

**CHAPTER-III
PERFORMANCE AUDITS**

WOMEN AND CHILD DEVELOPMENT DEPARTMENT

3.1 Implementation of National programme of nutritional support to primary education (mid-day meal scheme)

Highlights

Review of implementation of National Programme of Nutritional Support to Primary Education i.e., Mid-Day Meal Scheme (MDM) during the period 2003-08 in the State revealed accumulation of unspent balance with implementing agencies, disinterest of school children in MDM due to single menu, absence of community participation and suffered from non prioritisation of health related programmes and inadequate infrastructure. Instances of theft of food grains, pilferage and misappropriation were noticed in audit. Flawed payments of transportation and supervision charges were also detected. Absence of appropriate internal controls at various stages including monitoring and supervision affected the implementation of the programme. Required impact evaluation was not done.

❖ **During 2003-08, actual expenditure of Rs 448.97 crore was less than the assistance of Rs 660.01 crore received from Government of India. In the districts and blocks test checked, of Rs 237.60 crore provided under the programme during the period Rs 49.18 crore remained unspent.**

(Paragraph 3.1 2.2)

❖ **Cases of short account of rice worth Rs 1.81 crore, excess payment of transportation of Rs 1.02 crore, misappropriation of 33506 quintals of rice worth Rs. 3.68 crore and delayed delivery of 2.09 lakh quintals of rice were noticed.**

(Paragraph 3.1.3)

❖ **Kitchen facilities were not available in 35330 schools, constructions of kitchen wherever taken up did not confirm to the GOI prescribed norms.**

(Paragraph 3.1.4 and 3.1.4.1)

❖ **The implementation of scheme was marred by delayed implementation, disruption, non-provision in drought affected districts, non-provision of required quantity of dal and eggs, loss of teaching hours, absence of community participation.**

(Paragraph 3.1.5.1, 3.1.5.2, 3.1.5.3, 3.1.5.5, 3.1.5.7 and 3.1.5.8)

❖ **The MDM could not increase and sustain the enrolment and attendance, check up of health status and hygienic conditions of cooking and serving were not observed.**

(Paragraph 3.1.6.1, 3.1.6.2, 3.1.6.3 and 3.1.6.4)

* Abbreviations used in this performance review have been expanded in Glossary of abbreviations at pages 234 to 238

❖ External evaluation of implementation was not carried out. No action was taken on deficiencies on implementation of the scheme observed through internal assessment. Supervision and inspections at various levels were short of targets due to lack of man power. State, district and Block level monitoring committees were not effective in absence of regular meetings. Progress reports on implementation were not received regularly and analysed.

(Paragraph 3.1.7.1 to 3.1.7.5)

3.1.1.1 Introduction

The National Programme of Nutritional Support to Primary Education known as Mid-day Meal (MDM) scheme, a centrally sponsored scheme, was under implementation in the State since August 1995 to provide cooked noon meal to primary school students of class I to V of all Government and Government aided schools all over the State for at least 210 days in a year. The scheme intended at increasing (a) enrolment, (b) retention and (c) attendance while improving the nutritional status of the children with special attention to be given to children belonging to disadvantaged sections. The coverage of the scheme in the State for various types of schools over a period of time is as detailed in the table below:

Period of implementation	Coverage of schools	Mode of distribution of rice/quantum of rice used in cooked food
August 1995 to August 2004	Government and Government Aided Primary Schools	Three kilograms of rice per child per month to be distributed. Cooked food was served from July 2001 onwards in schools of all 80 blocks of the eight KBK ¹ districts and 74 ITDA ² blocks of Non-KBK districts at the rate of 100 grams of rice per child per school day for which the State Government provided cooking cost of 58 paise per child / day. Extended (April 2002) this facility to schools in three blocks of Boudh district.
September 2004 onwards	Extended to all Government and Government Aided Primary Schools and EGS Centres of the State	Serving of cooked food at the rate of 100 grams of rice per child per school day with provision of cooking cost of Rs 1.58 per child / day (GOI : Rupee one and State Government : 58 paise increased to 64 paise from (October 2005) which increased (September 2006) to Rs 2.14 (GOI : Rs 1.50 and State Government : Rs 0.64 paise).
October 2007 onwards	Extended to Upper primary schools of 172 Educationally backward Blocks in 22 districts	Serving cooked food at the rate of 150 grams of rice per child per school day with provision of cooking cost of Rs 2.64 (GOI : Rs 2.00, State Government 64 paise).

3.1.1.2 Organisational set up

In the State, the scheme was implemented by the Women and Child Development (WCD) Department headed by a Director, Social Welfare under overall supervision of the Commissioner-cum-Secretary of the Department. At the district level the scheme was implemented by the District Social Welfare Officers (DSWOs), Additional District Social Welfare Officers (ADSWOs), at

¹ Kalahandi, Nuapada, Bolangir, Sonepur, Gajapati, Nawarangpur, Rayagada and Koraput

² ITDA : Integrated Tribal Development Agency

the sub-division level by the Sub-divisional Social Welfare Officers (SSWOs) and at the Block level by the Block Development Officers (BDOs) respectively assisted by the Social Education Organisers (SEOs) of the Department.

The responsibility for cooking in 50 *per cent* of the primary schools is assigned to women self help groups (WSHG) as of March 2008.

3.1.1.3 *Audit Objectives*

The objectives of the performance audit were to verify that:

- the financial management was efficient and effective;
- requisition, allocation, receipt and utilisation of food grains were made timely and efficiently;
- infrastructure facilities such as kitchen-cum-stores and kitchen devices were adequate;
- the programme management was effective to ensure serving of cooked meals of quality and of the prescribed calorific value;
- impact of the scheme on improving enrolment, attendance and retention of the students in primary schools / EGS centres besides improving the nutritional and health status and
- the system of management, monitoring and evaluation (MME) was effective

3.1.1.4 *Audit Criteria*

Following were the audit criteria used for the performance audit:

- Annual work plans, Budget release orders of State Government, sanction orders of GOI;
- Norms prescribed for utilisation of rice and guidelines issued by GOI;
- Norms prescribed by GOI to get the reimbursement of the cost of transportation of food grains;
- Norms prescribed for infrastructural development of the scheme;
- Quality assurance norms of food for serving mid-day meal;
- Statistics maintained by the Orissa Primary Education Programme Authority (OPEPA) on enrolment, retention and attendance in schools and performance indicators/programme parameters for assurance of nutritional status; and
- Prescribed monitoring mechanism.

3.1.1.5 *Scope of audit and methodology*

The performance audit on implementation of the Scheme covering the period 2003-08 was conducted during January to May 2008 through test check of records of the WCD department and seven out of the 30 DSWOs of the State

selected by adopting circular systematic sampling and 140³ schools in the seven selected districts. Besides, four education guarantee scheme (EGS) centres and ten primary schools in rural areas and two EGS centres and four primary schools in urban areas from each selected district were selected with random sampling without replacement. Thus, in all 20 primary schools/EGS centres were selected in each district. In addition, records of three DSWOs⁴ were also test checked.

Interviews to elicit information at school level were also conducted by interviewing 652⁵ beneficiaries and 543 parents in 132 schools to ascertain the impact of the programme implementation.

The audit objectives were discussed (8 April 2008) in an entry conference and results of audit in exit conference (24 September 2008) with Commissioner-cum-Secretary, WCD department. The outcome of the discussion has been suitably incorporated.

Audit Findings

The components of the scheme are cooking cost, food grains like rice and dal, infrastructure viz. kitchen-cum-stores and kitchen devices for cooking, preparation and distribution of cooked meal and management, monitoring and evaluation. The cooking cost included cost of dal and its transportation cost, vegetables, eggs, oil, condiments, fuel and supervision charges of the WSHGs. The results of the Performance Audit on the above components are presented in the succeeding paragraphs.

3.1.2 Funds management

3.1.2.1 Funding pattern

Government of India (GOI) support was provided by way of supply of free food grains through Food Corporation of India (FCI). The GOI provided transportation charges for transportation of rice from the FCI depot to the school point up to Rs 50 per quintal till September, 2004 and Rs 75 per quintal thereafter and assistance of Rs 60000 per school for construction of kitchen-cum-stores. The GOI also provided one time assistance of Rs 5000 to each school during 2006-08 for purchase of utensils and cooking devices. While the cooking cost was shared by both the GOI and the State Governments, expenses on infrastructure and MME were met by the GOI.

3.1.2.2 Budget provision and expenditure

Budget provision made by the State Government for the GOI assistance as well as the State funds meant for cooking cost, construction of kitchen sheds, kitchen devices and provision for MME etc. were allotted to the DSWOs who in turn, transferred the funds to the BDOs concerned for utilisation by the

³ Out of 140 schools selected in audit, 132 schools were actually audited since eight EGS Centres were closed by orders of the Government from May 2007.

⁴ Mayurbhanj, Balasore and Sambalpur

⁵ Boys-345; Girls-307

schools / WSHGs as per their requirement for implementation of the programme in the schools.

During 2003-08, the State Government received GOI assistance of Rs 660.01 crore towards cooking cost (Rs 378.06 crore), kitchen sheds (Rs 248.46 crore), kitchen devices (Rs 26.36 crore) and MME (Rs 7.13 crore). The release and utilisation of funds under the programme during 2003-08 were as below:

(Rupees in crore)

Year	GOI assistance received	Budget Provision			Funds released			Expenditure			Savings
		Central Plan	State Plan	Total	Central Plan	State Plan	Total	Central Plan	State Plan	Total	Total (Percentage)
2003-04	Nil	Nil	16.00	16.00	Nil	9.49	9.49	Nil	9.34	9.34	6.66(42)
2004-05	73.56	33.41*	19.30	52.71	13.01*	19.87	32.88	12.23*	19.25	31.48	21.23(40)
2005-06	20.12	121.30*	80.90	202.20	66.51	80.90	147.41	67.63	67.04	134.67	67.53(33)
2006-07	226.52	137.67	67.19	204.86	137.67	52.71	190.38	126.17	47.79	173.96	30.90(15)
2007-08	339.81	246.36	67.19	313.55	246.36	54.05	300.41	242.94	52.16	295.55	18.00(6)
Total	660.01	538.74	250.58	789.32	463.55	217.02	680.57	448.97	195.58	645.00	144.32(18)

*Includes Additional Central Assistance and Prime Minister's Gramodaya Yojana funds

The total expenditure incurred on the scheme under Central and State plan was less than the GOI assistance received

It would thus be seen that against the GOI assistance of Rs 660.01 crore received during 2003-08, the budget provisions under Central Plan during the period were only Rs 538.74 crore and the amount released by the State Government was still less at Rs 463.55 crore. However, the total expenditure incurred on the scheme under Central and State Plans amounted to Rs 645 crore, which was even less than the GOI assistance received during the period indicating that the State virtually did not contribute anything of its own in real monetary terms. Following deficiencies and irregularities were noticed in utilisation of funds in audit:

Nature of irregularity	Audit findings
Huge unspent funds lying in bank accounts	In the ten districts and nineteen Block level offices ⁶ test checked, out of Rs 237.60 crore drawn during 2003-08, Rs 49.18 crore remained unspent with them at the end of February/March 2008. These amounts were parked in the Current/Savings Bank accounts in contravention to Financial Rules and reported as utilised to GOI.
Unrealistic provision for transportation cost of dal	The State Government earmarked 10 paise per beneficiary from the cooking cost for transportation charges of dal for delivery at school point. Accordingly transportation cost for one quintal of dal works out to Rs 500 which was higher by Rs 425 - Rs 450 in comparison to transportation cost of rice being borne by the GOI at the rate of Rs 50 to Rs 75 per quintal. On being pointed out, the State Government reduced allocation for transportation cost of dal in the cooking cost to two paise with effect from September 2007. The higher allocation resulted in accumulation of unspent balances with the implementing agencies. These funds could have been used for other components of the cooking cost for providing better meals to the beneficiaries.

⁶ Districts: Khurda, Cuttack, Ganjam, Sundargarh, Baragarh, Bolangir, Sonapur, Mayurbhanj, Balasore and Sambalpur.

Blocks : Agalpur, Bolangir, Belapada, Gudvella, Khaprakhole, Patnagarh, Puintal, Saintala, Titlagarh, Bahanaga, Baliapala, Basta, Bhogarai, Jaleswar, Nilagiri, Oupada, Remuna, Soro and Balasore Sadar.

<p>Excess reimbursement of transportation charges</p>	<p>As per the scheme guidelines, the GOI was to reimburse the actual cost of transportation of food grains from the nearest FCI godown to the primary schools subject to a prescribed ceiling of Rs 75 per quintal. The DSWOs, Ganjam and Mayurbhanj claimed transportation charges at maximum ceiling instead of amount actually required leading to an excess claim of Rs 41.80 lakh and Rs 68.42 lakh respectively during 2003-08 which remained unspent. The WCD Department did not ascertain the unspent balances before allocation of funds and no accountability had been fixed for such wrong claims.</p>
<p>Avoidable liability of Value Added Tax (VAT)</p>	<p>Under the MDM scheme, the FCI provides food grains to the State Government, the cost of which is reimbursed by the GOI to FCI at subsidised BPL rate of Rs 565 per quintal. The State Government had exempted the food grains supplied by the FCI under the MDM scheme from levy of sales tax. However, with the introduction (2004-05) of value added tax (VAT) in the State, the Government had not exempted MDM rice from levy of VAT at four <i>per cent</i>. As a result, the FCI had also been charging VAT on differential price, i.e. purchase price of Rs 1100 per quintal reduced by subsidised central issue price of Rs 565 per quintal from the DSWOs since January 2007. This had attracted liability of Rs 2.37 crore towards VAT on differential cost of rice at the rate of Rs 535 per quintal on 11.07 lakh quintals of rice lifted during January 2007 to March 2008. The State Government stated that the decision to exempt levy of VAT was pending with the Finance Department (May 2008).</p>
<p>Excess payment of supervision charges to WSHGs</p>	<p>The State Government handed over the cooking activities to Women Self Help Groups (WSHGs) in primary schools with a view to easing the burden on teachers. The WSHGs were to be paid 30 to 40 paise per beneficiary per school day for cooking and serving. Thereafter, the Government issued revised orders (December 2005) for making monthly payment at the rate of Rs 500 per month to WSHGs in schools having enrolment up to 50 students and up to a ceiling of Rs 1100 for schools having enrolment of more than 50 students. The above rates included remuneration of Rs 200 to a cook and Rs 100 payable to a helper engaged for cooking. It was however, noticed that the BDOs under the jurisdiction of DSWOs, Bolangir and Sonepur paid honorarium of Rs 300 per month to cooks and helpers over and above the supervision charges to the WSHGs in the schools having enrolment of more than 50 students resulting in excess payment of Rs 36.52 lakh during October 2005 to March 2008. The DSWO, Baragarh also made payment at the flat rate of Rs 1100 to WSHGs running schools with enrolment of more than 50 students resulting in excess payment of Rs 62.14 lakh.</p>

3.1.3 Management of food grains

The WCD department indented their requirement of food grains to GOI for the next session as per actual enrolment of students as of 30th September of the academic year by 31 January each year. The GOI conveyed the district wise allocation to the WCD department and the Food Corporation of India (FCI) by 28th February of the year. In turn, the WCD department released district-wise allocation in favour of DSWOs for onward distribution to schools through respective blocks month-wise with intimation to Food Corporation of India (FCI). Allocated food grains lifted by the transport agencies engaged by the

DSWOs from FCI godowns were delivered to Block godowns from where the food grains were transported to school points.

Audit observed the following irregularities in management of foodgrains:

Nature of irregularity	Audit findings
Discrepancy in the quantity of rice lifted from the FCI godowns	Scrutiny of records of the WCD Department and information furnished by FCI revealed that the lifting of rice as per department records was 21.80 lakh quintals as against the FCI booking of 21.96 lakh quintals during 2003-05 leading to short account of 0.16 lakh quintals of rice worth Rs 1.81 crore. Discrepancy was not reconciled (May 2008).
Excess payment to transport agents	The DSWOs engaged Transport Agents (TAs) for lifting rice from FCI and delivery at Block points for schemes of Supplementary Nutritional Programme (SNP) under the Integrated Child Development Scheme and MDM. It was seen that in Khurda ⁷ , Balasore ⁸ , Mayurbhanj ⁹ and Sambalpur ¹⁰ districts, the contracts were awarded at higher rates for transportation of MDM rice as against the lower rate at which SNP rice was transported from FCI depots and delivery at Block points despite goods to be lifted and distance to be covered were same. This led to excess payment of Rs 1.02 crore in respect of MDM rice transported in these districts during 2003-08 as detailed in <i>Appendix-3.1</i> .
Misappropriation of rice by the storage and transport agents	<ul style="list-style-type: none"> ❖ The Storage and Transport Agents (STAs) appointed by the Collectors lifted the allocated rice from the FCI and transported the same to different blocks and to school points. When rice was lifted from the FCI, the total quantity delivered was weighed in a lot irrespective of the number of bags and recorded in the release order of rice (ROR). But during delivery at the school point, rice was delivered not under weight system, but treating each bag as containing 50 kg of rice. In the process, the STAs during 2004-08 lifted 34.84 lakh quintals in 70.32 lakh bags but actually delivered 69.69 lakh bags containing 34.53 lakh quintals. Acknowledgment were, however, obtained from the school points for 34.84 lakh quintals resulting in misappropriation of 31,397 quintals worth Rs 3.45 crore vide <i>Appendix - 3.2</i>. MDM in-charge of two schools¹¹ admitted (July 2007) that they received less quantity of food grains as compared to standardised weight of the bags. The Government stated that steps were being taken to have weighing machine by the transport agents while distributing rice. ❖ The DSWO, Bargargh issued way bills (in triplicate) against the rice to be lifted by a transport agent from FCI depots for delivery at different blocks. However, the agent delivered less rice at the blocks than the quantity actually lifted from the FCI. This became possible by following a method of recording less quantity of rice in the copies of way bill available in the Block office than the actual quantity recorded in the same copy of way bills available in the DSWO's Office. This facilitated misappropriation of 1952 quintals of rice worth Rs. 21.47 lakh as detailed at <i>Appendix - 3.3</i>.

The Transport agents misappropriated rice worth Rs.23.20 lakh

⁷ During the period from June 2002 to March 2006 (Rs 17.65 lakh)

⁸ During the period from September 2003 to March 2008 (Rs 49.58 lakh).

⁹ During the period from October 2003 to September 2006 (Rs 27.40 lakh).

¹⁰ During the period from October 2003 to September 2006 (Rs 7.64 lakh).

¹¹ Nidhipur PS and Kantabada UGUP School of Khurda.

	❖ In Bolangir district the STA had lifted 157 quintals of rice worth Rs 1.73 lakh from FCI during 2003-08 on different occasions but did not deliver the same at block point. The DSWOs stated that matter would be investigated.
Delayed delivery of rice by the STAs	As per instructions (October 2001) of WCD department, the STAs were to deliver rice lifted from the FCI depots to all the Blocks on the same day of lifting. Review of stock registers along with way bills of DSWOs of Balasore and Bolangir and gate passes issued by the FCI depot showed that the STAs engaged for lifting rice from FCI to block points delivered 2.09 lakh quintals of rice worth Rs 22.96 crore at different blocks with delays up to 220 days ¹² during 2003-08. The gate passes issued by FCI during delivery of rice to the transport agent were not obtained by DSWO, Balasore for record and reconciled with way bills issued and the DSWOs failed to monitor timely delivery of rice in Blocks.

3.1.3.1 Quality assurance

The programme guidelines provided that the district collectors will ensure issue of foodgrains of fair average quality (FAQ) by FCI after joint inspection by a team consisting of FCI and a nominee of the Collector. The State Government issued instructions from time to time in this regard. The quality of rice supplied by the FCI and delivered at school points was ascertained by collection of samples thereof on joint surprise visit by audit and a state level departmental officer of 12 schools of seven test checked districts and sent to the Public Analyst, State Public Health laboratory for certification of quality who reported that seven¹³ out of 12 samples were found to be adulterated by way of high moisture content, presence of foreign particles and damaged grains beyond allowable limit. This became possible as proper system of inspection for quality test was not functioning in the district. The Government stated that quality of materials supplied could not be ensured as the daily ration cost in the rising trend of market price was very low.

3.1.4 Infrastructure facilities

Provision of essential infrastructure is one of the components of MDM programme. It includes kitchen-cum-store, kitchen devices and adequate water supply for cooking / drinking etc. for qualitative and hygienic preparation of MDM. During 2003-08 GOI provided assistance of Rs 248.46 crore for construction of kitchen-cum-stores at the cost of Rs 60000 per school and Rs 26.36 crore for procurement of kitchen devices at Rs 5000 per school. According to the statistics prepared by the OPEPA, of the 45773 primary schools in the State kitchen sheds were available only in 10443 schools (23 per cent), while drinking water facilities were available in 39463 schools (86 per cent).

¹² (i) **Balasore:** 22179.03 quintals of rice delivered with delays ranging from 1 to 10 days, 3869.92 quintals delivered with delays ranging from 11 to 20 days, 857.86 quintals delivered with delays ranging from 21 to 30 days, 2273.78 quintals delivered with delays ranging from 31 to 60 days, 9221.05 quintals delivered with delays of more than 60 days.

(ii) **Bolangir:** 89711.19 quintals of rice delivered with delays of one to 10 days, 51725.71 quintals with delays of 10 to 20 days, 10127.79 quintals with delays of 21 to 30 days, 4597.10 quintals with delays of 31 to 60 days and 10581.06 quintals with delays of more than 60 days.

¹³ Majhimunda PS and Manhari PS of Sonepur, Rugudipada GUPS of Bolangir, Tangarpali Project PS and Bhoipali PS of Baragarh, Ujjalpur PS of Sundargarh and Jhanjirmangala PS of Cuttack.

3.1.4.1 Construction of kitchen-cum-store room

Construction of kitchen cum store in 3380 schools was left incomplete.

The GOI provided (November 2006) Rs 52.58 crore for construction of kitchen-cum-store rooms of 269 square feet plinth area per school at unit cost of Rs 60,000 in 8764 schools with the stipulation that additional expenditure, if required, may be sourced from programmes like Sampoorna Grameen Rozgar Yojna (SGRY) and Sarva Shiksha Abhiyan (SSA) programmes. The State Government, however, made a provision of only Rs 20.28 crore in its budget (2006-07) for construction of 3380 kitchen-cum-stores and released the same to DSWOs in March 2007, which was transferred to the respective District Project Coordinators (DPCs) / Village Education Committees (VECs) for construction during October 2007 to March 2008.

As against the GOI's stipulation of 269 sft plinth area for construction of kitchen cum store at Rs 60000, the State Government limited the plinth area to 165 sft at the Works Department schedule of rates (2001) of Rs 364 to keep the cost within the ceiling of Rs 60000. Neither GOI's concurrence for limiting of the plinth area was sought nor was convergence of other scheme funds to keep the plinth area intact considered. Thus, construction of such kitchen cum store was not in conformity with the instructions of the GOI. However, the costs of construction had gone up from Rs 364 to Rs 550 per sft according to the schedule of rates (February 2007), which required additional fund of Rs 10.37 crore at the rate of Rs 30690 per unit. Construction of kitchen sheds in the test checked schools wherever taken up revealed that they were left half way. Thus, unrealistic provision affected the construction programme.

Scrutiny of records of the test checked schools showed that 92 *per cent* of the schools did not have kitchen sheds. In 44 *per cent* schools food was cooked either in the verandah or in class rooms and 48 *per cent* of schools used open space as kitchen for cooking food. As reported by the WCD department, 84 *per cent* of the schools (including EGS centres) had no kitchen sheds.



MDM being cooked in Verandha in Kushanpuri PS

3.1.4.2 Absence of infrastructure facilities

Audit also observed deficiencies / shortcomings with regard to provision of infrastructure facilities to implement the scheme in the test checked schools as detailed below:

- The block level godowns for storing MDM rice lacked suitable facilities in Tangarpali and Lephripada blocks of Sundargarh district. In Tangarpali block rice bags were soaked with water due to leaking roof and also were rodent infested.
- In Lephripada block there were many rat holes in the godown and seventy to eighty *per cent* rice bags were found to be torn and damaged by rats.

Four to five quintals of rice spread on the ground was not fit for human consumption since this was mixed up with rat droppings. The BDO stated that steps were being taken to transfer the stock to other godowns and repair the godown.



- In Balasore district there was no godown in test checked blocks¹⁴. As a result, the block level STAs were keeping the rice for months together under their control contrary to Government instructions (October 2001) for delivery of rice within three days of lifting.
- In the test checked schools it was seen that there was no specific place for storing of food stuff. These were stored in kitchen, office room, class room and WSHGs residence.
- In one school¹⁵ there was an instance of theft of two quintals of rice due to unsecured storage. Similar instance of theft of 2.54 quintals of rice and 20 kilograms of dal in October 2003 was noticed in Kureivana primary school, Bolangir.

3.1.4.3 Non provision of smokeless chullahs

As per the guidelines smokeless chullahs were to be used to the extent possible in the interest of environmental protection. As per information furnished by the State Government all the schools in the State were using firewood for cooking MDM despite receipt of GOI grants of Rs 26.36 crore of which only Rs 17.20 crore was released to DSWOs at the rate of Rs 5000 per school for procurement of cooking utensils and LPG facilities for 34400 schools during 2006-08. However, in the Attabira block, 25 gas chullas supplied (July 2007) to the block by the DSWO, Baragarh were lying idle as no provision of gas cylinders was made (April 2008).



Despite receipt of GOI assistance LPG facilities were not available.

3.1.5 Implementation of the scheme

On introduction (1 September 2004) of cooked meal under the scheme, the State Government decided each beneficiary was to be served a cooked meal comprising 300 calories and 8-12 grams protein which was enhanced (July 2006) to 450 calories and 12 grams protein prepared out of 100 grams of rice, dal (25 grams), vegetables and condiments, egg (s) and a varied menu was to

¹⁴ Balasore Sadar, Bhogarai, Bahanaga and Oupada

¹⁵ Badanugaon UGUP School in Khurdha district.

be decided by a district level committee based on the children's preferences and local availability of vegetables.

The following deficiencies were noticed in implementation of the scheme.

3.1.5.1 Disruption in implementation of MDM programme

During 2004-08, targeted feeding days fell short by five to 16 per cent in the State

As against the required 840 days for providing MDM during 2003-07, the State Government extended the programme for 789 days¹⁶ and the students were deprived of MDM at an average of 13 school days in a year during 2003-07. However, during 2007-08 the students were deprived of MDM for 37 school days against required provision of 230 days.

The State Government stated that in the years 2005-06 and 2006-07 there were severe floods in Orissa which disrupted MDM services. However, the reply was silent on the shortfall in achievement for the remaining period.

3.1.5.2 Non provision of MDM in drought affected districts

Belated/non-issue of notifications by Government affected implementation of MDM in schools of drought affected areas during summer vacations

The Supreme Court had directed (April 2004) that MDM was to be provided to the students during summer vacations as well in drought affected areas based on which the Government of India provided assistance at the prevailing parameters in areas declared as drought affected by the State Government. During 2004-08, 1615 villages in 2004-05, 1706 villages in 2005-06 and 1212 villages in 2007-08 having crop loss of 50 per cent and above were declared drought affected by Government. The WCD department however issued instructions only on 18 June 2005 to the DSWOs to provide cooked meal during the summer vacations of 2005 failing which they were to supply dry ration at the rate of three kilogram per child per month by which time the summer vacation for the year was over. No such instructions were issued for the summers of 2006 and 2008. Thus, due to belated/non-issue of instructions by the department, the students in the drought affected villages could not be served MDM during summer vacation of 2005, 2006 and 2008.

3.1.5.3 Delay in implementation of cooked meal

GOI extended (1 September 2004) the coverage of MDM programme to all the primary school students with a provision for cooking cost at the rate of rupee one per day per beneficiary in addition to supply of rice free of cost, but the State Government failed to provide cooked meals to 51 lakh primary school students during September 2004 to January 2005 and provided the same at the rate of 50 paise per day per beneficiary thereafter up to March 2005.

Further, GOI decided (October 2007) to extend the mid-day meal scheme to upper primary classes (VI to VIII) in Educationally Backward Blocks (EBBs) commencing from 1 October 2007 with provision of cooking cost at the rate of Rs 2.64 (GOI share: Rs 2.00 and State share: Re 0.64) per day and 150 grams of rice per day per beneficiary free of cost. However, due to delay in issue of notification (January 2008), the scheme was implemented from February 2008

¹⁶ 197 days in 2003-04, 201 days in 2004-05, 190 days in 2005-06 and 201 days in 2006-07.

covering 5.26 lakh students in 8401 upper primary schools of 172 EBBs in 22 districts of the State.

Thus, delay in implementation of the cooked meal under the scheme in both above cases denied the extended benefits of the scheme to over 56 lakh students leading to non availment of GOI assistance of Rs 58.26 crore during the above periods.

3.1.5.4 Provision for condiment, vegetable and fuel

Expenditure of Rs 14.37 crore incurred for procurement and utilisation of condiments at the school points was not verifiable in absence of records

In all the test checked schools it was seen that the school heads incurred initial expenditure towards provision of condiments, vegetables and fuel from their own sources and got reimbursed from the respective blocks after submission of monthly progress reports with delay ranging from two to 46 months in Bolangir district and 11 Blocks in Bargarh, Mayurbhanj, Sonapur and Sundargarh districts. In absence of required imprest money, 52 test checked schools did not provide MDM on an average of seven days in a year. None of the 132 schools test checked in audit maintained cash book, supporting vouchers and other related records in proof of purchase of condiment, vegetables etc. to provide wholesome meals to the beneficiaries, in absence of which actual utilisation of Rs 14.37 crore paid during 2003-08 was not verifiable.

Interview of 652 students in the audited schools revealed that weekly two eggs were given to only 36 *per cent* students and 45 *per cent* of students complained about the poor taste and single menu; 16 *per cent* of students stated that the quantity of MDM was insufficient. Children in urban schools of Ganjam district belonging to affluent parents expressed their unwillingness in writing to take MDM. Joint surprise visit by audit and departmental officers to two schools in Baragarh district showed that only 93 students out of 321 present on that day took the meal. The Heads of the schools stated that most of the students were reluctant to take food due to the same monotonous menu being served on all days. Eighty two *per cent* of the parents interviewed, stated that quality of the MDM should be improved with varied menu to attract students. Surprise visit to eight schools¹⁷ in three districts showed that the students were taking only rice and dal. No vegetable were served to them.

3.1.5.5 Provision of eggs in the menu

Under the scheme, cooking cost per beneficiary per school day was fixed at Rs 1.58 (July 2005), Rs 1.64 (October 2005) and Rs 2.14 (September 2006) for meeting expenses on dal, vegetables, oil, condiments, fuel and supervision charges etc. For maintaining uniformity in expenditure on different items with in the cooking cost across the State, the State Government fixed sums to be spent on these items per day / beneficiary from time to time.

It was observed that cooked meal was served daily with same items like rice and a preparation of dal often mixed with vegetables. From October 2005, one

¹⁷ Baragarh district - 1. Khajuritikira UPS, 2.Kushanpuri GPS, 3.Nuapali GPS 4.Hindi Boys school Sundargarh district - 1. Telendihi MPS, 2. Giringkela UPS Bolangir district: 1. Project Schools, College Chhak and 2. Bijakhamand PS, Bolangir

egg was added to weekly menu by allocating 35 paise per day / beneficiary for procurement of one egg at rupees two. This was enhanced to two eggs from November 2006 with allocation of 76 paise per day / beneficiary by which time the cooking cost was raised by only 56 paise. As the suppliers in many places were not willing to supply eggs at the above cost, the same was revised (December 2007) to Rs 2.28 per egg. To accommodate the cost of egg within the cooking cost, allocation on other items like vegetables, condiments and dal were curtailed by 10 to 50 *per cent* per beneficiary / day. However, the State Government did not consider providing any additional financial input to keep allocations against other essential items intact.

Huge savings on egg component denied the desired nutritional value to the beneficiaries

It was seen that in 16 districts, out of the total provision of Rs 65.60 crore made for supply of eggs during 2005-08, only Rs 20.03 crore was spent (31 *per cent*) and Rs 45.57 crore remained unspent with the DSWOs concerned as of March 2008. In the eight¹⁸ schools visited by audit during MDM hours, it was seen that children were taking only cooked rice as adequate dal was not made available.



Students taking MDM without dal in Telendihi Misson School

Thus, the unrealistic fixation of procurement price of eggs hindered the supply of eggs between October 2005 and December 2007 and the Government failed to ensure provision of intended calories and protein in MDM during the period.

In Kalahandi district, the suppliers did not come forward even after increase in the cost of egg to Rs 2.28 due to non-availability of required quantity in the district and hike in cost price of egg. Consequently, the Government ordered (March 2008) to utilise the unspent balance of the egg component by supplying soya chunk to students to overcome the nutritional deficiencies. This order was yet to be implemented (April 2008).

The DSWOs of 10 districts stated that due to low price of eggs fixed by Government and unwillingness of suppliers to supply at such rate, eggs could not be provided as per the above norm. The department stated (June 2008) that the sources of egg supply in the State were insufficient to cater to the total requirement.

No primary school student in the State was given micro nutrient and de-worming tablets

3.1.5.6 Micronutrient supplementation and de-worming administration

The MDM programme also envisaged for appropriate health interventions such as administration of micronutrients of iron and folic acid supplementation

¹⁸ Baragarh district - 1. Khajuritikira UPS, 2. Kushanpuri GPS, 3. Nuapali GPS and 4. Hindi Boys school Sundargarh district – 1. Telendihi MPS, and 2. Giringkela UPS, Bolangir district: 1. Project Schools, College Chhak and 2. Bijakhamand PS, Bolangir.

weekly and six monthly doses of medicines for de-worming. However, nowhere in the State had the micronutrients and de-worming medicines been given to school children during the period covered in audit.

3.1.5.7 Loss of teaching hours

Teachers in the test checked schools were spending 40 per cent of teaching hours in a week in MDM activities

The scheme stipulated that the MDM activities should not adversely affect either the duration or quality of teaching and learning schedule in schools and should be so organised that the entire process of serving and consumption of the meal would not take more than the scheduled lunch break of 30 minutes. It was seen in the test checked schools with one or two teachers that out of 29 hours of teaching hours prescribed for a week, the teachers were engaged in MDM activities on an average of 12 hours (40 per cent) i.e. (i) six hours for receipt, weighing and maintenance of records, (ii) three hours for procurement of vegetables and condiments etc. and (iii) three hours for supervision of cooking and serving of meals. The State Government stated that the MDM activities in 32553 schools (50 per cent) out of total 65528 schools had been handed over to women self help groups (WSHGs) by the end of 2007-08.

3.1.5.8 Community participation

Mother teacher associations were not actively participating in MDM activities in schools

It was obligatory for the parents to know about the MDM which was being served to their children. At the school level, mother teacher association (MTA) was to be assigned responsibility for implementation and supervision of the programme. Interview in audit revealed that only 12 per cent of mothers had visited the school during MDM hour and tasted the food. This showed poor efforts of the school administration to associate mothers in MTA.

3.1.5.9 Non-adherence to Right to Information Act

In compliance with the Right to Information Act, the WCD department directed (October 2006) all the DSWOs to ensure that the schools and EGS centres were to display information on monthly basis on quantity of food grains received with date of receipt, quantity of food grains utilised, other ingredients purchased, utilised; number of children given MDM, daily menu, member of MTA, names of the president and secretary of WSHGs etc. The DSWOs in turn directed all BDOs to ensure compliance. But in none of the audited schools such display was noticed.

3.1.6 Impact of the scheme

One of the primary objectives of the scheme was to improve enrolment, attendance of children as well as reducing the drop-out rate in school besides improving the nutritional and health status of students. The State Government did not evolve any mechanism to assess and evaluate the overall impact of the scheme on the above objectives. Analysis of the enrolment and attendance figures for the five year period ending March 2008 indicated the following:

3.1.6.1 Enrolment

It was seen in the audited schools in the test checked districts of Baragarh, Cuttack, Khurda and Sonepur that the enrolment of students gradually decreased over the period covered in audit in contrast to the remaining three districts, namely Bolangir, Ganjam and Sundargarh where it varied all along vide *Appendix - 3.4*. Considering increase in reporting of enrolment by the State to GOI (2004-07), the declining trend of enrolment in test checked districts showed that the scheme did not contribute to increase in enrolment of children.

3.1.6.2 Attendance

Considering the utilisation of cooking cost provided by the GOI at the rate of 50 paise per student per day from January to June 2005, rupee one from July 2005 and Rs 1.50 from July 2006 onwards, on a daily average 37.34 lakh beneficiaries availed of MDM during January 2005 to March 2008. The attendance rate of students thus worked out to an average of 77 per cent of the enrolment during 2005-08, while the average attendance rates of students reported to GOI for the year 2005-06 and 2006-07 were 87.81 and 79.91 per cent respectively.

3.1.6.3 Health status of students

In none of the schools periodical health check up including measurement of the height and weight of students was taken up to assess their health status. It was noticed in the test checked districts that the schools were not even supplied with weighing machines except Mayurbhanj district. No mechanism was in place to measure improvement in health status of the children after introduction of MDM.

3.1.6.4 Observance of hygiene during cooking and serving

Instances of children taken ill after consuming MDM were reported. As per records, 85 children¹⁹ in three instances became sick after consuming MDM during January 2005 and February 2006. The DSWO, Mayurbhanj stated that 14 students complained of abdominal discomfort and were hospitalised after consuming rotten eggs in Batapandugandi primary school under Jashipur Block (August 2007). Eight per cent of the beneficiaries interviewed by audit, stated that they developed



Children
falling sick
after
consuming
MDM

¹⁹ (i) 39 students of Laxmannath Primary School, Jaleswar in Balsore district on 27 January 2005 as the cook added ammonia sulphate to the dal with the impression that it was salt, (ii) 27 students of Kendupalli Rout Bhuin Primary School of Narasinghpur Block in Cuttack district on 11 January 2005 due to food poisoning and (iii) 19 students of Madhupur UGME School, Baranga, Cuttack on 14 February 2006 as they were served staled soaked rice (pakhala) that caused food poisoning.

complaints like nausea and vomiting, loose motion etc. after consuming MDM. The WCD department in their circular (March 2008) advised Collectors to take remedial measures to avoid serving of stale / contaminated food and soaked rice. These instances were indicative of the fact that hygienic aspect of MDM was not being given proper attention.

3.1.7 Management, Monitoring and Evaluation

3.1.7.1 Poor spending under management, monitoring and evaluation

The scheme provided for grant of central assistance at a rate of 0.9 *per cent* of the total assistance under food grains, transportation cost and cooking cost towards expenditure on Management, Monitoring and Evaluation (MME) for the year 2004-05. This was increased to 1.8 *per cent* of such assistance from 2005-06. The assistance was to be utilised for (a) school level expenses, (b) Management, supervision, training and internal monitoring and evaluation and (c) external monitoring and evaluation. GOI assistance of Rs 7.13 crore was received during 2004-08 under MME including Rs 93.06 lakh for external evaluation, of which only Rs 16.52 lakh was given (March 2006) to the State Council for Educational Research and Training (SCERT) for an internal assessment of the scheme. However, no funds were utilised towards independent external evaluation of the scheme (May 2008) to assess the outcome of the programme.

3.1.7.2 Evaluation study not followed up

SCERT conducted (2006-07) an evaluation study of the scheme. The interim report revealed the following deficiencies / shortcomings:

- Dal and eggs were made available to students in about half of the schools,
- Children expressed dissatisfaction with quality and poor taste of MDM,
- Student strength in schools reduce noticeably after the MDM is over,
- Monthly supervision by doctors / health workers is weak,
- Lack of participation of community members for preparation and distribution of MDM,
- Lack of Block / District level monitoring and supervision in about 40 *per cent* of the schools.

The above findings of the SCERT were yet to be addressed by Government (July 2008).

3.1.7.3 Shortfall in supervision and inspections

The GOI also required the State to draw up inspection programme which would cover 25 *per cent* of the primary schools on an average in a quarter. As

Monitoring of programme implementation through supervision and inspection were ignored at different levels

per State Government instructions (July 2005), two, five and 10 *per cent* of the schools were to be supervised by the District level, Sub-division level and Block level officials respectively in each month and all the blocks covered within a period of two months and all the schools in each quarter. Besides, the BDOs were to arrange inspection of at least two schools every month and all ICDS supervisors and statistical assistants were to inspect at least five schools every month by drawing a calendar of inspection ensuring even coverage of inspection. However, no such supervision and inspection were conducted by concerned officials in all the test checked districts. While the DSWOs, Sonapur, Bolangir, Khurda and Sundargarh stated that due to lack of man power and vehicle, the percentage of inspection could not be achieved, the DSWOs, Bargarh, Cuttack and Ganjam stated that action was being taken in the annual action plans for providing supervision of MDM Schools.

3.1.7.4 Non formation of steering committee

Steering cum monitoring committees were either not formed or were not holding meetings wherever these were formed

The programme provided (September 2004) formation of Steering-cum-Monitoring Committee (SMC) at State, District and Block levels for effective monitoring of the scheme. The WCD Department stated that only two meetings of the State Monitoring Committee (SMC) were held during 2004-08 against prescribed two half yearly meetings. In the seven test checked districts, it was seen that district level steering-cum-monitoring committees were formed in six districts except Sonapur district. However, in two districts (Sundergarh and Bolangir), the committee had not even sat for its debut meeting. Block level steering-cum-monitoring committees were formed only in Ganjam district. Four quarterly meetings of the steering cum monitoring committee at the district and Block levels were to be held in a year. The nodal department did not have any information on any such meeting being held during 2004-08. The DSWOs of other districts stated to be initiating action in this regard.

3.1.7.5 Non preparation of progress reports

Lower functionaries like DSWOs and BDOs were not furnishing monthly and quarterly progress reports regularly to the department. These reports, wherever received, were never analysed at the State level for assurance and remedial measures, if required. Thus, absence of monitoring had led to many failures in implementation of the programme as commented in this report.

3.1.7.6 Vacancies in field formations

It was seen that there were vacancies of programme implementing staff ranged from 37 to 62 *per cent* of sanctioned strength of SEOs, SSWOs and ADSWOs in the block, sub-division and district levels in the State as below affecting monitoring and supervision of the implementation of the scheme.

Category of post	2006-07				2007-08			
	Sanctioned strength	In position	Vacancy position	Percentage of vacancy	Sanctioned strength	In position	Vacancy position	Percentage of vacancy
SEO/LSEO	346	218	128	37	346	211	135	39
SSWO	57	36	21	37	57	36	21	37
ADSWO	13	5	8	62	13	5	8	62

MIS was not
in existence
in the test
checked
districts

3.1.7.7 *Management Information system*

The scheme provided for development of a computerised management information system (MIS) for proper monitoring of the performance by the department implementing the scheme in consultation with the National Informatics Centre (NIC). It was noticed that the system was not in operation/existence in any of the test checked districts. Thus, adequate attention has not been given by the State Government to effectively monitor the programme through the MIS.

3.1.8 *Conclusion*

Performance audit of implementation of the MDM programme in the State revealed several deficiencies. Absence of mechanism to cross verify enrolment data received from schools led to over-reporting of data during 2004-07 and excess indenting of food grains and funds. The transportation and delivery of food grains at school points was not monitored by the various functionaries at district and block levels leading to delayed, short delivery and misappropriation of rice besides admitting excess claims of transportation charges. The construction of kitchen-cum-stores remained incomplete for over two years due to less provision of funds and implementation of smokeless chullahs was absent affecting the appropriate storage and safety of food grains and maintenance of hygienic condition of cooking and serving of MDM. In spite of availability of material and monetary resources MDM served could not reach the targeted school days. Provision of monotonous menu dissuaded the students on taking MDM. Involvement of teachers executing the programme reduced teaching hours and the implementation lacked the intended community participation. The important objectives of periodical health checkups, nutritional supplementation and supply of tablets for de-worming were neglected. The internal control mechanism was slack as required supervision through inspections by the officials at the State, district and block levels was not done which resulted in excess and avoidable extra expenditure in number of cases. Evaluation of the scheme as a whole was not done and as such the impact of the scheme remained unassessed.

3.1.9 *Recommendations*

- Loopholes in the transportation contracts may be plugged.
- Steps for strengthening of infrastructure with adequate provision of kitchen-cum-store, supply of LPG for cooking and placement of inspection staff in coordination with the officials of School and Mass Education Department may be considered.
- The provision of periodical de-worming, micronutrient supplementation like iron and folic acid tablets, health services and nutritional education may be converged with school health programme under the National Rural Health Mission.
- The implementation of MDM may be fully off loaded from the teachers so that the teachers would get full time for teaching activities.

- Imprest may be provided to implementing agencies for advance planning of procurement of condiments, vegetables and diversified menu etc.
- A moderate amount of additional input may be considered to enhance the quality of MDM.
- Functioning of monitoring system may be made effective. Convening of the SMCs be made regular and decisions taken in the SMCs be implemented at the field level.