 4 to 60 percent, though funds were not the constraints in both these years since large unspent balances, were available under the SSA.

As per the SSA norms, construction of civil works is to be taken up only when there is a provision in the Annual Work Plan & Budget and PAB has accorded approval for that component of civil works. The team, however, noticed that during the year 2002-03 an expenditure of Rs.85.13 lacs (Kurukshetra – Rs.58.55 lacs, Jhajjar – Rs.5.23 lacs, Yamuna Nagar – Rs.6.35 lacs and Rewari – Rs.15.00 lacs) for the construction of additional rooms was incurred whereas there was no provision in the Annual Plan of that year for this component of the civil works. Thus, Rs.85.13 lacs was irregular to spend as there was no budget provision.

As per Manual on Financial Management and Procurement of SSA, the funds are to be released in two instalments and the second instalment of 50% remaining funds is to be released only when at least 50% of the first instalment has been spent. SIS, Haryana, however, is releasing the funds for construction of civil works in four instalments as detailed below:

- (i) 50% for initial works
- (ii) 35% roof level
- (iii) 15% Flooring
- (iv) 5% after completion

During discussions, the teachers, stated that the last instalments of 5 per cent is being met by them from their pockets or by taking material on credit. There is always abnormal delay in the release of the last instalment. The status report of the civil works being carried out in Ambala district for the year 2003-04, confirm the above statement. Out of 105 works already shown as completed, last instalment of 5 per cent was still to be released in respect of 85 works. In response, the District Project Coordinator stated that delay in the release of last instalment of 5 per cent is due to the fact that some components like fixing of chowkhats, panels of cupboards, plinth protection and terracing etc. are still to be due and the last instalment would be released, as and when these components are completed. The reply of the DPC Ambala is not tenable as he

himself has shown these works as completed in the Status Report supplied to the team. The team, thus felt that the release of funds in four instalments affects the completion of the works in time. **Government of India may consider the desirability of asking the SSA Haryana for releasing the funds in two instalments as per SSA norms.**

3.2 Construction of BRC in excess of the provisions in AWP&B

During 2003-04, the SSA Haryana had completed the construction of 3 BRC centres in excess of the provision in the AWP&B. The Department should have utilized these funds in respect of components included in the AWP&B instead of spending the money for works not included in the AWP&B.

3.3 Other irregularities/ omissions

Other irregularities/ omissions noted are as under:

- (i) The grant for construction of additional rooms @ Rs.1.70 lacs per room was paid to such schools, which never required/ asked for such grants as sufficient rooms as per norms, were already available with those schools. The Teachers informed that the grants were received without consulting them. In this connection, GPS, Jandali (Block Ambala-I), GPS, Mashonda (Block Ambala-II), GPS, Rupa Majra (Block Ambala-III), GPS, (Girls) Jharsa (Gurgaon Block) deserve mention. It was further noticed that there was acute shortage of rooms in certain schools, but no grant for construction of Additional Rooms had been given during the last three years. In this connection, GPS, Bulana (Boys) Ambala Block-I, GPS, Bulana (Girls) Ambala Block-I, GPS, Solanki, Gurgaon district, deserve mention.
- (ii) The Annual Plan for the year 2002-03, 2003-04 and 2004-05 included provision of Rs.111.84 lacs, Rs.78.16 lacs and Rs.159.08 lacs, respectively for providing drinking water facilities @ Rs.12000 per school during 2002-03 & 2003-04 and Rs.15000 during 2004-05 was made. Rs.1.05 crores and Rs.1.00 crore were released to various VCCs in August and December 2004 respectively but construction works in respect of none of these units has started so far (February, 2005). The Department in response to our inquiry stated that the work could not be started due to the shortage of bricks and work will start as soon as the bricks were available in the market.

CHAPTER-IV

UTILIZATION OF VARIOUS GRANTS

4.1 Teacher Grant

SSA envisaged procurement of Teaching Learning Materials such as work books, teachers' guide, teaching aids, learning aids, education kits, supplementary reading material etc. which were helpful in delivering the curriculum to all students in the class-rooms. The State Government was required to assess the type, availability, suitability and usability of existing material. Largely the funds were found to have been spent but there were aberrations as regards the items purchased. General aberrations noticed in the use of this fund, during visit to schools, were related to non-display of material to the students, purchase of material not relevant to the students curriculum/ use, purchase of identical material by all the teachers, etc. Some of the teachers had kept the TLM at their residence instead of at the school for fear of being spoiled by the students. We feel that the distribution of this grant is generally reckoned as an annual incentive to teachers as the same is not being used properly for enhancement of the educational skill of the children for whom it was meant. **The amount individually is too small also, we suggest that the teacher grant in each school be pooled to prepare/ buy specific modules collectively each year as decided by VEC which can be used best for some years.**

4.2 Repair & Maintenance Grant

As per SSA norms, grant of Rs.5000 per year per school is to be given to VECs on specific proposal received from the School Committee. It was also enjoined that these grants must have element of community contribution. Further, there would be no distinction between major and minor repairs and were to be carried out within Rs.5000 per year.

We observed during the school visits that the grant was being issued to all the schools in routine without obtaining any requirements from the VECs. The grant received during the last three years was mostly spent on white washing, repair of roofs, repair/ replacement of doors and windows, etc. After having a

close look in respect of the school buildings specially in Gurgaon district where white washing was shown to have been done, it appeared that no white washing of the outer/ inner walls had been done for the last two/ three years. The team also noticed that there was no rationale in releasing the repair and maintenance grant at a uniform rate of Rs.5000/- per school irrespective of the size of the building. For instance there was only one classroom and one store in GPS (for girls) Balana (Ambala District) whereas in GPS, Jundali (Ambala District) there were six rooms but in both the cases grant of Rs.5000 was released.

We also noted that two different schools were functioning in two shifts in the same building but the repair and maintenance grant was being given to both, the schools for the upkeep of the same building. **Some rationalisation in the disbursement of this grant is called for in the light of above examples.**

4.3 School Grant

As per financial norms under SSA, school grant at the rate of Rs.2000/- is to be given to all the Primary/ Upper Primary Schools for replacement of non-functional school equipment. The said grant was to be spent by the VEC, Primary Schools and Upper Primary Schools functioning from the same premises are to be treated as separate schools for the purpose of school grant.

During our visits we noticed that the schools had spent the school grant mostly on purchase of chairs, tables, utensils, etc. The grant was also (mis) utilized towards whitewashing, repair of buildings, doors & windows, etc. treating it as a part of maintenance grant. Some of the teachers were of the view that this grant was meant for beautification of schools. No grant register showing the date of receipt of the cheques, name of the authority from whom the cheques were received and purpose/ objective for which the grant was received was maintained by any school.

No monitoring of the utilization of the funds received by the schools has ever been done by the SPD's Office/ District Coordinators Office/ Block Resource Centre/ Cluster Resource Centre.

4.4 Teaching Learning Equipment grant (TLE)

The SSA framework provides TLE of Rs.10,000/- to newly opened Primary Schools and Rs.50,000/- to newly opened Upper Primary Schools.

Para 28.2 of the Manual on Financial Management & Procurement of SSA clarifies that the TLE in respect of Primary School is admissible only for setting up of new Primary Schools and not admissible for existing uncovered Primary Schools under Operation Black Board (OBB) Scheme. However, Upper Primary Schools uncovered under the OBB are admissible for the grant of TLE subject to their furnishing a certificate to the effect. Further, as per SSA norms, TLE in both the cases is to be procured as per local specific requirement and the involvement of teachers and parents for selection and procurement of TLE was required. The VEC was to decide on best mode of procurement.

During checking of the records of the SPD's Office, it was noticed that supply order for procurement of TLE items worth Rs.240.23 lacs were issued directly without taking the requirement from the schools/ blocks/ district authorities. During field visit the team noticed that TLE viz. Model Science Kits, Microscope, Weighing Balance, etc. were lying in almirahs of the schools for want of infrastructure. During interaction with the teachers it was recalled that neither any requirement for the purchase of these items were asked for nor sent by them to the higher authorities. The purchase of TLE items without involving the VEC/ Schools would seem to be against the objectives for implementation of SSA. During checking of the records of the District Project Coordinator Ambala, our team noticed that Animal Safari (learn and play English A to Z 26 pieces Dianosaur) worth Rs.10,00,000 were purchased and issued to all the BEOs for further issue to the Primary Schools. Since there were only seven newly upgraded Primary Schools (six during 2002-03 and one during 2003-04) in Ambala district TLE items issued to the remaining 547 schools in the districts was clearly against the norms under SSA.

CHAPTER – V

SCHOOL EDUCATION – SOME KEY FACTORS

5.1 Out of School Children

The Project Approval Board (Ministry of Human Resource Development), Government of India in its 53rd meeting held on 9th June 2004 observed that Haryana State has shown 3.41 lacs children out of schools whereas GE/R value in respect of Gurgaon and Sirsa District provided in the Annual Work Plan/ Budget were very low, as low as 71.15 and 76.91 at Primary Level respectively, which implies that number of out of school children should be very high. Since there was a wide gap between these figures, it was suggested that the State should stabilize the figures of out of school children.

During team's visit to 50 schools (25 each in Gurgaon and Ambala District), it was noticed that in many cases no house to house survey of 6-14 years age group children was ever conducted or if conducted by school authorities its findings were kept in loose forms and no consolidated records in respect of the village as a whole had been kept.

Non-conducting of proper house to house survey and non-maintenance of consolidated record in proper form in the schools inspite of availability of huge funds under pre project activities puts to doubt the sanctity of figures in respect of out of school children as shown in the Annual Work Plan/ Budget and the same could not be authenticated.

5.2 Planning

The SSA Programme, envisages bottom up approach of planning for assessing and creating infrastructure for quality education based on the felt needs of the people at the grass root level. It further envisages that the district plan must have large-scale participation of human and other disadvantaged groups in the planning process, and that the need based plans be formulated at village and school level after close interaction among community and the schools.

During our school visits we noticed that the process of formulation of annual plan for the year 2002-03, 2003-04 & 2004-05 was limited to the collection of statistical data in the prescribed format, which was, consolidated block-wise.

The consolidated block wise data was sent to the DPC Office for onward transmission to SPD Office. The state plan of these three years were prepared on the basis of basic data of the schools collected but without community participation, as the team did not find any evidence in the villages visited of any plan or even suggestion etc. formally communicated to the BEO/ DPC by the VEC's. During team's interaction with the VECs members/ teachers, it transpired that at no stage their views or requirement were ever obtained. It would be factually more accurate to try that these Annual Plans eventually emanated from district level only and this participatory approach was missing.

5.3 Innovative Activities

Sarva Shiksha Abhiyan framework envisages innovative activities for girls education, early childhood care and education, intervention for children belonging to SC/ ST communities, computer education specially for the Upper Primary level. The innovative grant of Rs.15.00 lacs is to be given for such innovative activity subject to maximum of Rs.50.00 lacs per district per year. For 2002-03, budget of Rs.749.91 lacs was provided under the head Innovative Activities. Against this no expenditure was incurred on any of the activities mentioned above during that year. However, an advance of Rs.217.40 lacs was given to M/s HARTRON Ltd. (Haryana Electronic Corporation), Chandigarh in February 2003 for procurement of computers and allied accessories.

The following table shows the provisions made against various innovative activities and expenditure incurred there against during 2003-04 & 2004-05:

(in Rs. lacs)					
Sl. No.	Name of Innovative activity	2003-04		2004-05	
		Provision in the AWP&B	Expenditure incurred	Provision in the AWP&B	Expenditure incurred
1	Computer Education	285.00	321.73	283.10	48.93 upto Nov. 2004
2	Education for Girls	285.00	283.67	278.00	
3	Education for SC/ST	190.00	64.27	192.00	
4	Early Childhood Care and Education(ECCE)	190.00	117.68	196.90	
	Total	.00		.00	

The above table shows that during the year 2003-04 the excess expenditure of Rs.36.73 lacs on Computer Education was met by diverting the unspent

balances of other Innovative activities. 1184 computers along with other accessories have so far been received in 296 Upper Primary Schools. The Financial achievement on Education for SC/ ST during 2003-04 was just 34 per cent

During 2004-05 against the provision of Rs.950.00 lacs for the Innovative activities only Rs.48.93 lacs has been spent upto November 2004. Bifurcation of the expenditure during 2004-05 i.e. activity wise was not available with the SPD's office.

5.4 Integrated Education for Disabled Children

As per Manual on Financial Management & Procurement of SSA, EGS centres at Primary level would be opened in unserved habitation where no school exists within a radius of one km and at least 15 children in the age group of 6-14 who are not going to schools are available. In exceptional cases i.e. remote areas, EGS schools could be supported even for ten children within the overall cost, norms of the scheme”.

As per appraisal report of the SSA Haryana State for the year 2002-03, there were about 3.47 lac out of school children of 6-14 years of ages. Provision of Rs.174.41 lacs and Rs.317.04 lacs for enrolment of 20650 and 44525 children were made during the years 2002-03 and 2003-04 respectively but no EGS centres were opened during these school years and as such the entire funds of Rs.491.45 lacs (Rs.174.41 lacs and Rs.317.04 lacs) remained unutilized. The physical achievement during the first two years of implementation of SSA was, therefore, nil.

Against the provision of Rs.3356.79 lacs (Rs.1845.27 lacs for Primary and Rs.1511.52 lacs for Upper Primary) for the year 2004-05 on EGS centers for enrolment of 3,20,668 children, only 1348 centres covering 35750 children has been allotted by incurring expenditure of Rs.62.21 lacs (upto 2/05). The physical/ financial achievements even during the year 2004-05 was thus about 11 per cent/ 1.8 per cent respectively upto February 2005.

5.5 Quality of Implementation of Programme – supervisory visits

One of the conditions of further release of funds by the Government of India is that Quality of Implementation justifies the release of funds. The Sarva

Shiksha Abhiyan framework envisaged visits of supervisory teams by the National/ State mission once in six months for overall assessment before processing the release of second instalment. The team would be constituted by the national mission in partnership with the State. As per norms, four visits will be conducted during 2002-03 & 2003-04.

During discussion with the department it was intimated that supervision was carried out by the State team but no representative of the National Mission or team, however, visited the State for this. The constitution of the team locally constituted or their schedule of visits with reports, if any, was not supplied to the team. There is need to strengthen the supervisory missions with close coordination between National Mission and State Implementation Society for better results.

Gurgaon/ Ambala Districts

The District Project Coordinators, Gurgaon and Ambala informed during discussions that due to heavy workload, it was not possible for them to make inspections of the schools. At the block level, though 63 and 49 posts of Assistant Block Resource Coordinator have been created in Gurgaon and Ambala Districts respectively, but only 23 ABRCs each in these districts were in position. The District Project Coordinators informed that due to non-availability of the staff, the inspections at block level are also not generally being conducted.

This obviously is a weak area requiring urgent attention.

5.6 Teacher Pupil Ratio

“Frame work for implementation of SSA” – envisaged providing of one teacher for every 40 children in Primary School and at least two teachers in a Primary Schools. The teacher pupil ratio in the 50 schools of Gurgaon & Ambala district visited by study team revealed that there was considerable gap in the deployment of teachers in the schools. In GPS (girls), Mokalwas, GPS (girls), Hali Mandi Pataudi, GPS (boys), Hali Mandi, GPS (boys), Mokalwas of Gurgaon district the teacher pupil ratio was almost 1:9 whereas in Government Girls Primary School, Kakrola, GPS, Jharsa, GPS, Ullawas of the same district, the teacher pupil ratio varies from 1:44 to 1:59.

Similarly in GPS Roopamajra of Ambala District, the teacher pupil ratio was 1:15 where as in the GPS Saunda, Babyal, GPS Bullana of the same district, the teacher pupil ratio varies from 1:47 to 1:59. It appears that some rationalization of the system of deployment of teachers in Government Schools is called for.

5.7 Mid-Day Meal Programme

In Haryana State Mid Day Meal Programme in the shape of providing food grains i.e. wheat, grain & rice at the rate of 1/ ½ kg per child per month was introduced in the year 1995. However, from January, 2002 the State Government started giving cooked meals viz. Khichri, Wheat Chana, Bakali etc. in lieu of food grains to children studying in two blocks of Kaithal and Faridabad I of the Faridabad district and five Blocks of Tauru, Nuh, Nagina, Punhana & Ferozpur Zirka of Gurgaon District.

On August 15, 2004 the State Government decided to provide cooked meal in lieu of food grains in all the Primary Schools of the State with slight changes in the menu viz. Daliya, Kichri, Sweet Rice, Polau & Bakli. In Sohna Block of Gurgaon District we were informed that stock of food grains for almost one year was lying with all the schools of the block and a decision has now been taken (January 2005) by DPEO for immediate distribution of food grain for ten months to the children in addition to the cooked meals.

In Ambala district the team noticed that no cooked meal was being served from the first week of February 2005 in GPS (Girls), Babyal, GPS (Boys), Babyal, GPS, Jandali, GPS, Bhari and GPS, Ramgarh. On being enquired it was stated by the Head Teacher concerned that cooked meal was not being served for want of ration.

From the above it would be clear that in the case of Gurgaon District (Patuadi and Sohna Block) issue of wheat grain/ rice in addition to the cooked meals was in violation of the State Government instructions, whereas, in the case of Ambala district not providing of cooked meals to the students indicates that the scheme was not implemented as per Government guidelines.

The team during their visit to Ambala and Gurgaon District interacted with teachers and parents and came to the conclusion that one of the most important reasons for sending the children by the weaker sections of society in the

schools is the mid day meal. Some of the parents/ teachers suggested cooked meals in packets as is being provided in Delhi Administration should be made available in Haryana State also. They were of the opinion that the supply of packed cooked meal would definitely attract more children for admission to Government Schools.

5.8 Supply of free text books to all the girls and SC/ ST boys

As per the framework for implementation of SSA, free text books are to be provided to all girls, SC/ ST boy students of Primary and Upper Primary Level within upper ceiling of Rs.150 per child. It has further been mentioned that in case where free text books are already being provided to these categories of students under State Plan, State Government would continue to fund the free supply of text books under that State Plan Scheme.

In the State of Haryana under a scheme called “Book Banks” introduced during the year 1975-76, students belonging to SC and economically weaker sections of society are given Text Books free of cost in the beginning of the academic session on returnable basis at the end of academic session so that the same set of books could be issued to the next batch of students. Since SC boys and girls were already being provided free text books under “Book Banks” Scheme, only non-SC girls were eligible for free text books under SSA. The HPSPPP being the State Agency to look after the implementation of SSA incurred an expenditure of Rs.569.70 lacs during the year 2003-04 for supplying of free text books to all girls and SC/ ST boys. Expenditure from SSA funds for SC girls/ SC boys as explained above was not covered under SSA norms (and was thus unauthorized to that extent, primarily because free text books to these categories of the children was to be continued to be supplied from State Book Bank Scheme already in existence. Class-wise details of non-SC girls eligible for free text books and the number of books received back from the students after the end of academic year, which were issued under “Book Banks” scheme was not available with the Department and as such exact financial impact involved could not be worked out.

From the supply bills received from Printing & Stationery Department and the details of books pertaining to primary classes, it transpired that the cost of one set of books in respect of primary classes was far below Rs.150/- the

maximum ceiling limit under SSA. The cost of set of class-wise books is detailed as under:

Class	Cost of books
I	Rs.24.40
II	Rs.40.50
III	Rs.55.00
IV	Rs.81.00
V	Rs.97.00

Average cost of each class text books = Rs.60/-

On this basis the actual claim to be obtained from Government of India worked out to Rs.452.27 lacs against the claim of Rs.1130.67 lacs submitted and obtained from Government of India. This resulted in excess claim of Rs.6.78 crores.

(Class-wise details of non-SC girls alongwith the class-wise/ category-wise details of SC/ ST girls and the boys students for the year 2003-04, 2004-05 were not available with the Mission.)

The scrutiny of records further revealed that advances amounting to Rs.231.4 lacs were paid to the Printing & Stationery Department, Haryana during the years 2002-03 & 2003-04 for printing of text books out of which a sum of Rs.74.08 lacs was still with that Department.

Gurgaon & Ambala Districts

During field visit the team noticed different practices regarding supply of the books e.g. in some of the schools viz. GPS, Kakrola, Manesar, Gurgaon, GPS, Indra Colony, Gurgaon, GPS, Ullawas Sohana, GMS, Sonda Ambala-I, Government Sr. Secondary School, Jalbera, Ambala, free text books were being given to all the students and in other cases these are given to all girls and SC boys only. BEO, Sohna, Gurgaon Distt. informed that under Book Bank Scheme, free text books were being supplied to all categories of students and were taken back after the completion of academic year. However, they informed that no supply of text books under the scheme have been received since 1994 i.e. from the date of introduction of DPEP.

A peculiar feature noted was that text books were received in batches and the full set of books were not handed over to the eligible students at the start of

each academic session. Thus books were received in July 2004, October 2004, December 2004 & January 2005. During interaction with some of the parents of the children studying in those schools complaints about delayed issue of books to their wards was made. Some of the books were issued as late as in October 2004 and January 2005. Apparently, distributional aspects of the text books is mismanaged.

In Nagina Block in Gurgaon District and Block-II in Ambala District, the team noticed that 1746 and 7000 books pertaining to VI to VIII class and Class VII, respectively were lying in stock. This shows that the requirement of books were not being worked out realistically before placing the orders with the Printing & Stationery Department.

CHAPTER-VI
OTHER INTERESTING ASPECTS
HAVING FINANCIAL IMPLICATIONS

6.1 The Number of Primary and Upper Primary Schools approved by PAB for opening during 2002-03 and 2003-04 and that actually opened are as under:

Year	Type of School	Approved	Opened	Shortfall	Remarks
2002-03	Primary School	83	83	--	--
2003-04	-Do-	176	176	--	--
2002-03	Upper Primary School	235	126	109	--
2003-04	-Do-	108	105	3	--

During discussions with Chief Accounts Officer/ Project Specialist it transpired that these new Primary and Upper Primary Schools represent the upgraded branch schools to new primary schools and some of the primary schools have been upgraded to Upper Primary Schools. The branch school means where there exists a Primary School in a village and in the adjoining small village/ locality if there are 10 to 15 children between the age group of 6-11 years then on the request of village panchayat a teacher from the main primary school is diverted to teach the children in the adjoining village/ locality provided the accommodation is made available by the village panchayat. These schools are also called building less primary schools. The teachers so diverted continue to draw salary from the main schools.

We noted on scrutinizing the district-wise list of new schools that in 2002-03 though the number of Primary Schools opened was as per approved plan, there were deviations in four districts.

In respect of Upper Primary Schools, the number of schools opened were 126 against the projected 235 schools. Further, there were wide deviations in respect of all the districts except Kaithal.

In 2003-04, the number of school opened was almost as per approved plan, 176 Primary and 105 Upper Primary – there were deviations in ten districts

(Primary) & 16 districts (Upper Primary). Deviations in the approved plan needs to be ratified by the PAB.

6.2 Irregular drawal of salaries of teachers from Sarva Shiksha Abhiyan funds

- (a) Frame work for implementation of Sarva Shiksha Abhiyan Programme provides that the salaries of newly appointed teachers in newly created primary schools and upgraded primary schools be charged to SSA funds. Therefore it does not permit to accommodate salaries of already in-service teachers deployed or transferred to posts created under Sarva Shiksha Abhiyan. In other words the salaries of existing teachers shall continue to be the liability in the regular budget of the State while that of newly recruited additional teachers as per Sarva Shiksha Abhiyan norms alone is to be met from Sarva Shiksha Abhiyan funds.

In Haryana on the conversion of branch schools to primary schools, and up-gradation of primary schools the existing teachers salary have also been debited SSA funds. As no recruitment of teachers has been made under Sarva Shiksha Abhiyan, the charging of their salaries in respect of these schools teachers to Sarva Shiksha Abhiyan funds is open to question. (The expenditure was Rs.3.18 crore and Rs.4.77 crores during 2002-03 and 2003-04 respectively). The foregoing facts are brought to the notice for specific decision of the Government of India.

While checking records of Gurgaon District the above position was confirmed as the salaries of six existing teachers transferred to the newly upgraded Primary Schools were charged to SSA funds.

We have also noted that the annual accounts for 2003-04 contains a certificate from the State Project Director, Haryana indicating that:

“The expenditure against teachers’ salary has been incurred by way of depositing the amount in the State Treasury. The amount of salary has been calculated as per the provision in the approved Plan.”

This makes the matters more confusing. The SPD did not, unfortunately, respond to our repeated queries on this aspect.

Government of India may like to seek clarification.

(b) Similarly the existing teachers in the Haryana State have been appointed as Assistant Block Resource Coordinators (ABRC's) and transferred to the various BRC's during 2003-04. Their salaries amounting to Rs.2.92 crores have been charged to SSA funds. As these teachers were already drawing their salaries from the State plan and were not freshly recruited, the charging of this expenditure to SSA was to be borne by the State Government.

While checking record of Gurgaon district the above position was confirmed as the salaries (Rs.34.02 lacs) of teachers appointed as ABRC's from amongst the existing teachers have been charged to SSA.

CHAPTER-VII

TRAINING

7.1 Training of teachers

To improve the quality of education and to ensure professional development of teachers following in-service training is being provided:

- 20 days for trained teachers in service,
- 60 days for refresher course for untrained teachers,
- 30 days orientation course for fresh recruits.

The Haryana Government did not project in its Annual Plan for 2002-03 and 2003-04 any funds for 60 days' refresher course for untrained teachers. However, provision for Rs.17.47 lacs for imparting training to newly recruited 470/ 778 teachers was provided in the AWP&B for the year 2002-03 and 2003-04, yet no training during these two years was provided to the newly recruited teachers. Deputy Director (TT) informed that there was no system of appointing untrained teachers.

In-service training of teachers approved in the Annual Plan and achievements are as under:

Year	Approved		Achievement	
	Physical	Financial	Physical	Financial
2002-03	58000 for 20 days	546.01	56956 for 12 days	158.73
2003-04	65798 for 20 days	921.17	57072 for 13 days	363.53
2004-05	67897 for 20 days	950.57	66700 for 12 days	255.06 upto 11/04

From the table it is clear that shortfall in the training programme is quite significant.

The expenditure ceiling for training programme is Rs.70 per teacher per day. The mission claimed the budget accordingly. The expenditure figure for 2002-03 and 2003-04 indicates total unit cost for non-residential training would be much lower.

It is also suggested that in-service training may be given at one stretch instead of in piece meal.

7.2 Gurgaon District

While checking the records of the District Project Coordinator it was seen that no training was imparted during 2002-03 and in 2003-04, it fell short of the programmed number of days.

In service training of teachers at Gurgaon District approved in the Annual Plan and achievement thereagainst was as under:

Year	Approved		Achievement	
	Physical	Financial	Physical	Financial
2002-03	--	21.29	--	--
2003-04	3846 for 20 days = 76920 units	55.72	3461 for 15 days = 51915 units	22.86
2004-05	In progress			

The achievement in respect the training imparted in service teachers was to the extent of 67.5 per cent

7.3 Ambala District

No training was imparted during the year 2002-03 inspite of the budget provision of Rs.13.23 lacs during that year. During 2003-04 against the budget provision of Rs.45.53 lacs, an expenditure of Rs.15.02 lacs was incurred for imparting training to Master Trainers/ Teachers in-service. The achievement of training programme in respect of financial terms was only above 33 per cent.

7.4 Community Training

In respect of training to VEC's members, there was a provision of Rs.2.40 lacs during 2003-04 against which an expenditure of Rs.0.17 lac only was incurred. This low level of expenditure on grass root level training itself speaks of the unsatisfactory state of affairs in the training of community leaders, which has a direct impact on their involvement in the preparation of village annual plans.

7.5 Role of SCERT and other support agencies

The question of imparting training was also discussed with the Director, SCERT, Gurgaon (on 18th January 2005) who informed that no funds for training to VEC members were provided by SSA to them even though they are

in a position to impart such training. We were also informed that the SCERT is not being involved by the SSA in the preparation of training programmes to the in-service teachers. We feel that the SCERT should get involved since they have capacity and are in a position to impart training to the VEC members/ teachers in-service and the SSA office is clearly unable to cope with training requirements of teachers/ village community leaders.

Similarly we got impression that the role of DIET in training as also in evaluation has not been significant in Haryana. Their involvement will definitely improve the qualitative aspects and capacity building of SSA personnel including community leaders training.

CHAPTER–VIII

PROCUREMENT

8.1 Procurement Procedure

Executive Committee of HPSPP accorded approval in August 2004 for following the procurement procedure laid down in the Manual on Financial Management and Procurement issued by Ministry of HRD, but the same is yet to be implemented. The Parishad is meanwhile following the procurement procedure of the Haryana Government As per this procedure, purchases in respect of all Government Department for more than Rs.5.00 lacs are being made from the firms on rate contract with Director, Supplies & Disposal (DS&D), Haryana after getting approval from the High Powered Purchase Committee headed by the Chief Minister, Haryana.

A scrutiny of some purchase records made available to us revealed the following irregularities in purchase:

- (a) The SPD office approached the High Powered Purchase Committee for procurement of 7000 steel almirahs for their distribution to DPEO's/ BEO's schools without enquiring the requirement from them. Purchases were approved from the following firms:

Sl.No.	M/s.	Nos.
1	M.S. Steel Furniture, Chandigarh	1450
2	R. H. Machatronics, Panchkula	1000
3	Chandigarh Industries, Chandigarh	2070
4	A. M. Technologies, Panchkula	2480

While according approval for the purchase, the Committee decided that since the financial year was drawing to close, the rate contract/ supply order be issued directly without waiting for the security deposit and in the rate contract/ supply order itself, the firms be asked to deposit the security within fifteen days and the payments to the firms for the materials to be received was to be released only after receipt of security amount from them. On receipt of the proceedings of the Committee SPD, SSA placed supply orders on 31.3.2003 in favour of all the above firms for supply of 7000 numbers almirah, at a cost of

Rs.3,60,25,000 without levying the condition regarding deposit of security as desired by the Committee. All the 19 district project offices were made as consignees.

During the team's visit to District Project Coordinator's office, Ambala and to various schools, it was noticed that in addition to the supply of steel almirahs against the supply orders issued by the SPD, they had already procured some steel almirahs from local market out of the school grant. In order to avoid any blockage of funds as well as unnecessary purchase, the SPD office, therefore, should have obtained the requirement of steel almirahs from all the levels before approaching the High Powered Purchase Committee.

- (b) The HPSPP, with the approval of the State Government, decided to allot bicycles to girl students of 6th Class in whose cases there was no middle school in their village and the same was located at a distance of more than 2 kms. The expenditure on this account was to be met out of the funds of Rs.2.85 crores earmarked during 2003-04 under Innovative Activities-Education for girls.

In order to avoid the lapse of the budget grant, the Department proceeded hurriedly by issuing the supply order on 30.3.04 in favour of M/s ATLAS & Co., Sonapat for the purchase of 19000 lady bicycles with whom rate contract was entered into by Director, Supplies & Disposals, Haryana on 27th March 2004, without assessing the actual requirement taking into account the number of such girl students in each village.

Simultaneously, with a view to avoid lapse of funds, SPD got prepared 38 Bank drafts of Rs.7.95 lacs each in favour of M/s ATLAS Cycles on 31st March 2004. These drafts remained in the custody of SPD office and only on 25th February 2005 i.e. after 11 months of their issue by the bank, two drafts, each of Rs.7.95 lacs were handed over to all the 19 District authorities for further issue to the firm after completion of supply of bicycles even though their validity had expired.

The perusal of the rate contract/ supply order has revealed that there was no penalty clause in respect of the defective material, if supplied by the firm and also the weight of 18"-20" bicycles was not mentioned.

On receipt of certain complaints from the consignees that the weight of some of the cycles supplied by the firm was not in accordance with the sample deposited by the firm with the tender, the High Powered Committee in its meeting held on 23rd December 2004 decided to make a deduction of Rs.50 for each under weight cycles. Since there was no penalty clause either in the rate contract or in the supply order, it is doubtful if the recovery of Rs.50 for each under weight cycles can be effected. Moreover, the SPD has already sent bank draft of Rs.15.90 lacs to each of the 19 districts and, therefore, it is not clear as to how the district authorities will make payment where the requirement of cycles is less than 1100.

The two purchase cases detailed above, clearly indicate serious irregularities in the procurement. It is also clear that purchases were approved in great haste to allow SPDO the retention of lapsable grant in the shape of bank drafts. **This is a matter that the Government of India may look into.**

- (c) The main aim of this centrally sponsored scheme is to provide useful and relevant elementary education for all children in the 6th to 14th age group and also to bridge social, regional and gender gaps, with the active participation of the community in the management of schools. With this aim in mind, certain conditions were prescribed in the framework for SSA for procurement of TLE items for the schools. The requirement of TLE item was to be determined by the teachers/ VEC and the VEC is to decide the best mode of procurement in consultation with teachers.

By ignoring all the above basic principles for implementation of SSA, the SPD office directly approached the DS&D, Haryana for procurement of following TLE items for 2693 uncovered upper Primary Schools:

Sl.No.	Name of TLE items	Date of rate of contract by DS&D	Date of issue of supply order	Amount (Rs. In lacs)
1	Microscope with condenser	27.3.04	31.3.04	37.70
2	Display Borad	19.3.04	29.3.04	40.88

Sl.No.	Name of TLE items	Date of rate of contract by DS&D	Date of issue of supply order	Amount (Rs. In lacs)
3	Drawing Board	19.3.04	29.3.04	20.87
4	Gas Stove	9.3.04	29.3.04	23.43
5	Model Science Kits	27.3.04	31.3.04	52.51
6	Glass ware	25.11.03	12.12.03	23.91
7	Physics Kits	29.3.03	29.3.03	40.93
Total				

Non-observance of the basic norms for implementation of SSA i.e. for non-involvement of schools, teachers, VECs in selection/ procurement of TLE items thus defeated the basic purpose for which the scheme was meant.

The team visited the office of the District Project Coordinator, Gurgaon and found that all the TLE items received from the various firms were lying in stock (as on 31st January 2005). In the DPC office, Ambala, it was found that the drawing boards, display boards and gas stoves were also lying in stock (February 2005). The team further visited 25 schools in Ambala district out of which 5 were middle schools. In all the these 5 middle schools viz. Shahpur (BEO-II), Jandli (BEO-I), Sonda (BEO-I), Sullar (BEO-III), Singhanwala (BEO-III), the TLE items received by them were found to have been dumped in almirahs.

The entire purchase of TLE items apart from being irregular has not resulted in any operational advantage for the SSA and instead the investment seems to be waste.

- (d) In order to avoid lapse of funds, the SPD gave an advance of Rs.1.29 crores vide DD No. 234127 dated 13.3.04 (Rs.90.00 lacs) and 234128 dated 13.3.04 (Rs.39.00 lacs) to NCERT for the supply of integrated Science Kits. As per record, the Science Kits are to be supplied approximately in two years i.e. upto 31.3.06. Almost one year has already lapsed, not even a single batch of integrated Science Kits has so far been received. On being enquired whether the NCERT is a manufacturing unit of integrated Science Kits, the Store Purchase Officer showed his ignorance about the same. No reply to the enquiry

made by the team on the issue has been given inspite of written as well as verbal requests. Since the power to award contract for the procurement of stores above Rs.5.00 lacs vests with the High Powered Purchase Committee, the action of the SPD for placing an order of Rs.1.29 crores was also not in conformity with the State Government Procurement Procedure.

- (e) A scrutiny of records maintained by DPC-cum-DEO Ambala revealed that purchases in respect of the following items were made from M/s Ambala Cooperative Store Ltd., Ambala Cantt. without obtaining/calling quotations/ tenders from the suppliers/ manufacturers on the plea that Ambala Cooperative Store Pvt. Ltd. was an approved source:

Sl.No.	Year of purchase	Amount (in Rs. Lacs)	Items purchased
1	2003-04	2.15	Water Campers 20 lt. capacity
2	2003-04	5.00	Dynasor Puzzles
3	2003-04	5.00	Animal Safari for learn to play English A to Z 26 pieces.
4	2003-04	5.00	Animal Safari for learn to play English A to Z 26 pieces.
Total			

The action of the DEO office was not correct as the Ambala Cooperative Store Pvt. Ltd. is neither a declared approved source for these items nor it is manufacturing or dealing in these items.

While placing the orders, the DPC Ambala failed to verify the competitiveness of rates as the system of open tendering was not adopted nor had the DPC otherwise ensured the correctness of rates vis-à-vis quality by forming a committee of experts.

8.2 Early Childhood Care and Education (ECCE)

As per Prospective Plan (2003-07) of SSA Haryana, a unique programme for village enrolment assistance, who are semiliterate ladies from the same villages to act as bridge between the schools and Village Communities was launched. They were also to act as teachers in the absence of regular teachers. Play way activity based booklet on ECCE were also developed and sent to all

Anganwari Centres for effective utilization. It was also mentioned therein that 6807 Anganwari Centres in DPEP districts had been provided educational kits, tat patti, weighing machines and other playing materials.

While checking the records of DPC, Gurgaon, which was a DPEP district, it transpired that 701 durries worth Rs.9,89,856 (cheque No.781589 dated 15-04-04) were purchased from Haryana Khadi & Village Industries, Bhiwani and supplied to the various Anganwari Centres in the district. No requirement had ever been obtained from the Anganwari Centres. Moreover, as per Prospective Plan (2003-07) Tat Patti had already been provided to all the centres in the DPEP district and as such the expenditure incurred on procurement of durries without obtaining requirement from the centres was unwarranted.

8.3 National Programme for Education of Girls at Elementary Level (NEPGEL)

The new programme, NPEGEL, is a part of SSA to be implemented with a distinct identity. The scheme is applicable in educationally backward blocks where the level of rural female illiteracy is less than the National Level and the gender gap is above the National average.

In Haryana State, 27 blocks in ten districts were recommended under this scheme and a supplementary plan for NEPGEL was projected. The PAB in January 2004 approved the outlay of Rs.109.59 lacs for Haryana State. As against an amount of Rs.41.10 lacs (75% of 50% of Rs.109.59 lacs), the Government of India released Rs.20.55 lacs on 12th March 2004 since it was the last quarter of the year. The Government of Haryana released their share of Rs.6.85 lacs on 31st March 2004. The total amount released by Centre/ State was Rs.27.04 lacs.

The Government of India in December 2003 prior to the release of funds in March 2004 intimated that implementation of the scheme should start immediately as approved and pending release of grants from Government of India resources for the purposes may be drawn from the SSA funds. The funds so drawn were to be adjusted subsequently on receipt of funds under NEPGEL. Against the release of Rs.27.40 lacs an expenditure of Rs.53.83 lacs

was incurred. The excess expenditure of Rs.26.43 lacs was met from SSA interventions.

During 2004-05 funds amounting to Rs.196.55 lacs were received from Government of India on 20-08-2004 and Haryana Government share Rs.65.52 lacs received on 12-10-2004. Against this, the SPD released funds to the district authorities amounting to Rs.335.07 lacs by diverting the SSA funds of Rs.73.00 lacs to NEPGEL and incurred expenditure of Rs.91.26 lacs upto October 2004. The details of expenditure were, however, not available with the SPD's Office.

Block-wise list of Schools

Sl.No.	Name of School	Block
1	Government Middle School, Jaoli	Pataudi
2	Government Primary School, Jaoli	Pataudi
3	Government Primary School (Girls), Hailly Mandi	Pataudi
4	Government Primary School (Boys), Hailly Mandi	Pataudi
5	Government Primary School, Kakranla	Manesar
6	Government Primary School (Girls), Manesar	Manesar
7	Government Primary School, Pukherpur	Manesar
8	Government Primary School (Boys), Makalwas	Manesar
9	Government Primary School (Girls), Makalwas	Manesar
10	Government Primary School, Bhajanki	Tauru
11	Government Primary School (Boys), Bhajanki	Tauru
12	Government Primary School (Boys), Kalwary	Tauru
13	Government Primary School (Girls), Kalwary	Tauru
14	Government Middle School, Kalwary	Tauru
15	Government Primary School (Girls), Badshahpur	Sohna
16	Government Primary School (Boys), Badshahpur	Sohna
17	Government Primary School, Hazipur	Sohna
18	Government Primary School, Salani	Sohna
19	Government Middle School, Ullawas	Sohna
20	Government Primary School, Ullawas	Sohna
21	Government Primary School (Boys), Hazipur	Sohna
22	Government Primary School (Girls), Jharsa	Gurgaon
23	Government Primary School (Girls), Kanhai	Gurgaon
24	Government Primary School, Indra Colony	Gurgaon
25	Government Middle School, Sumaspur	Gurgaon

Block-wise list of Schools

Sl.No.	Name of School	Block
1	Government Middle School, Jandhi	Ambala-I
2	Government Secondary School, Jalbera	Ambala-I
3	Government Primary School, Jalbera	Ambala-I
4	Government Primary School, Dhurkhira	Ambala-I
5	Government Sr. Secondary School, Bulana	Ambala-I
6	Government Primary School (Boys), Bulana	Ambala-I
7	Government Middle School, Sonda	Ambala-I
8	Government Primary School, Sonda	Ambala-I
9	Government Primary School (Girls), Bulana	Ambala-I
10	Government Primary School, Jandli	Ambala-I
11	Government Primary School (Girls), Shahpur	Ambala-II
12	Government Primary School (Girls), Ramgarh	Ambala-II
13	Government Primary School (Boys), Bobyal	Ambala-II
14	Government Middle School (Boys), Shahpur	Ambala-II
15	Government Primary School (Boys), Dalipgarh	Ambala-II
16	Government Primary School (Boys), Shahpur	Ambala-II
17	Government Primary School, Mashonda	Ambala-II
18	Government Primary School (Girls), Babyal	Ambala-II
19	Government Primary School (Girls), Ahama	Ambala-III
20	Government Primary School, Bhari	Ambala-III
21	Government Middle School, Sullar	Ambala-III
22	Government Primary School, Rupamajra	Ambala-III
23	Government Primary School, Boh	Ambala-III
24	Government Primary School, Singhwala	Ambala-III
25	Government Middle School, Singhwala	Ambala-III

ANNEXURE – B

ORGANISATIONAL CHART

