Report of the
Comptroller and Auditor General of India

General and Social Sector

for the year ended March 2012

Government of Tamil Nadu
Report No. 3 of 2013

TABLE OF CONTENTS

	Paragraph	Page
Preface		v
CHAPTER I – INTRODUCTION		
About this Report	1.1	1
Profile of Audited Entities	1.2	1
Authority for Audit	1.3	2
Organisational structure of the Office of the Principal Accountant General (General and Social Sector Audit), Tamil Nadu and Puducherry	1.4	3
Planning and conduct of audit	1.5	3
Audit observations of Performance Audits	1.6	4
Audit observations of Compliance Audit	1.7	9
Recommendations	1.8	10
CHAPTER II – PERFORMANCE AUDITS		
ADI DRAVIDAR AND TRIBAL WELFARE DEPARTMENT AND OTHER SECTORAL DEPARTMENTS		
Scheduled Castes Sub Plan	2.1	11
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Mahatma Gandhi National Rural Employment Guarantee Scheme	2.2	49
HEALTH AND FAMILY WELFARE DEPARTMENT		
Information Technology Audit of the Health Management Information System	2.3	76

	Paragraph	Page
REVENUE DEPARTMENT		
Disaster Preparedness	2.4	96
CHAPTER III – COMPLIANCE AUDIT		
Excess payment/wasteful/infructuous expenditure	**3.1**	
HOUSING AND URBAN DEVELOPMENT DEPARTMENT		
Excess release of interest subsidy by Government	3.1.1	111
Avoidable expenditure/Extra expenditure	**3.2**	
MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT ***TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD***		
Avoidable expenditure	3.2.1	112
HEALTH AND FAMILY WELFARE DEPARTMENT		
Avoidable Payment	3.2.2	114
Regularity issues and others	**3.3**	
REVENUE DEPARTMENT		
Denial of benefits and idling of funds	3.3.1	115
INFORMATION TECHNOLOGY AND REVENUE DEPARTMENTS		
Failure to utilise the colour television sets	3.3.2	117
HIGHER EDUCATION DEPARTMENT		
Avoidable delays leading to shelving of a scheme	3.3.3	119

	Paragraph	Page
HOME, PROHIBITION AND EXCISE DEPARTMENT		
Undue delay in construction of court buildings	3.3.4	120
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Unauthorised utilisation of scheme funds	3.3.5	121
Idling of a Samathuvapuram	3.3.6	123
HEALTH AND FAMILY WELFARE DEPARTMENT		
Inadequate provision of equipment, staff and other facilities	3.3.7	124
SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT		
Avoidable expenditure in procurement of cloth for uniform	3.3.8	126
SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT AND RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Construction of Kitchen-cum-stores for the noon meal centres	3.3.9	127
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Implementation of the Total Sanitation Campaign in Tiruvallur District	3.3.10	134

APPENDICES

Appendix No.	Details	Page No.
2.1	Delay in disbursement of scholarship in sample districts	141
2.2	Inadequate facilities in hostels	142
2.3	Dates of supply of uniforms to the schools/hostels of the Department of AD&TW	143
2.4	Details of housing units sanctioned and completed under IHSDP	144
2.5	List of test-checked Units	145
2.6	Discrepancies in data	150
2.7	List of test-checked hospitals	152
2.8	Incomplete flow of data under HMIS	153
2.9	Details of major disasters in the State during the last decade	154
3.1	Phase-wise details of procurement and distribution of colour television sets	156
3.2	Interest accrued on the scheme funds utilised by the DRDAs for purposes other than the schemes	157
3.3	List of essential equipment to be procured	158
	Glossary of Abbreviations	160

PREFACE

This Report on the audit of expenditure incurred by the Government of Tamil Nadu has been prepared for submission to the Governor under Article 151 of the Constitution of India. The Report covers significant matters arising out of the compliance and performance audits of various departments/activities. Audit observations of the Annual Accounts of the Government would form part of a Report on State Finances, which is being presented separately.

The Report starts with an introductory Chapter I outlining the audit scope, mandate and the key audit findings which emerged during the audit exercise. Chapter II of the Report covers Performance Audits while Chapter III discusses material findings emerging from Compliance Audit.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2011-12 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2011-12 have also been included, wherever necessary.

CHAPTER I

INTRODUCTION

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INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Tamil Nadu relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government departments and Autonomous Bodies.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective actions as also to frame appropriate policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the Constitution of India, applicable rules, laws, regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which the objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

This chapter provides the profile of audited entities, the planning and extent of audit and synopsis of the audit observations. Chapter II of this Report deals with the findings of Performance Audits and Chapter III deals with the findings of Compliance Audit of various departments and Autonomous Bodies.

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2011-12 as well as those which came to light in earlier years but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2011-12 have also been included, wherever necessary .

1.2 Profile of Audited Entities

There are 37 departments in the State at the Secretariat level, headed by Principal Secretaries/Secretaries who are assisted by Commissioners/Directors

Abbreviations used in this report are listed in the Glossary at Page 160

and Subordinate officers. Of these, 22 departments including 13 Public Sector Understandings and 2,386 Autonomous Bodies/Local Bodies coming under these departments are under audit jurisdiction of the Principal Accountant General (General and Social Sector Audit).

The comparative position of expenditure incurred by the Government during the year 2011-12 and in the preceding two years is given in **Table 1**.

Table 1: Comparative position of expenditure

(₹ in crore)

Disbursements	2009-10			2010-11			2011-12		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue expenditure									
General services	22	20,275	20,297	28	25,896	25,924	52	28,889	28,941
Social services	9,690	13,267	22,957	11,258	17,651	28,909	13,728	19,534	33,262
Economic services	2,273	9,349	12,122	2,473	9,749	12,222	3,172	10,970	14,142
Grants-in-aid and contributions	288	3,711	3,999	508	5,353	5,861	624	6,869	7,493
Total	**12,773**	**46,602**	**59,375**	**14,267**	**58,649**	**72,916**	**17,576**	**66,262**	**83,838**
Capital Expenditure									
Capital outlay	8,425	148	8,573	12,219	217	12,436	16,216	120	16,336
Loans and advances disbursed	633	2,368	2,290	292	1,960	2,252	338	5,145	5,483
Repayment of public debt (including transactions under ways and means advances)	--	--	2,512	--	--	3,297	--	--	3,830
Contingency fund	..	..	..	--	--	30	--	--	--
Public account disbursements	--	--	85,256	--	--	1,04,959	--	--	1,20,953
Total			**98,631**			**1,22,974**			**1,46,602**
Grand Total			**1,58,006**			**1,95,890**			**2,30,440**

(Source: Finance Accounts for the respective years)

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. C&AG conducts audit of expenditure of the departments of Government of Tamil Nadu under

section 13[1] of the C&AG's (DPC) Act, 1971. C&AG is the sole auditor in respect of 33 Autonomous Bodies which are audited under Sections 19(2)[2], 19 (3)[3] and 20 (1)[4] of the said Act. Audit of Government companies is also conducted under Section 19 (1) of the DPC Act. In addition, C&AG conducts, under Section 14[5] of the Act, audit of other Autonomous Bodies which are substantially funded by the State Government. C&AG also provides Technical Guidance and Support to the Local Fund Audit for audit of ULBs and PRIs. The principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts 2007 issued by the C&AG.

1.4 Organisational structure of the Office of the Principal Accountant General (General and Social Sector Audit), Tamil Nadu and Puducherry

As a part of restructuring of State Audit Offices by the C&AG, the erstwhile office of the Principal Accountant General (Civil Audit), Tamil Nadu and Puducherry became the principal auditor of the General and Social Services Departments of the Government of Tamil Nadu and was renamed as the Principal Accountant General (General and Social Sector Audit), Tamil Nadu and Puducherry from 2 April 2012. After restructuring, audit of accounts of the State departments/agencies/Public Sector Undertakings/Autonomous Bodies falling under the Social and General Sectors along with audit of the Local Bodies remain under the purview of the Principal Accountant General (General and Social Sector Audit), Tamil Nadu and Puducherry.

1.5 Planning and conduct of audit

Audit process starts with the risk assessment of the department / organisation as a whole and that of each unit based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this

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1 Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts

2 Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations

3 Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature at the request of the Governor

4 Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the C&AG and the Government

5 Audit of (i) all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of the State in a financial year is not less than ₹ 1 crore

exercise. Based on this risk assessment, the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of units, Inspection Reports (IRs) containing audit findings are issued to the Heads of the entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports which are submitted to the Governor of Tamil Nadu under Article 151 of the Constitution of India.

1.6 Audit observations of Performance Audits

This report contains four Performance Audits including one on Information Technology Audit. The focus has been on auditing the specific programmes / schemes and offering suitable recommendations, with the intention to assist the Executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

1.6.1 Scheduled Castes Sub Plan

The Scheduled Castes Sub Plan (SCSP) is a plan under the Five Year/Annual Plans of the State Governments. The concept of SCSP is a strategy contemplated by the governments in their planning process to ensure that outlays and benefits flow for the development of Scheduled Castes are at least in proportion to their population. As per 2001 Census, the Scheduled Castes (Adi Dravidar) population in Tamil Nadu was 19 *per cent* of the State's total population and accordingly the fund flow to SCSP from the State Annual Plan Outlay was to be at least 19 *per cent.* A Performance Audit of SCSP was conducted during April to August 2012 covering the period from 2007 to 2012. Some of the audit findings are given below:-

- As against the minimum required allocation of ₹ 17,310 crore for SCSP *i.e.,* 19 *per cent* of the total State Plan outlays for the XI Five Year Plan period of 2007-08 to 2011-12, the actual allocation made was ₹ 16,329 crore (17.9 *per cent*). The budget provisions and actual expenditure were ₹ 16,602 crore (18.2 *per cent*) and ₹ 14,962 crore (16.4 *per cent*) respectively.

- Allocations under SCSP for the vital sector of 'agriculture and allied activities' during 2007-12 ranged from 1.5 to 5.7 *per cent* of the total annual allocations for SCSP, and it was meagre when compared to 32.9 *per cent* of the Adi Dravidars in the State being cultivators and agricultural labourers.

- No major schemes were formulated and implemented exclusively for the Adi Dravidars by the departments other than the Department of Adi Dravidar and Tribal Welfare and the Department of Labour and Employment. The remaining eight selected departments generally allocated a portion of the funds for SCSP in *ad hoc* manner in common schemes that were aimed at providing benefits to all.

- In most of the common schemes meant for all people in the State, expenditure was booked under SCSP disproportionately without any basis. In schemes where there was no system to ascertain the communities of the beneficiaries, the expenditure booked was high. There was no system to note the community of the beneficiaries under the health insurance scheme, but about 34 *per cent* of the total expenditure of the scheme was debited to SCSP.

- There were delays and shortfalls in executing the schemes meant for exclusive benefit of Adi Dravidars such as distribution of scholarship, incentive to girls, construction of hostels for the Adi Dravidar students, scheme for economic development etc.

- There were cases of under-utilisation of SCSP funds during 2007-12. For example, out of ₹ 124.44 crore released to Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO) for economic development of the Adi Dravidars, ₹ 38.82 crore relating to 2008-12 remained unutilised. Out of ₹ 12.08 crore provided during 2007-12 for developing skills of the unemployed Adi Dravidars so as to make them employable, the Department of Labour and Employment did not spend ₹ 6.63 crore (55 *per cent)*. Similarly, during 2007-12, the Agriculture Department surrendered ₹ 165.46 crore (23 *per cent*) out of the total provision of ₹ 717.36 crore earmarked for schemes like National Agricultural Insurance Scheme and Integrated Cereals Development Programme.

- The literacy rate of the people in the State has increased from 73.45 *per cent* in 2001 to 80.33 *per cent* in 2011, whereas that of the Adi Dravidars has increased from 63.19 to 69.11 *per cent* indicating the persistent wide gap between the Adi Dravidars and others. The percentage of Adi Dravidars registered with the Employment Offices to the total registrants remained more or less at the same level (23 *per cent*) during 2007-12.

(Paragraph 2.1)

1.6.2 Mahatma Gandhi National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act, 2005 was enacted with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The

Act came into force with effect from 2 February 2006. The Act was renamed as Mahatma Gandhi National Rural Employment Guarantee Act in December 2009. According to the Act, rural households have a right to register themselves with the local Gram Panchayats and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government have to pay unemployment allowance. Government of Tamil Nadu (GoTN) implemented the employment guarantee scheme from February 2006 initially in six districts and extended it to four more districts during 2007-08 and further to 21 districts during 2008-09. Performance Audit of implementation of the scheme in the State disclosed, *inter alia,* the following:

- During 2007-12, the State provided 101.30 crore persondays of employment by incurring expenditure of ₹ 8,510.44 crore. In 2011-12, out of 76.49 lakh households registered under the scheme, jobs were provided to 58.16 lakh households (76 *per cent*) who demanded job. But minimum guaranteed 100 days of employment was given only to 14.08 lakh households (24 *per cent*) and rest of the households were given employment for less than 100 days in a year.

- The average daily wages paid ranged from ₹ 72 to ₹ 87 against the prescribed minimum wages of ₹ 90 to ₹ 119 during 2009-12.

- Nearly 60 *per cent* of the workers benefited under the scheme belonged to the Scheduled Castes and 83 *per cent* of the total workers were women. Thus, the scheme was very popular among the women and marginalised sections of the society.

- The system of making formal application for employment by the persons registered for job, issuing dated receipts to the applicants, formal allotment of work and its communication to the applicants by the Gram Panchayats as envisaged in the Act were not documented. In the absence of such documentation, the Government's claim that, there were no instances of payment of unemployment allowance in lieu of non-provision of employment to the job seekers could not be verified in audit.

- Forty eight *per cent* of the total works executed under the scheme fell under the category of desilting of ponds, minor irrigation tanks, supply channels, etc., which had not resulted in creation of durable community assets, one of the auxiliary objectives of the scheme.

- As the works taken-up under the scheme were only labour oriented ones and had no material component, the objective of creation of durable and usable assets could not be ensured.

- In test check, inclusion of bogus workers in the muster rolls and cases of misappropriation of scheme funds were noticed. There were large number of incomplete works and completion reports were not prepared for the works completed.

(Paragraph 2.2)

1.6.3 Information Technology Audit of the Health Management Information System

As a part of the World Bank aided Tamil Nadu Health Systems Project (TNHSP) implemented from January 2005, the Government decided (August 2005) to implement the Health Management Information System (HMIS) at a cost of ₹ 114.35 crore to improve the healthcare services provided in the Government hospitals and primary health centres. HMIS was to focus on computerisation of the clinical services and referral related services in the hospitals and generate MIS reports, besides creating 'Patient Electronic Data Record System' to track the health profiles of patients. HMIS was scheduled to be implemented in three phases, commencing from March 2007 and was to be rolled out in all the 269 secondary care hospitals in the State by October 2011. Though an amount of ₹ 63.16 crore was spent upto March 2012 for implementing HMIS, due to frequent disruptions in the network connectivity, delay in execution and deficiencies and incomplete capture of data relating to the patients, the envisaged objectives of HMIS were yet to be achieved in full, even after 12 months from the scheduled date of completion. An Information Technology audit of HMIS covering the period 2007-12 brought out the following audit findings :-

- Selection of multiple server technology and improper assessment of the requirement of servers led to idle investment of ₹ 1.04 crore. There was avoidable expenditure of ₹ 49.68 lakh on arranging support service for the database system.

- HMIS was not implemented (May 2012) in 31 secondary care hospitals due to belated supply of hardware etc., on account of lack of co-ordination among the suppliers, power supply issues, buildings under construction etc., resulting in idle investment of ₹ 6.64 crore on hardware and networking components. Frequent breakdown of the network connectivity and hardware failures led to large scale disruptions in operation of HMIS in the test-checked hospitals. There were no alternative arrangements to capture the data during the periods of network disruption.

- In the test-checked 20 hospitals where HMIS was implemented, out of 13 functions for which modules were prepared, five modules were being used regularly, six were used partially and two were not used at all.

- There were shortfalls in capturing the details of outpatients (64 *per cent*) and inpatients (78 *per cent*) in the HMIS database during the period October 2011 to April 2012 in the test checked hospitals, due to frequent failure of network connectivity, non-capturing of the missed out data during system failures, inadequate training to the staff etc. Even in the case of data captured, the information was incomplete and unreliable, which rendered HMIS helpless in ensuring the objective of retrieval of health profile of the patients.

- The application software had deficiencies such as lack of validation controls and non segregation of duties among the hospital staff.

(Paragraph 2.3)

1.6.4 Disaster Preparedness

With a view to manage various disasters in the country, Government of India enacted the Disaster Management Act, 2005, framed (October 2009) a National Policy on Disaster Management and issued various guidelines on the subject to the States. The Act, besides outlining the policy, legal and institutional framework, provides for continuous and integrated process of planning and implementation of the policies and plans in a holistic and sustainable manner. A Performance Audit of Disaster Preparedness of the State brought out the following important issues:

- The State Disaster Management Authority (SDMA) was constituted in September 2008 and the District Disaster Management Authorities (DDMA) were established in January 2012, but the SDMA and DDMAs in five out of six test-checked districts did not meet even once and therefore could not perform their statutory duties. The State Executive Committee formed in January 2009 met only once.

- A draft State Disaster Management Plan prepared in May 2010 is yet to be approved by the State Disaster Management Authority. Disaster Management Rules have not been framed by the State Government. There was no dedicated manpower for the State Disaster Management Authority.

- The vulnerability profile of geographical areas located within the districts has not been prepared and efforts to reduce the risk by disaster preparedness measures have not been spelt out.

- Emergency Operation Centres which are the nerve centres of early warning system were non-functional and not in the state of operational readiness in the test-checked districts.

- Fourteen out of 59 early warning systems in Cuddalore district and all the 30 early warning systems in Nagapattinam district were not in working condition.

- The State has not constituted the Disaster Mitigation Funds at the State and District levels and has also not constituted the District Disaster Response Funds.

- Vulnerability assessment of structures, prioritization and retrofitting of the lifeline structures and infrastructure were not done in Chennai city, which is in seismic zone III.

(Paragraph 2.4)

1.7 Audit observations of Compliance Audit

Audit observed several deficiencies in critical areas which had adverse impact on effective functioning of the Government Departments/ Organisations. Key audit findings of compliance issues are as under:-

Release of interest subsidy on *adhoc* basis by Government to the Tamil Nadu Co-operative Housing Federation Limited during the years 1983 to 2008 without ascertaining the actual interest subsidy payable in respect of Scheduled Caste beneficiaries resulted in excess release of subsidy of ₹ 7.71 crore to the Federation.

(Paragraph 3.1.1)

Injudicious decision of the Tamil Nadu Water Supply and Drainage Board to revise the pre-qualification criteria for the tenderers led to re-invitation of tender and avoidable expenditure of ₹ 1.88 crore.

(Paragraph 3.2.1)

Non-settlement of the claims in time by the Revenue Department resulted in denial of the intended benefits to the agricultural labourers and idling of funds to the tune of ₹ 53.39 crore for one to six years.

(Paragraph 3.3.1)

Delay in taking decision on distribution of 95,725 colour television sets procured at a cost of ₹ 22.82 crore for free distribution scheme resulted in idling of television sets for 16 to 29 months.

(Paragraph 3.3.2)

Release of funds by Government to the Tamil Nadu Open University without ensuring the scope of spending in time and delays led to shelving of a scheme and loss of interest of ₹ 42.89 lakh.

(Paragraph 3.3.3)

Delay in finalising estimates/according administrative sanction for carrying out the balance work of construction of court buildings at Kakkathope in Udagamandalam resulted in increase in the latest estimated cost of construction by ₹ 62 lakh, besides idling of the basic building structure constructed at a cost of ₹ 41 lakh in April 1999.

(Paragraph 3.3.4)

Interest earned on scheme funds required to be spent on schemes were utilised on contingent and other items of expenditure of District Rural Development Agencies.

(Paragraph 3.3.5)

Due to lack of proper assessment and coordination, the newly constructed 500 bedded medical college hospital at Thoothukudi, has not been provided with the required equipment, staff, etc., for its full-fledged functioning, even after two years of its inauguration.

(Paragraph 3.3.7)

The scheme guidelines on construction of kitchen-*cum*-stores regarding construction of the Kitchen-*cum*-stores in convergence with the other development programmes were not followed, which resulted in poor utilisation of funds and poor progress of works. Only 3,688 out of the targeted 14,482 kitchen-*cum*-stores were constructed in the State and ₹ 184.77 crore out of ₹ 230.65 crore released during 2006-10 remained unutilised. There were misreporting of progress of the scheme and utilisation of the kitchen-*cum*-stores for purposes other than the intended one. There was lack of coordination between the departments of Social Welfare and Nutritious Meal Programme and Rural Development and Panchayat Raj.

(Paragraph 3.3.9)

Due to poor monitoring and lack of community participation, the targets set for some of the components of Total Sanitation Campaign in Tiruvallur District *viz.,* Community Sanitary complexes, Rural Sanitary marts etc., were not achieved resulting in huge unspent amount of ₹ 21.27 crore out of ₹ 36.32 crore made available to the Tiruvallur District during 2003-12. Information, Education and Communication activities were not carried out on regular basis to create awareness among the individuals and community for their participation. Funds of ₹ 6.50 crore earmarked for solid and liquid waste management in rural areas was not utilised.

(Paragraph 3.3.10)

1.8 Recommendations

This report contains specific recommendations on a number of issues involving non-observance of the prescribed internal procedure and systems, compliance of which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large. The State Government is impressed upon to take cognizance of these recommendations and ensure appropriate action in a time bound manner.

CHAPTER II

PERFORMANCE AUDITS

CHAPTER II

PERFORMANCE AUDITS

This chapter contains the findings of Performance Audits on (i) Scheduled Castes Sub Plan, (ii) Mahatma Gandhi National Rural Employment Guarantee Scheme, (iii) Information Technology Audit of the Health Management Information System and (iv) Disaster Preparedness.

ADI DRAVIDAR AND TRIBAL WELFARE DEPARTMENT AND OTHER SECTORAL DEPARTMENTS

2.1 Scheduled Castes Sub Plan

Executive Summary

The Scheduled Castes Sub Plan (SCSP) is a plan under the Five Year/Annual Plans of the State Governments. The concept of SCSP is a strategy contemplated by the governments in their planning process to ensure that outlays and benefits flow for the development of Scheduled Castes are at least in proportion to their population. SCSP is not a scheme by itself, but it is an umbrella under which schemes implemented by the State Governments are to be dovetailed by apportioning funds exclusively for addressing the needs and problems of the people belonging to Scheduled Castes.

The Government of Tamil Nadu adopted SCSP since 1980-81. As per 2001 Census, the Scheduled Castes (Adi Dravidar) population in Tamil Nadu was 19 *per cent* of the State's total population and accordingly the fund flow to SCSP from the State Annual Plan Outlay was to be atleast 19 *per cent.* A Performance Audit of implementation of SCSP was conducted during April to August 2012 covering the period from 2007 to 2012. Some of the audit findings are given below :

As against the minimum required allocation of ₹ 17,310 crore for SCSP i.e., 19 *per cent* of the total State Plan outlays for the XI Five Year Plan period of 2007-08 to 2011-12, the actual allocation made was ₹ 16,329 crore (17.9 *per cent*). The budget provisions and actual expenditure were ₹ 16,602 crore (18.2 *per cent*) and ₹ 14,962 crore (16.4 *per cent*) respectively. In short, the actual expenditure under SCSP was lower than the 19 *per cent* norm fixed. When compared to the total plan expenditure, the expenditure under SCSP during 2007-12 was only 13.2 *per cent*.

Allocations under SCSP for the vital sector of 'agriculture and allied activities' during 2007-12 ranged from 1.5 to 5.7 *per cent* of the total annual allocations for SCSP, and it was meagre when compared to 32.9 *per cent* of the Adi Dravidars in the State being cultivators and agricultural labourers.

No major schemes were formulated and implemented exclusively for the Adi Dravidars by the departments other than the Department of Adi Dravidar and Tribal Welfare and the Department of Labour and Employment. The remaining eight selected departments generally allocated a portion of the funds for SCSP in *ad hoc* manner in common schemes that were aimed at providing benefits to all.

In most of the common schemes, expenditure was booked under SCSP disproportionately without appropriate basis. In schemes where there was no system to ascertain the communities of the beneficiaries, the expenditure booked was high. There was no system to note the community of the beneficiaries under the health insurance scheme, but about 34 *per cent* of the total expenditure of the scheme was debited to SCSP.

There were delays and shortfalls in executing the schemes meant for exclusive benefit of Adi Dravidars such as distribution of scholarship, incentive to girls, construction of hostels for the Adi Dravidar students, scheme for economic development etc.

There were cases of under-utilisation of SCSP funds during 2007-12. For example, out of ₹ 124.44 crore released to Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO) for economic development of the Adi Dravidars, ₹ 38.82 crore relating to 2008-12 remained unutilised. Out of ₹ 12.08 crore provided during 2007-12 for developing skills of the unemployed Adi Dravidars so as to make them employable, the Department of Labour and Employment did not spend ₹ 6.63 crore (55 *per cent).* Similarly, during 2007-12, the Agriculture Department surrendered ₹ 165.46 crore (23 *per cent*) out of the total provision of ₹ 717.36 crore earmarked for schemes like National Agricultural Insurance Scheme and Integrated Cereals Development Programme.

The literacy rate of the people in the State has increased from 73.45 *per cent* in 2001 to 80.33 *per cent* in 2011, whereas that of the Adi Dravidars has increased from 63.19 to 69.11 *per cent* indicating the persistent wide gap between the Adi Dravidars and others. The percentage of Adi Dravidars registered with the Employment Offices to the total registrants remained more or less at the same level (23 *per cent*) during 2007-12.

2.1.1 Introduction

The Scheduled Castes Sub Plan (previously known as Special Component Plan) is a sub plan of the Annual Plan of the State Governments. It is a strategy contemplated by the governments in their planning process to ensure that the outlays and benefits for the development of people belonging to the Scheduled Castes (SC) are at least in proportion to their population, both in physical and financial terms. The Scheduled Castes Sub Plan (SCSP) seeks to achieve substantial reduction in poverty and unemployment among the SC people, creation of productive assets for them and sustaining the growth accrued. It also aims at human resource development of the SC people by providing adequate educational and health services and provision of physical and financial security against all types of exploitation and oppression. As per the guidelines for SCSP issued (October 2005) by the Planning Commission (Government of India), the sub plan should be an integral part of Annual Plans as well as Five Year Plans, making provisions therein non-divertible and non-lapsable with clear objective of bridging the gap between the general population and the Adi Dravidars in socio-economic development within a period of ten years.

The Government of Tamil Nadu has been adopting the strategy of SCSP since 1980-81. As per the Census 2001, the SC people (Adi Dravidars) population in Tamil Nadu was 1.19 crore i.e. 19 *per cent* of the State's total population of 6.24 crore. Accordingly, the flow to SCSP from the Annual Plan outlay of the State was to be not less than 19 *per cent.* The State Government has been reporting that the allocation to SCSP has increased substantially over the years and it matched with the SC population in the State. The allocation to SCSP in the Annual Plan outlays of five years during 2007-12 was ₹ 16,329 crore. As the sub plan strategy has been in vogue for quite a long period and huge funds were channelised through the sub plan, a Performance Audit of SCSP was felt necessary.

2.1.2 Organisational set-up

The Department of Adi Dravidar and Tribal Welfare (AD&TW) at the State Government's Secretariat is the nodal department for formulation and implementation of SCSP at State level. The Department is also implementing schemes exclusively for the development of Adi Dravidars. About 19 other departments reported allocation and expenditure under SCSP in the schemes implemented by them for all people.

Each department is headed by a Principal Secretary/Secretary to Government and Commissioners/Directors function under the Principal Secretary/Secretary. They formulate strategies and schemes, issue directions, make available the fund and monitor the activities. The field officers of the departments at regional, district and taluk levels execute the schemes. Implementation of schemes for economic development of the Adi Dravidars is

entrusted to the Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO) under the Department of AD&TW.

The Commissioner of Adi Dravidar Welfare is to monitor and review the progress of implementation of all the schemes under SCSP at district level.

2.1.3 Audit objectives

Performance Audit was conducted with a view to ascertain whether

- allocation of funds for SCSP from the State Annual Plan Outlay and expenditure thereof were as per the prescribed norms;
- the programmes under the sub plan were formulated comprehensively so as to cover the vital social, economic and educational development of the Adi Dravidars and they were carried out effectively, economically and efficiently;
- implementation of the sub plan resulted in (a) reduction of poverty and unemployment (b) creation of productive assets for the Adi Dravidars and (c) human resource development of the Adi Dravidars and
- formulation and implementation of the sub plan by various departments were effectively coordinated, monitored and evaluated.

2.1.4 Audit criteria

The audit findings were benchmarked with reference to the terms and conditions contained in the following sources:

- Guidelines of the Planning Commission for SCSP,
- State Annual Plans approved by the Planning Commission,
- Budget documents of the State and
- Guidelines for the departmental programmes and orders of the State Government issued from time to time.

2.1.5 Audit scope and methodology

About 20 Government departments reported expenditure under SCSP during 2007-12. Of the above, ten departments[1] were selected based on the

[1] (i) Adi Dravidar and Tribal Welfare, (ii) Agriculture, (iii) Health and Family Welfare, (iv) Housing and Urban Development, (v) Labour and Employment, (vi) Municipal Administration and Water Supply, (vii) Revenue, (viii) Rural Development and Panchayat Raj, (ix) School Education, (x) Social Welfare and Nutritious Meal Programme

expenditure reported under SCSP and their functional relevance to SCSP objectives. For field study, seven districts[2] out of 32 districts in the State were selected by stratified random sampling. An Entry Conference was held on 9 April 2012 with the Secretary of the Department of AD & TW and the Secretaries/representatives of the other nine selected departments for discussing the audit objectives, scope and period of audit. The Performance Audit was conducted between April and August 2012 covering the period 2007-12 by test check of records of the ten departments in the Secretariat, offices of the 13 Commissioners/Directors[3] under the control of the selected departments and their field offices in the seven sample districts and TADHCO. The draft report containing audit findings was communicated to the Government departments on 15 October 2012. Exit Conference with the Secretaries/representatives of six departments[4] were held in January 2013 to discuss the audit findings. Their views and formal reply wherever received have been taken into consideration while finalising the audit findings.

Audit findings

2.1.6 Allocation of funds and expenditure under SCSP

As per the guidelines for SCSP, the funds for SCSP should be accounted for in the Government accounts under a separate minor head '789 special component plan for Scheduled Castes'. The State Plan expenditure should include only the expenditure on State schemes and State share in the shared schemes. The State share in the shared schemes was neither available nor could be ascertained by Audit, since both the Central and State shares were accounted for under the same head of account. Hence the expenditure figures adopted in this report includes the Central fund in shared schemes too, both in the total Plan and SCSP heads.

In accordance with the policy of the Government and population of Adi Dravidars in the State, the plan outlay and benefit for the Adi Dravidars should be at least 19 *per cent* of the State Plan Outlay. However, the allocation of funds for SCSP in the Annual Plan Outlay (APO), the provision for SCSP in the State budget and the expenditure under SCSP were found less, as discussed below:

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2 Chennai, Dindigul, Ramanathapuram, Tirunelveli, Tiruvarur, Vellore and Villupuram

3 (i) Commissioner of Adi Dravidar Welfare (ii) Commissioner of Agriculture, (iii) Commissioner of Horticulture and Plantation Crops, (iv) Chief Engineer of Agriculture Engineering Department, (v) Director of Public Health and Preventive Medicine, (vi) Project Director, Tamil Nadu Health Systems Project (vii) Director of Employment and Training, (viii) Commissioner of Municipal Administration, (ix) Director of Town Panchayats, (x) Commissioner of Revenue Administration, (xi) Commissioner of Rural Development and Panchayat Raj (xii) Director of School Education, (xiii) Director of Social Welfare and Nutritious Meal Programme

4 Adi Dravidar and Tribal Welfare, Agriculture, Housing & Urban Development, Labour & Employment, Municipal Administration & Water Supply and Social Welfare & Nutritious Meal Programme

2.1.6.1 Shortfall in allocation and expenditure

The funds flow to SCSP from the Annual Plan Outlay during 2007-12, total budget provision for SCSP (all the Plan schemes of the Department of AD&TW plus plan provisions of all other sectoral departments under the minor head '789 – Special Component Plan for Scheduled Castes') and expenditure thereagainst are given in **Table 2.1**.

Table 2.1 : Funds flow to SCSP during 2007-12

(₹ in crore)

Year	Approved Annual Plan Outlay	Total State Plan expenditure* as per the Appropriation Accounts	SCSP					
			19 *per cent* of APO	Allocation for SCSP in the approved APO^	Provision made in the budget^	Expenditure^	Savings(-) / excess (+) expenditure as compared to the budgetary provision	Percentage of expenditure under SCSP to the total plan expenditure
2007-08	14,000	15,203.23	2,660.00	1,835.63 (13.1)	1,467.07 (10.5)	1,496.03 (10.7)	28.96 (+)	9.8
2008-09	16,000	18,980.34	3,040.00	2,485.95 (15.5)	2,409.58 (15.1)	2,126.12 (13.3)	283.46 (-)	11.2
2009-10	17,500	20,495.06	3,325.00	2,985.76 (17.1)	2,925.00 (16.7)	2,948.53 (16.8)	23.53 (+)	14.4
2010-11	20,068	26,928.56	3,812.92	4,008.27 (20.0)	4,642.16 (23.1)	4,161.96 (20.7)	480.20 (-)	15.5
2011-12	23,535	32,116.52	4,471.65	5,013.29 (21.3)	5,157.80 (21.9)	4,229.09 (18.0)	928.71 (-)	13.2
Total	**91,103**	**113,723.71**	**17,309.57**	**16,328.90 (17.9)**	**16,601.61 (18.2)**	**14,961.73 (16.4)**	**1,639.88 (-)**	**13.2**

(Source: Compiled by Audit from the Approved Annual Plan Outlays of the State and Appropriation Accounts)

* Excluding loans ^ Percentage to approved APO is given within brackets

- As compared to the prescribed norm of 19 *per cent*, the allocation of funds for SCSP in the APOs during 2007-10 was short by ₹ 1,717.66 crore (2007-08: ₹ 824.37 crore; 2008-09: ₹ 554.05 crore and 2009-10: ₹ 339.24 crore). The Planning Commission approved the State APOs for these years subject to provision of funds for SCSP in the Budget as per norms. But the State Government provided lesser funds in the budget even below the SCSP allocation in the approved APO for these years, resulting in shortfall to the tune of ₹ 505.69 crore for the three years (₹ 368.56 crore in 2007-08; ₹ 76.37 crore in 2008-09 and ₹ 60.76 crore in 2009-10). However, in 2010-11 and 2011-12, the allocation and provision were higher than the minimum norm of 19 *per cent.*

- The total provision made in the budget for the sub plan during 2007-12 was ₹ 16,601.61 crore (18.2 *per* cent) against the required minimum 19 *per cent* allocation of ₹ 17,309.57 crore and the shortfall was ₹ 707.96 crore.

- The actual expenditure of ₹ 14,961.73 crore accounted for 90 *per cent* of the total budgetary provision of funds leading to unutilised provision of ₹ 1,639.88 crore during 2007-12. The unutilised provision was

mainly under the programmes like Sarva Shiksha Abhiyan (₹ 128.95 crore), Rashtriya Madhyamik Shiksha Abhiyan (₹ 184.87 crore), supply of computers in higher secondary schools (₹ 11.34 crore), National Agricultural Insurance scheme (₹ 148.18 crore), Basic services to urban poor (₹ 47.73 crore) and Girls' incentive scheme (₹ 18.75 crore).

Thus during 2007-12, due to provision of lesser funds and savings against the provision, the actual expenditure (₹ 14,961.73 crore) under SCSP was only 16.4 *per cent* of the APO. Similarly, the percentage of expenditure under SCSP to the total plan expenditure (₹ 1,13,724 crore) of the State was 13.2 *per cent*, which reflected the fact that the actual expenditure (₹ 14,961.73 crore) was far below the prescribed norm of 19 *per cent.* Further, if the expenditure booked in excess, unspent funds, etc., under SCSP, as brought out in the succeeding paragraphs are taken into account, the total expenditure under SCSP would still be less.

2.1.6.2 Discrepancy in reporting of expenditure

The guidelines for SCSP stipulated that there should not be any division of expenditure under SCSP as 'divisible' (benefits accrue only to Adi Dravidars) and 'non-divisible' (benefits accrue to all people including Adi Dravidars). However, in the case of schemes meant for a particular area, outlay/expenditure could be a part of SCSP, if such area has more than 40 *per cent* Adi Dravidar population. Further, as per the guidelines, in the schemes like major irrigation, power supply and laying of roads, by which all the people in an area are benefited, only about five *per cent* of the project cost or in proportion to the number of Adi Dravidars actually benefited by such schemes could be accounted for under SCSP.

As per the guidelines, the State Government was to send an annual report on Plan expenditure including SCSP to the Planning Commission and Government of India. Two Departments *viz.,* (i) Planning, Development and Special Initiatives Department (PDSI), which is responsible for preparation of the State's Five Year and Annual Plans and (ii) Department of AD&TW, the nodal department for SCSP, reported[5] expenditure under SCSP annually. A comparison of the reports of the two departments with the actual expenditure as per Appropriation Accounts under SCSP during 2007-12 disclosed that both the departments reported a higher expenditure (except during 2010-11 by PDSI) as given in **Table 2.2**.

[5] PDSI Department reported to GoI (Ministry of Finance); Department of AD&TW reported to Planning Commission, National Commission for SCs and GoI (Ministry of Social Justice & Empowerment)

Table 2.2: Reporting of expenditure

(₹ in crore)

Year	Expenditure under SCSP as per Appropriation Accounts	Expenditure reported under SCSP and percentage of variation from the Accounts figures					
		PDSI Department		AD&TW Department			
		Amount	Percentage of variation	Divisible	Non-divisible	Total	Percentage of variation
2007-08	1,496.03	1,835.63	22.7 (+)	1,681.59	1,222.03	2,903.62	94.1 (+)
2008-09	2,126.12	2,567.89	20.8 (+)	2,551.70	901.65	3,453.35	62.4 (+)
2009-10	2,948.53	3,031.52	2.8 (+)	2,959.78	644.49	3,604.27	22.2 (+)
2010-11	4,161.96	4,097.27	1.6 (-)	3,986.31	223.69	4,210.00	1.2 (+)
2011-12	4,229.09	Not yet reported		3,988.11	503.86	4,491.97	6.2 (+)
Total	**14,961.73**			**15,167.49**	**3,495.72**	**18,663.21**	

(Source: Compiled by Audit from the Appropriation Accounts of the State and the reports of the two departments sent to GoI/Planning Commission)

The causes for the inflated reporting of expenditure under SCSP by these two departments could not be ascertained in audit in the present system adopted in the departments as follows:

(i) The account head-wise data for the reported figure of expenditure was not available with the PDSI Department. Its reported expenditure under SCSP for 2007-08 exactly matched with the allocation for SCSP in the approved APO. The Department included the expenditure relating to cent *per cent* centrally sponsored schemes (CSS) to the tune of ₹ 260.14 crore during 2008-09 and 2009-10 under SCSP, which is not appropriate.

The Department accepted (October 2012) that it had erroneously included the CSS expenditure. It further stated that its reporting was confined to the 'divisible' expenditure under plan schemes included in the APO. The reply is not acceptable as the figures reported by the department for three years (2007-10) were more than the total SCSP expenditure as per the Appropriation Accounts indicated in **Table 2.2**.

(ii) Even the 'divisible' expenditure reported by the Department of AD&TW did not agree with the figures of Appropriation Accounts. The correctness of reporting of "non-divisible" expenditure of ₹ 3,495.72 crore during 2007-12 as a share of expenditure towards the Adi Dravidars incurred on common facilities that benefited all people could not be checked as the list of schemes from which such apportionment was made and the proportion of Adi Dravidars benefited out of such schemes were not available with the Department.

The Department of AD&TW admitted (December 2012) the non-restriction of expenditure on common facilities to the prescribed level of five *per cent* and further stated that the said prescription would be adhered to from 2012-13. It further stated that the figures of the PDSI Department reflected only divisible component under SCSP and if both divisible and non-divisible components were taken into account, the total expenditure of both the departments would agree. But Audit observed that even the divisible component of the expenditure reported by the departments did not agree as noted from **Table 2.2**.

2.1.6.3 Inappropriate booking of expenditure

As per the guidelines, the basic objective of SCSP is to channelise the flow of outlays and benefits from the State plan outlay. Audit scrutiny disclosed that in two schemes, while the expenditure towards the general category of beneficiaries of schemes was booked under non-Plan, identical expenditure under the schemes towards the Adi Dravidar beneficiaries was booked under SCSP, as indicated in **Table 2.3**.

Table 2.3: Booking of expenditure under Plan for Adi Dravidars and non-Plan for others

(₹ in crore)

Department/ Gist of the scheme	Expenditure booked under		Audit observation
	Non-plan	SCSP	
Agriculture Procurement and sale of certified seeds under Integrated Programme of pulses seed centre and seed multiplication scheme (2007-12)	53.31	16.99	In the Government orders sanctioning the amount for procurement of seeds, it was ordered to debit the allocation towards general farmers to non-plan and for Adi Dravidars to Plan.
School Education All children of standards sixth to twelfth in the Government/Government-aided/ municipal corporation schools were exempted from payment of special fees to the schools from 2008-09 and the Director of School Education was to compensate the loss to the schools by reimbursing the amount from the Government account (2008-12)	48.24	26.19	The Department of AD&TW booked the reimbursement of expenditure in respect of Adi Dravidar and Tribal Welfare schools under non-Plan. The Director of School Education treated the reimbursement to the corporation schools as non-Plan expenditure. But in respect of other schools under his control, he debited 66 *per cent* to non-Plan and 34 per cent to SCSP.
Total	**101.55**	**43.18**	

Audit observed that booking of identical nature of expenditure under plan scheme (SCSP) in the case of Adi Dravidar beneficiaries and under non-plan in the case of other beneficiaries was not in order.

In respect of Agriculture Department, the Commissioner of Agriculture, without giving any reason for booking a portion of the expenditure under non-plan and the balance under SCSP, stated (December 2012) that the provisions of both plan and non-plan were used to meet the cost of seeds procured from the farmers, cost of cloth bags, seed processing, tagging, certification charges, etc. He further stated that 25 *per cent* of the seed farmers were Adi Dravidars.

The reply is not acceptable as the percentage of Adi Dravidar seed farmers is irrelevant to the point raised in audit and the Commissioner did not address the issue i.e. different practice of booking of the expenditure.

2.1.6.4 Excess booking

(i) Department of Rural Development and Panchayat Raj

In June 2010, Government launched the Kalaignar Housing Scheme to convert 15 lakh huts into concrete-roofed permanent houses during 2010-16, at a unit cost of ₹ 75,000 to be borne entirely by the Government. The villages to be

covered in a year and the community-wise beneficiaries in such villages were to be selected through a web-based application. In order to guard against possibility of putting new thatched roof houses and cornering multiple benefits and to freeze the list of beneficiaries in the beginning itself, eligibility cards were issued to the identified beneficiaries. Work orders for construction of houses were issued to six lakh beneficiaries during 2010-11.

Of the total sanction of ₹ 1,800 crore for the scheme in 2010-11, ₹ 780 crore (43.3 *per cent*) was sanctioned and booked under SCSP. The Commissioner of Rural Development and Panchayat Raj (CRD), citing the less number of Adi Dravidar beneficiaries, proposed (September 2010) for re-allocation of the excess booking under SCSP. However, the Department of Rural Development and Panchayat Raj did not issue order for the re-allocation. Reasons for not issuing the re-allocation order were not on record.

In October 2011, on the ground of inadequacy of unit cost due to cost escalation forcing the poor families into debt trap, Government ordered discontinuation of the Kalaignar Housing Scheme and introduced a new scheme called Chief Minister's Solar Powered Green House Scheme.

Audit observed that failure of the Department to issue the re-allocation order in proportion to the Adi Dravidar beneficiaries resulted in excess booking of expenditure under SCSP. Audit arrived the excess booking as ₹ 232.04 crore (₹ 780 crore minus ₹ 547.96 crore for 73,061 Adi Dravidars beneficiaries who were allowed to continue the work at the time of discontinuance of the scheme).

The CRD replied (December 2012) that non-passing of the corresponding benefits to Adi Dravidar beneficiaries as per allocation of funds was due to sudden disbandment of the scheme. The reply is not acceptable as the Government as early as in September 2010 was aware of the excess booking and it however did not issue the re-allocation order to ensure that expenditure booked under SCSP was commensurate with the number of Adi Dravidar beneficiaries.

(ii) Department of School Education

As per the SCSP guidelines, the entire expenditure on providing infrastructure to habitations having more than 40 *per cent* Adi Dravidar population may only be booked under SCSP. However, the Department of School Education, while sanctioning ₹ 939.54 crore during September 2008 to September 2010 for additional classrooms, laboratory, etc., to 983 upgraded higher secondary schools, ordered to debit the entire cost (₹ 395.01 crore) for 414 schools having more than 30 *per cent* Adi Dravidar students to SCSP. The basis for adopting the norm of 30 *per cent* for booking the entire expenditure under SCSP in the said schools was not made available to Audit.

Audit observed that the booking of entire expenditure for the schools having Adi Dravidar students below the norm of 40 *per cent* under SCSP was not correct. The excess booking under SCSP in respect of 190 schools having 30 to 39 *per cent* Adi Dravidar students was ₹ 191.21 crore.

2.1.6.5 Incorrect reckoning of GoI share as expenditure under SCSP

As per the State Budget documents, State Plan should not include cent *per cent* centrally sponsored schemes and central share in shared schemes, unless specifically permitted so by GoI. As mentioned earlier, the shares of the Central and the State Governments in the shared schemes could not be ascertained from the accounts of State Government. However, Audit, by examining the individual Government orders sanctioning the funds and their drawals found that the Department of Municipal Administration and Water Supply reckoned GoI share also for SCSP in two shared schemes viz., Basic Services to Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) under the Jawaharlal Nehru National Urban Renewal Mission (GoI's share was 50 *per cent* of project cost for cities having more than 4 million people and 80 *per cent* for other cities). Incorrect booking of the central share under SCSP in the test-checked 37 cases was ₹ 137.78 crore (BSUP: ₹ 87.11 crore in 17 cases during 2008-12; IHSDP: ₹ 50.67 crore in 20 cases during 2007-12).

The Commissioner of Municipal Administration replied (November 2012) that the total project cost including GoI share was taken up for allocation and the audit observation would be taken up with Government.

2.1.6.6 Booking of expenditure at higher proportions

In the following two schemes, expenditure at higher proportions than the Adi Dravidar population in the State was found booked under SCSP, without spelling out the basis or ensuring corresponding benefit to the Adi Dravidars.

(i) Health Insurance Scheme

Under the Health Insurance Scheme implemented from 2009-10, ₹ 466.09 crore constituting 33.8 to 34.9 *per cent* of total expenditure of the scheme during 2009-12 was booked under SCSP.

Audit scrutiny revealed that there was no system to ascertain the communities of beneficiaries under the scheme. When there was no system to identify the Adi Dravidar beneficiaries, booking of expenditure under SCSP, that too at a higher percentage of about 34 against 19 *per cent* Adi Dravidar population in the State, was not justified.

The Additional Secretary to Government, Health & Family Welfare Department and Project Director, Tamil Nadu Health System Project replied (September 2012) that no system could be followed as the scheme was

intended to cover all people and that expenditure under SCSP was booked as per allocation made by the Government. The Additional Secretary further stated (November 2012) that collection of community details of a patient before giving emergency treatment to save his/her life was not advisable.

The reply is not acceptable as the expenditure incurred for the benefit of Adi Dravidars could alone be booked under SCSP. The community of the beneficiaries could be ascertained at the time of enrolling them under the scheme and prior to payment of premium from SCSP funds.

(ii) Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan (SSA) is a Centrally sponsored mission for providing quality elementary education to all children in the age group of six to 14 years i.e. children in standards one to eight. The cost of the mission was shared by the Central and the State Governments in the ratio ranging from 65:35 (2007-08) to 50:50 (2011-12).

Audit noticed that out of the State share of ₹ 361.67 crore released to SSA during 2011-12, 46.2 *per cent* (₹ 166.98 crore) was booked under SCSP, though out of all children upto eighth standard, Adi Dravidar children constituted only 24 *per cent*. The higher booking under SCSP without ensuring corresponding benefit to the Adi Dravidars is not correct.

2.1.7 Planning and formulation of schemes

2.1.7.1 Non-collection of developmental indicators

The basic objective of SCSP was to ensure overall social, economic and educational development of Adi Dravidars. As per the SCSP guidelines, the gap in the development indicators focusing on agriculture, education, health, industry and service sectors between the general population and Adi Dravidars should be identified and bridged within a period of 10 years. The data on these indicators are essential for identification of areas of backwardness of the Adi Dravidars, allocation of appropriate quantum of funds and formulation of schemes.

Audit noticed that these indicators except on literacy, operational land holdings and unemployment are not available with the sectoral departments, for proper planning, allocation of funds and formulation of schemes for the development of Adi Dravidars under SCSP, according to their needs.

2.1.7.2 Sectoral allocation of funds without prioritisation

As per the guidelines, the total outlay for SCSP should be arrived at first and then distributed among the different sectors according to needs.

It was noticed in audit that the allocation of SCSP funds among the various sectors had been made without appropriate focus and prioritisation in the

APOs during 2007-12, as observed from **Table 2.4** and further comments thereunder.

Table 2.4 : Allocation of funds for SCSP for various sectors in the APOs during 2007-12

(₹ in crore)

Sector	Allocation					Total
	2007-08	2008-09	2009-10	2010-11	2011-12	
Agriculture and allied activities	27.49 (1.5)	80.99 (3.3)	49.92 (1.7)	203.89 (5.1)	284.78 (5.7)	647.07 (4.0)
Rural Development	187.48 (10.2)	177.51 (7.1)	399.11 (13.4)	1,180.72 (29.5)	1,166.88 (23.3)	3,111.70 (19.1)
Special area programmes	11.65 (0.6)	13.65 (0.5)	14.11 (0.5)	6.68 (0.2)	5.79 (0.1)	51.88 (0.3)
Power and energy	138.01 (7.5)	200.00 (8.1)	230.00 (7.7)	100.00 (2.5)	117.96 (2.3)	785.97 (4.8)
Industries and minerals	81.45 (4.5)	289.00 (11.6)	264.00 (8.8)	253.83 (6.3)	64.00 (1.3)	952.28 (5.8)
Transport	108.97 (5.9)	155.30 (6.3)	112.66 (3.8)	133.85 (3.3)	310.00 (6.2)	820.78 (5.1)
General economic services	0.00 (0.0)	40.00 (1.6)	30.00 (1.0)	0.00 (0.0)	312.50 (6.2)	382.50 (2.3)
Social services	1,280.58 (69.8)	1,529.50 (61.5)	1,885.96 (63.1)	2,129.30 (53.1)	2,751.38 (54.9)	9,576.72 (58.6)
Total for SCSP	**1,835.63 (100)**	**2,485.95 (100)**	**2,985.76 (100)**	**4,008.27 (100)**	**5,013.29 (100)**	**16,328.90 (100)**

(Source: Approved Annual Plan Outlays of the State); Figures in parenthesis indicate the percentage to total.

- Though the amount allocated for 'Agriculture and allied activities' has shown increasing trend, considering 39.16 lakh Adi Dravidar cultivators and agricultural labourers engaged in the sector (32.9 *per cent* of total 1.19 crore Adi Dravidars in the State as per 2001 Census), the allocation of fund under SCSP for that sector ranging from 1.5 to 5.7 *per cent* only, during 2007-12 was not significant.

- During 2007-12, of the total allocation of ₹ 952.28 crore under 'Industries and minerals', ₹ 337.45 crore (35.4 *per cent*) was earmarked for free distribution of sarees and dhotis to Adi Dravidars and booked as expenditure, as if it was for development of Adi Dravidars in the field of village industries/small industries. The allocation under this sector was also on the decline and it was only 1.3 *per cent* (i.e. ₹ 64 crore for distribution of sarees/dhotis) of the allocation for SCSP in 2011-12. Thus, there was no allocation for development of Adi Dravidars in the sector during 2011-12.

- Substantial reduction of poverty and creation of productive assets in favour of the Adi Dravidars were among the objectives of SCSP. But, bulk of the allocations was made under the Social services (54.9 *per cent* in 2011-12) and Rural development activities (23.3 *per cent* in 2011-12), denying the Adi Dravidars the scope to have productive assets in agriculture and industry.

2.1.7.3 Non-formulation of schemes with special focus for Adi Dravidars

The Planning Commission's guidelines suggested important schemes like good quality Industrial Training Institutes, polytechnics, residential schools

and vocational training for the development of Adi Dravidars. It also envisaged establishment of a nodal unit in each department for formulation and implementation of schemes under SCSP. In accordance with the guidelines, the State Government designated the Department of AD&TW as the nodal department for SCSP. As per the State Government order (October 2006), the details of the schemes implemented under SCSP were to be finalised by the sectoral departments in consultation with the nodal department.

(i) Non-establishment of full-fledged nodal unit

Audit observed that instead of establishing a full-fledged and dedicated nodal unit in each sectoral department for formulation and implementation of schemes under SCSP, only a nodal officer has been appointed in each department.

The Department of AD&TW replied (August 2012) to Audit that the role of the nodal officer was to liaise between the line department and the Government for smooth implementation of schemes for the welfare of SC/ST people and the nodal officer was responsible for furnishing all data and particulars called for by the Government.

The reply is silent about formation of a dedicated nodal unit in each department.

(ii) Non-convening of meeting for formulation of schemes

It was observed that neither the Department of AD&TW convened any meeting for formulation of schemes nor the other sectoral departments approached it for formulation and finalisation of schemes under SCSP during 2007-12. To an audit enquiry, the Department of AD&TW furnished (August 2012) only the dates of review meetings and meetings for finalisation of expenditure on SCSP/Tribal Sub-Plan.

(iii) Non-formulation of important schemes

Audit noticed that no major schemes envisaging higher or exclusive benefits to the Adi Dravidars, considering their social and economic backwardness were formulated and implemented by the selected departments, except the Department of AD&TW, during the period covered by Audit. The Department of AD&TW continued only the old programmes without any innovation except the economic development scheme with State special assistance of ₹ 25 crore each year from 2006-07. Two programmes implemented by the Department of Labour and Employment exclusively for the Adi Dravidars *viz*., (i) five coaching-*cum*-guidance centres for the SC/ST youths and (ii) one Government Industrial Training Institute for Adi Dravidars at Chidambaram were also evolved by the Department of AD & TW long back in 1988.

Audit scrutiny revealed that the remaining eight selected departments generally allocated a portion of the funds for SCSP in *adhoc* manner in common schemes that were aimed at providing benefits to all.

2.1.8 Implementation of schemes

2.1.8.1 Department of Adi Dravidar and Tribal Welfare

The Adi Dravidar and Tribal Welfare Department's concentration under SCSP was mainly on activities for educational development (75 *per cent* of its expenditure was on this activity) of the Adi Dravidars. The Department implemented schemes for socio-economic development of the Adi Dravidars to the extent of 18 *per cent* of its total expenditure under SCSP, mainly through TAHDCO.

(i) Denial of incentive to the girl students

The girls incentive scheme envisaging an annual incentive of ₹ 500 to Adi Dravidar/ ST girls in standards III to V and ₹ 1,000 in standard VI was implemented from 1994-95 for the Adi Dravidar girls in 15 educationally backward districts[6] and for the ST girls in all the districts with a view to reduce the drop out. In order to cover all the Adi Dravidar/ST girls in the State, Government sanctioned ₹ 40 crore in 2011-12 based on the number of students (6,38,352) furnished by Sarva Shiksha Abhiyan. The District Adi Dravidar and Tribal Welfare Officers (DADTWOs) were to draw and disburse the amount to the girls through the schools concerned.

Non-collection of school-wise details of SC/ST girls

It was noticed in audit that out of ₹ 40 crore sanctioned for 2011-12, only ₹ 21.25 crore was drawn for disbursement and ₹ 18.75 crore (47 *per cent*) was surrendered. The surrender of funds in the seven sample districts was in the range of 24 to 73 *per cent*. Further scrutiny of records disclosed that such low level of utilisation of funds in the sample districts was due to (a) collection of the details of students by DADTWOs from the School Education Department only after sanction of funds in February 2012 and (b) non-receipt/partial receipt of applications from the offices of the School Education Department / schools in the districts and raising of claims for less number of beneficiaries than the number adopted by the Government for sanction of fund. DADTWOs did not attempt to find out the reasons for receipt of claims for lesser number of girls.

Non-disbursement of incentive to the girls

There was shortfall in utilisation of even the lesser funds drawn by the DADTWOs, as there was no uniform system for disbursement of the incentive amount. Two DADTWOs (Dindigul and Ramanathapuram districts) released

[6] Cuddalore, Dharmapuri, Kancheepuram, Karur, Krishnagiri, Nagapattinam, Namakkal, Perambalur, Salem, Thiruchirapalli, Thiruvallur, Thiruvannamalai, Vellore, Villupuram and Virudhunagar

the amount to some schools directly and to the District Educational Officers and District Elementary Educational Officers in respect of some other schools. The dual system resulted in overlapping in release of fund and consequent refund of excess amount of ₹ 9.43 lakh in Dindigul District and ₹ 29.67 lakh in Ramanathapuram District. In Tiruvarur, Tirunelveli, Vellore and Villupuram districts, cheques valuing ₹ 19.65 lakh drawn by DADTWOs remained uncashed (November 2012) for three to six months, denying the benefit to the girls.

The Commissioner of Adi Dravidar Welfare replied (October 2012) that the funds could be utilised only partially due to their release at the fag end of the year. Regarding non-disbursement of the drawn amount to the girls, he replied (December 2012) that the District Officers were instructed to furnish reports about incentives actually reached the girls and the position would be intimated to Audit on their receipt. The reply is not acceptable as the Commissioner himself had directed (3 January 2012) DADTWOs to keep the list of beneficiaries ready and released the funds on 7 February 2012, giving enough time required for such work in the year 2011-12.

(ii) Delay in disbursement of scholarships

Educational scholarship of various types were awarded to the Adi Dravidar/ST students towards compulsory fees payable by them to the educational institutions, purchase of notebooks, boarding charges, etc. As per Government orders, the scholarships should be disbursed before the end of October in case of fresh applicants and before the end of July in case of renewals. To ensure timely disbursement, Government exempted the scholarship payments from the quarterly restriction of expenditure generally fixed for various schemes and DADTWOs were to begin the preparatory works such as sending the scholarship application forms to the educational institutions, in June.

It was observed that though the scholarship schemes were generally ongoing, the Government, during 2009-12, accorded financial sanction only during June and August (5 August 2009, 15 June 2010 and 4 August 2011). The Commissioner allocated funds to the district authorities during July to September, by which time the entire scholarship was to have been disbursed to the students. The delay in issuing sanctions during two years (2009-10 and 2011-12) was at the Government level.

Given the delay at Government/Commissionerate levels, had DADTWOs processed the applications for scholarship and kept the institution-wise eligibility lists ready, disbursement of the amount could have been completed by October/November. Test check of cases in the sample districts disclosed that out of ₹ 114.80 crore relating to 2009-12, only 40 *per cent* was released to the educational institutions by November and the remaining 60 *per cent* was released with delay of one to four months, as detailed in **Appendix 2.1.**

In Vellore District, claims for pre-matric scholarship received during 2007-08 from the educational institutions were processed and scholarship amount was released only in the subsequent years (₹ 18,520 for 23 students in September 2008; ₹ 97,419 for 117 students in January 2009 and ₹ 7,699 for nine students in March 2009).

The Commissioner of ADW replied (December 2012) that the delay at district level was unavoidable as various scholarship schemes were modified with intention of covering more beneficiaries and in accordance with change in requirement. The Commissioner also attributed the delay to lack of man power. The Commissioner further stated that the district officers would be instructed to disburse the scholarship as and when claims were received, and the institutions would be instructed not to collect the fees payable by the students who were eligible for scholarship.

(iii) Delay in construction of hostel buildings

Government, with a view to provide required living space and facilities to the hostel inmates and reduce its expenditure on rent, sanctioned during 2007-12 construction of own buildings for 175 hostels functioning in private rented buildings, through TAHDCO. As of June 2012, construction of buildings for 159 hostels including 19 hostels sanctioned prior to 2007-08 was pending. A test check of records disclosed that preparation of unrealistic estimates and delays in identification of site and according revised administrative sanction by the Department led to non-completion of the works, besides cost overrun, as brought out in the succeeding paragraphs.

Unrealistic estimates

For construction of hostels, the Department of AD&TW decided (March 2002) to adopt the type design and cost estimates of the Public Works Department (PWD) for the hostel buildings constructed by PWD for the Backward Classes, Most Backward Classes and Minorities Welfare Department. Considering TAHDCO's levy of 12.5 *per cent* centage charges, the estimate for the Adi Dravidar Welfare hostel obviously was to be higher than the estimate of PWD for similar work.

Audit noticed that the Commissioner of ADW got sanction (September 2007) of Government for constructing 25 hostels during 2007-08 at ₹ 35 lakh per hostel, when PWD's estimate for similar hostel buildings in 2007-08 was ₹ 47.60 lakh. Of the 25 hostels, works for 17 hostels could not be commenced due to non-response to repeated tender calls (11 works) and non-signing of agreements by the successful tenderers (six works). Consequently, the Commissioner of ADW sought (October 2008) sanction for enhanced unit cost of ₹ 40 lakh for two works and ₹ 50 lakh for remaining 15 works. The non-response to 68 *per cent* of the works tendered indicated preparation of unrealistic estimates.

Delay in according revised sanction

For 37 hostel buildings (including the 17 mentioned above) sanctioned between February 2002 and September 2007, but not taken up for construction due to various reasons, TAHDCO sought additional fund of ₹ 5.65 crore from the Commissioner of ADW by submitting revised estimates in October 2008.

Audit scrutiny disclosed that Government accorded the revised sanction for 35 works only in January 2011, with additional funds of ₹ 6.43 crore, after prolonged correspondence and meetings explaining the causes that necessitated the revised sanction such as delay in approval of alternative site, delay in handing over of site, non-response to tender calls and change in unit cost as per latest PWD schedule of rates. The Government and the Commissioner of ADW took more than two years for according the revised sanction. Thus, the period of two years taken for according the revised sanction resulted in delay in taking-up of the works for construction with inherent cost overrun, besides denial of facilities to the inmates.

Deficiency in according sanction

The estimate for construction of an Adi Dravidar Welfare hostel building for 50 inmates as per the schedule of rates for 2010-11 would work out to ₹ 57.42 lakh (PWD's estimate of ₹ 51.04 lakh plus centage of 12.5 *per cent* to TAHDCO). However, the Commissioner of ADW, while seeking (July 2011) sanction of Government for construction of 93 hostels proposed a unit cost of ₹ 50 lakh, which was even less than the estimate for 2010-11. TAHDCO also estimated (August 2011) the unit cost at ₹ 58.70 lakh. Though Government anticipated (September-October 2011) a higher construction cost, it accorded sanction (November 2011) at the unit cost of ₹ 50 lakh for construction of 42 hostels. Immediately after the Government sanction, TAHDCO sought (November 2011) revision of the unit cost to ₹ 71.31 lakh. Government sanctioned the same in June 2012.

Audit observed that the action of the Commissioner to seek sanction at a less unit cost and Government sanctioning the same, despite knowing the need for higher unit cost, indicated deficiency in the system adopted for Government sanction.

Delay in identification of site

As addition to the existing Post Graduate (PG) college boys hostel at Palayamkottai constructed in February 2007, Government sanctioned (September 2008) construction of a PG college boys hostel (70 inmates) building in the same town.

The details of action taken by DADTWO, Tirunelveli to identify the site for hostel were not made available to Audit. However, it was noticed by Audit from the details available with TAHDCO that when TAHDCO sought handing over of the site to it for construction, DADTWO only reported (March 2009) about existence of a PG hostel constructed in February 2007 and did not respond thereafter to repeated reminders till July 2010. DADTWO handed

over a site only in November 2010. After a lapse of two years since sanction, the work was awarded to a contractor at a cost of ₹ 47.24 lakh in February 2011. Subsequently, the tender was cancelled (September 2011) as the selected tenderer did not come forward to sign the agreement. Re-tender was called for in May 2012. The Commissioner of ADW stated (December 2012) that there was no fruitful result for five tender calls and hence the estimate had to be recast to ₹ 89.19 lakh based on the prevailing PWD's schedule of rates including for solar electrification for the building and sanction was awaited from Government.

Audit observed that when the estimate for hostel building for 50 inmates at 2010-11 schedule of rates would work out to about ₹ 58 lakh, it was not clear how the Department arrived at the estimate and entrusted the work for a building to house 70 inmates at ₹ 47.24 lakh in February 2011. The subsequent recast of the estimate to ₹ 89.19 lakh at current rate also points to defective estimation of the cost. The initial delay in identification of the site resulted in non-taking up of the work sanctioned in September 2008 with inherent cost overrun.

(iv) Inadequate facilities in the hostels

As per the norms prescribed by Government, the plinth area for a hostel for 50 students is 460.70 sq.m including living space of 2.94 sq.m per hosteller and other amenities like dining hall, kitchen, store, toilet and bathroom. A comment (Paragraph 3.4) was included in the Report of CAG for the year 2006-07 on the lack of basic amenities in hostels run by the AD&TW Department. The basic amenities like water supply, toilet/bathrooms, electrical fittings were still inadequate in many of the hostels.

(a) In test check of records of seven DADTWOs, it was noticed that in 11 hostels in five districts, the inmates were accommodated in unsafe buildings (two hostels), rented building with less space (two hostels) and without adequate bathroom/water closet facilities (five hostels) as detailed in **Appendix 2.2.**

(b) A comparison by Audit of the available space with the norm disclosed that in 20 out of 21 hostels in Chennai, the available plinth area was grossly inadequate. The available plinth area was only 13,655 sq.m, against the required 28,287 sq.m for the strength of 3,070 inmates in these 20 hostels.

(c) Audit noticed that in spite of overcrowding in the college boys hostels in Chennai, a hostel building for college boys constructed in March 2011 at Mylapore (Chennai) at a cost of ₹ 31.50 lakh was not occupied (August 2012). The reason for not using the new hostel building was not on record. In August 2012, DADTWO, Chennai sought funds of ₹ 2 lakh for provision of concrete pavement on three sides of the building, pipeline from the water sump to overhead tank, repairing of broken sewerage pipe and fixing of new tube lights in lieu of those lost due to theft, etc., to make the building usable.

Audit observed that the delay in occupation of the building contributed to additional liability towards repairs.

(v) Non-distribution of tools for income generation

Government sanctioned ₹ 1 crore every year for free distribution of sewing machines, iron boxes and carpentry tools to the Adi Dravidar/ST families belonging to below poverty line to enable them earn their livelihood. The Commissioner of ADW distributed the amount to DADTWOs for procurement and distribution of equipment. Out of ₹ 5 crore sanctioned during 2007-12, ₹ 4.85 crore was utilised. It was noticed in audit that in the sample districts, some of the equipment remained undistributed as of 31 March 2012 as given in **Table 2.5**.

Table 2.5 : Stock of tools as of March 2012

District	Sewing machine	Iron box	Carpentry tools (set)
Dindigul	84	74	14
Ramanathapuram	0	18	11
Tiruvarur	95	14	Details not available
Tirunelveli	16	35	8
Vellore	66	30	6
Villupuram	Stock register not available		

(Source: Stock registers of DADTWOs)

Further scrutiny of the records disclosed the following:

Iron boxes: Iron boxes were not procured after 2008-09 on the plea of lack of demand. 171 boxes procured prior to 2009-10 still remained undistributed in five sample districts. DADTWO, Tirunelveli attributed the idle stock of 35 iron boxes to absence of demand. But Audit found that nine applications received by the Special Tahsildar, Tirunelveli during November 2009 to December 2010 were not processed by him. In Villupuram District, though there were 16 eligible applicants, no equipment were purchased (November 2012) with the fund ₹ 3.25 lakh drawn in 2011-12.

Sewing machines: Though 347 applications were pending in Dindigul District, 84 machines remained undistributed as of March 2012. Test check in the office of Special Tahsildar, Tirunelveli, showed that 12 applications found to be eligible by the office during November 2009 to April 2010 were not forwarded to DADTWO for distribution of machines. He also did not process 85 applications received during November 2009 to July 2011. In Vellore, though DADTWO had 209 eligible applications, 66 machines were in stock undistributed.

Carpentry tools: No tools were procured after 2008-09. In Tirunelveli District, eight out of 14 sets of tools procured in 2007-09 remained undistributed even after three years (July 2012) on the ground of lack of demand. In Dindigul District, all the 14 sets procured prior to 2009-10 remained undistributed.

Audit observed that the shortfall in distribution of even the modest number of tools points to lack of interest in implementation of the scheme by the departmental officers. Government may examine the scheme either to strengthen it by wider coverage or to formulate alternative schemes with more scope.

(vi) Frequent transfer of staff in the District offices

Appropriate staff with sufficient length of tenure is critical for successful implementation of programmes. The deployment of Revenue Department officers to the district offices of AD&TW Department and consequent deficiencies in implementation like delay in sanction and disbursement of scholarship, inadequate maintenance of hostels and monitoring of the schemes were pointed out in Paragraph 3.4 of the Report of the CAG for the year 2006-07.

Audit noticed that though the Government in AD&TW Department agreed to the audit point, no effective action has been taken to mitigate the problem. Twenty two out of 32 posts of DADTWOs and all their staff, except the Superintendent, were continued to be posted from the Revenue Department. There were frequent transfers of the incumbents. For instance, during the period of four and half years from April 2007 to December 2011, seven officers held the post of DADTWOs in Dindigul and Tirunelveli and eight officers in Ramanathapuram with tenure ranging from just one to 12 months, except in one case in Dindigul which lasted for 17 months. Thus, the deficiencies pointed out in the 2006-07 Audit Report continued unrectified for over five years.

The Commissioner of ADW replied (December 2012) that incumbents of 22 posts of DADTWOs filled from the Revenue Department were transferred by the Commissioner of Revenue Administration due to administrative reasons and the proposal (April 2010) of the Department of AD&TW for filling up the posts in a different ratio and prescribing minimum tenure was pending.

(vii) Under-utilisation of funds for economic development by TAHDCO

The Department of AD&TW released ₹ 25 crore every year (₹ 24.44 crore in 2009-10) as Special State Assistance to TAHDCO for implementing schemes for economic development of the Adi Dravidars. TAHDCO was eligible for five per cent towards administrative charges. Of ₹ 124.44 crore released during 2007-12, TAHDCO utilised ₹ 85.62 crore (₹ 12.30 crore for provision of top class education; ₹ 68.32 crore[7] for various training/financial assistance and ₹ 5 crore towards the administrative charges). Rupees 38.82 crore relating to 2008-12 remained unutilised (November 2012). Scrutiny of connected records disclosed the following:

[7] Including the committed liability of ₹ 6.32 crore for the training courses organized during 2010-11

Avoidable payment of administrative charges

Though the funds under Special State Assistance were intended for economic development of the Adi Dravidars by giving job-oriented training etc., ₹ 12.30 crore was utilised for top class education scheme[8]. The entire process under the scheme i.e. from selection of students was done by DADTWOs and TAHDCO's role was only releasing of the fund to DADTWOs. Had funds for this scheme been directly placed with DADTWOs, the Department could have saved the administrative charge of ₹ 61.50 lakh (five *per cent* of ₹ 12.30 crore) paid to TAHDCO.

The Commissioner of ADW replied (December 2012) that a proposal for releasing the funds for top class education scheme for 2012-13 from the Plan grant of the Department instead of from Special State Assistance was pending with the Government.

Non-utilisation of funds for starting high cost project

The entire provision of ₹ 3.75 crore for 2008-11 (₹ 1.25 crore per annum) for extending financial assistance, as back ended subsidy upto ₹ 50 lakh per individual, to five Adi Dravidar/ST entrepreneurs for starting high cost projects above ₹ 2.50 crore was not utilised.

The provision for 2008-09 was not utilised on the ground of banks not extending loan to the beneficiaries. For 2009-10, though TAHDCO's Board of Directors approved (September 2010) the release of subsidy of ₹ 45.73 lakh to two individuals (₹ 10.33 lakh for purchase of machinery for a clinic in Dharmapuri and ₹ 35.40 lakh for starting a food powder and flavor manufacturing unit in Ariyalur District), TAHDCO resorted (July 2011) to seeking instructions of Government to release the subsidy on the plea that the scheme related to 2009-10, subsidy amount was huge and the component was not contemplated in the scheme for 2011-12. TAHDCO, in November 2012, replied to Audit that Government order was still awaited and the component would be implemented on receipt of the order. It further stated that necessary proposals for modification of the component would be sent to Government for utilisation of the entire earmarked funds for economic development of the targeted group.

For 2010-11, though TAHDCO selected (July 2011) three beneficiaries, no further action was taken, pending Government's clearance in respect of 2009-10.

Thus, the entire provision of ₹ 3.75 crore meant for encouraging the Adi Dravidar/ST entrepreneurs for starting high cost project remained unutilised due to lack of concerted effort by TAHDCO.

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[8] Under this, one Adi Dravidar / ST student from each of the State's 385 blocks was provided free education in reputed private schools of their choice from standards VI to XII

Non-monitoring of implementation

The actual balance available with TAHDCO as of March 2012 was ₹ 58.62 crore (Personal Deposit account : ₹ 44.50 crore and Saving Bank account/ fixed deposits: ₹ 14.12 crore) indicating that the unspent amount relating to earlier years was retained by TAHDCO. Audit observed that the Department of AD&TW did not monitor/ensure utilisation of the funds before releasing funds for subsequent years.

Thus, the only major scheme for economic development of the Adi Dravidars under SCSP was implemented partially, denying the intended benefit to them due to lack of concerted action by TAHDCO and non-monitoring by the administrative department *viz.,* Department of AD&TW.

(viii) Deficiencies in supply of uniforms

The Department of AD&TW supplied uniforms to the students of first to twelfth standards in the Adi Dravidar Welfare schools and to inmates of the hostels under its control. The uniforms were stitched by the tailoring cooperative societies under the control of District Social Welfare Officers (DSWO) of Social Welfare Department. Audit scrutiny disclosed the following:

Excess consumption of cloth

The Department of AD&TW prescribed the quantum[9] of cloth to be used for stitching uniform of each type and for each standard. Audit noticed from the records of DSWOs of four districts[10] that 32,655 metres of more cloth valuing ₹ 21.75 lakh were used by the tailoring societies during 2009-12. Even in the case of duppatta, for which the prescribed length was two metres and where there was no scope for variation, excess consumption of cloth was noticed in three sample districts (Tirunelveli, Vellore and Villupuram).

Audit noticed that the DADTWOs did not correlate the number of uniforms stitched and supplied to them with the consumption of cloth reported therefor. Had they exercised control, the excess consumption could have been noticed by them.

Non-utilisation of cloth following change in colour of the uniforms

The Department changed the colour of uniform from navy blue/blue/white to grey/sandal in 2006-07 to blue/blue striped during 2007-08. The balance quantity of grey/sandal colour cloth of 67,857.16 metres procured at a cost of ₹ 45.13 lakh for 2006-07 remained unutilized (July 2012) with 16 DADTWOs. Audit observed that considering the efflux of five years, the cloth may not be of any use, rendering the expenditure wasteful.

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9 Boys' pant / shirt : Standards I to V : 50 / 125 cm, VI and VII: 60 / 150 cm, VIII to X : 100 / 170 cm, XI and XII : 120 / 180 cm
Girls' skirt or churidhar bottom : Standards I to V: 200 cm, VI to X : 180 cm, XI and XII : 200 cm, Duppatta : Standards VI to XII : two metres

10 Ramanathapuram, Tirunelveli, Vellore and Villupuram

Delayed supply of uniforms

Normally, the academic year starts in the first week of June and ends in the third or fourth week of April in the subsequent year. The uniforms were to be distributed to the students in June or at the time of reopening of the schools. Audit found that in the test-checked districts, the uniforms were supplied to the students generally after a delay of one month to 12 months. In five test-checked districts (Chennai, Ramanathapuram, Tirunelveli, Tiruvarur and Vellore), the supply of uniforms commenced mostly in September or later months of the academic year, as given in **Appendix 2.3**. The supply for the academic year 2011-12 in Tirunelveli District started only in June 2012 i.e. in the next academic year. Audit noticed that all the 5,157 girls in standards VI to XII in Villupuram District were supplied churidar without duppatta during 2011-12.

The Commissioner of ADW in his reply (December 2012), only quoted a report in a Tamil News Paper dated 20 December 2012 that the school children would be provided with similar uniforms from 2012-13 and stated that uniforms for the students in ADW schools for 2011-12 had been supplied.

2.1.8.2 Department of Agriculture

(i) Lack of focus for the development of Adi Dravidars

Agriculture plays a vital role in economic development and poverty alleviation in rural areas. As per the 2001 Census, the number of Adi Dravidar agricultural labourers was 33.32 lakh, constituting 38.6 *per cent* of the State's total of 86.38 lakh agricultural labourers. As per the Agricultural Census 2005, 5.03 lakh hectares of agricultural land (7.4 *per cent* of the total agricultural land) was held by 8.84 lakh Adi Dravidars. But the budget provisions made for SCSP by the Agriculture Department ranged from 4.2 to 19.7 *per cent*[11] of the annual total budget provision of the Department. Even the budgeted provisions were not utilised to the extent of 23 *per cent* during 2007-12 as ₹ 165.46 crore out of the total provision of ₹ 717.36 crore under SCSP was surrendered. Some of the schemes where surrender was noticed are National Agricultural Insurance Scheme, Integrated Cereals Development Programme and National Agriculture Development Programme. There were no exclusive or major schemes in the Department focusing on the Adi Dravidar agricultural labourers and farmers.

The Commissioner of Agriculture replied (December 2012) that the State Government ensured flow of funds under crop-oriented schemes in proportion to Adi Dravidar population in the State. He also reported the schemes like procurement and distribution of paddy and millet seeds, multiplication and distribution of pulses seeds and incentive to farmers for their paddy supply, as schemes exclusively implemented for the Adi Dravidar farmers.

[11] 2007-08 – 4.2 *per cent*; 2008-09 – 5.8 *per cent*; 2009-10 – 17.7 *per cent*; 2010-11 – 19.7 *per cent* and 2011-12 – 13.5 *per cent*

Audit noted that the reply of the Commissioner did not clarify the issue raised and is also factually incorrect. The exclusive schemes referred to by him were not exclusive schemes for Adi Dravidars, but common schemes for which allocations were made both under general and SCSP heads. Further, the quantum of assistance given for both the general and Adi Dravidar farmers was same in such schemes.

(ii) Diversion of SCSP funds

As per the guidelines, SCSP funds are not divertible. Further, expenditure identifiable to the Adi Dravidar beneficiaries alone should be booked under SCSP. But cases of diversion of SCSP funds and utilisation of SCSP funds without identifying the Adi Dravidar beneficiaries were noticed, as detailed in the succeeding paragraphs.

Subsidy for drip irrigation system

The cost of installation of drip irrigation system per hectare was ₹ 80,000. Government provided subsidy upto 50 *per cent* of the cost or ₹ 40,000, whichever was less and the balance was to be borne by the beneficiaries.

Audit scrutiny disclosed that subsidy of ₹ 4.17 lakh released to 12 non-Adi Dravidar farmers out of 16 beneficiary farmers in Tiruvarur District was booked under SCSP. To an Audit query, the Deputy Director of Horticulture, Tiruvarur replied (June 2012) that since loan was not extended to the Adi Dravidar beneficiaries by the Primary Agricultural Co-operative Credit Societies on the ground of non-repayment of the earlier loan taken by them, the scheme was implemented with willing farmers of other communities.

Similarly, in two other sample districts (Dindigul and Villupuram), subsidy of ₹ 2.69 lakh released to 17 non-Adi Dravidar farmers in 2010-11 was booked under SCSP. Thus, the SCSP funds of ₹ 6.86 lakh was utilised for non-Adi Dravidar farmers.

The Commissioner of Horticulture and Plantation Crops replied (December 2012) that as the Adi Dravidar farmers could not mobilize their share of the cost of drip irrigation system, the allocation for them was extended to the general farmers in order to achieve the scheme target. The reply is not acceptable as the SCSP funds cannot be diverted.

Procurement and distribution of paddy and millet seeds

Under the scheme of procurement and distribution of paddy and millet seeds, the entire cost of procurement of seeds was to be realised by sale of seeds and remitted to Government account. Of the total expenditure of ₹ 229.15 crore on procurement of seeds, 23.5 to 63.7 *per cent* was booked under SCSP during 2007-12.

Audit noticed that there was no system of obtaining/recording the community of the farmers from whom the seeds were procured or the farmers who bought the seeds. The booking of expenditure at a high percentage upto 63.7 under SCSP was not acceptable considering the less land holding by the Adi Dravidar farmers and non-availability of supporting documents.

The Commissioner of Agriculture replied (December 2012) that the percentage of total expenditure could not be correlated with the land holdings as the percentage flow to SCSP was made based on the allocation of funds. He added that the district authorities had been instructed to identify the SC/ST farmers for extension of the benefit.

In test check of records, it was seen that cost of paddy seeds valuing ₹ 3.60 lakh procured from four non-Adi Dravidar farmers was booked under SCSP by the Assistant Director of Agriculture, Nanguneri in Tirunelveli District. He replied that SCSP funds were utilised for general farmers as funds in the general head was not available.

The Joint Director of Agriculture, Tirunelveli justified (July 2012) the action stating that the seeds procured were sold to Adi Dravidar farmers. The reply is not verifiable by Audit, as there was no system of recording the community of the farmers to whom the seeds were sold.

Incentive to farmers for paddy supply

Incentives to farmers was paid at ₹ 100 or ₹ 120 per quintal of paddy sold by them to Tamil Nadu Civil Supplies Corporation (TNCSC). There was no budgetary provision and expenditure under SCSP upto 2008-09. But subsequently the Department earmarked 40 *per cent* (₹ 80 crore each year during 2009-11 and ₹ 40 crore in 2011-12) of the total budgetary provision (₹ 200 crore and ₹ 100 crore respectively), under SCSP. In 2010-11 and 2011-12, the expenditure (₹ 118.76 crore) booked under SCSP was 33 and 40 *percent* of the total incentive disbursed to the farmers through TNCSC.

Audit observed that the payment of incentives to the farmers was booked under SCSP without identifying the individual Adi Dravidar farmers. Further, when the Adi Dravidar farmers are mostly marginal and small farmers and constitute less than 10.8 *per cent* of the total farmers in the State and hold only 7.4 *per cent* of the total agricultural land in the State, the chances that they had that much of paddy to sell and earn incentive to the extent of 33 to 40 *per cent* of the total incentive disbursed in the State are remote.

TNCSC in its reply (December 2012) to Audit admitted that there was no system for recording the community of the beneficiaries. Audit reiterates that the high percentage of booking under SCSP not backed by documentary proof is not acceptable.

Crop insurance scheme

The premium payable for general crop insurance under National Agricultural Insurance Scheme was shared by the Governments (45 *per cent* by the State and five *per cent* by the Centre for small and marginal loanee farmers and 50 *per cent* for others by the State) and the balance 50 *per cent* by the beneficiary farmers.

Audit scrutiny of records of Deputy Directors of Horticulture in the sample districts except Chennai, disclosed that the community of the beneficiaries under the scheme was not recorded. However, the Commissioner of Horticulture and Plantation Crops booked eight times (₹ 27.27 crore) the premium paid for the general category farmers (₹ 3.39 crore) during 2009-10 to SCSP.

Audit observed that the booking in 2009-10 without documentary support was not acceptable considering the trend of booking in the other years, when the expenditure under SCSP was very low (2008-09: ₹ 0.13 crore; 2010-11: ₹ 0.66 crore and 2011-12: ₹ 1.42 crore) and the limited extent of agricultural land including for horticulture (7.4 *per cent* of total agricultural land in the State) held by Adi Dravidar farmers.

The Commissioner stated (December 2012) that only loanee farmers were the beneficiaries under the scheme during 2009-10 and as majority of the loanees were from Adi Dravidar / ST category, there was increase in achievement. The Department did not furnish the details to substantiate their stand.

2.1.8.3 Revenue Department

(i) Irregular utilisation of SCSP funds

As per the guidelines for SCSP, the direct benefits to individuals or families belonging to scheduled castes should be ensured in the schemes under SCSP.

Old age pension schemes

Under the social security scheme, monthly pension was given under various pension schemes[12]. As per the figures of the Revenue Department, the percentage of Adi Dravidar beneficiaries under the schemes ranged from 22.5 to 25.8 during 2007-12. Out of the total pension payments of ₹ 5,957.05 crore for the period, ₹ 1,407.10 crore (23.6 *per cent*) was booked under SCSP.

Test check of records in the selected districts disclosed that there was no proof for the community of the beneficiaries and no column existed in the

[12] National: Indira Gandhi National Old Age Pension, Indira Gandhi National Widow Pension, Indira Gandhi National Disability Pension; State: (i) Destitute differently-abled, (ii) Destitute widow, (iii) Destitute/deserted wives, (iv) Unmarried poor incapacitated women of age 50 years and above and (v) Destitute agricultural labourers

application form to indicate it. Consequently, the correctness of the reported number of beneficiaries and expenditure under SCSP could not be verified by Audit in the present system.

The Commissioner of Revenue Administration replied (December 2012) that the District Collectors would be instructed to record the community details of beneficiaries in the application form and other records.

Free supply of saree/dhotis to old age pensioners

A saree or dhoti, as the case may be, was given free of cost to the beneficiaries of all Old Age Pension (OAP) schemes twice a year, at the time of Pongal and Deepavali festivals.

(a) Test check of records disclosed that in Dindigul District, the entire cost of sarees /dhotis supplied to OAP beneficiaries in one taluk for Pongal 2008, Deepavali 2008 and Pongal 2009 was booked under SCSP and the cost was booked under general head in the other six taluks, which indicates improper method of booking. Similarly, the entire expenditure on sarees and dhoties supplied in all taluks in the District for Deepavali 2009 and Deepavali 2011 was booked under general head of account.

The Special Deputy Collector (Social Security Scheme), Dindigul, replied (June 2012) to Audit that even though the expenditure was booked under one head, there was no deviation in distribution of sarees and dhotis to OAP beneficiaries under SCSP. The reply did not address the different accounting procedures followed in the same district.

(b) It was observed in Audit that in Villupuram District, against 9,573 dhotis and 25,310 sarees procured by the District Collector for the Adi Dravidar beneficiaries for Deepavali 2011, the cost of 11,573 dhotis and 33,455 sarees was debited to SCSP resulting in excess booking of ₹ 14.71 lakh.

The Commissioner of Revenue Administration replied (December 2012) that the District Collector would be instructed to book the actual expenditure incurred only in the relevant head namely General, SCSP and Tribal Sub Plan.

2.1.8.4 Department of School Education

Out of ₹ 4,454.11 crore spent on the common schemes executed for the benefit of all communities during 2007-12 by the School Education Department, 23.8 to 31.5 *per cent* (₹ 1,217.77 crore) was booked under SCSP.

(i) Continued gap in educational development

The literacy rate of the people in the State has increased from 73.45 *per cent* in 2001 to 80.33 *per cent* in 2011 i.e. by 6.88 points. During the same period, the literacy rate of the Adi Dravidars has increased by 5.92 points from 63.19 to

69.11 *per cent* indicating the continued and wide gap in the literacy rate between the Adi Dravidars and others. The gap in pass percentage between the general students and Adi Dravidar students in 10th standard examination continued to be at the same level (8.9 in 2008 and nine in March 2012), while it marginally reduced from 9.6 in 2008 to 7.9 in March 2012 in the case of 12th Standard examination. These statistics reflect the point that the efforts made and focus given for the educational development of Adi Dravidars by the Department of School Education has been able to only sustain the levels and not been effective to narrow down the gaps.

(ii) Poor performance of Sarva Shiksha Abhiyan in skill development

The cost of Sarva Shiksha Abhiyan (SSA) was to be shared by the Centre and the State in the ratio ranging from 65:35 in 2007-08 to 50:50 in 2011-12. About 20 to 46 *per cent* of State's share released to SSA was booked under SCSP. The State Project Directorate was responsible for implementation of the mission covering children from standards I to VIII in the State. As per SSA data, the number of SC and ST children in standards I to VIII during 2011-12 were 23,79,842 and 1,67,205 respectively.

One of the prime objectives of SSA was bridging the social gap in education. The SSA, attributing lesser educational development of the Adi Dravidar children to poor knowledge of English, illiterate parents and lack of awareness about education, proposed to conduct exposure visit to places of historical and scientific importance, and to provide training in life skill and English communication skill to Adi Dravidar students. The status of such activities undertaken for the Adi Dravidar and Scheduled Tribe children in standards one to eight during 2007-12 is given in **Table 2.6**.

Table 2.6 : Activities undertaken under SSA for Adi Dravidar/ST students

Year	No. of Maths kits supplied	No. of children trained in life skill	No. of children taken to exposure visit	No. of children trained in English communication skill
2007-08	60,000	36,000	54,000	60,000
2008-09	4,350	--	--	51,000
2009-10	4,800	--	--	51,000
2010-11	3,000	--	3,000	59,490
2011-12	3,000	--	3,000	59,490

(Source: Compiled by Audit from the Annual Work Plan and Budget and other records of SSA)

Audit observed the following:

(a) From **Table 2.6**, it is noted that the life skill training was not given during the last four years (2008-12), while exposure visit was not conducted during two years (2008-10). The number of maths kits supplied to the schools and children taken to exposure visit drastically reduced from 60,000 and 54,000 respectively in 2007-08 to 3,000 each in 2011-12. Thus, the activities of SSA for reducing backwardness of SC/ST children were insignificant,

(except in 2007-08), when compared to the total number of Adi Dravidar children in the State.

(b) In the approved outlay of ₹ 1,859.32 crore for SSA for the State during 2011-12, ₹ 3.75 crore was allocated for the above activities. Even this meagre allocation was not fully utilised leaving an unspent provision of ₹ 3.12 crore (83 *per cent*).

(c) In test check of records of SSA in one of the special focus districts for Adi Dravidars' education (Tiruvarur, having 32.35 *per cent* of Adi Dravidar population in the district), it was noticed that against the total outlay and expenditure of ₹ 162.93 crore and ₹ 122.94 crore respectively during 2007-12 and the annual average strength of 75,000 Adi Dravidar children in the district, only ₹ 49 lakh was spent on the above mentioned activities benefiting 7,566 children (200 – exposure visit; 7,366 - English communication skill) and on supply of 505 maths kits during the four years of 2008-12.

Audit observed that with this meagre allotment of funds and less thrust on the activities for improving the human resource of Adi Dravidars, the objective of bridging the social gap can not be expected to be achieved.

The State Project director, SSA replied (December 2012) that schemes for the educational development of Adi Dravidar children were being implemented as per the norms and the framework of the Ministry of Human Resources Development, GoI and all efforts were taken with various intervention and through concerted efforts to reduce the social gap. Besides the above mentioned exclusive scheme for the Adi Dravidar children, all efforts were being taken to bridge the social gap through other components like special training, civil works etc.

Audit observed that special training, civil works etc., were common for all children including the Adi Dravidars and the reply was silent about poor allocation/unspent provision, and non-conduct of life skill training since 2008-09 and exposure visit during 2008-10.

2.1.8.5 Departments of Municipal Administration & Water Supply and Housing & Urban Development

(i) Poor allocation of funds for SCSP

The State Government embarked on a policy of meeting the demands for shelter in the urban areas and providing houses at affordable cost, especially to the economically weaker sections of the society. As per Census 2001, Adi Dravidars constituted 26 *per cent* of the total number of slum dwellers. As per the 2011 Census details on livability of houses in urban areas, out of 23,94,318 Adi Dravidar houses, 68,895 houses (2.88 *per cent*) were in dilapidated conditions, whereas the percentage for others was 2.35.

The Departments of Municipal Administration & Water Supply and Housing & Urban Development are responsible, *inter alia*, for upgradation of the slums and providing houses in the urban areas. Audit scrutiny revealed that the two departments provided only 6.3 to 11 *per cent* and 0.05 to 5.7 *per cent* respectively of their budgets during 2007-12 for SCSP.

(ii) Non-completion of housing units under IHSDP

The cost of construction of housing units under IHSDP (₹ 1 lakh from 2008-09) was to be shared by the Central Government (80 *per cent* of the unit cost fixed by it) and balance by the State Government / Urban Local Bodies and beneficiaries subject to minimum of 10 *per cent.* The Government subsidy was payable to the beneficiaries in equal instalments at four stages of construction i.e. foundation level, lintel level, roof laid and completion.

The number of housing units sanctioned to the six test-checked municipalities/corporations (one per sample district excluding Chennai) based on their Detailed Project Reports (DPR) and the number of units completed are given in **Appendix 2.4.** Out of 3,466 units sanctioned during 2006-09, 2,175 units (63 *per cent*) were only completed (June 2012) even after three to four years. Villupuram and Tiruvarur municipalities and Tirunelveli Corporation attributed the non-completion of the houses to inability of the beneficiaries to afford the cost escalation.

Further scrutiny in audit revealed the following:

Delay in sanction of additional subsidy

The work orders for construction of houses with Government subsidy of ₹ 72,000 (Central: ₹ 64,000; State: ₹ 8,000) and beneficiary contribution of ₹ 8,000 were issued from 2006-07. Though the escalation of cost of construction materials and non-affordability of the beneficiaries were felt as early as in December 2008 and the beneficiaries were allowed to construct houses at a cost ranging from ₹ 1.02 lakh to ₹ 1.35 lakh per unit during 2008-09, the Government subsidy prescribed was ₹ 72,000 per unit.

The proposal (January 2009) of CMA for bearing the additional cost to the extent of ₹ 18,000 per unit by the State was accepted by the State Government only in February 2010, after a delay of one year due to erroneous calculation of the number of units made by CMA. However, in June 2011, citing the increase of Central Government subsidy from ₹ 64,000 in 2006-07 to ₹ 80,000 in 2008-09 per unit, the subsidy was restricted to the increased Central share of ₹ 80,000 without any increase in the State share. The additional subsidy of ₹ 16,000 per unit was released by CMA to the urban local bodies in October 2011.

In Ramanathapuram Municipality, the additional subsidy of ₹ 22.16 lakh was not passed on to 244 beneficiaries till October 2012. The Commissioner of the Municipality replied (November 2012) that the additional subsidy would be released to the beneficiaries after ensuring completion of toilet works in the houses.

Audit observed that adverse impact of delayed release of the additional subsidy amount to the beneficiaries on completion of the housing units cannot be ruled out.

Shortfall in completion of housing units in Tiruvarur

For Tiruvarur Municipality, 1,226 housing units were sanctioned in 2006-07. The Municipality, in November 2010, surrendered 666 units (54 *per cent*), as the applicants for these units could not produce valid land documents for the house sites proposed by them.

Audit noticed that of the remaining 560 houses for which work orders were issued during August 2007 to November 2010, only 184 units were completed and 217 works were in progress. Construction of the remaining 159 units, including 103 for Adi Dravidars, was not commenced (May 2012) even after over four years. Of the 217 works in progress, 51 remained at foundation level from 2007 (six works), 2008 (23 works), 2009 (five works) and 2010 (17 works). Reasons for stoppage of works and details of further action taken by the Municipality for their completion were not on record.

Joint spot verification (December 2012) by Audit and the Municipality officials in one area (Srinivasapuram) revealed that construction in respect of 19 units was abandoned at foundation level during 2007-10 and they were covered by bushes as shown in **Figures 2.1 and 2.2.**



Figure 2.1 - Housing unit covered by large bushes



Figure 2.2 - Cluster of housing units at basement level

The CMA replied (September 2012) to Audit that identification of the beneficiaries/alternative beneficiaries for those who could not afford to complete the work consumed more time, as most of the lands in the Municipality belonged to temples. He further stated that the Municipality had engaged outdoor staff and all units would be completed before June 2013.

Audit observed that the huge surrender of units and reply of CMA proved that the Detailed Project Reports were prepared without proper study and this necessitated identification of alternative beneficiaries resulting in attendant delay.

2.1.8.6 Department of Labour and Employment

One of the main objectives of SCSP was reduction of unemployment among the Adi Dravidars. The percentage of Adi Dravidar registrants to the total registrants in the District Employment Offices during 2007-12 was in the range of 22.29 to 23.85 *per cent,* and there was no significant reduction over the years as given in **Table 2.7**.

Table 2.7 : Number of persons registered with the district employment offices

(Number in lakh)

As on 1st April of	Adi Dravidars	ST	Others	Total	Percentage of SC registrants to total
2007	14.25	0.19	47.55	61.99	22.99
2008	16.78	0.23	54.26	71.27	23.54
2009	18.59	0.26	61.27	80.12	23.20
2010	21.30	0.29	67.71	89.30	23.85
2011	22.19	0.33	76.68	99.20	22.37
2012	24.94	0.39	86.56	111.89	22.29

The deficiencies in providing vocational guidance to the unemployed educated registrants by the Department are brought out in the succeeding paragraphs.

(i) Implementation of schemes without focus

The Director of Employment & Training (DET) under the Department of Labour and Employment was to render vocational guidance to the unemployed persons registered with the employment offices and was responsible for producing skilled workforce by implementing various skill training programmes.

It was observed that out of the five schemes[13] implemented by DET under SCSP, only two schemes *viz.,* one special Industrial Training Institute for Adi Dravidars and five coaching-cum-guidance centres for the Adi Dravidars/STs were the exclusive schemes implemented with special focus for the Adi Dravidars. The remaining three schemes were common schemes with provision for SCSP. Of the total expenditure of ₹ 93.88 crore for the four schemes excluding one ITI[14] under SCSP during 2007-12, major portion i.e., ₹ 86.22 crore was spent for payment of relief to the unemployed youth (₹ 85.48 crore) and educational assistance (₹ 0.74 crore).

Audit observed that the expenditure of ₹ 7.66 crore during 2007-12 on providing skill development to the Adi Dravidars and coaching-*cum*-guidance centres was very meagre compared to the expenditure on other schemes. Thus, the focus of the department for improving the employability of the Adi Dravidars was not adequate.

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[13] 1. One special Industrial Training Institute at Chidambaram for Adi Dravidars 2. Five Coaching-cum-Guidance centres for SC/ST, 3. Payment of relief to unemployed youth, 4. Educational assistance to children of members of Agricultural Labour Welfare Board and 5. Skill Development Initiative Scheme

[14] The expenditure of ₹ 1.71 crore during 2007-12 was met from Plan expenditure of the Department of AD&TW

(ii) Shortfall in skill development

The skill development initiative scheme of the Directorate of Employment and Training contemplated training the school leavers, workers, ITI-passed candidates, etc., to improve their employability.

It was noticed that against the budget provision of ₹ 12.08 crore made during 2007-12 for developing skills of the unemployed Adi Dravidars so as to make them employable/improve their employability, DET spent only ₹ 5.45 crore and surrendered ₹ 6.63 crore (55 *per cent* of the total provision). The significant surrender of funds was due to belated starting of training (2007-08), less number of Adi Dravidar candidates (2008-09), belated sanction of funds by Government (2009-10) and non-payment of assessment fees[15] (2011-12).

Audit observed that the continuous surrender of huge funds, despite availability of large number of unemployed Adi Dravidars, was due to the department's failure to take timely and concerted action to address the above mentioned impediments which are administrative in nature. Consequently, the intended objective of improving the employability of educated Adi Dravidars remained unachieved to the extent of surrender of funds.

(iii) Ineffective functioning of the coaching-cum-guidance centres

The Department of AD&TW, finding that the Vocational Guidance Officers attached to the District Employment Offices were not in a position to pay special attention to the SC/ST job seekers, established five (four in December 1988 and one later) coaching-cum-guidance centres in five districts *viz.,* Coimbatore, Cuddalore, Tiruchirapalli, Tirunelveli and Vellore. The centres were established to (a) channelise the available educated SC/ST manpower into appropriate vocation, (b) increase their employability through coaching/training and (c) provide vocational guidance and career information at appropriate stages. These centres were administered by DET incurring ₹ 2.21 crore during 2007-12.

The activities prescribed for these centres by DET were conduct of registration campaign, confidence building programme, pre-recruitment training programme and self-employment entrepreneurial motivation, enrolment of Adi Dravidar / ST candidates for competitive examinations, publication of news bulletin on jobs and job oriented training programmes advertised by the employers and delivering career talks**.** Test check of records of the centres at Tirunelveli and Vellore disclosed the following:

Conduct of confidence building programme

As per the instructions (April 1989) of DET, the centres were to organise confidence building programme in batches by calling the Adi Dravidar registrants and deliver series of lectures by experts drawn from various fields.

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[15] Fees payable to the Assessing Institutions for assessing the trainees on completion of the training

The lectures were to be on topics like "how to appear at interviews", job prospects in various sectors of economy, manner of expression and communication, etc. It was noticed that all the lectures were given by Assistant Directors of the centres, District Disabled Rehabilitation Officer, Manager of TAHDCO, Manager, Mahalir Thittam, etc., in the centre itself to a group of registrants who came to the employment office for registration, renewal, etc.

Deficiency in self-employment entrepreneurial motivation

The self-employment entrepreneurial motivation was given to individual registrants who came to the employment office for renewal/registration, besides calling for and forwarding applications to the District Adi Dravidar and Tribal Welfare Officers and TAHDCO for supply of iron boxes, carpentry tools, Auto rickshaw and mini van under the schemes implemented by them, instead of identifying the prospective persons and motivating them for starting small industries/business, etc., in liaison with the District Industries Centre, Small Industries Promotion Corporation etc., as per the instructions of DET.

Shortfall in publication of news bulletin

The monthly news bulletin indicating the notification/advertisement for jobs should be given wide publicity among the job seekers, Adi Dravidar/ST associations/other authorities engaged in upliftment of Adi Dravidar/ST job seekers. It was noticed that while the centre at Tirunelveli sent the bulletin only to the Regional Deputy Director of Employment, besides displaying them in the notice board of the employment office, the centre at Vellore brought out only one monthly bulletin in the calendar year 2010 against 12 bulletins.

Additional charge to the head of the centre

The Assistant Director of the Centre at Tirunelveli was entrusted with additional charges of District Employment Officer (General) and District Employment Officer (Youth employment services), Tirunelveli continuously for over two years during April 2007 to June 2009, defeating the very objective of having separate guidance centres for the Adi Dravidars.

The Assistant Directors of the centres attributed the non-conduct of effective special coaching and non-publication of the news bulletin to non-allocation of funds for the purposes. But no evidence was on record to indicate that they had taken up the matter with DET.

From the above, it is evident that the centres were not rendering the intended services effectively for want of funds. It was further observed that performance/impact of these centres was not evaluated either by the Department of AD & TW which initially proposed the concept or by DET for remedial measures/improvement and for possible extension of the facility to other districts.

2.1.9 Ineffective Monitoring and Evaluation

As per the Planning Commission's guidelines, State, District/Block level monitoring committees were to be constituted to monitor implementation of the schemes under SCSP and Tribal Sub Plan (TSP). The guidelines also contemplated conduct of evaluation to assess the impact of SCSP on the socio-economic conditions of the Adi Dravidars by the nodal department on regular basis. But, the monitoring of implementation of the schemes under SCSP was not effective as observed below.

2.1.9.1 Non-convening of the State Level Monitoring Committee meeting

The State Level Monitoring Committee (SLMC) for SCSP and TSP headed by the Chief Secretary and Secretaries of the Departments of Finance, AD&TW, Agriculture, etc., as members was constituted only in October 2010, after a delay of five years since issue of the guidelines in October 2005. The committee was to review implementation of SCSP and TSP once in three months. But it met only twice (December 2010 and November 2011) since its inception. The nodal department replied (August 2012 & December 2012) to Audit that though SLMC was not constituted in 2006 as per guidelines, the progress of SCSP was taken up as one of the subjects in the monthly meetings to monitor the progress of various schemes by the Chief Secretary. It also stated that meetings of SLMC could not be conducted after its constitution due to Assembly elections. The reply is not acceptable as the elections were over by May 2011 and there were no regular meetings thereafter.

2.1.9.2 Non-constitution of the District/Block level committees

The District/Block level monitoring committees have not been constituted (July 2012). The nodal department replied (August and December 2012) to Audit that the district level committees headed by the District Collectors had been formed (February 1996) for redressal of grievances of the Adi Dravidars. The Panchayat Presidents, public and NGOs were the members of the Block level committees. However, Audit observed from the Government order constituting the committees that they were meant for grievance redressal under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act 1989 and not for monitoring implementation of the schemes under SCSP.

2.1.9.3 District level monitoring not done by the Commissioner of ADW

As per the Government order issued in June 2007, the Commissioner of ADW was to monitor and review the activities under SCSP at district level and send at least two reports every month to the Government. But the Commissioner did not conduct any such review ever since the work was entrusted to him in June 2007.

2.1.9.4 Inadequate staff for monitoring

The Monitoring and Evaluation Cell created (January 1982) in the Department of AD&TW with a Research Officer and a Research Assistant for monitoring and evaluation of the SCSP and TSP, did only collection of data on expenditure under the sub plans and reported them to the Government of India. The efforts of the Department initiated in December 2008 to create a new cell with adequate staff for field level inspection for monitoring the schemes did not fructify (July 2012) due to non-follow up of the matter after March 2010.

2.1.9.5 Evaluation and Impact assessment

The Department of AD&TW conducted (April 2011) an evaluation study of SCSP through the Department of Evaluation and Applied Research of the State Government. The major findings of the study were low level of higher education among the Adi Dravidars, low pass percentage of the Adi Dravidar students in higher secondary examinations, huge demand for pucca houses, and necessity for specific focus for providing living condition to the Adi Dravidar agricultural labourers. But no concrete action has been initiated by the Department of AD&TW so far. Further, the impact of the sub plan was not got evaluated by any external agency so far (November 2012).

2.1.10 Conclusion

The flow of fund to SCSP from annual plan outlay has generally increased over the period. But the actual expenditure during 2007-12 was short of the minimum prescribed norm of 19 *per cent.* The expenditure under SCSP was only 13.2 *per cent* of the total plan expenditure. In number of cases, there were expenditure inappropriately depicted as SCSP expenditure, *ad hoc* booking, large scale surrender of funds, avoidable expenditure, unutilised funds and delay in execution of schemes.

Most of the schemes were implemented as part of regular activities of the departments for universal coverage with ad hoc allocation of fund for SCSP. No major schemes with exclusive/higher benefit for the Adi Dravidars were formulated by the sectoral departments other than the Department of Adi Dravidar and Tribal Welfare and Department of Labour and Employment.

In most of the common schemes, the expenditure was booked under SCSP disproportionately without appropriate basis. In schemes where there was no system to ascertain the communities of the beneficiaries, the expenditure was booked at high percentage.

Gaps in literacy rate between the Adi Dravidars and others continued to remain at the same level. The percentage of unemployed Adi Dravidars remained more or less at the same level and efforts at reduction of unemployment among the Adi Dravidars were not adequate and effective.

No significant efforts were made for creation of productive assets for the Adi Dravidars in the agriculture and industrial sectors.

The Department of Adi Dravidar and Tribal Welfare was handicapped due to short tenure of its district officers and it did not have the force for effective monitoring of the schemes implemented by the sectoral departments.

2.1.11 Recommendations

- Government need to increase the allocation for SCSP in the agricultural and industrial sectors so as to provide sustainable income earning assets and entrepreneurship in industrial activities to Scheduled Castes.

- The sectoral departments need to assess the gaps and requirement for the socio-economic development of the Adi Dravidars and implement focused and exclusive schemes for them from the SCSP funds.

- Government need to specify the basis for allocation/booking of fund for SCSP in each major sectoral department so as to avoid the present practice of arbitrary and *ad hoc* allocation/booking.

- Implementation of the schemes for Adi Dravidars should be monitored effectively so that the schemes are implemented in time and funds in large scale are not surrendered to Government or remain unspent with the implementing agencies.

The above points were referred to Government in July 2012; reply has not been received (December 2012).

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

2.2 Mahatma Gandhi National Rural Employment Guarantee Scheme

Executive Summary

The National Rural Employment Guarantee Act, 2005 was enacted with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act came into force with effect from 2 February 2006 initially in 200 most backward districts and was subsequently extended to cover the whole country from 1 April 2008. The Act was renamed as Mahatma Gandhi National Rural Employment Guarantee Act in December 2009. According to the Act, rural households have a right to register themselves with the local Gram Panchayats and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government have to pay unemployment allowance.

Government of Tamil Nadu (GoTN) implemented the employment guarantee scheme from February 2006 initially in six districts and extended it to four more districts during 2007-08 and further to 21 districts during 2008-09. Performance Audit of implementation of the scheme in the State disclosed *inter alia* the following:

During 2007-12, the State provided 101.30 crore persondays of employment by incurring expenditure of ₹ 8,510.44 crore. In 2011-12, out of 76.49 lakh households registered under the scheme, jobs were provided to 58.16 lakh households (76 *per cent*) who demanded job. But minimum guaranteed 100 days of employment was given only to 14.08 lakh households (24 *per cent*) and rest of the households were given employment for less than 100 days in a year.

The average daily wages paid ranged from ₹ 72 to ₹ 87 against the prescribed minimum wages of ₹ 90 to ₹ 119 during 2009-12.

Nearly 60 *per cent* of the workers benefited under the scheme belonged to the Scheduled Castes and 83 *per cent* of the total workers were women. Thus, the scheme was very popular among the women and marginalised sections of the society.

The system of making formal application for employment by the persons registered for job, issuing dated receipts to the applicants, formal allotment of work and its communication to the applicants by the Gram Panchayats as envisaged in the Act were not documented. In the absence of such documentation, the Government's claim that, there were no instances of payment of unemployment allowance in lieu of non-provision of employment to the job seekers could not be verified in audit.

Forty eight *per cent* of the total works executed under the scheme fell under the category of desilting of ponds, minor irrigation tanks, supply channels, etc., which had not resulted in creation of durable community assets, one of the auxiliary objectives of the scheme.

As the works taken-up under the scheme were only labour oriented ones and had no material component, the objective of creation of durable and usable assets could not be ensured.

In test check, inclusion of bogus workers in the muster rolls and cases of misappropriation of scheme funds were noticed. There were large number of incomplete works and completion reports were not prepared for the works completed.

2.2.1 Introduction

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act came into force initially with effect from 2 February 2006 in 200 most backward districts, and was subsequently extended to cover the whole country from 1 April 2008. The Act was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (Act) in December 2009. The primary objective of the Act was to enhance the livelihood security of households in rural areas. This work guarantee also aimed at serving other objectives, namely, creation of durable assets, protection of the environment, empowerment of the rural women, reduction of the rural-urban migration and fostering of social equity. The rural employment guarantee scheme was implemented on a cost sharing basis between the Centre and the States.

Government of Tamil Nadu (GoTN) implemented the employment guarantee scheme from February 2006 initially in six districts and extended it to four more districts during 2007-08 and further to 21 districts during 2008-09. At present, the scheme is implemented in 31 districts of the State except Chennai. During the five year period of 2007-12, the State spent ₹ 8,510.44 crore for the scheme.

2.2.2 Organisational structure

At the national level, Ministry of Rural Development (MoRD) is the nodal ministry responsible for ensuring timely and adequate resource support to the States and for undertaking review, monitoring and evaluation of the processes and outcomes.

GoTN designated the Commissioner of Rural Development and Panchayat Raj (CRD) as the State Programme Coordinator (SPC) to coordinate implementation of the scheme. CRD is assisted by an Additional Director of Rural Development as Joint State Programme Coordinator. The District Collectors were designated as District Programme Coordinators (DPCs), who

were assisted by the Project Officers of District Rural Development Agencies (DRDAs) as Joint District Programme Coordinators (JDPC) and Block Development Officers (Village Panchayats) as Block Programme Officers (BPOs) in the blocks. The scheme was implemented at Gram Panchayat (GP) level by the Presidents of GPs. To advise the State Government on implementation of the scheme and for evaluation and monitoring, as envisaged in the Act, GoTN constituted the State Employment Guarantee Council (SEGC) in September 2006.

2.2.3 Audit Objectives

The audit objectives were to see whether

- structural mechanisms were put in place for implementation of the Act;
- the procedures for preparing perspective and annual plans at different levels for estimating the likely demand for work and preparing shelf of projects were followed and effective;
- funds were released, accounted for and utilised by the State Government in compliance with the provisions of the Act/Rules;
- there was effective process of registration of households, issue of job cards and allocation of employment in compliance with the Act/Rules;
- the primary objective of ensuring the livelihood security by providing 100 days of annual employment to the targeted rural community at the specified wage rates was effectively achieved;
- all the works were properly planned and executed economically and efficiently in a timely manner and in compliance with the Act and Rules and durable assets were created, maintained and properly accounted for;
- the convergence of the scheme with the other rural development programmes was effectively achieved;
- complete transparency was maintained in implementation of the Act by involving all stakeholders in various stages of its implementation from planning to monitoring and evaluation; and
- all requisite records and data were maintained at various levels and MGNREGS data automated completely and provided reliable and timely management information.

2.2.4 Audit criteria

The criteria adopted to arrive at the audit conclusions were terms and conditions contained in the following sources :

- NREGA, 2005 and notifications issued thereunder;

- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) operational guidelines issued by MoRD;
- Circulars and instructions issued by MoRD from time to time; and
- Government orders and departmental instructions relating to implementation of MGNREGS.

2.2.5 Sampling and Audit coverage

Of the 31 districts implementing the scheme in Tamil Nadu, eight districts, two in each of the four regions in the State[16], were selected using simple random sampling without replacement method. Three rural blocks in each selected district except Perambalur where two blocks were selected and ten Gram Panchayats (GPs) in each block were selected, using probability proportionate to size method for detailed study. In each GP, a maximum of 10 works and 10 beneficiaries were selected for test check and survey of the beneficiaries. The list of selected districts, blocks and GPs is given in **Appendix 2.5**. Records connected with implementation of the scheme during the period 2007-2012 were test-checked between March and August 2012 at the State, district, block and village level offices. An Entry Conference with the Principal Secretary of Rural Development and Panchayat Raj Department was held on 24 April 2012 wherein the purpose, scope and methodology of this Performance Audit were discussed with him. An Exit Conference with the Principal Secretary to Government was held on 23 January 2013, wherein the audit findings were discussed. Reply/response of the departmental officers have been kept in consideration, while finalising this report.

Audit Findings

2.2.6 Structural Mechanism

2.2.6.1 State Employment Guarantee Council

The Act stipulates that the State Government should setup the SEGC, which is responsible, *inter alia*, for advising the State Government on implementation, monitoring and evaluation of MGNREGS, deciding the works to be undertaken under the scheme and preparing annual reports on implementation of the scheme for presentation to the State Legislature. Even though GoTN constituted (September 2006) SEGC with the Minister of Rural Development and Panchayat Raj as the Chairman and 10 official and 15 non-official members, the draft rules prescribing terms and conditions for appointment of the Chairman and Members of SEGC, the periodicity and procedure for conducting meetings were not formulated. The Council met twice in 2007-08, only once in 2008-09, 2009-10 and 2010-11 and no meeting was held in 2011-12 due to non-selection of the new non-official members of SEGC.

[16] Coimbatore and Erode in Western Region; Perambalur and Pudukottai in Eastern Region; Sivaganga and Virudhunagar in Southern Region and Tiruvallur and Vellore in Northern Region

The CRD stated (November 2012) that as per provisions of the Act, SEGC had been constituted and the composition, duties and functions of SEGC had been described in the Government Orders on the subject and that Government feels that there is no necessity to frame rules exclusively. With regard to delay in conducting meetings, the CRD stated (November 2012) that reconstitution of the council including newly elected members of the Assembly and Panchayat Raj Institutions was under issue by the Government.

The reply is not acceptable as the Government orders referred to by the CRD related to constitution and reconstitution of the SEGC and rules were to be framed to prescribe terms and conditions for appointment of the Chairman and Members and the procedure for conducting meetings, etc.

2.2.7 Planning

Planning is critical to the successful implementation of MGNREGS. The obligation and the need to act within a time limit so as to provide employment within 15 days of demand for work necessitate advance planning. The basic aim of the planning process is to ensure that the district is prepared well in advance to offer employment on demand.

2.2.7.1 Non-preparation of District Perspective Plan

The scheme guidelines stipulate preparation of a five year District Perspective Plan (DPP) to facilitate advance planning and provide a development perspective for the district. The aim was to identify the types of MGNREGS works to be encouraged in the district, and the potential linkages between the works and long-term employment generation and sustained development.

It was noticed in audit that in seven[17] out of the eight test-checked districts, DPPs were not prepared even though each district received ₹ 10 lakh for the purpose from GoI and the amount was kept unutilised by DRDAs. In the absence of DPP, long-term shelf of planned projects for the development of district was not prepared.

CRD stated (November 2012) that the DPPs would be made ready shortly and would be given to SEGC in the next meeting.

2.2.7.2 Non-preparation of Village Development Plan

Sub Sections 16 (3) and 16 (4) of the Act states that every GP shall prepare a development plan, maintain a shelf of works and forward it to the BPO for scrutiny and preliminary approval prior to commencement of the year in which it is proposed to be executed. Every year, each GP was to convene a meeting of the Gram Sabha to estimate the demand for labour and to propose the number and priority of works to be taken-up in the next financial year. Based on the recommendations of Gram Sabha, GP was to prepare the development plan. The Village Development Plan (VDP) should comprise a

[17] Coimbatore, Erode, Perambalur, Pudukottai, Tiruvallur, Vellore and Virudhunagar

shelf of projects for each village with administrative and technical approvals so that works can be started as soon as there is a demand for work. The development plan will be like a rolling plan, since the approved shelf of projects may carry over from one financial year to the next. The development plan will include the following components :

i. assessment of labour demand;

ii. identification of works to meet the estimated labour demand;

iii. estimated cost of works and wages; and

iv. benefits expected in terms of employment generated and physical improvements (water conservation, land productivity).

It was noticed in audit that 200 out of the 230 test-checked GPs in seven[18] out of the eight test-checked districts did not prepare the VDP. In the absence of VDP, every year lists of works approved by the Gram Sabhas were forwarded to the blocks for consolidation and preparation of the district labour budget.

CRD stated (November 2012) that the list of works prepared in the VPs constituted the VDP. The reply is not acceptable as the purpose of VDP was to have a planned approach for development and not just to have list of works for estimation of the labour budget.

2.2.8 Release and utilisation of funds

2.2.8.1 Financial performance

The State level details of fund availability and expenditure incurred on the scheme during 2007-12 are given in **Table 2.8.**

Table 2.8 : State level details of receipts and utilisation of funds

(₹ in crore)

Year	Opening balance	Central share	State share	Misc. receipts including interest	Total funds available	Expen-diture on wages	Expen-diture on adminis-tration	Total Expen-diture	Percent-age of utili-sation	Closing balance
2007-08	92.56	@517.89	#74.34	16.34	701.13	498.90	17.52	516.42	74	184.71
2008-09	*204.72	1401.27	191.98	12.74	1,810.71	960.36	44.78	1,005.14	56	805.57
2009-10	805.57	1371.19	229.30	15.25	2,421.31	1,710.74	51.54	1,762.28	73	659.03
2010-11	*664.46	2010.29	**89.21	23.67	2,787.63	2,214.53	79.55	2,294.08	82	493.55
2011-12	*502.78	2815.52	293.28	39.21	3,650.79	2,788.33^	144.19	2,932.52	80	718.27
Total		**8,116.16**	**878.11**	**107.21**		**8,172.86**	**337.58**	**8,510.44**		

(Source: Progress Reports of CRD)

* Opening balances differ from the closing balances at the end of the previous financial years and the discrepancies were not rectified by the District Programme Coordinators.

** Refund of excess state share of ₹ 30.48 crore by the districts to CRD, which was wrongly shown as expenditure in the 2010-11 accounts is deducted from the State share of ₹ 119.69 crore released for the year and the net figure is given. The reported total expenditure has been reduced to that extent.

@ Includes central share of ₹ 13.20 crore relating to the previous year.

Includes State share of ₹ 1.33 crore relating to the previous year

^ Includes Wages of semi-skilled labour (work site facilitators) ₹ 8.55 crore

[18] Coimbatore, Erode, Perambalur, Pudukkottai, Tiruvallur, Vellore and Virudhunagar

Out of the total available funds of ₹ 9,194.04 crore[19], the expenditure incurred during the period 2007-12 was ₹ 8,510.44 crore (93 *per cent*). Out of the total expenditure of ₹ 8,510.44 crore, an expenditure of ₹ 8,172.86 crore was incurred on payment of wages to workers and the remaining expenditure of ₹ 337.58 crore was on administrative cost. During the five year period, the percentage of utilisation of the fund ranged between 56 and 82 and ₹ 718.27 crore remained unutilised in the districts as on 31 March 2012. The underutilisation was on account of the fact that the labour budget was prepared and funds were released with reference to the prescribed minimum daily wages, whereas the actual wages disbursed were less than the minimum wages, as discussed in paragraphs 2.2.10.2 and 2.2.10.3.

The CRD, *inter alia,* stated (November 2012) that as a measure to provide employment, it had been instructed to keep a minimum balance of ₹ 1 lakh in each VP at any point of time and it worked out to ₹ 125 crore for the State as a whole. Funds were also used to other items such as Information, Education and Communication (IEC) activities, expenses on SEGC, etc. The reply is not acceptable as the unspent balance at the end of each year ranged between ₹ 494 crore and ₹ 806 crore during 2008-12 and bulk of the unspent balance resulted from the reason stated in the audit observation.

2.2.8.2 Unwarranted release of State share to the scheme

Funds required for implementation of the scheme are provided by the Central and State Governments in the following manner :

Government of India	State Government
Entire wages of unskilled workers.	Unemployment allowance.
75 *per cent* of cost of materials and wages of semi-skilled/skilled workers.	25 *per cent* of cost of materials and wages of semi-skilled/skilled workers.
Administrative expenses of Central Employment Guarantee Council, Programme Officers and their staff.	Administrative expenses of State Employment Guarantee Council.

Barring unemployment allowance and administrative expenses of SEGC, State Government has to bear only a maximum of 10 *per cent* of the expenditure, if the wage material ratio of 60:40 is maintained. In cases, where the materials/skilled labour used were less than 40 *per cent,* the state share would be even less than 10 *per cent* or nil, if no material and no wages of the skilled and semi-skilled workers were involved in the works. On the plea to avoid middlemen or contractors in execution of the works under the scheme, GoTN instructed (August 2006) the implementing agencies to take up cent *per cent* labour oriented works only.

Audit scrutiny revealed that no material component or skilled/semi-skilled labour was involved in any of the MGNREGS works undertaken in the State

[19] ₹ 92.56 crore (OB of 2007-08), ₹ 8116.16 crore (Central share for 2007-12); ₹ 878.11 crore (State share for 2007-12); and ₹ 107.21 crore (Miscellaneous receipts for 2007-12)

and hence the State was not required to share the cost of material/skilled/Semi-skilled labour.

However, it was noticed in audit that the State Government shared 10 *per cent* of the scheme cost to the tune of ₹ 878.11 crore during the year 2007-08 to 2011-12, which was unwarranted as no material and no wages of the skilled and semi-skilled workers were involved in the works taken-up for execution under the scheme. As a result, GoTN had to claim the central assistance for wage component after deducting the State's share released to the implementing agencies unnecessarily.

The CRD Stated (November 2012) that the State Government claimed and received cent *per cent* of wage component from GoI. The reply is not acceptable as it is factually incorrect. The expenditure on wages of unskilled labour during 2007-12 was ₹ 8,164.31 crore (total expenditure on wages: ₹ 8,172.86 crore *minus* expenditure on semi-skilled labour: ₹ 8.55 crore) whereas the central share received during the period for wages of unskilled labour was ₹ 7,778.58 crore. The State Government spent out of its funds ₹ 385.73 crore (₹ 8,164.31 crore *minus* ₹ 7,778.58 crore) on wages of unskilled labour during the period.

2.2.8.3 State funds kept outside MGNREGS account

The Commissioner of Rural Development (CRD) drew ₹ 1,129.84 crore towards the State share for the scheme during 2007-12. It was noticed in audit that out of the amount drawn, CRD released to the districts ₹ 878.11 crore only and retained the remaining amount of ₹ 251.73 crore outside the MGNREGS account, in bank accounts. Every year CRD made budget provisions at 10 *per cent* of the approved labour budget and drew the amount and kept in bank accounts for eventual transfer to districts. CRD, instead of restricting the drawals from the State account to the actual amount required, withdrew the entire budget provisions and this was one of the reasons for accumulation of Government funds in the bank account. CRD also failed to adjust the excess drawals of previous years in the subsequent years. The bank account maintained by CRD with the State Bank of India, Treasury Branch, Chennai had a closing balance of ₹ 282.93 crore including interest upto 31 March 2012.

The CRD stated (November 2012) that the State share had been well used during the period of waiting for central assistance, creating awareness among the rural public and as a reserve fund etc. It was further stated that the excess fund drawn in the previous years would be adjusted in the year 2012-13. Part of the reply is not factual as huge funds remained unspent at the end of each financial year during 2007-12.

2.2.8.4 Financial performance in the test-checked districts

The fund flow position in the eight test-checked districts is given in **Table 2.9**.

Table 2.9 : Details of receipts and utilisation of funds in test checked districts

₹ in crore

Year	Opening balance	Central share	State share	Miscellaneous receipts	Total funds available	Expenditure	Percentage of utilisation	Closing balance
2007-08	13.08	56.47	6.77	0.13	76.45	64.22	82	12.23
2008-09	*13.19	378.38	56.81	3.27	451.65	211.67	47	239.98
2009-10	239.98	335.51	75.72	4.26	655.47	462.98	71	192.49
2010-11	*186.84	532.49	18.05	3.96	741.29	612.11	83	129.18
2011-12	*131.91	614.09	67.27	3.72	816.99	678.83	83	138.16
Total		**1,916.94**	**224.62**	**15.34**		**2,029.81**		

(Source: Progress Reports of the District Programme Co-ordinators)

* Opening balances differ from the closing balances at the end of the previous financial year and the discrepancies were not rectified by the DPCs.

The percentage of fund utilisation during 2008-09 was low (47 *per cent)* as the scheme was extended to 21 districts only from the year 2008-09. The pattern of fund utilisation in the test-checked districts ranged between 47 and 83 *per cent* was similar to the State level position prevalent during 2007-12.

2.2.9 Registration of households

2.2.9.1 Registration and Issue of Job Cards

According to Paragraph 5.3 of the Operational Guidelines, before demanding employment under the scheme, rural households have to register themselves and get the job cards and the job card is valid for five years. Deletion of any household on account of demise/permanent change of residence was to be reported immediately. Additions desired may also be applied for by the household. The GP was to undertake annual exercise of updating the registration of households. All additions and deletions made in the job card registration register were to be read out in the Gram Sabha meeting and the GP was to send a list of additions/deletions to the Programme Officer.

It was noticed in audit that a job card was issued to each willing adult member of the registered household, instead of issuing only one card to each household. In all the test-checked districts, the Registration and Job Card Issue register was not updated and the deletions/additions of job cards were also not placed before the Gram Sabha for approval. As the job card registration register was not updated to effect deletions/additions, the possibility of provision of employment and risk of payment of wages to the discontinued job card holders could not be ruled out.

2.2.9.2 Application for employment

As per Paragraph 5.4 of the scheme guidelines, job card holders are entitled for job if demanded by submitting an application for work to the GP. A dated receipt for the application received should be issued to the applicant in proof of receipt of the application. The GP is responsible for providing employment to the applicants within 15 days from the date on which employment has been sought. If employment is not provided within the prescribed period,

unemployment allowance is to be paid to the applicants. The guidelines also prescribed formats for application, dated receipt for applications and allotment of work.

It was noticed in audit that the system of making formal applications for employment by the job card holders, issuing dated receipts to the applicants, formal allotment of work and its communication to the applicants by GPs was not documented in all the test-checked GPs. Thus, there was no formal system of allotment of work. In response to audit queries, the District Programme Coordinators of test-checked districts reported that works were allotted to the job seekers on oral request.

It was further noticed in audit that the formats and registers prescribed for the purpose of application for job and allotment of work were not maintained by the GPs. As a result of non-maintenance of the prescribed registers, it could not be ascertained in audit how many persons demanded employment and whether all those who demanded employment were provided employment within 15 days or not.

The CRD stated (June 2012) that the workers were provided jobs regularly and immediately on request and that in each GP, one worksite was always kept open to provide job to whoever demanded job. It was further stated that there were no instances of payment of unemployment allowance in the State. In such a situation of absence of proper documentation, the Government's plea that there were no instances of payment of unemployment allowance in the State could not be verified in audit.

2.2.10 Provision of employment

2.2.10.1 Provision of minimum guaranteed employment

The details of households which were registered and issued job cards under the scheme, households which were provided employment and households which were provided with 100 days of guaranteed employment in the State are given in **Table 2.10**.

Table 2.10 : Provision of minimum guaranteed employment

Year	Number of households registered and issued job cards (in lakh)	Number of households provided with employment (in lakh)	Percentage	Number of households provided with 100 days of employment (in lakh)	Percentage
2007-08	22.00	12.35	56	0.77	6
2008-09	55.13	33.46	61	6.39	19
2009-10	65.44	43.73	67	8.84	20
2010-11	73.47	49.69	68	11.29	23
2011-12	76.49	58.16	76	14.08	24

(Source: MGNREGS Progress Reports of CRD)

The prime objective of the scheme was to provide employment for minimum 100 days in a year. It was noticed that in 2011-12, out of 76.49 lakh

households registered under the scheme in the State, jobs were provided to 58.16 lakh households *viz.,* 76 *per cent* and there was progressive improvement in providing employment from 56 *per cent* in 2007-08. But the minimum guaranteed 100 days of employment was provided to only 0.77 to 14.08 lakh households (six to 24 *per cent*). Though 76 *per cent* of the registered households were provided with employment, the extent of households who got the guaranteed 100 days of employment was only 24 *per cent* in 2011-12. Thus, bulk of the households were engaged for less than 100 days, which indicated that the State's performance was poor in achievement of the primary objective of the scheme. As reported by the DPCs and Government, in their Policy Note for 2012-13, one of the reasons for shortfall in giving 100 days of employment was weekly rotation of the habitations in a village to provide employment and due to this reason households having only one adult member could get employment for five or six days only in a month and thus, they were denied of the guaranteed 100 days of employment in a year.

The CRD stated (November 2012) that at present, there is no such practice of rotation of habitations. Choice of coming to the work was left to the workers and that some families participated in the work for a few days only and the workers of that family might have got some other works. It was also stated that the average persondays provided to a family in Tamil Nadu was 48, which was well above the national level of 32 during 2011-12. This reflects that irrespective of its better performance as compared to the national level, that State has to go a long way to increase the number of days of employment per household.

The position in respect of the test-checked districts is given in **Table 2.11**.

Table 2.11 : Provision of employment in test-checked districts

Year	Number of registered households (in lakh)	Number of households provided with employment (in lakh)	Percentage	Number of households provided with 100 days of employment (in lakh)	Percentage
2007-08	1.84	0.80	43	0.20	25
2008-09	14.46	9.41	65	1.36	14
2009-10	17.79	12.02	68	2.25	19
2010-11	19.01	14.30	75	2.88	20
2011-12	18.05	14.01	78	3.25	23

(Source : Progress reports of District Programme Coordinators)

When compared to the State level percentage (24 *per cent*) in achievement of 100 days of employment per household, the performance in the test-checked districts was 23 *per cent* during 2011-12.

During the period 2007-12 101.30 crore persondays of employment were generated under the scheme in the State. The details of persondays generated by members of the Scheduled Castes (SC) and Scheduled Tribes (ST) and

women in the State and in the test-checked districts are furnished in **Table 2.12** and **Table 2.13**.

Table 2.12 : Provision of employment to SCs and women

(in lakh persondays)

Year	Persondays generated				Persondays generated by women	Percentage of SC to total	Percentage of ST to total	Percentage of women to total
	SC	ST	Others	Total				
2007-08	370.09	16.99	255.90	642.98	529.14	58	3	82
2008-09	725.51	20.93	457.16	1,203.60	932.77	60	2	77
2009-10	1,419.24	59.67	912.84	2,391.75	1,985.65	59	2	83
2010-11	1,502.28	58.67	1,124.68	2,685.63	2,218.17	56	2	83
2011-12	1,827.73	77.65	1,300.55	3,205.93	2,659.99	57	2	83
Total	**5,844.85**	**233.91**	**4,051.13**	**10,129.89**				

(Source : Progress reports of CRD)

Table 2.13 : Provision of employment to SCs and women in test-checked districts

(in lakh persondays)

Year	Persondays generated				Persondays generated by women	Percentage of SC to total	Percentage of ST to total	Percentage of women to total
	SC	ST	Others	Total				
2007-08	48.16	NIL	32.11	80.27	65.82	60	--	82
2008-09	154.90	0.57	99.07	254.54	197.93	61	--	79
2009-10	361.96	11.15	233.09	606.20	497.08	60	2	82
2010-11	426.30	12.17	262.16	700.63	579.70	61	2	83
2011-12	458.86	12.80	292.02	763.68	632.33	60	2	83

(Source : Progress reports of District Programme Coordinators)

It may be observed from the above that nearly 60 *per cent* of the workers under the scheme belonged to the SC and 83 *per cent* of the total workers were women. Thus, the scheme benefited the SC and women the most in the State, which has to be appreciated.

2.2.10.2 Labour budget estimates and actuals

As per the guidelines of the scheme, DPC should prepare a 'labour budget' for the district containing details of anticipated demand for works in the district and the plan for engaging labourers in the works. Details of estimated man-days and the projected expenditure as per the annual labour budgets and the actuals for the State as a whole are given in **Table 2.14**.

Table 2.14 : Employment generation and expenditure on wages

Year	Employment generation (in crore persondays)			Expenditure on wages (₹ in crore)		
	Estimate	Actuals	Percentage	Estimate	Actuals	Percentage
2007-08	NA	6.43	--	NA	499	--
2008-09	25.79	12.04	47	1,969	960	49
2009-10	30.32	23.92	79	2,393	1,711	71
2010-11	28.79	26.86	93	3,544	2,215	62
2011-12	30.01	32.06	107	3,571	2,788	78

(Source: MGNREGS Progress Reports of CRD)

It may be noticed that during 2011-12, while the actual persondays generated was more than the estimate, the wage payment was less than the estimated amount. Normally when the actual generation of man-days is higher than the estimate, the payment of wages is also expected to be higher. But in the instant case, it is contrary to the expectation. The actual expenditure on wages was low as compared to the estimated wages and actual generation of persondays due to payment of the wages linked to the actual work out-turn as discussed in the succeeding paragraphs.

The position in respect of test-checked districts was the same as given in **Table 2.15**.

Table 2.15 : Employment generation and expenditure on wages in test-checked districts

Year	Employment generation in lakh persondays			Expenditure on wages (₹ in lakh)		
	Estimate	Actuals	Percentage	Estimate	Actuals	Percentage
2007-08	NA	80.27	--	NA	60.61	..
2008-09	625.21	254.54	41	500.14	201.10	40
2009-10	730.50	606.20	83	571.89	449.35	79
2010-11	713.75	700.62	98	713.53	578.42	81
2011-12	765.84	763.68	100	911.35	653.53	72

(Source: Progress report of DPCs)

The CRD stated (November 2012) that the average wage earned by each worker was based on the out-turn and to increase the average wage rate, Government had taken various measures like provision of implements to the workers, grouping of the habitations to provide employment very near to the habitation, conducting awareness camps etc.

2.2.10.3 Non-achievement of the guaranteed minimum wages

Clauses 6 to 8 of Schedule-I of the Act clearly stipulate that under no circumstances shall the labourers be paid less than the prescribed minimum wages; when wages are directly linked with the quantity of work, the wages shall be paid according to the Schedule of Rates (SRs) fixed by the State Government in consultation with SEGC; and the SRs of wages for unskilled labourers shall be so fixed that a person working for seven hours would normally earn a wage equal to the minimum wage rate.

Separate rural schedule of rates exclusively for the scheme works with an increase of 60 to 100/150 *per cent* over the PWD schedule of rates were approved (July 2006, March 2007, June 2008, December 2009 and February 2011) by GoTN with the intention of giving the prescribed minimum wage to the workers (₹ 80 upto September 2009, ₹ 100 from October 2009 and ₹ 119 from February 2011). It was further noticed that despite fixing higher wage rates and reducing the quantity of earth work (approximate quantity fixed for a person for desiltation) from 1.81 cu.m. in 2007-08 to 1.63 cu.m. in 2008-09, to enable the workers to get the prescribed minimum daily wages, the workers could not get the prescribed minimum daily wages in the State due to actual

low out-turn of work performed by the workers. The average actual daily wages paid ranged between ₹ 72 and ₹ 87 during 2009-10 to 2011-12, as against the prescribed minimum wage of ₹ 90, ₹ 103 and ₹ 119 as given in **Table 2.16**.

Table 2.16 : Minimum prescribed daily wages and actual wages

Year	Persondays reported (in lakh)	Total expenditure on wages (₹ in lakh)	Average daily wage paid (in ₹)	Minimum prescribed daily wage (in ₹)
(1)	(2)	(3)	(4)=(3) / (2)	(5)
2009-10	2,392	1,71,074	72	90*
2010-11	2,686	2,21,453	82	103*
2011-12	3,206	2,78,833	87	119

(Source : Progress reports of CRD)

* Averages were taken into account due to revision of minimum wages during the mid year.

Even when the actual out-turn of a worker was less as compared to the proportionate out-turn for the minimum guaranteed wages, it was taken as a full personday. In other words, even partial out-turn was taken as if it was for a full personday man-day out turn. Thus, the persondays reported to have been generated in the State do not reflect the man-days of seven-hours out-turn.

Five[20] DRDAs in the State, while sending proposals to Government (May and June 2008) for revision of SRs, adduced the following as reasons for the low out-turn :

- More than 80 *per cent* of the workers were women.
- Aged people who were not accustomed to hard and continuous physical labour were engaged in MGNREGS works.
- Able bodied men and women went for other works which fetched more wages.
- Women came to work without sufficient tools and implements.
- More number of workers were engaged at a single worksite.

Audit observed that despite increasing the scheduled rates and reducing the quantum of work output, the actual average wage earned per day by a beneficiary in the State was far below the minimum guaranteed wage, as the wages were paid based on the quantity of work done in the actual hours of working. The Department failed to ensure extraction of the specified daily quantum of work of seven hours so as to pay the guaranteed minimum wage. By engaging more women workers, aged persons, and dispensing with the material component, etc., the Department could not extract the prescribed quantum of work of seven hours so as to pay the minimum prescribed daily wage to the beneficiaries.

[20] Cuddalore, Dindugul, Tirunleveli, Tiruvannamalai and Villupuram

CRD, while admitting the payment of lesser wages due to low out-turn, stated (November 2012) that heavy influx of workers led to different age composition, (skewed towards the older age) and that they found it very difficult to work in ponds, tanks and to carry the excavated earth to a distance to deposit. It was further stated by the CRD that a revised SRs, fixing the quantity of earth work to 1.21 cu.m. per worker, had been proposed to Government for approval so as to enable the worker to get the prescribed minimum wage of ₹ 132 during 2012-13.

2.2.11 Works

Under the Act, the categories of works that are to be taken-up are water conservation, drought proofing, irrigation canals, provision of irrigation facility to the land owned by SC/ST, beneficiaries of Indra Awaz Yojana (IAY) etc., renovation of traditional water bodies, land development, flood control and rural road connectivity. Audit observations relating to selection/progress of the works, deficiencies in execution of the works etc., are discussed in the succeeding paragraphs.

2.2.11.1 Status of completion of works

The details of number of works taken-up, completed and in progress as on 31 March of each year, during 2007-12 in the State are given in **Table 2.17.**

Table 2.17 : Details of works taken-up and completed

Year	Number of works taken-up	Number of works completed	Percentage of completed works	Number of works-in-progress
2007-08	18,509	8,338	45	10,171
2008-09	38,875	12,676	33	26,199
2009-10	54,019	20,906	39	33,113
2010-11	68,555	32,480	47	36,075
2011-12	77,044	37,327	48	39,717

(Source : Progress reports of CRD)

As release of funds from GoI was based on the approved annual labour budget, the works taken-up were to be completed within that year. But it may be seen from the table that the number of works completed in a year was less than 50 *per cent* of the total number of works taken-up and the pending works increased from 10,171 in 2007-08 to 39,717 in 2011-12.

It was noticed in audit that works that were in progress at the end of each year were not reflected as opening balance in the progress reports of the subsequent years, though the expenditure on spill-over works was also included in the expenditure of the subsequent years. As a result, the year in which the works-in-progress of previous years were completed was not documented. In the absence of documentation, the number of works completed out of the total works taken-up during a particular year could not be ascertained in audit. The pendency of completion reports mentioned in Paragraph 2.2.11.4 reflects the fact that either the works in progress were not completed in time or preparation of the completion reports was pending.

The CRD stated (November 2012) that only 15,572 works remained incomplete as of November 2012 and that the low percentage of completion of works as per the data in the above table was due to non-updation of Management Information System (MIS) data. The reply is not acceptable as the audit observation is based on the annual progress reports furnished to MoRD by CRD. Further, as against 1,99,618 works taken-up during 2009-12, as per progress reports, the total number of works taken-up now furnished by CRD based on MIS data was 1,38,710 only which was not a correct and reliable figure.

2.2.11.2 Non-creation of durable assets

According to Schedule I of the Act, creation of durable assets and strengthening the livelihood resource base of the rural poor was an important objective of the scheme and SEGC was responsible for preparation of the list of priority works for different areas based on the ability in the areas to create durable assets. With a view to carryout works involving labour component only and to avoid use of materials, the SPC instructed (August 2006) the implementing agencies not to take up works involving material component *viz.,* masonry work, metal roads or gravel collection. Based on the recommendation (June 2007) of SEGC and taking into account the field conditions in the State, GoTN fixed the following priority list of works to be taken-up under the scheme :

(i) Formation of new ponds,

(ii) Renovation of ponds, tanks, etc.,

(iii) Desilting of channels,

(iv) Desilting and strengthening of bunds of the irrigation tanks,

(v) Formation of new roads and

(vi) Other water conservation and soil conservation measures and flood protection measures.

Out of 2,57,002 works taken-up during 2007-12, the Gram Sabhas selected and approved 1,24,598 works (48 *per cent*), under the categories of desilting of ponds, minor irrigation tanks, supply channels and irrigation wells. These works were executed by the GPs at a cost of ₹ 3,921.87 crore. As these works did not add to creation of new assets, one of the auxiliary objectives of creation of durable community assets was not achieved. Moreover, such types of works executed were not susceptible of physical verification at a later date as the worksites were prone to silting again due to fresh rainfall after completion of the desilting work. Thus, the State Programme Coordinator's instructions and Gram Sabha's approval to take-up mostly desilting works in water bodies defeated the auxiliary objective of creating durable assets.

The CRD stated (November 2012) that the works taken-up were durable assets as the desilting works increased the capacity of tanks and paved way for storing more water and recharging of the ground water and the assets so created were being stabilised through the State sponsored Rural Infrastructure

schemes. The reply is not acceptable as the works taken-up were merely maintenance in nature and the reply is a general view not supported by concrete examples and evidence.

2.2.11.3 Road connectivity

Under the category of works for road connectivity to rural areas, the scheme guidelines required provision of all-weather roads to the unconnected rural habitations, at least in the form of gravel or water bound macadam roads. This requires machinery for laying the roads and materials like gravel, metal and bitumen. Since the State Government prohibited expenditure on the material component and engaging skilled and semi-skilled labour, the road works executed under the scheme were in the nature of improvements to side berms of the existing black-topped or cement concrete roads or formation of earthen road without compaction. It was noticed in audit that during 2007-12, 62,588 road works for a value of ₹ 1,919.88 crore (23 *per cent* of the total works expenditure of ₹ 8,172.86 crore) were taken up in the State, which were not the works admissible under the category of 'rural connectivity'. Such road works involving no material component do not guarantee reasonable quality of the works as is evident from the pictures **(Figures 2.3, 2.4, 2.5 and 2.6)** taken during site visits by audit team with the block officials.



Figure 2.3
Arakkankottai 2008-09 - Improvements to roads Senkuttai to Senkattukuttai (TN Palayam block)



Figure 2.4
Panayampalli 2009-10 Improvements to the road at Malliyampatti (Bhavani Sagar block)



Figure 2.5
Kondayampalayam 2010-11 - Improvements to side berms of road kallipatti to Kuttaiyur (TN Palayam block)



Figure 2.6
Mittur 2010-11 - Formation of road in Mittur panchayat (Thimiri block)

The CRD, *inter alia*, stated (November 2012) that desilting of channels on either side of the road provided easy passage of rain water and thus prevented entry of water into black topped roads, which in turn increased the longevity

of roads and that further consolidation of roads formed were ensured by utilising funds under other schemes. The reply is not acceptable as the set guidelines permitted only formation of new all-weather link roads in rural areas and the reply is a generalised view without adequate substantiation.

2.2.11.4 Deficiencies in execution of the works

As per the scheme guidelines, the following procedure was to be followed in respect of selection and execution of works under the scheme :

- Gram Sabhas were to prepare shelf of projects or priority list of works and the works taken-up were to result in creation of durable assets.
- Estimates of the works containing information such as generation of persondays, location, necessity for taking-up the work and the intended benefits to the local community were to be prepared.
- Unique identity number was to be assigned to each work and mentioned in the estimate, measurement books and muster rolls.
- Measurements were to be recorded and test-checked to the extent of cent *per cent* by block level officers and 10 *per cent* of the works were to be inspected by the district level officers.
- Photographs of the works were to be taken at pre, mid and post stages of the works and completion reports were to be prepared by the technical staff for all the works completed.
- Worksite facilities such as drinking water, shades and crèche were to be provided.

Test check of records pertaining to 2,072 works costing ₹ 85.78 crore in 230 test-checked GPs disclosed the following deficiencies.

- The details of persondays to be generated, necessity for taking-up the works, the location or chainage of road or channel or bund of tank where the works were proposed to be carried out and the benefits that would accrue to the local community were not specified in the estimates in respect of works executed in six districts (Coimbatore, Erode, Perambalur, Sivaganga, Tiruvallur and Vellore). The CRD stated (November 2012) that the detailed estimates available with the technical staff contained all the particulars mentioned above. However, scrutiny of estimates in the test-checked units by audit revealed that CRD's reply is incorrect.
- Unique identity numbers to avoid duplication of records etc., for the same works were not assigned to the works and reference to the identity number auto generated at the time of entry in the MIS was not recorded in the estimates, measurement books, muster rolls, etc., in six (Coimbatore, Erode, Perambalur, Sivaganga, Thiruvallur and Vellore) of the test-checked districts. In the absence of recording the unique

identity numbers, exact identification of the works become difficult. CRD stated (November 2012) that entry of unique identity numbers in the above documents would be ensured in future.

- Measurements of the work done were neither recorded nor authenticated by the technical staff in the muster rolls/ measurement books relating to payments for ₹ 37.86 lakh in four GPs[21] in Perambalur district and in eight GPs[22] in Virudhunagar district during 2008-12. In such a situation, misappropriation cannot be ruled out. CRD stated (November 2012) that the cases pointed out by audit would be verified and suitable action taken.

- In Vellore district, as against 23 works (10 *per cent* of 231 works) that were to be inspected by the district level officers, only one work was inspected and none of the works was inspected by the State level officers. In Perambalur and Vellore districts, measurements recorded by the Overseer/Union Engineer were not check-measured by the Assistant Executive Engineers (at least one in five bills) in respect of 236 works out of 330 works in 34 GPs. In these cases, the risk of under-performance and payments without carrying out the works, etc., cannot be ruled out. CRD stated (November 2012) that the regular inspection were conducted by the district and state level officers to the extent prescribed. However, review of inspection registers maintained at Village level and Measurement Books in the above districts, confirmed the audit observation.

- Photographs of the works were not taken at pre, mid and post stages of execution in three test-checked districts (Tiruvallur, Vellore and Virudhunagar). CRD stated (November 2012) that photographic evidence for all the three stages would be ensured in future.

- Worksite facilities such as shades and crèche were not provided in all works executed in four districts (Perambalur, Sivaganga, Vellore and Virudhunagar).

- Completion reports were not prepared for 322 works out of 330 test-checked works in 42 GPs in Perambalur and Vellore districts.

- Out of the 2072 test-checked works, 1,014 works (49 *per cent*) were desilting works (cost: ₹ 48.73 crore) and 586 works (28 *per cent*) were road works (cost: ₹ 25.01 crore).

Absence of measurements/check-measurements for the works done, completion reports and photographic evidence and predominance of desilting works involving no material component, etc., made the test-checked works not susceptible of verification and the procedure followed in execution of works was not transparent.

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[21] 1) Asoor, 2) Naranamangalam, 3) Ayanavaram and 4) Kizhamathur

[22] 1) Jegaveerampatti, 2) Sevalpatti, 3) A. Lakshmiapuram, 4) Elayirampannai, 5) Zamin Nallamangalam, 6) Meenatchipuram, 7) Cholapuram and 8) Sundaranatchiarpuram

2.2.11.5 Irregularities in Payment of wages

(i) Misappropriation by inflating the number of workers

As per GoTN instructions, muster rolls (MRs) at worksites were to be maintained by the Makkal Nala Paniyalar (MNP) or worksite facilitators and checked daily by the Village Panchayat President (VPP) and Secretary. BDO (VP) was to test check MRs. After recording measurements weekly and check measurement by the block level technical staff, the MRs were to be passed for payments by the BDO (VP). Then the passed MRs were to be sent to the VPPs for drawal of funds and disbursement to the workers in the presence of village payment committee.

Audit scrutiny of MRs in Alathur and Veppur blocks in Perambalur District for the years 2010-11 and 2011-12 revealed that the Panchayat 'Makkal Nala Paniyalargal' who were responsible for maintenance of the MRs, recorded inflated number of workers on roll daily and arrived at the daily wages per worker by dividing the value of work done by the inflated number of beneficiaries resulting in payment of lesser wages to the workers. In 67 MRs relating to 12 works, the difference in the amount drawn and actually paid to the workers amounting to ₹ 0.92 lakh was misappropriated by the Presidents of the VPs and the MNP.

(ii) Misappropriation by tampering the MRs

Audit scrutiny of muster roll for the month of February 2012 (MR No 14506) relating to the work 'Desilting of Athiyur Supply Channel' in Aduthurai GP of Veppur Block in Perambalur District revealed that the Panchayat Secretary/the MNP of the GP tampered the total number of persondays of 761 for week and corrected it as 961. The value of work done, ₹ 86,490 (961 persondays x ₹ 90), was divided by the inflated persondays on a daily wage rate was arrived at resulting less wages to the workers. Accordingly, the VPP withdrew ₹ 86,490 from the bank account, disbursed ₹ 68,490 (761 persondays x ₹ 90) to the workers by the MNP and the remaining amount of ₹ 18,000 was misappropriated by the President and Panchayat Secretary / MNP.

(iii) Misappropriation by preparation of bogus MRs

The Panchayat Secretary of Vembi GP in Thimiri Block of Vellore District was suspended (March 2011) by the Block Programme Officer (BPO) for irregularities committed by him in the MRs for the desilting work carried out in Melpulam village tank. It was reported that the daily attendance in respect of several beneficiaries was signed by the Panchayat Secretary and that the signatures or thumb impressions in the column for acknowledging receipt of wages differed from those in the job card register. Therefore, three MRs for 4,948 persondays for a total value of ₹ 3.96 lakh were not passed by the BPO for payment.

CRD stated (November 2012) that action has been initiated against the person and segregation of bogus workers has been done and payment to the eligible works would be made.

Further scrutiny of the MRs by Audit revealed that 46 bogus MRs were prepared by the Panchayat Secretary and President by forging the signatures of the registered workers of the GP and ₹ 12.54 lakh was misappropriated. The BDO (VPs), Thimiri failed to verify correctness of these MRs before passing them for payment.

On this being pointed out, the BDO replied (September 2012) that explanations had been called for from the persons concerned and a report would be furnished to audit after receiving the response from them.

(iv) Delay in payment of wages

According to the Act, disbursement of wages should be made on a weekly basis or in any case not later than a fortnight after the date on which the work was done. Section 7.1.5 of the Act further stipulates that in the event of any delay in wage payment, workers are entitled to compensation as per the provisions of Payment of Wages Act, 1936 and such compensation cost will have to be borne by the State Government.

It was noticed in five test-checked blocks[23] in Vellore and Virudhunagar districts that there were delays in payment of wages ranging between five and 482 days (over and above the stipulated 15 days) in respect of 231 MRs for ₹ 88.79 lakh. But, the workers were not compensated for the delays.

CRD stated (November 2012) that the delay was due to non-availability of staff for quite some time in the GPs.

The reply is not acceptable as the VPP and Secretary are responsible for payment of wages to the workers.

2.2.12 Non-construction of Bharat Nirman Rajiv Gandhi Seva Kendra

MoRD informed (December 2009) all the States that construction of Bharat Nirman Rajiv Gandhi Seva Kendra (BNRGSK) in Village and Block Panchayats at a cost of ₹ 10 lakh and ₹ 25 lakh respectively was included in the priority list of works to be taken-up under MGNREGS and instructed to include the works in the shelf of projects and labour budget for year 2010-11. These Kendras were meant for providing space to facilitate functioning of the MGNREGS office and function as a knowledge Resource Centre and meeting hall to accommodate 50/100 persons. It was noticed in audit that these kendras were not included in the list of works to be taken up under MGNREGS.

[23] Thimiri, Tiruppathur, Alangayam blocks in Vellore District and Kariapatti and Rajapalayam in Virudhunagar District

The CRD stated (November 2012) the State Government had already requested (May 2010) GoI not to insist construction of these kendras and leave it to the discretion of the State Government to be taken up on need basis.

The reply is not acceptable as the kendras were meant not only for providing space to facilitate functioning of MGNREGS office but also to function as a knowledge resource centre and as meeting hall and thus, the State had failed to avail this facility extended by GoI under the scheme.

2.2.13 Maintenance of Records and Data

2.2.13.1 Records

The scheme guidelines prescribed maintenance of the registers such as Registration of households and job card issue register, Household employment register, Works register, Asset register, Complaint register, Muster Rolls, Measurement Books, Stock Registers and other records to be kept at the village panchayats and blocks.

Test check revealed that Complaint registers, Work register and Asset register were not maintained in all the test-checked GPs and blocks in the eight districts.

CRD stated (November 2012) that the State prescribed maintenance of five[24] registers (Register I to V) and the registers were maintained at the Panchayat and block level. The reply is not correct as these registers pertained to household registration, employment, receipt of fund, expenditure, stock registers of MRs and Measurement Books.

2.2.13.2 Management Information System

The scheme guidelines prescribe detailed monitoring formats for monthly progress reports to be compiled and sent by the blocks, districts and States. In addition to ensuring transparency and accountability at the local level, the information furnished by the States is consolidated for public information through the MoRD's 'nrega' website.

As per the data available on the website of 'nrega' for the years 2009-10, 2010-11 and 2011-12, unemployment allowance was due to be paid by the State for 324 days, 1,65,284 days and 1,75,406 days respectively. The CRD stated (November 2012) that the discrepancy was due to problems in software and GoI had been addressed in this regard.

In all the test-checked districts, there were discrepancies between the data as per records maintained in the office of the District Programme Coordinator for

[24] 1. Register of Registration and Job card issued; 2. Expenditure Register; 3. Household employment Register; 4. NMR Stock Register; and 5. Job card Stock Register

the years 2009-10, 2010-11 and 2011-12 (**Appendix 2.6**) and the on-line data uploaded in the MIS in respect of households registered, job cards issued, employment demanded and provided, man-days generated, households that were given 100 days of employment and social audits conducted. It indicated that the information provided in the MoRD's 'nrega' website were not reliable and did not exhibit the true picture.

The CRD stated (November 2012) that the discrepancies regarding unemployment allowance were due to software problem and action would be taken to rectify the discrepancies in the Website.

2.2.14 Social Audit, Transparency and Grievance Redressal

2.2.14.1 Social audit

The Act gives a central role to "social audits" as a means of continuous public vigilance. The guidelines on social audit stipulate the following :

a. Periodic assemblies in the Gram Sabha (which is referred to as "Social Audit Forum") for scrutinizing details of the projects. The Social Audit Forum was to be held twice a year at the Gram Sabha level for scrutinising all the works done in the preceding year.

b. Social audit as a continuous process of public vigilance involving potential beneficiaries and other stakeholders, which covers verification of all stages of implementation right from registration of families to evaluation.

c. Updated data on demand received, registration, number of job cards issued, list of people who demanded and had been given/ not given employment, funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work, persondays generated, reports of local communities and copies of muster roll were to be made available in a predesigned format outside the offices of all agencies involved in implementing MGNREGS.

In respect of all the test-checked 2,072 works in 230 test-checked GPs, it was found that though social audits were conducted, most of the columns in the reports submitted by the forums to Gram Sabhas were left blank.

As per Rule 4 (1) of MGNREGS Audit of scheme Rules 2011, States should identify or establish an independent organisation for conducting social audit. GoTN, in their Policy Note for 2012-13, stated that an independent organisation by name 'Social Audit Society of Tamil Nadu' would be established to facilitate the conduct of social audit and that pilot blocks were selected for the purpose.

The CRD stated (November 2012) that the Government ordered (July 2012) establishment of Social Audit Society and the State and district level offices had started functioning and recruitment of other staff was under process.

2.2.14.2 Payment of wages in cash

According to Sub Section 4 of Section 23 of the Act, all payments of wages in cash should be made directly to the persons concerned and in the presence of independent persons of the community on pre-announced dates. According to the scheme guidelines, all payments of MGNREGS wages through banks or post offices are a useful means of separating the payment agencies from the implementing agencies and the scheme provides for crediting of wages to the beneficiaries' accounts opened in banks or post offices. SEGC recommended (March 2008) to GoTN to open Bank accounts in respect of all job card holders so that undisbursed wage could be credited into their accounts. SEGC also advised to urge GoI to leave the mode of receipt of wages to the discretion of the workers.

It was noticed in audit that eventhough Bank accounts were opened by 82 *per cent* of the total job card holders as of March 2012, the wages to the workers were paid in cash only. In the case of undisbursed wages, GoTN instructed the implementing agencies to credit the same to the Bank accounts of workers. In the Village Payment Committees formed for the purpose, majority of the members were persons who were directly involved in implementation of the scheme *viz,* President, Vice-President and Ward Members of VPs (all elected representatives). Thus, in making payment of wages to the workers in cash, the risk of leakage of scheme funds and payments to fictitious workers cannot be ruled out.

The Secretary, Rural Development and Panchayat Raj, while explaining the difficulties in payment of wages through banks or post offices, informed (December 2007) GoI that if the system of wage payment through banks was adopted, the workers were to commute long distances to get their wages from banks losing one day's wages and that the banks would adjust the wages credited against their dues in respect of loans availed by the workers. However, from the year 2012-13, GoTN decided to dispense with the existing practice of disbursing wages to the workers in cash. The wages are now paid through banks on pilot basis in five districts and in one GP in each block in the remaining districts.

It was stated by the CRD (November 2012) that payment of wages through banks would be undertaken in all districts before 31 March 2013.

2.2.15 Monitoring and Evaluation

2.2.15.1 Vigilance and Monitoring Committees not constituted

According to Paragraph 10.1.2 of the guidelines, for every work sanctioned under the scheme, there would be local Vigilance and Monitoring Committee

(VMC) consisting of members of the locality or village where the work is undertaken, to monitor the progress and quality of work while it is in progress. The VMC was to be elected for the period of one year by the Gram Sabha. The GP should apprise this committee regarding estimates of the work, time frame and quality parameters. The final report of the committee should be attached along with the completion report of each work and should also be placed at the next meeting of the Gram Sabha in the GP where work has been executed. The programme officer was to ensure that the village level VMCs were constituted.

It was noticed that in six[25] out of eight test-checked districts, the village level VMCs were not constituted.

The CRD stated (November 2012) that payment committee functioned as VMC. The reply is not acceptable as the guidelines envisaged constitution of separate VMCs for monitoring the progress and quality of works. These committees are distinct from the Payment Committee which mainly comprises the elected representatives who are responsible for implementing the scheme and for the purpose of payment of wages.

2.2.15.2 State Quality Monitors and District Quality monitors not set-up

As per the scheme guidelines, for verification and quality audit, the State Government was to designate State Quality Monitors (SQM) with the approval of the SEGC. The DPC was to designate District Quality Monitors (DQM) with the approval of State Government. It was noticed in audit that the monitors were not designated either at state level or at district level leading to non-conduct of verification and quality audit.

The CRD stated (November 2012) that action had been initiated to appoint SQM and DQM under MGNREGS.

2.2.16 Evaluation

The guidelines envisaged conducting of district-wise evaluation studies by the SEGC and block level studies by the DPCs. It was noticed in audit that no study at the State level was conducted during 2007-12 to evaluate impact of the scheme to strengthen its implementation. An evaluation study conducted (May and July 2009) in five[26] districts by the Rural Technology and Business Incubator of Indian Institute of Technology, Madras, at the request of MoRD, revealed low out-turn and payment of daily wage less than that prescribed, low productivity due to engagement of more aged workers and non-provision of worksite facilities. It was noticed that these issues continued even today in respect of MGNREGS works in the test-checked districts as is evident from the audit observations contained in this Performance Audit Report.

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25 Erode, Perambalur, Pudukkottai, Sivaganga, Vellore and Virudhunagar

26 Cuddalore, Dindugal, Kancheepuram, Nagapattinam and Tiruvallur

CRD stated (November 2012) that evaluation was being conducted in six districts by the Department of Evaluation and Applied Research and on receipt of their findings, the strategy of implementation of MGNREGS in the State would be reviewed in detail.

2.2.17 Conclusion

Though the scheme provided for generation of employment through participative planning duly involving the Panchayat Raj Institutions and the village community through Gram Sabhas, in seven out of eight test-checked districts, the District Perspective Plan was not prepared. During 2007-12, 101.30 crore persondays of employment were generated incurring expenditure of ₹ 8,510.44 crore. In the year 2011-12, out of 76.49 lakh households registered under the scheme in the State, jobs were provided to 58.16 lakh households *viz.,* 76 *per cent*. Of these, the minimum guaranteed 100 days of employment was provided only to 14.08 lakh households (24 *per cent).*

The system of making formal application for employment by the persons registered for job, issuing dated receipts to the applicants, formal allotment of work and its communication to the applicants by the Gram Panchayats as envisaged in the Act were not documented. In the absence of such documentation, the Government's claim that there were no instances of payment of unemployment allowance in lieu of non provision of employment to the job seekers could not be verified in audit. The beneficiaries were paid wages in proportion to their out-turn. As a result the prescribed minimum wages to the workers were not paid as the specified quantum of work out-turn in seven hours of works per day was not extracted from the workers. The average wages paid ranged from ₹ 72 to ₹ 87 against the prescribed minimum wages of ₹ 90 to ₹ 119 during 2009-12. Nearly 60 *per cent* of the beneficiaries belonged to Scheduled Castes and 83 *per cent* of the total workers were women and thus, the scheme was popular among them.

Forty eight *per cent* of the total works executed under the scheme fell under the category of desilting of ponds, minor irrigation tanks, supply channels, etc., which had not resulted in creation of durable community assets, one of the auxiliary objectives of the scheme. In test check, inclusion of bogus workers in the muster rolls and cases of misappropriation of scheme funds were noticed. There were large number of incomplete works and completion reports were not prepared for the works completed.

2.2.18 Recommendations

- The process of planning need to be strengthened so as to enable the Gram Panchayats, Block Programme Officers and District Programme Coordinators to select prioritised works that would lead to development of the districts and endeavour to provide minimum 100 days of employment to all the job card holders who demand works.

- Government need to take necessary action to ensure extraction of the prescribed daily out-turn of the workers so as to ensure that the workers get the prescribed minimum wages.

- Government need to revisit the policy of not taking-up works involving material component and skilled or semi-skilled labour and broad-base the types of works by dovetailing with other rural development schemes so that visible and usable assets of reasonable quality could be created.

- Completion of pending works should be expedited and the cases of misappropriation pointed by Audit should be investigated for appropriate action against the persons concerned.

The above points were referred to Government in November 2012; reply has not been received (December 2012).

HEALTH AND FAMILY WELFARE DEPARTMENT

2.3 Information Technology Audit of the Health Management Information System

Executive Summary

As a part of the World Bank aided Tamil Nadu Health Systems Project (TNHSP) implemented from January 2005, the Government decided (August 2005) to implement the Health Management Information System (HMIS) at a cost of ₹ 114.35 crore to improve the healthcare services provided in the Government hospitals and primary health centres. HMIS was to focus on computerisation of the clinical services and referral related services in the hospitals and generate Management Information System reports, besides creating 'Patient Electronic Data Record System' to track the health profiles of patients. HMIS was scheduled to be implemented in three phases, commencing from March 2007 and was to be rolled out in all the 269 secondary care hospitals in the State by October 2011. Though an amount of ₹ 63.16 crore was spent upto March 2012 for implementing HMIS, due to frequent disruptions in the network connectivity, delay in execution and deficiencies and incomplete capture of data relating to the patients, the envisaged objectives of HMIS were yet to be achieved in full, even after 12 months from the scheduled date of completion. An Information Technology audit of HMIS covering the period 2007-12 brought out the following audit findings :-

Selection of multiple server technology and improper assessment of the requirement of servers led to idle investment of ₹ 1.04 crore. There was avoidable expenditure of ₹ 49.68 lakh on arranging support service for the database system.

HMIS was not implemented (May 2012) in 31 secondary care hospitals due to belated supply of hardware etc., on account of lack of co-ordination among the suppliers, power supply issues, buildings under construction etc., resulting in idle investment of ₹ 6.64 crore on hardware and networking components. Frequent breakdown of the network connectivity and hardware failures led to large scale disruptions in operation of HMIS in the test-checked hospitals. There were no alternative arrangements to capture the data during the periods of network disruption.

In the test-checked 20 hospitals where HMIS was implemented, out of 13 functions for which modules were prepared, five modules were being used regularly, six were used partially and two were not used at all.

There were shortfalls in capturing the details of outpatients (64 *per cent*) and inpatients (78 *per cent*) in the HMIS database during the period October 2011 to April 2012 in the test checked hospitals, due to frequent failure of network connectivity, non-capturing of the missed out data during system failures, inadequate training to the staff etc. Even in the case of data captured, the information was incomplete and unreliable, which rendered HMIS helpless in ensuring the objective of retrieval of health profile of the patients.

The application software had deficiencies such as lack of validation controls and non segregation of duties among the hospital staff.

2.3.1 Introduction

The World Bank aided Tamil Nadu Health Systems Project (TNHSP) aimed at strengthening the infrastructural facilities such as buildings, equipment, vehicles in all the secondary care hospitals[27] in the State. The project commenced in January 2005 with an outlay of ₹ 597.15 crore and scheduled for completion in March 2010 has been extended for a further period of three years upto September 2013 at an additional project cost of ₹ 627.72 crore. Under the project, Health Management Information System (HMIS) is a computerisation programme started in August 2005 for improving the healthcare services in Government hospitals and primary health centres (PHCs) at an outlay of ₹ 114.35 crore.

Considering that the health related data available in the Government hospitals were highly fragmented, incomplete and could not be used for proper planning and monitoring purposes, HMIS was contemplated to collect information and to establish, *inter alia,* a 'Patient Electronic Data Record System' to keep track of the past and current health profile of the patients visiting any government hospital. The main focus was on clinical services, referrals and programme related services.

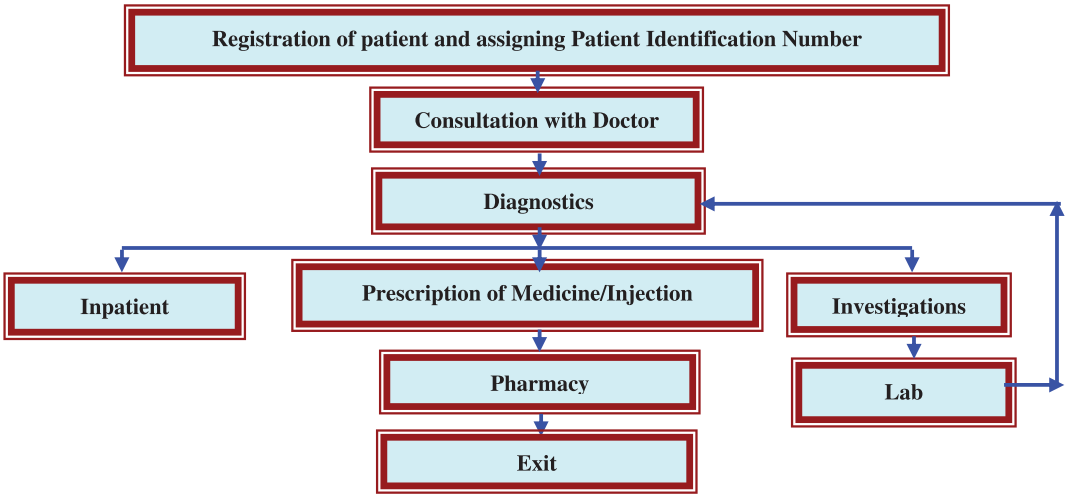
HMIS was to provide information to all the other systems within the health sector and serve as a managerial tool. HMIS comprised two components namely HMS (Hospital Management System) and MIS (Management Information System).

Hospital Management System

Hospital Management System is to handle daily transactions within a hospital including outpatient and inpatient registration, laboratory, pharmacy, stores, etc. HMS keeps track of health related data of the patients and medical treatment given to them. On entering the hospital, a patient is registered and a unique patient identification number (PIN) is assigned. On the next visit, the patient can approach the consultant directly without waiting for registration. The patient can visit any hospital covered under HMIS using the PIN. The processes computerised under HMS are shown in **Figure 2.7**.

[27] District headquarters hospitals, taluk and non-taluk hospitals

Figure 2.7 : The processes under Hospital Management System



Management Information System

Management Information System contained monthly statistical information on the facilities available and medical cases handled in each hospital. It integrates data collection, processing, reporting and use of the information for improving the effectiveness and efficiency of health services at all levels.

Technology and Coverage

The data captured in the hospitals are to be stored in a set of servers placed at the State Data Centre, Chennai and the network connectivity to the hospitals was provided through the Tamil Nadu State Wide Area Network. The web based application software for HMIS was developed by M/s Tata Consultancy Services (TCS) at a cost of ₹ 5 crore with Java as front-end and PostgreSQL database as back-end working in Linux operating system. HMS consisted of 13 modules[28] and MIS consisted of nine modules[29], both of which covered computerisation of the major activities in hospitals.

The programme of HMIS was planned to be implemented in three phases from March 2007 and to cover all the 269 secondary care hospitals, 47 tertiary care hospitals (hospitals attached to the medical colleges), 19 medical colleges and 1569 primary health centres in the State. Phases-I and Phase-II were implemented in 269 secondary care hospitals and 20 out of 1569 Primary Health Centres (PHCs). Phase-III to cover all the medical colleges and their hospitals and rest of the PHCs, commenced in February 2011, is in the initial stage of entrusting the development of software to TCS. Thus, HMIS is yet to commence in the tertiary hospitals and medical colleges (August 2012). Out

[28] Registration, Inpatient management, Laboratory, Radiology, Diet, Biomedical waste management, Pharmacy, Stores, Clinical OP, Blood bank, Injection OP, Maternity and Ward management

[29] Clinical information system, Laboratory services, Support/Ancillary, Building, Vehicle, Equipment, Financial, Stores and Personnel

of the sanctioned amount of ₹ 109.61 crore (upto Phase-II), an expenditure of ₹ 63.16 crore has been incurred till March 2012.

2.3.2 Organisational structure

The Project Director, TNHSP who is responsible for implementing HMIS at the State level, reports to the Secretary to Government, Health and Family Welfare Department. For implementing HMIS, the Project Director was assisted by Deputy Directors of various projects of TNHSP. A State Co-ordinator was monitoring implementation of HMIS. At the district level, implementation of HMIS was monitored by the District Project Monitoring Officers (DPMO).

2.3.3 Audit objectives

The objectives of the Information Technology audit of HMIS were to examine whether

- the technology adopted for HMIS was appropriate and cost effective;
- HMIS was implemented within the targeted period in the hospitals with supply of necessary hardware and connectivity ;
- HMIS was implemented effectively to achieve the basic goal of collection, analysis and interpretation of data for decision making and for monitoring provision of health care services;
- the application software was free from any deficiencies; and
- the HMIS package improved the services rendered to the public.

2.3.4 Audit criteria

The terms and conditions contained in the following sources were adopted as criteria

- Government orders issued by the Health and Family Welfare Department for implementation of HMIS;
- Circulars issued and decisions made by TNHSP;
- Tender documents/agreements for purchase of hardware and software;
- User Requirement Specification, System Requirement Specification and user manuals of HMIS; and
- Data dictionary relating to HMIS

2.3.5 Audit coverage and methodology

The audit commenced with an Entry Conference on 4 May 2012 with the Secretary, Health and Family Welfare Department wherein the scope of audit and methodology were shared, followed by examination of records at the Secretariat and TNHSP office. Out of 30 health districts in the State, eight districts[30] were selected by adopting simple random sampling method for conducting audit in the field offices. In the selected eight districts, 24 secondary care hospitals were selected by simple random sampling method for detailed audit as listed in **Appendix 2.7**. Audit by examination of HMIS database and during field visit observed that out of 24 test-checked hospitals HMIS was not implemented in four[31] hospitals upto May 2012.

Transactions relating to the period 2007-08 to 2011-12 were checked. The data relating to HMIS, pertaining to the period June 2008 to May 2012 were examined through Computer Assisted Audit Techniques and Structured Query Language (SQL). An Exit Conference with the Principal Secretary to Government was held on 27 December 2012, wherein the audit findings were discussed. Reply/response of the departmental officers have been kept in consideration, while finalising this report.

Audit findings

2.3.6 Planning

2.3.6.1 Adoption of multiple server technology

In response to a request from TNHSP (August 2007) for suggestions for implementation of HMIS, the Electronics Corporation of Tamil Nadu (ELCOT), which provides end-to-end IT solution support to Government departments to improve their services, recommended (September 2007) the 'Mainframe Server Technology'. ELCOT also proposed that two mainframe servers costing ₹ 6 crore, which would be procured by them could be used by TNHSP and that ELCOT had technical manpower and experience to provide a complete range of support such as configuring the system and development of application software. Audit noticed that the Project Director, TNHSP, in a letter addressed to M/s. Tata Consultancy Services (TCS) in October 2007 stated that the offer made by ELCOT appeared more suitable for their requirements. The following reasons were listed out for arriving at the final resolution on the technology option to host the application in five fully loaded virtual mainframe servers.

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30 Kancheepuram, Karur, Madurai, Pudukottai, Salem, Thanjavur, Thoothokudi and Tiruvallur

31 1. District Headquarters Hospital, Karur; 2. Taluk Hospital, Omalur; 3. Taluk Hospital, Gangavalli and 4. District Headquarters Hospital, Mettur Dam

(i) Concerns of scaling up of the application and addition of new features in future as well as financial strain on the exchequer in terms of recurring cost due to choice of technology would be addressed.

(ii) ELCOT would take care of maintenance, uninterrupted power supply, connectivity, server maintenance, server security, firewall etc., and

(iii) TNHSP need not go into the managerial issues of running the server and resources.

However, TNHSP, in a reversal of its stand, decided to adopt the 'Multiple Server Technology' and invited tenders (May 2008) for purchase of 10 servers through Tamil Nadu Medical Services Corporation (TNMSC), without recording any reasons. Ten servers were procured at a cost of ₹ 1.40 crore in November 2008 and six more servers and storage devices were procured in March 2011 at a cost of ₹ 9.16 crore and all the 16 servers were installed at the State Data Centre, Chennai and maintained by ELCOT.

To an audit query eliciting the reasons for not accepting the mainframe server technology recommended by ELCOT, and choosing the multiple server technology, TNHSP stated (June 2012) that (i) IBM, the manufacturer of mainframe servers would not support PostgreSQL decided to be used for HMIS, and would support only DB2, for which additional expenditure was to be incurred and (ii) installation of IBM servers at the Data Centre was getting delayed.

The reply of TNHSP is not acceptable due to the following reasons:

a. Though IBM would not support PostgreSQL, it had no objection to install PostgreSQL in its mainframe server.

b. TNHSP cited 'delay in installing the mainframe server at the Data Centre' as one of the reasons for choosing the multiple servers. The mainframe server was installed in February 2008 and made operational at the Data Centre in August 2008. But the multiple servers procured in Phase-I (November 2008) were installed in September 2009 only.

c. TNHSP cited the likely 'additional expenditure for DB2' as one of the reasons for dropping the mainframe technology. But, by opting for multiple servers, TNHSP had spent ₹ 0.86 crore (₹ 0.36 crore in Phase-I and ₹ 0.50 crore in Phase-II) towards support for PostgreSQL.

Further, many advantages, as admitted by TNHSP itself, such as extremely powerful servers, free maintenance for five years, scalability of memory /hard drive, avoidance of investment in routers, switches and load balancing mechanism etc., were available in the 'mainframe server technology'. However, TNHSP rejected the technology and adopted the multiple server technology, which led to idling of the servers as discussed in the succeeding paragraph.

2.3.6.2 Idling of servers

TNHSP, having decided to procure the multiple servers, placed an order for supply of ten servers in October 2008 (Phase-I) and these servers were supplied in November 2008. Since the site at the ELCOT's Data Centre was not ready for hosting the servers, the same were installed in September 2009 after a delay of 11 months. Subsequently, purchase orders for six more servers were placed in December 2010 and they were received in March 2011 (Phase-II).

Though the six servers procured under Phase-II were to be configured along with the ten servers procured under Phase-I to execute various functions of the system, the supplier (M/s. Accel Frontline Limited) of the six servers under Phase-II could not configure all the 16 servers as the load balancing activity was still under testing (May 2012). Consequently, five servers (four servers procured in Phase-I and one server procured in Phase-II) costing ₹ 0.50 crore were not put to use. Thus, HMIS was functioning, utilising 11 out of the 16 servers and there have been slow-down of the system during the 'morning outpatient' hours in the hospitals. Further, two tape libraries costing ₹ 0.54 crore could not be put to use from the date of supply in November 2008 and December 2010 till date (May 2012), as the license for the connected software was not renewed due to processing delay and identifying the source of funds. As a result, the planned automated backup activity had not taken place.

The agreement for supply and installation of the Phase-II servers included a penalty clause by which the supplier was to be penalized for the delay in installation of the servers. At the instance of Audit, ELCOT issued a caution letter to the supplier (August 2012), but did not invoke the penalty clause for recovering ₹ 6.73 lakh, from the supplier for the delay of 48 weeks from September 2011 to August 2012 in stabilisation of one report server.

Regarding non-utilisation of the servers and backup devices, TNHSP replied (August 2012) that one backup server, one report server and two tape libraries had not been put to use. They also stated that one PG pool server was under testing for load balancing and two database servers would be allotted for Phase-III of HMIS. Thus, it is evident that due to selection of multiple server technology and improper assessment of the actual requirement of servers for Phase-I and Phase-II and failure to configure them, servers and backup devices purchased at a cost of ₹ 1.04 crore had been idling for 42 months (Phase-I) and 14 months (Phase-II).

2.3.6.3 Avoidable expenditure on purchase of PostgreSQL database

PostgreSQL database categorized as 'open source' is available free of cost, but the support service is not free. Based on the suggestion of ELCOT, TNHSP decided to adopt PostgreSQL database for Phase-I. TCS agreed to develop HMIS utilising the PostgreSQL database for the back-end, but wanted to have a full-fledged database support. Out of ₹ 1.40 crore incurred for purchase of 10 servers and other accessories for Phase-I, ₹ 36.78 lakh was paid towards support for all the servers/backup devices and backup softwares. As per the

terms and conditions of purchase order for servers, the server manufacturer was to support the Operating System and PostgreSQL for a period of five years.

During Phase-II, TNHSP purchased (March 2011) six servers and other backup storage devices for ₹ 5.83 crore and decided to integrate all the 16 servers during Phase-II by adopting the 'pgpool' technology. The cost included ₹ 49.68 lakh towards 'PostgreSQL 8.2 with licence and support for three years'. It was observed that the support service for PostgreSQL 8.2 was very much available for five years in Phase-I itself. As such, the expenditure of ₹ 49.68 lakh spent in Phase-II towards PostgreSQL support was avoidable.

TNHSP in response to an audit query, replied (August 2012) that PostgreSQL 8.2 was required to be upgraded to PostgreSQL 9.0 version for load balancing support and increase in the size of the database. It was further replied that since there was no free support for PostgreSQL 9.0 and also as TCS insisted on support, it was decided to procure support for PostgreSQL.

The reply is not acceptable as the increasing size of the database was already a known factor at the time of commencement of HMIS in the year 2005. Moreover, the original equipment manufacturer of the server in Phase-I, as per the technical specifications, was to support PostgreSQL 8.1 or greater version for a period of five years.

2.3.6.4 Disruption in Network connectivity

The web based HMIS application was planned to be implemented in all the 269[32] hospitals covered upto Phase-II. The network connectivity between the hospitals and the Data Centre was established through Tamil Nadu State Wide Area Network (TNSWAN). The TNSWAN (2 Mbps) connectivity was established and managed by ELCOT, along with fail-over connectivity provided by Bharath Sanchar Nigam Limited (BSNL) through 512 kbps Virtual Private Network (VPN). The purpose of establishing VPN connectivity was to ensure continuous availability of network connectivity in the hospitals in case of failure of TNSWAN.

The functioning of HMIS is fully dependent upon the availability of continuous network connectivity for 365 days in a year in all the secondary care hospitals where the programme is implemented. Any disruption would force the hospital staff to record the hospital services[33] manually. It was observed that though a VPN connectivity by BSNL was in existence to provide connectivity during failures of TNSWAN, the system slowed down due to lower bandwidth of VPN. There was no alternative arrangement to capture the data during periods of network disruption.

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[32] Five out of 269 hospitals (District Headquarters Hospitals at Dharmapuri, Thiruvarur, Sivagangai, Villupuram and Perambalur) were upgraded as Medical College Hospitals and hence hardware and networking components were not supplied to these hospitals

[33] OP Registration, Diagnosis, Injection, Pharmacy, Laboratory report generation, IP Registration, admission in ward, Diet, Linen, prescribing medicines on a daily basis, discharge summary etc.

The extent of disruption in connectivity during January 2012 to April 2012 as obtained from the Network Monitoring System (NMS), a monitoring tool for network devices established by ELCOT is furnished below:

- In 240 locations, the connectivity was disrupted between one and 290 occasions.
- In 173 locations, the peak hour (9 A.M to 1 P.M) disruption of more than one hour (ranging from one to 101 occasions) was noticed.
- In 128 locations, the peak hour disruption of more than three hours (ranging from one to 42 occasions) was noticed.
- Connectivity was not available for more than 24 hours (ranging from one to 13 occasions) in 113 locations.
- In 111 occasions (between two and 15 days: 99 instances; between 16 and 30 days: seven instances and more than 30 days: five instances) there was no connectivity at all for two to 51 days in 83 hospitals

It was observed that the connectivity issue had been repeatedly discussed during the review meetings periodically conducted by the Project Director, TNHSP, with the stakeholders such as ELCOT, BSNL, TCS, HCL etc. The IT Coordinators from the districts informed during the meeting that there were frequent connectivity issues in the hospitals because of UPS / power issues in the Point of Presence end.

2.3.7 Implementation of Health Management Information System

The critical nature of HMIS, its wide coverage and infrastructure deployed calls for proper planning at its development and implementation stages. As per the proposed action plan, HMIS was to be implemented in all the 269 secondary care hospitals by October 2011. Deficiencies noticed in implementation of HMIS are given below.

2.3.7.1 Non-implementation of HMIS in 31 hospitals

Audit observed by examination of HMIS database that no data relating to 31 out of 269 secondary care hospitals were available implying that HMIS had not been implemented in 31 hospitals till May 2012. As HMIS was yet to commence in 31 hospitals, the bandwidth charges of ₹ 0.30 crore paid to ELCOT became infructuous as the payment made was for unutilised bandwidth. The hardware and networking components such as computers, printers, UPS, LAN cables and furniture supplied (June 2008 and December 2010) to the 31 hospitals at a cost of ₹ 6.64 crore remained idle for 17 to 47 months.

The Project Director, TNHSP replied (December 2012) that HMIS had subsequently been implemented in 25 hospitals and delay in those hospitals

were due to (i) belated supply of hardware etc., on account of lack of coordination among the various suppliers (16 hospitals), (ii) civil and electrical works related issues (five hospitals), (iii) want of permission from Highways Department for cutting road (one hospital), (iv) revised implementation to suit OP workflow (one hospital) and taking up implementation during the later stages of Phase II (two hospitals). In the remaining six hospitals, HMIS has not been implemented (December 2012) due to buildings being under construction.

2.3.7.2 Disruptions in operation of HMIS

(i) Examination of the HMIS database and test check of records maintained in 17[34] out of 24 test-checked hospitals revealed that HMIS was not in operation for 834 days out of 5,990 days (14 *per cent*) during the period June 2008 to May 2012. The disruptions were attributed by the hospitals to non-availability of network connectivity on account of lower bandwidth (512 Kbps) of the Virtual Private Network, snapping of TNSWAN/VPN network cables, power shutdown, UPS failures, etc.

(ii) Further, delays ranging from nine to 39 days were noticed in identifying eight medical officers in six test-checked hospitals to which they were transferred and assigning user-id and passwords to them by the Server Administrator in Chennai. During this period, the medical officers concerned could not use HMIS resulting in non-capture of diagnostic details in HMIS.

(iii) Analysis of HMIS data revealed that operation of HMIS was disrupted in 12[35] other hospitals for periods ranging from four to 35 months.

Thus failure of TNHSP to address the infrastructural issues resulted in disruption of HMIS and the objective of computerization could not be achieved in these hospitals during the periods of disruptions.

2.3.7.3 Inordinate delay in implementation of HMIS

Out of 269 hospitals in which HMIS was implemented, in 18 hospitals, including 14 test checked secondary care hospitals, there were substantial delays ranging from seven to 33 months from the month of supply of hardwares to the month of commencement of HMIS. In 12 of the test-checked hospitals, it was noticed that TNSWAN connectivity was provided with delays ranging from five to 24 months after the hardware were supplied. Delays were caused by improper planning and lack of coordination between the stakeholders such as supplier of hardware, local area network establishing firm

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[34] Avudiyarkoil, Gummidipoondi, Krishnarayapuram, Kumbakonam, Madhavaram, Melur, Tambaram, Ottapidaram, Pallapatti, Papanasam, Pudukottai, Sholavandan Tirumangalam, Thirukattupalli, Thiruvallur, Thirumayam and Uthiramerur

[35] Aravakurichi Taluk, Gandarvakottai Taluk, Hosur Taluk, Karuppambalam Non-Taluk, Kulithalai Taluk, Mahabalipuram Non-Taluk, Omandur Non-Taluk, Orathanadu Taluk, Papanasam Taluk, Periyakulam HQ, Pochampalli Taluk and Uthiramerur Taluk

and ELCOT, which resulted in belated implementation of HMIS in these hospitals.

2.3.7.4 Partial implementation of HMIS

Study of implementation of Hospital Management System in 20 out of 24 test-checked hospitals disclosed that out of 13 modules, five modules[36] were being used on day-to-day basis and six modules were partially used[37]. The hospitals attributed partial utilisation to non-availability of computers in all the wards. The remaining two modules of HMS (Blood bank and Radiology) were not put into use at all (May 2012).

Due to non-utilisation /partial utilisation of the modules of HMS, the capture of data was either 'nil' or partial. Thus, there was shortfall in achieving the envisaged objective of the Department *viz.,* retrieval of past medical history of patients.

The other modules such as buildings, vehicles, financial and personnel developed for MIS were not put to use (August 2012) from the date of commencement of HMIS.

The Project Director, TNHSP replied (December 2012) that implementation of HMIS in the secondary care hospitals was planned in a procedural manner i.e. the OP work flow consisting of OP registration, Clinical OP, Pharmacy, Stores and Laboratory modules was established first and then it would proceed to other modules like IP and related services. Partial usage of modules was attributed to impediments encountered like change in the mindset of the health personnel to adopt to the new system and delay in implementation within IP/OP blocks. As regards non-usage of MIS modules, the Project Director stated that the required information was sent in ISMR format by the hospitals to the headquarters every month and not through real time entries as in the case of HMS. It was further stated that action was being taken to improve the module usage by the hospitals.

2.3.7.5 Deficiencies in registration process of outpatients

One of the major objectives of HMIS was to establish a 'Patient Electronic Data Record' system in order to track the past and current health profile of the patients visiting any Government hospital. Capture of details of the outpatients (OP) registration through the system plays a vital role in successful implementation of HMIS. Only after registration of an outpatient, the data relating to other processes such as diagnosis by the medical officer, laboratory investigations, issue of drugs etc., could be fed into the computer system.

The registration of an outpatient was to be done only once with a unique Patient Identification Number (PIN). The outpatient was also assigned with an OP number, renewable every calendar year by the patient in a hospital. This

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[36] Registration, Laboratory, Pharmacy, Stores and Clinical outpatient

[37] Inpatient management, Diet, Bio medical waste management, Injection outpatient, Maternity and Wards

helps the patient to directly meet the Medical Officer without wasting time on further registration formalities. In all the test-checked hospitals, Audit observed that :-

- The process of OP registration in the computer system was carried out by hospital workers such as menial workers whose educational qualification was below eight standard and who lacked knowledge about the computer system.

- Though the outpatients were advised to bring their old OP registration slips, except the specialty clinic patients such as diabetic, hypertension etc., most of them did not bring their old OP registration slips. This led to re-registration of the same outpatients, creating duplicate data.

- The registration of the outpatients was done at the OP registration counter of the hospital. In the OP registration screen, apart from the mandatory information such as name of the patient, age, sex and the referral department, there are other information such as father's name, date of birth, address, occupation, monthly income etc., which are to be captured. However, in the test-checked hospitals, OP registration process was completed by capturing only the mandatory fields and the unique information of the patients like date of birth, father's name, address, etc., were not captured. In such a situation, when the same patient visits the hospital subsequently without bringing his old OP registration slip, his name cannot be traced in the computer because of absence of unique information about him.

- When the network connectivity was not available, the details of outpatients were entered in a register, noting the patient's name, age and sex alone. After restoration of the network connectivity, the backlog entries were to be made in the relevant sub-module. This was possible only when all the details about an outpatient were noted in the register. It was observed in audit that no backlog entries were made in any of the test-checked hospitals and even when there was network connectivity, only mandatory details were included. In the test-checked hospitals, audit noticed non-capture of such entries in respect of 2.33 lakh out of 3.63 lakh (64 *per cent*) outpatients, who visited the hospitals during October 2011 to April 2012.

Thus, due to lack of input control in the system to capture all the available fields, the system offered limited scope for retrieval of information about the patients who had already visited the hospital. Consequently, re-registration of the old patients were made many times, inflating the database. Hence, the intended objective of retrieval of health profile of the patients could not be ensured and the partial database would not assist as a managerial tool for taking health related decisions.

2.3.7.6 Failure to issue OP case records

It is mandatory for the hospitals to issue OP case record to all the outpatients visiting the hospitals. The record contains the patient details, provisional diagnosis, clinical findings, dosage of the prescribed drugs and date of next review etc. In seven[38] out of 20 hospitals test-checked, the OP case records were not issued to the patients due to delay in taking print-outs and on the plea of large number of patients visiting the hospitals.

In the absence of issue of OP case record, the patients would not know the details of diagnosis, drugs issued to them etc., to become informed patients.

2.3.7.7 Deficiencies in capture of data of inpatients

Under HMIS project, computers and printers have been supplied to all the wards of a hospital for registering the details of inpatients (IP) and for further follow-up. As soon as a patient is admitted as an inpatient in a hospital, an IP registration should be done through the system for assigning a unique 'IP Number'. After completion of IP registration, the capture of data relating to the medical officer's diagnosis, laboratory investigations, prescription of diet and medicines and discharge summary at the time of discharge from the hospital, etc., should be done through the system.

It was observed in audit that out of 1.67 lakh IPs treated in the 20 test-checked hospitals during the period from 1 October 2011 to 30 April 2012, IP registration through the computer system was done only in respect of 0.37 lakh IPs. The balance 1.30 lakh IPs (78 *per cent*) were manually registered. In four out of 20 hospitals, the IP details were not at all captured. It was also observed that even in the case of data captured, the information was incomplete as details of diagnosis and follow-up treatment advised by the medical officers were not captured.

To an audit query, three hospitals [39] replied that due to inadequate training on the IP module, the capture of data relating to IP could not be effectively done. Thus, due to incomplete capture of the IP registration process, the information of inpatients admitted and treatment given to them in the test checked hospitals could not be retrieved through HMIS.

2.3.7.8 Incomplete capture of data under HMIS

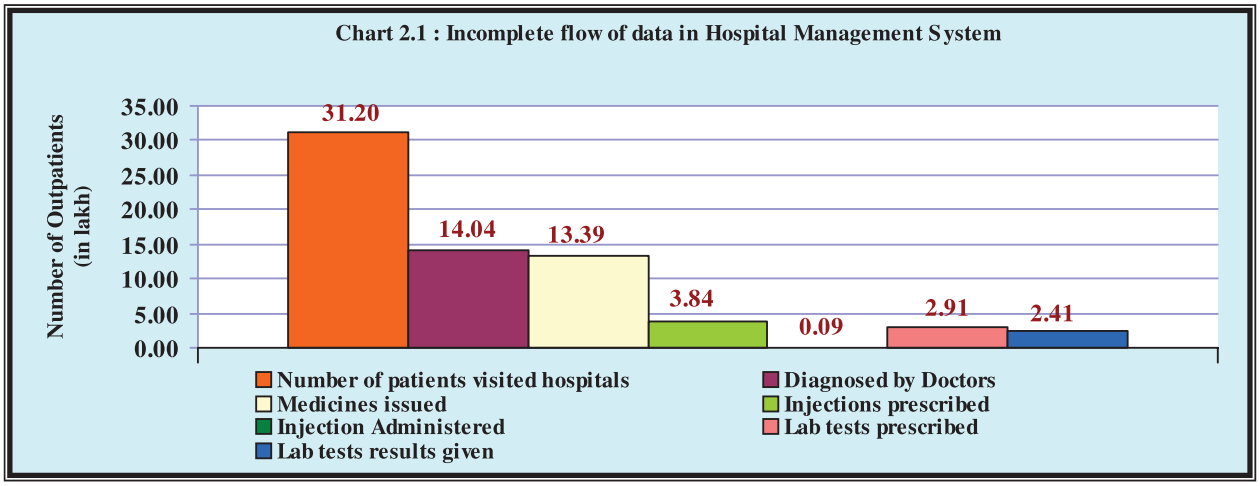
As mentioned earlier, an outpatient after registered with a unique PIN, is diagnosed by the medical officer. The medical officer prescribes the course of treatment which includes supply of medicines and details of investigation to be made. At the end of the process, the patient is issued an 'OP case record' along with the prescribed medicines at the pharmacy. Any disruption in network connectivity or hardware failure would affect the flow of data from one stage to another rendering the medical record of patients incomplete.

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[38] Avudayarkoil, Gummidipoondi, Kancheepuram, Krishnarayapuram, Pallapatti, Thiruvallur and Thirukattupalli

[39] Melur, Sholavandan and Thirumangalam

Though each patient who visited the hospital was registered, diagnosed, treated and medicines were issued, Audit by examining the data contained in the HMIS database (June 2008 to May 2012) found that the flow of data for the above mentioned activities in the 20 test-checked hospitals were not complete, as depicted in **Chart 2.1** and in **Appendix 2.8.**



The incomplete capture of data is summarised as follows :-

- Against 31.20 lakh outpatients who visited the hospitals during the period, the database showed that the medical officers diagnosed only 14.04 lakh patients (45 *per cent*) through HMIS.

- Out of 31.20 lakh outpatients only 13.39 lakh patients (43 *per cent*) were reported as given medicine as per the HMIS database, due to non-availability of network connectivity, other hardware issues, etc.

- Out of 14.04 lakh outpatients captured to have been checked by the medical officers, they had advised administration of injections to 3.84 lakh outpatients. But, only 8,702 outpatients (two *per cent*) had been captured in the 'Injection module' of HMIS.

- Out of 14.04 lakh patients captured to have been checked, the medical officers had advised laboratory investigations in respect of 2.91 lakh patients. But, as per the database, laboratory investigation results were captured only in respect of 2.41 lakh outpatients (83 *per cent*).

Thus, due to incomplete flow of data and non-capture of the backlog data relating to the periods of disruption, the database of HMIS became incomplete and undependable.

2.3.7.9 Incorrect capture of the expiry dates of medicines

The Tamil Nadu Medical Services Corporation (TNMSC), a Government Company has been entrusted with the responsibility of procurement and supply of quality medicines to all the Government medical institutions in the State. On receipt of the indented drugs from the warehouse of TNMSC, the

hospitals manually enter the details such as drug code, name of the drug, expiry date, date of receipt, quantity etc., in HMIS from the 'Outward Goods Report' (OGR) issued by TNMSC. Examination of HMIS data and TNMSC Warehouse data disclosed that in 16 test-checked hospitals[40], in 1.42 lakh out of 26.17 lakh entries pertaining to the period November 2011 to May 2012, the expiry dates entered by the hospitals for the drugs having same code and batch number differed from those in the TNMSC database**.**

Though there was a provision in HMIS to take printouts of the details of drugs entered by the hospitals for comparison with the OGR to rectify the data entry errors, if any, failure of all the test-checked hospitals in carrying out such exercise resulted in existence of incorrect data in HMIS. Such database has a risk of issuing time barred medicines to the patients. In reply to audit queries, two hospitals[41] admitted the facts and stated that in future such data entry errors would be avoided.

2.3.8 Deficiencies in the application software of HMIS

The deficiencies observed in the HMIS application software put to use in the test-checked hospitals are as follows:-

2.3.8.1 OP case record

In 18 out of 20 test-checked hospitals, out of 30.35 lakh records of medicines prescribed by the Medical Officers in their HMIS screen, only 20.50 lakh records of medicines were issued as per the HMIS Pharmacy sub-module.

Further, it was noticed that the system also accepted 'zero' quantity against the drug/tablet without throwing an alert and the record could also be saved. The same was reflected in the OP case record given to patient in the Pharmacy. Examination of HMIS data disclosed that due to lack of validation control in the system, in 1.40 lakh instances (18 out of 20 hospitals) the drug quantity details were captured as 'zero'. Hence, the OP case record printed and issued to the patients did not depict the correct position and had the risk of misleading any follow-up treatment to the patient during his subsequent visit.

As per the agreement entered into with the developer of software, the 'OP case record' was to be issued in English and Tamil with facility to make data entry in English. However, it was found that the software had no provision to generate the 'OP case record' in Tamil.

2.3.8.2 Non-availability of main store position to the medical officers

The availability of stock of medicine which appears in the OP medical officer's screen was with reference to the position in sub-stores (OP pharmacy). Though drugs were not available in the sub-store's stock, the

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[40] Avudiyarkoil, Gummidipoondi, Kancheepuram, Krishnarayapuram, Kovilpatti, Kumbakonam, Madhavaram, Melur, Ottapidaram, Pallapatti, Sholavandan, Srivaikundam, Tambaram, Thirukattupalli, Thiruvallur and Thirumangalam

[41] Kumbakonam and Thirukattupalli

same were available in the main stores of the hospital at that time. To cite an instance, in the GH, Tambaram, 'cough syrup' drug prescribed by the medical officer to four patients on 01.06.2011 were not issued on the ground of non-availability of the said drug in the sub-stores. But, the same was available in the main stores of the hospital on that day.

Due to the above mentioned deficiency of non-availability of main stores position to the medical officer, in the software, the medical officers had to prescribe alternative drugs to the patients, even though the medicines were available in the main stores of the hospital.

2.3.8.3 Non-capture of diagnostic details of the patients

One of the basic objectives of HMIS was retrieval of patient electronic data in any Government hospital in the State. Hence, capture of diagnosis details of the patients is very essential for retrieving the medical history. Examination of HMIS data revealed that in 18 out of 20 test-checked hospitals, the diagnosis details were not captured by the medical officers in 4.15 lakh instances out of 9.63 lakh instances (43 *per cent*) during the period May 2011 to May 2012. Due to lack of validation control, the system permitted the medical officers to leave the diagnostic details as blank.

2.3.8.4 Non-segregation of the duties

(i) Under the sub-module 'Consumables', all the sub stores get displayed. Audit observed that any sub store user, by using his/her login id and by going into the sub module 'consumables' could view the stock position of each drug available with the other sub stores and could alter the stock. This possibility was prevalent in respect of the main store also. The main stores in-charge could by using his/her login id, alter the stock availability at any of the sub-stores. Thus, due to lack of validation control in the software, the system allowed a sub store user to view and alter the stock position of other sub-stores, which might lead to unauthorised manipulation of data.

(ii) When an inpatient is diagnosed, using his user-id the medical officer has to record the diagnosis and prescribe the medicines to be administered to the patient. The staff nurse by logging into the system has to issue the drugs prescribed by the medical officer. The nurse should not be given access to change, edit or add to the drugs prescribed by the medical officer. Examination of the data entry screen relating to inpatients in HMIS disclosed that the staff nurses could change, edit, add to the drugs prescribed by the medical officer. This indicates that the roles and privileges of the users of HMIS have not been clearly defined, while designing the application software.

(iii) It was also observed that an outpatient, after getting his OP registration slip in the OP counter, could get the medicines directly from the pharmacy (using the pharmacy module) without the medical officer's prescription. In the pharmacy module, by entering the PIN of OP patient, the pharmacist could issue drugs, injections, etc., to the patient.

(iv) Likewise, by using the PIN, an IP Number is generated for the outpatient. The ward nurse dealing with the inpatients was able to access the

'IP Record' (a sub-module to be accessed by the medical officers only) and prescribe medicines. This proves that the privileges in the front-end were not properly allocated in the design by the developer.

2.3.9 Management Information system (MIS)

2.3.9.1 Deficiencies in the module of 'Electronic Inventory of Equipment'

To revamp the system of maintenance of equipment available in various medical college hospitals, secondary care hospitals and primary health centres, Government instructed (January 2011) to operate the module of 'Electronic Inventory of Equipment' in all the hospitals where HMIS was implemented. The equipment inventory should have complete details including supply details, category of equipment[42], warranty, annual maintenance contract details, location, working status etc. So far, data for 69,563[43] equipment have been captured (May 2012) in the above mentioned module. Examination of the database disclosed large scale errors and discrepancies as listed in the **Table 2.18**.

Table 2.18 : Details of errors and discrepancies in the equipment module

Errors/Discrepancies	No. of items
Abnormal installation date (like 18/06/1905, 07/12/2077, 9/1/1900 etc.)	87
Abnormal receipt date(like 1/12/1900, 18/6/1905, 14/6/1905)	30
Equipment without category details	3,791
Incorrect 'B' Category (equipments are to be categorized as A or B1 or B2 or C only)	9,426
Incorrect assignment of the category for equipment costing between ₹ 25 lakh to ₹ 50 lakh	28
Incorrect assignment of the category for equipment costing more than ₹ 50 lakh	61
Installation date earlier than receipt date	1,720
Equipment without AMC date	7
Equipment without code	3,781
Equipment without installation date	28,305
Equipment without name	190
Equipment without receipt date	20,224
Equipment without value	43,531

To an audit query, TNHSP replied (August 2012) that the databases created by Directorate of Medical & Rural Health Services, Directorate of Public Health & Preventive Medicine and Directorate of Medical Education were uploaded in HMIS and it would be updated as and when supplies were made to the hospitals.

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[42] Equipment as "A" (exceeding ₹ 50 lakh value); "B1" between ₹ 25 lakh to ₹ 50 lakh; "B2" less than ₹ 25 lakh and "C" less value

[43] Medical college hospitals – 20,312, Secondary care hospitals – 31,269 and PHCs – 17,982

The presence of various types of errors/discrepancies indicates that no verification of the data was made by TNHSP before uploading the same. Thus, the data on Electronic Inventory of Equipment available in the hospitals throughout the State was inaccurate, incomplete and unreliable. The TNHSP further stated (August 2012) that the project was addressing the gaps on a continuous basis.

2.3.9.2 Deficiencies in implementation of the central help desk for equipment maintenance

In order to monitor maintenance of the medical equipment in all the Government hospitals, a central help desk was established (January 2011) at TNHSP. "Electronic Inventory of Equipment" database forms the basis for the day-to-day functioning of the central help desk. Complaints regarding breakdown of medical equipment could be made to the central desk through HMIS by a hospital, if the data relating to the equipment was available in the HMIS database. The central help desk would in turn send the information about breakdown to the AMC vendors in the form of e-mail or SMS (with vital information about the equipment under repair such as equipment code, installation date, name of the equipment, category, value etc.) for attending to the breakdown in the hospital concerned.

Examination of the central help desk data disclosed the following deficiencies:

- In 1,091 out of 1,148 records pertaining to the period March 2012 to May 2012, the dates from which the equipment were out of order were not captured.
- In 732 records, the dates of complaints were not entered.
- In 422 records, the institution code was not available.
- The category of equipment was not captured in 572 cases.
- In 35 cases, the name of the equipment was left blank.
- The docket number generated by the system is a unique information for future follow up. In 55 cases, the system had failed to generate the unique id number.
- In 147 cases, the complaints were closed without entering the complaint closing date.
- In two cases, the complaints were recorded as closed prior to the dates of complaints.

- 232[44] out of 1,148 complaints registered from December 2011 to May 2012, were not attended to at all and the equipments were lying idle at various Government medical institutions for want of repair. The period of non-attendance of repair ranged from 15 to 2012 days.

As mentioned earlier, there were many types of errors and omissions in the "Electronic Inventory of Equipment" database itself, which serves as a basis for functioning of the central help desk. Due to the existence of many types of errors / deficiencies in both the databases, complaints could not be forwarded by TNHSP to the AMC vendors in a systematic manner.

Audit observed that out of 20 test checked hospitals where HMIS was implemented, in 12 hospitals the complaints were registered through HMIS. The balance 8 hospitals have not registered any complaint through HMIS, so far (August 2012), since efforts were made by them locally to repair the equipment which went out of order. TNHSP, in response to audit queries accepted (August 2012) the observations and stated that with the induction of new Bio medical Engineers, the project had initiated stringent review on the update of inventory of equipment and the equipment maintenance system would be improved with the central help desk.

2.3.10 Conclusion

The State Government with the aim of improving the healthcare services in Government hospitals using Information Technology rolled out HMIS in 269 hospitals in a phased manner and spent ₹ 63.16 crore upto Phase-II. Though the project commenced in March 2007 and Phase-II of the project was scheduled to be completed in October 2011, the Department could not commence HMIS in 31 hospitals till May 2012. Selection of multiple server technology and improper assessment of the requirement of servers led to idle investment of ₹ 1.04 crore. There was avoidable expenditure of ₹ 49.68 lakh on arranging support service for the database system. Frequent breakdown of the network connectivity in the hospitals and hardware failures led to large scale disruptions of HMIS in the test-checked hospitals. There were shortfalls in capturing the details of outpatients (64 *per cent*) and inpatients (78 *per cent*) in the HMIS database during the period October 2011 to April 2012 in the test checked hospitals, due to frequent failure of network connectivity, non-capturing of the missed out data during system failures, inadequate training to the staff etc. Even in the case of data captured, the information was incomplete and unreliable which rendered HMIS helpless in ensuring the objective of retrieval of health profile of the patients. The application software had deficiencies such as lack of validation controls and non-segregation of duties among the hospital staff.

[44] Upto one month - 11; More than a month upto three months – 22; More than three months upto six months – 37; More than 6 months upto one year – 120; More than a year – 42

2.3.11 Recommendations

- The Department need to expedite completion of the project in those hospitals where it had already been delayed.

- The Department need to ensure cent *per cent* availability of network connectivity in the hospitals so as to avoid disruptions in operation of HMIS.

- The Department need to ensure capturing of complete data relating to the patients and thereby improve the existing incomplete database, so that retrieval of health profile of all the patients is possible.

- The Department need to rectify the deficiencies in the application software, pointed out in this report.

The above points were referred to Government in November 2012; reply has not been received (December 2012).

REVENUE DEPARTMENT

2.4 Disaster Preparedness

Executive Summary

With a view to manage various disasters in the country, Government of India enacted the Disaster Management Act, 2005, framed (October 2009) a National Policy on Disaster Management and issued various guidelines on the subject to the States. The Act, besides outlining the policy, legal and institutional framework, provides for continuous and integrated process of planning and implementation of the policies and plans in a holistic and sustainable manner. A Performance Audit of Disaster Preparedness of the State brought out the following important issues:

The State Disaster Management Authority (SDMA) was constituted in September 2008 and the District Disaster Management Authorities (DDMAs) were established in January 2012, but the SDMA and DDMAs in five out of six test-checked districts did not meet even once and therefore could not perform their statutory duties. The State Executive Committee formed in January 2009 met only once.

A draft State Disaster Management Plan prepared in May 2010 is yet to be approved by the State Disaster Management Authority. Disaster Management Rules have not been framed by the State Government. There was no dedicated manpower for the State Disaster Management Authority.

The vulnerability profile of geographical areas located within the districts has not been prepared and efforts to reduce the risk by disaster preparedness measures have not been spelt out.

The Emergency Operation Centres which are the nerve centres of early warning system were non-functional and not in the state of operational readiness in the test-checked districts.

Fourteen out of 59 early warning systems in Cuddalore district and all the 30 early warning systems in Nagapattinam district were not in working condition.

The State has not constituted the Disaster Mitigation Funds at the State and District levels and has also not constituted the District Disaster Response Funds.

Vulnerability assessment of structures, prioritization and retrofitting of the lifeline structures and infrastructure were not done in Chennai city, which is in seismic zone III.

2.4.1 Introduction

With a view to manage various disasters in the country, Government of India (GoI) enacted the Disaster Management Act, 2005, framed (October 2009) a national policy on disaster management and issued various guidelines on the subject to the States. The Act, besides outlining the policy, legal and institutional framework, provides for continuous and integrated process of planning, coordination and implementation of the policies in a holistic and sustainable manner. In the context of the State exposed to many disasters and to ascertain to what extent it had complied with the legal provisions, a Performance Audit of Disaster preparedness of the State was conducted.

Tamil Nadu has a long coastline of about 1,076 km. The State is frequently subjected to devastation by natural calamities like cyclonic storms and flooding due to its location in a highly vulnerable part of the peninsular India. There are 13 districts situated in the eastern coastal stretch of the State. On an average, the State of Tamil Nadu faces one or two severe cyclones during the north-east monsoon period. Even during the non cyclonic phase, the State receives copious rainfall as a result of formation of low pressure / depressions in the Bay of Bengal. Cyclones and low pressure / depressions bring intense rains which cause large scale flooding and inundation in the vulnerable areas. The State has been classified under seismic zone II and Chennai, the State capital falls under seismic zone III. During the last decade, the State was exposed to climate and geologically related disasters.

The details of major disasters that occurred in the State during the last decade are given in **Appendix 2.9.**

2.4.2 Organisational structure

The National Disaster Management Authority constituted by GoI under the provisions of the Disaster Management Act, 2005 (Act), concentrates on preparedness, mitigation, rehabilitation and reconstruction and also formulates appropriate policies and guidelines for effective national disaster response and relief works. The State Disaster Management Authority headed by the Chief Minster of the State, the State Executive Committee headed by the Chief Secretary of the State and the District Disaster Management Authorities headed by District Collectors are the statutory authorities constituted under the provisions of the Act.

The Principal Secretary-*cum*-Commissioner of Revenue Administration, Disaster Management and Mitigation Department, who is also the State Relief Commissioner, is responsible for preventive, relief and rehabilitation activities in the State. He acts as the nodal officer in planning and coordinating with the other departments to take measures for relief, rescue and restoration before, after and during the period of disasters.

2.4.3 Audit objectives

The objectives of Performance Audit were to check whether;

- the State / district disaster preparedness strategy, action plans and policies have been prepared in consonance with the national policy and whether they were reviewed periodically;
- the various types of disasters, their potential of damage and requisite preparedness and mitigation efforts have been identified and mapped at the State / district level;
- the State and District Disaster Management Authorities have been established by the Government and were effective in monitoring the situation in the event of disasters;
- the State have framed guidelines to govern financial arrangements, allocation and utilisation of funds and whether timely availability of funds was ensured and the funds were utilised efficiently and economically;
- the early warning systems and mechanisms to predict and communicate to the public about the disasters are in place and in the state of operational readiness at the State /district level;
- training and emergency exercises for disaster preparedness have been conceived and conducted at the State / district level and
- adequate manpower was provided to the statutory authorities and field offices.

2.4.4 Audit Criteria

The disaster preparedness of the State was evaluated with reference to the terms and conditions contained in the following sources.

- Disaster Management Act, 2005,
- National Policy on Disaster Management, 2009,
- District Disaster Management Plans and
- Guidelines and other instructions issued by GoI and the State Government.

2.4.5 Scope of Audit

Performance Audit covering the period 2007-12 was conducted during May to October 2012 and records in the Disaster Management Section of Revenue Department in the Tamil Nadu Secretariat, the Commissionerate of Revenue Administration, Disaster Management and Mitigation Department (CRA, DMMD), the Commissionerate of Municipal Administration and Disaster

Management Cells in the six districts[45] selected for the study were test checked in audit. The districts were selected because of their frequent exposure to disasters. The audit objectives, criteria and scope were discussed with the Principal Secretary and Commissioner of Revenue Administration in an Entry Conference held on 7 June 2012. Pursuance by audit to arrange for an Exit Conference with the Principal Secretary of the Department has not been responded to till date. The audit findings are given below:

Audit findings

2.4.6 Planning

2.4.6.1 State Disaster Management Plan

As per Section 23 (2) of the Act, the State Executive Committee was to prepare the State Disaster Management Plan (SDMP) having regard to the guidelines laid down by the National Authority and as per Section 18 (2) of the Act, State Disaster Management Authority (SDMA) was to approve the SDMP. Under Section 78 of the Act, the State Government may make State Disaster Management Rules.

Audit scrutiny of records of CRA, DMMD revealed that a draft State Disaster Management Plan (2010-2015) prepared (May 2010) is yet to be approved by the SDMA (October 2012). Though the Act does not specify approval of SDMP by the National Disaster Management Authority (NDMA), the SDMP was sent (May 2010) by the CRA, DMMD to NDMA to ensure conformity with the guidelines laid down by NDMA. The CRA, DMMD had not taken follow-up action with the NDMA. The State Disaster Management Rules have also not been prepared as required under the Act.

As the SDMP has not been approved, the vulnerability of the State to various disasters and the disaster preparedness measures etc., cannot be evaluated with reference to any parameters in the plan.

CRA, DMMD stated (December 2012) that the draft State Disaster Management Rules were under consideration of the Government.

2.4.6.2 District Disaster Management Plans

Under Section 31 (2) of the Act, the district disaster management authorities were to prepare the District Disaster Management Plans, after consultation with the local authorities and having regard to the National and State Disaster Management Plans.

The District Disaster Management Plans (DDMPs) of 32 districts of the State have been prepared. The DDMPs of the six[46] test checked districts contained instructions to the officials of various departments to mobilize men and material before the onset of monsoon with specific reference to floods. But,

[45] Chennai, Cuddalore, Kanyakumari, Nagapattinam, Thoothukudi and Tirunelveli

[46] Chennai, Cuddalore, Kanyakumari, Nagapattinam, Thoothukudi and Tirunelveli

the vulnerability profile of geographical areas located within the districts has not been prepared and efforts to reduce the risk by disaster preparedness measures have not been spelt out.

CRA, DMMD stated (December 2012) that steps were being taken to appoint a consultant to study scientifically, the vulnerability of the districts to various disasters and to incorporate them in the DDMPs.

2.4.7 Formation of statutory authorities

2.4.7.1 State Disaster Management Authority

Under Section 14 (1) of the Act, every State Government shall establish a State Disaster Management Authority (SDMA) with the Chief Minister of the State as the Chairperson. Under Section 15 (1) of the Act, SDMA shall meet as and when necessary. SDMA was constituted in September 2008, but as per the particulars furnished (June 2012) by CRA, DMMD, it did not meet even once. Audit scrutiny revealed that building, dedicated staff and employees were not provided for SDMA. It was practically non-functioning to perform the statutory duties such as laying down the State policy and plan for disaster management and to co-ordinate implementation of the disaster related activities, though the State witnessed major disasters during 2008 - 2011, as stated in **Appendix 2.9**. The CRA, DMMD stated (June 2012) that three meetings were convened by the Chief Minister with the Secretaries of the line departments during emergencies between November 2011 and December 2011 and that these meetings could be considered as meetings of the SDMA.

The reply is not acceptable as these emergency meetings on the eve of monsoon in 2011 cannot be treated as formal meetings of SDMA, as all SDMA members including experts were not part of such meetings and there were no meetings prior to 2011.

2.4.7.2 State Executive Committee

Under Section 20 (1) of the Act, the State Government shall constitute a State Executive Committee (SEC) to assist the SDMA in the performance of its functions. Under Section 22 (1) of the Act, SEC was to implement the National and State Disaster Management Plans and act as the coordinating and monitoring body for disaster management in the State and *inter alia*, advise the State Government regarding all financial matters in relation to disaster management.

The State Executive Committee was constituted in January 2009 with the Chief Secretary as chairperson and Secretaries to the Government in Revenue, Public Works, Highways and Home departments as members of the Committee. Under the Act, SEC was to co-ordinate and monitor implementation of the SDMP. However, the Act does not specify the periodicity of the meetings to be conducted by SEC.

The particulars furnished by CRA, DMMD revealed that SEC met only once in June 2009 and no meetings were conducted during the years 2010-11 and 2011-12. The CRA, DMMD stated (June 2012) that pre-monsoon preparedness meetings chaired by the Chief Secretary were held every year to review the preparedness measures taken by the line departments.

The reply is not acceptable as the duly constituted SEC met only once and the pre-monsoon meetings conducted by the Chief Secretary with the line departments cannot be treated as formal and well planned SEC meetings.

2.4.7.3 District Disaster Management Authorities

Under Section 25 (1) of the Act, the State Government shall establish a District Disaster Management Authority (DDMA) for every district in the State. The DDMAs were constituted by Government in January 2012, after a delay of five years since August 2007 when Section 25 of the Act came into operation. Under Section 30 (1) of the Act, the district authorities were to act as planning, coordinating and implementing body for disaster management and take all measures for the purpose of disaster management in accordance with the guidelines laid down by the National and State authorities. DDMAs were to meet as and when necessary, but DDMAs in five[47] out of the six test-checked districts did not meet even once. In Nagapattinam district, the meeting was held once in June 2012.

As a result, DDMAs could not perform their statutory duties such as coordination and monitoring of implementation of the National Policy, National and State Plans and guidelines on Disaster Management issued by NDMA.

The CRA, DMMD stated (December 2012) that the District Collectors would be instructed to conduct the meetings of DDMAs regularly to review the Disaster Management measures.

2.4.8 Resources and expenditure

The Government of Tamil Nadu constituted the Calamity Relief Fund (CRF) in 1991-92. As stipulated under Section 48 (1) and 49 (2) of the Act and based on the recommendations of the Thirteenth Finance Commission, State Disaster Response Fund (SDRF) was constituted (February 2011) in lieu of the existing CRF, for meeting the expenditure towards immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hail storm, land slide, avalanche, cloud burst and pest attack. Contribution to CRF/SDRF was to be made by GoI and by the State Government in the form of non-plan grant in the proportions as fixed from time to time.

Details of receipts and disbursements under CRF/SDRF and expenditure on relief for the years 2007-08 to 2011-12 as furnished by the CRA, DMMD are given in **Table 2.19**.

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[47] Chennai, Cuddalore, Kanyakumari, Thoothukudi and Tirunelveli

Table 2.19 : Receipt and disbursement under CRF/SDRF

Year	Opening Balance	Receipts from			Total	Expenditure on relief adjusted against CRF/SDRF	Closing balance	Actual expenditure on relief
		CRF/SDRF@		NCCF*/ NDRF*				
		Central share	State share					
(₹in crore)								
2007-08	NIL	172.88	57.63	0.00	230.51	230.51	NIL	464.32
2008-09	NIL	229.17	60.51	522.51	812.19	812.19	NIL	1416.91
2009-10	NIL	154.86	51.62	0.00	206.48	206.48	NIL	77.89
2010-11	NIL	220.14	73.38	48.67	342.19	342.19	NIL	1044.97
2011-12	NIL	231.15	77.05	817.17	1125.37	1125.37	NIL	1101.08
Total		**1008.20**	**320.19**	**1388.35**	**2716.74**	**2716.74**		**4105.17**

(Source: Appropriation Accounts of Tamil Nadu and Utilisation Statement furnished by the Principal Secretary and Commissioner of Revenue Administration to the Ministry of Home Affairs, GoI).

@ State Disaster Response Fund from 2010-11

* National Calamity Contingency Fund (from 2007-08 to 2009-10) and National Disaster Response Fund (from 2010-11).

The State Government made budget provision on the expenditure side under the head "2245 Relief on account of Natural Calamities" for meeting expenditure on relief activities and adjusted the expenditure every year against the available accretions in the reserve funds of CRF/SDRF. During the five year period of 2007-12, the State Government spent ₹ 1,388.43 crore in excess of the accretion in the reserve funds.

As envisaged under Sections 48 (1) and 49 (2) of Act, though the State Disaster Response Fund has been constituted and is in operation, the other funds, viz., the District Disaster Response Funds, State Disaster Mitigation Fund and District Disaster Mitigation Funds have not been constituted so far.

The CRA, DMMD stated (December 2012) that necessary proposals would be sent to Government for constitution of State Disaster Mitigation Fund.

2.4.8.1 Inadmissible expenditure from Calamity Relief Fund

As per the GoI's scheme for constitution and administration of CRF, the CRF was to be used for providing immediate relief to the victims of cyclone, drought, earthquake, fire, tsunami, hail storm, landslide, avalanche, cloud burst and pest attack. Further, as per the norms of expenditure under CRF, expenditure on restoration/replacement of damaged infrastructure was to be met from Plan funds and not as part of CRF.

However, audit scrutiny revealed that out of the total expenditure of ₹ 77.89 crore incurred on calamity relief during the year 2009-10, a sum of ₹ 20.39 crore was incurred as expenditure for improvement of roads, construction and reconstruction of bridges under the head 'Tsunami' and another sum of ₹ 0.45 crore was incurred for setting up of automatic spinning units in tsunami affected districts. Tsunami hit the State in 2004 and expenditure of ₹ 20.84 crore for improvement of roads and construction of bridges etc., in 2009-10 were not of immediate relief and hence, not covered by the norms of expenditure under CRF.

The CRA, DMMD while accepting the audit findings stated (December 2012) that it was done as a special case as the damage due to Tsunami was of a huge magnitude.

The reply is not acceptable as expenditure towards laying of roads etc., is not permissible as a special case under CRF.

2.4.8.2 Interest not remitted to the State Disaster Response Fund account

Scrutiny of the savings bank pass book of Natural Calamities Relief Fund maintained by the Collector of Tirunelveli district revealed that ₹ 16.53 crore received from the State Government for relief measures against natural calamities, were remitted into the savings bank account, before distributing the amount to the line departments. As of March 2012, there was interest earning of ₹ 22.86 lakh during the period from June 2008 to December 2011 in the said savings bank account. This amount was not remitted into Government Account.

The CRA, DMMD stated (December 2012) that the Collector would be instructed to remit the unspent amount to Government Account.

2.4.9 Disaster preparedness of the State

2.4.9.1 Non-maintenance of the Early Warning Systems

As per Section 30 (2) (xiv) of the Act, the State Government was to ensure establishment of adequate early warning systems upto the level of vulnerable communities.

Wireless communication network using Kenwood Two Radios and repeater stations was installed in Nagapattinam district to connect the district administration with 30 coastal villages at a cost of ₹ 19.75 lakh to handle emergency communication required during Tsunami and other natural disasters such as cyclone and floods in the district. The two way communication was a failsafe communication system for working independently without the help of existing network of various service providers.

Audit scrutiny revealed that all 30 early warning systems installed in March 2008 had become defunct and non-functional from February 2012 due to improper maintenance. As a result, the district administration faced difficulties to communicate with the people living in coastal villages to evacuate them to safer places during Thane cyclone (December 2011), as the landline telephones and mobile phones were not working properly. Similarly, 14 out of 59 early warning systems in Cuddalore district were not in working condition since September 2010.

To an audit query the CRA, DMMD stated (October 2012) that alternative proposal to install advanced early warning systems in about 439 coastal habitations in the State was at tender stage.

2.4.9.2 Functioning of the Emergency Operation Centres

With a view to strengthening of the overall capacities for emergency/disaster response in the country, the Government of India directed (2007) setting up of round-the-clock control or emergency operation centres.

(i) State Emergency Operation Centre

According to NDMA guidelines on Incident Response System issued in July 2010, the Emergency Operation Centre (EOC) was to be an augmented control room having communication facilities and space to accommodate the various emergency support functions. The EOC was to take stock of the emerging situation and assist the Chief Secretary/Relief Commissioner in mobilizing the respective line department's resources, manpower and expertise. The EOC at the state level is located in the office of the State Relief Commissioner in Chepauk, Chennai. Telex, fax, computers with internet, VHF sets with one police man have been provided. A toll free public utility service has been installed in the office of the State Relief Commissioner for receiving and communicating information on various disaster related incidents to the general public. It has a conference hall with teleconferencing facility to link with NDMA.

But, the State EOC did not have adequate space to accommodate the representatives of Agriculture, Police, Fire and Rescue Services Departments, Indian Meteorological Department, Corporation of Chennai, District Collectorate and other important officials and experts in the field of disaster management as envisaged in the NDMA guidelines. One Senior Administrative Officer with required number of assistants and representatives of the various line departments were to be posted to man the State EOC as per the NDMA guidelines. Audit scrutiny revealed that no dedicated manpower was posted to the State EOC. Absence of dedicated manpower has the risk of hampering preparedness and rescue operations during disaster.

On this being pointed out by Audit (December 2012), the CRA, DMMD stated (December 2012) that action was being taken to strengthen the State EOC with dedicated manpower and required infrastructure.

(ii) District Emergency Operation Centres

The emergency operation centres which are hub of disaster management activities in the districts were constructed during the years 2006 to 2010 at a cost of ₹ 10 lakh (including ₹ 3 lakh for equipment and ₹ 1 lakh for furniture) in each district.

It was found during joint inspection by Audit team with the officials of the District Collectorates during May – October 2012 that the buildings meant for EOCs in the districts were occupied by other departments and the equipment for disaster management were either dumped or used by other departments as shown in the pictures **(Figures 2.8 and 2.9)** and the EOCs were not in a state of readiness.



Figure 2.8: Office of Commissioner of Disciplinary Proceedings functioning in the EOC, Kanyakumari



Figure 2.9: A concrete cutting machine found bundled in old record room of the Land and Survey Department in the district Collectorate of Kanyakumari.

The status of EOCs in five out of six test checked districts is detailed in the **Table 2.20** below:

Table 2.20 : Status of EOCs in test-checked districts

Sl. No.	District/ Month and year of construction	Offices functioning in the EOC building	Remarks
1.	Kanyakumari (July 2006)	Commissioner of Disciplinary Proceedings as depicted in **Figure 2.8.**	Equipment including computers, Xerox-cum-fax machine, printers, life jackets, a concrete cutting machine etc., were dumped in the old record room of the Land and Survey Section as depicted in **Figure 2.9.**
2.	Thoothukudi (May 2009)	District unit of Tamil Nadu AIDS Control Society	Communication equipment like computers were used by the office of Assistant Director of Panchayat in the district.
3.	Tirunelveli (February 2010)	EOC not yet occupied	EOC has not been occupied so far and the rescue tools and kits, computers and inverters for backup etc., handed over to EOC in December 2009 have not been even unpacked.
4.	Cuddalore (January 2007)	EOC not yet functional.	Information and communication equipment for disaster management were not installed in the emergency operation centre.
5.	Nagapattinam (June 2006)	EOC was being utilised by the newly formed Fisheries University	The disaster management tools were found dumped in the emergency operation centre and were not in a state of readiness.

Audit scrutiny further revealed that in all the test-checked EOCs, no manpower was sanctioned exclusively for the EOCs. During monsoon periods, policemen with walkie-talkie were accommodated in the telephone operator's room or in the disaster management cell, which was part of a section attending to other revenue works in the District Collectorate.

2.4.10 Earthquake preparedness and urban disaster risk reduction

2.4.10.1 Techno-legal regime for earthquake

All State Governments/SDMAs were to adopt the model techno-legal framework for ensuring compliance of earthquake-resistant design and construction practices in all new constructions. As per the National Disaster Management Guidelines on Management of Earthquakes, the State Governments were to update the urban regulations by amending them to incorporate multi-hazard safety requirements by 30 June 2007.

Audit scrutiny revealed that amendments in the Tamil Nadu Town and Country Planning Act to provide for earthquake resistant standards have not been made in the State (October 2012), eventhough the State has been classified under seismic zone II and Chennai, the State capital is in seismic zone III with moderate to high risk.

The CRA, DMMD stated (December 2012) that the recommendations of a committee constituted for this purpose, were under consideration of Government.

2.4.10.2 Earthquake vulnerability assessment

As per the National Disaster Management Guidelines on Management of Earthquakes issued in April 2007, Rapid Visual Screening (RVS), which is a quick estimation with visual but technical information of structures to determine whether the structures are considered to be vulnerable to earthquake or not should be carried out by the State Government in the earthquake prone cities. This was to be followed by a Detailed Vulnerability Assessment (DVA). The vulnerability assessment exercises were to be repeated every 10 years to monitor the modification to the vulnerability profile of the built environment. The State Government was to identify and prioritize the life line Government and public structures, which were vulnerable to earthquake and retrofit them.

Audit scrutiny revealed that vulnerability assessment and retrofittings of the seismically vulnerable buildings in Chennai city were not done.

The CRA, DMMD stated (December 2012) that Rapid Visual Screening of Government buildings in Chennai, had been made by the Public Works Department to ascertain their vulnerability to earthquakes and that action subsequent to Rapid Visual Screening would be taken.

The reply is not acceptable to the extent that vulnerability assessment of the life line structures other than Government buildings were not done (December 2012).

2.4.11 Preparedness for Cyclone and Flood

When the State gets copious rainfall during the north-east monsoon (October-December), the coastal districts are highly vulnerable to cyclonic storms.

Audit scrutiny of the DDMPs of the test checked districts relating to cyclone preparedness revealed that:

- All weather link roads that were to be laid down as per the NDMA guidelines have not been identified.

- The areas where saline embankments are to be constructed to prevent ingress of saline water associated with cyclonic storm surge as per NDMA guidelines were not identified.

- As per NDMA guidelines, mapping of the coastal wetlands, patches of mangroves and shelterbelts, identification of potential zones for expanding bio-shield based on remote sensing tools were to be done. But, this was not done.

During the period covered by audit, there were floods due to cyclone and heavy rainfall during northeast monsoon in the test checked districts. The pre-monsoon preparedness meetings conducted at the State and district level laid down elaborate instructions for carrying out relief measures. In the pre-monsoon meetings, the Public Works Department was directed by the District Collectors to be prepared with sandbags to strengthen embankments. Strengthening of embankments, anti-erosion measures, drainage improvement works, sea wall and coastal protection works by the State Government were also important preparedness measures for cyclone and heavy rainfall related floods.

2.4.12 Preparedness for Fire safety

The Director of Fire and Rescue Services Department (FRSD) is the nodal officer for management of major fire accidents. In order to mitigate fire accidents, Fire Licences/No Objection Certificates (NOC) are issued to the owners or occupiers of any premises which are used for any purpose that is likely to cause fire, as required under Section 13 of the Tamil Nadu Fire Service Act, 1985.

It was noticed by audit from the records of Director of Fire and Rescue Services that as of October 2008, NOCs were not obtained in 57,000 cases from FRSD. However, test check of records of FRSD revealed that only 1,048 licences were issued from the year 2009 to 2011 and that details of buildings for which fire licence/NOCs were to be issued as of October 2012, were not available with the FRSD.

FRSD plays a vital role in search and rescue operations in the case of all kinds of disasters. Shortage of manpower would lead to inadequacies in preparedness. Scrutiny of records in FRSD revealed that the posts of two Divisional Officers, 15 Leading Firemen, 374 Fire drivers and 1,272 Firemen aggregating 1,663 posts were lying vacant as on 1 June 2012, which constituted 25 *per cent* of the sanctioned workforce (6783). In the test-checked districts, 422 posts were lying vacant out of a total sanctioned strength of

2131 posts as on 1 June 2012, which constituted 20 *per cent* of the total sanctioned posts.

2.4.13 Manpower and Training

As per Sections 16 and 29 of the Act, the State Government shall provide the State Authority and the District Authority with such officers, consultants and employees, as it consider necessary, for carrying out their functions respectively.

The State Government has not provided the State and District Disaster Management Authorities with adequate number of officers, consultants and employees. The authorities in the selected districts were not housed in separate buildings with adequate facilities to function. In addition, the works relating to Disaster Management in the test-checked districts were manned by only one assistant each and the manpower was grossly inadequate to handle the requirement of disaster preparedness in the district.

The Anna Institute of Management, Chennai has a Disaster Management Cell established in the year 1995, which was designated as a nodal agency for imparting disaster management training to the officers of various departments of the State. The Cell conducted training programmes, sector-wise, on various aspects of disasters as recommended by a high-powered Committee, constituted by the Government of Tamil Nadu. Since its inception, the Cell has so far conducted 296 disaster management training programmes benefitting nearly 6942 officials as of March 2012. Appropriation Accounts for the year 2010-11 revealed that ₹ 5 crore provided in the budget during the year 2010-11 for capacity development was not utilised, for which reasons were not communicated by the Department (July 2011).

The Fire and Rescue Services Department conducted mock drills at the District level for fire prevention and mock drills for rescuing flood affected victims. However, mock drills and community awareness for the other disasters like earth quake especially in the State capital were not contemplated or done.

2.4.14 On a Positive Note

- 264 senior level officers of various departments of the State Government were imparted training at National Institute of Disaster Management on flood mitigation and management, disaster damage assessment, earthquake risk mitigation and management and training programme on early warning.

- As a part of public education and community awareness and in order to sensitize the people, puppet shows and street plays on disaster management issues were conducted in the State.

- Arrangements were made to keep adequate stock of rice, kerosene, dhotis and sarees in the test-checked districts. Directions to inspect the reservoirs, embankments, and other structures before the monsoons were issued to Public Works Department for flood preparedness.

- The Chennai Metropolitan Water Supply and Sewerage Board took steps (2011) for better monitoring of the situation arising out of monsoon and cyclone and assisted the officers involved in the operation and maintenance of vital installations such as sewage pumping stations and water distribution stations to avoid blockage of sewerage and to maintain quality of the drinking water to control outbreak of diseases.

2.4.15 Conclusion

The State Disaster Management Authority was constituted in September 2008 and the District Disaster Management Authorities were established in January 2012, but the SDMA and DDMAs in five out of six test-checked districts did not meet even once and therefore could not perform their statutory duties. The State Executive Committee formed in January 2009 met only once. A draft State Disaster Management Plan prepared (May 2010) is yet to be approved by the State Disaster Management Authority. Disaster Management Rules have not been framed by the State Government. There was no dedicated manpower for the State Disaster Management Authority. Emergency Operation Centres which are the nerve centres of early warning system were non-functional and not in the state of operational readiness in the test-checked districts. Fourteen out of 59 early warning systems in Cuddalore district and all the 30 early warning systems existing in Nagapattinam district were not in working condition. The State has not constituted the Disaster Mitigation Funds at the State and Districts level and has not constituted the District Disaster Response Funds. Vulnerability assessment of the structures, prioritisation and retrofitting of the lifeline structures and infrastructure were not done in Chennai city which is in seismic zone III.

2.4.16 Recommendations

- The State and District Disaster Management Authorities need to be provided with adequate manpower and infrastructure for carrying out their statutory mandate. This would enable focussed and effective monitoring of the activities relating to disaster preparedness, relief, rescue and rehabilitation measures. These Authorities should meet frequently.
- The State and District Disaster Management Plans need to be prepared in accordance with the provisions of National Disaster Management Act.

- The Emergency Operation Centres should be made fully operational with adequate manpower and state of the art information and communication equipment.
- The Disaster Mitigation Funds at the State and district levels need to be constituted to finance the issues relating to disaster preparedness.
- Earthquake vulnerability assessment and earthquake preparedness measures need to be commenced and completed at the earliest.

The above points were referred to Government in November 2012; reply has not been received (December 2012).

CHAPTER III
COMPLIANCE AUDIT

CHAPTER III

COMPLIANCE AUDIT

Compliance Audit of the departments of the Government and their field formations as well as autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

3.1 Excess payment/wasteful/infructuous expenditure

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.1.1 Excess release of interest subsidy by Government

Release of interest subsidy on *adhoc* basis by Government to the Tamil Nadu Cooperative Housing Federation Limited during the years 1983 to 2008 without ascertaining the actual interest subsidy payable in respect of Scheduled Caste beneficiaries resulted in excess release of subsidy of ₹ 7.71 crore to the Federation.

The Tamil Nadu Cooperative Housing Federation Limited (TNCHF), advanced housing loans to the Scheduled Caste (SC) and other members of the rural housing societies since 1977-78. The loans given to the SC members were interest-free and the corresponding interest paid by TNCHF to its lending institutions was to be reimbursed by Government as interest subsidy to TNCHF.

Housing loans of ₹ 159.94 crore[1] were disbursed to the beneficiaries during the period 1978-93 and there was no loan disbursement after 1993. TNCHF paid interest of ₹ 50.30 crore to its lending institutions upto March 2008 and received interest subsidy of ₹ 34.73 crore from Government in respect of the loans advanced to SC members. As the recovery of housing loans was waived by Government from April 2008, there was no subsequent claim for interest subsidy from TNCHF.

Scrutiny of records of TNCHF revealed (March 2011) that Government, based on a proposal of the Registrar of Cooperative Societies, Housing (RCS (H)), sanctioned *adhoc* interest subsidy of ₹ 1.25 crore to TNCHF in 1981 on the plea that the subsidy claims in respect of SC members were not received in complete shape from the field level rural housing societies. Subsequently, Government sanctioned (February 1983) the *adhoc* interest subsidy assuming that 70 *per cent* of the loans were sanctioned to SC beneficiaries and instructed RCS (H) to obtain the certified figures of claim on interest subsidy from the inception of the scheme from the Director of Cooperative Audit.

[1] Scheduled Castes - ₹ 85.90 crore and Non- Scheduled Castes - ₹ 74.04 crore

It was noticed in audit that based on the proposals of RCS (H), Government continued to release the *adhoc* subsidy at 70 *per cent* every year upto 2007-08, without insisting the audited figures of actual amount of subsidy payable in respect of the loans paid to the SC beneficiaries. Out of the total loan amount of ₹ 159.94 crore disbursed during the period, the actual amount of loan disbursed to the SC beneficiaries was ₹ 85.90 crore, which worked out to 54 *per cent*. Even though TNCHF had details of loan disbursements to SC beneficiaries, it continued to claim the subsidy on *adhoc* basis at 70 *per cent* of total interest paid. At the rate of 54 *per cent*, the interest subsidy reimbursable to TNCHF by Government was ₹ 27.02 crore only. Government's failure to obtain from TNCHF the details of exact number of SC beneficiaries and of interest subsidy in respect of SC beneficiaries and release of interest subsidy on *adhoc* basis, resulted in excess release of subsidy of ₹ 7.71 crore[2] (₹ 34.73 crore - ₹ 27.02 crore) to TNCHF during 1983 to 2008.

TNCHF accepted the audit observations and stated (August 2012) that they had requested the Registrar (Housing) to adjust the excess interest subsidy paid to them by way of adjustment against the amount due to TNCHF from Government. RCS (H) also addressed (November 2011) Government to specify the head of account to which the excess amount of subsidy was to be remitted back. But, the amount remained to be adjusted/remitted to the Government Account (August 2012).

The matter was referred to Government in September 2012; reply has not been received (December 2012).

3.2 Avoidable expenditure/Extra expenditure

MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

3.2.1 Avoidable expenditure

Injudicious decision of the Tamil Nadu Water Supply and Drainage Board to revise the pre-qualification criteria for the tenderers led to avoidable expenditure of ₹ 1.88 crore.

Government sanctioned (December 2006) ₹ 616 crore for the Ramanathapuram Combined Water Supply Scheme to provide drinking water to five municipalities, 11 town panchayats and 3,163 rural habitations in Ramanathapuram, Sivaganga and Pudukottai districts. The Chief Engineer (CE), Tamil Nadu Water Supply and Drainage Board (Board), Southern Region accorded (December 2006) technical sanctions to estimates for various components of the scheme at a total cost of ₹ 596.50 crore. The work was

[2] Subsidy received (₹ 34.73 crore) minus ₹ 27.02 crore (53.71 *per cent* of total interest paid of ₹ 50.30 crore)

split into seven packages (excluding head works). The estimated cost of Package III[3] was ₹ 63.09 crore.

Scrutiny of the records relating to Package III revealed (October 2010) that the CE invited (February 2007) bids, under two cover system[4] and received two bids. One of the pre-qualification criteria for the bidder mentioned in the bid document was that the bidder should have experience of having completed and commissioned at least two km length of Bar Wrapped Steel Cylinder (BWSC) pipeline work. Out of the two bidders, one bidder was pre-qualified (April 2007) by the Board's Tender Evaluation Committee. The other bidder was not qualified as the firm had produced the experience certificate for pipeline work of Mild Steel (MS) pipes only and not BWSC pipes as stipulated in the pre-qualification criteria. The CE opened (April 2007) the price bid of the single qualified bidder and recommended (May 2007) his tender to the Tender Committee at the negotiated rate of ₹ 70.43 crore, which was 14.40 *per cent* above the departmental value of ₹ 61.57 crore. The Tender Committee recommended the tender to the Board for approval. However, the Board, without giving detailed reasons, rejected (May 2007) the tender and requested the Managing Director to review the pre-qualification criteria for bidders before re-inviting bids for the work.

Accordingly, the pre-qualification criteria for the bidder were modified and bids re-invited in June 2007, after revising the estimated value to ₹ 65.08 crore adopting the Schedule of Rates for 2007-08. As per the modified criteria, the bidder should have completed and commissioned at least 2 km length of BWSC / MS pipe line work. In response to the tender, the Board received two bids. The price bids were opened in August 2007 and the lowest bid of the firm[5], whose tender was rejected in the first tender call, was accepted (August 2007) by the Board at ₹ 72.31 crore (11.30 *per cent* above the departmental value of ₹ 65.08 crore). The work was completed in February 2010 at a cost of ₹ 81.27 crore. Thus, by ordering for revision of the bid criteria and re-tendering, the Board had to incur an additional expenditure of ₹ 1.88 crore[6], which was avoidable.

The Government stated (June 2011) that the Board had anticipated participation of large number of bidders who manufacture BWSC pipes, but received only two bids and that in order to avoid monopoly of the limited number of BWSC pipe manufacturers and in the public interest, the Board had revised the pre-qualification criteria.

The reply is not acceptable since the Board's resolution dated 27.10.2005 stipulated that the bidders should have experience of having completed and commissioned at least two km length of pipeline works of respective material i.e. BWSC or MS Pipes as the case may be. As per the estimate for Package III, both BWSC and pre-stressed concrete pipes were proposed to be used in the work and accordingly, the first tender should have been called for

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3 All components of works in between sump at Alavoyal to sump at Kalayarkoil including maintenance for a period of 12 months (LS 81,650 m - 1,55,530 m)

4 Technical and price bids separately

5 M/s. Indian Hume Pipe Company Limited, Mumbai

6 ₹ 72.31 crore *minus* ₹ 70.43 crore = ₹ 1.88 crore

combining BWSC / MS pipe line works. Therefore, the Board's decision (May 2007) to revise the pre-qualification criteria without citing any reason, was not judicious. The Government's reply to the Audit observation is not acceptable as no such reason was recorded when the Board directed the Managing Director to revise the pre-qualification criteria.

The matter was referred to Government in June 2012; reply has not been received (December 2012).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2.2 Avoidable payment

Extension of financial assistance under the Janani Suraksha Yojana and Dr. Muthulakshmi Reddy Maternity Benefit Scheme without restricting the total assistance to ₹ 6,000 per beneficiary as ordered by Government resulted in avoidable payment of ₹ 67.89 lakh in 25 test-checked Primary Health Centres.

With the objective of promoting institutional delivery among the poor pregnant women, Government of India (GoI) launched the scheme of "Janani Suraksha Yojana" (JSY) in April 2005, as a sub-component of the National Rural Health Mission (NRHM). Under this scheme, cash assistance[7] was provided to pregnant women belonging to the below poverty line (BPL) families at the time of delivery to meet the expenditure in connection with delivery. Funds were released by GoI to the Mission Director, State Rural Health Mission, NRHM, who in turn released the amount to the Deputy Directors of Health Services (DDsHS) through the District Health Societies of NRHM concerned. The DDsHS made available the money to the primary health centres (PHCs) for eventual distribution to the beneficiaries through the Village Health Nurses. GoI specifically stated that the scheme could be modified by the states in consultation with GoI and that any unilateral change was not advisable.

Simultaneously, Government of Tamil Nadu (GoTN) issued orders in September 2006 for implementing "Dr. Muthulakshmi Reddy Maternity Benefit Scheme" (DMRMBS), a State scheme, under which cash assistance of ₹ 6,000 was given to pregnant women belonging to BPL families in six instalments of ₹ 1,000 each during three months of ante-natal and three months of post-natal periods for compensating the loss of income during that periods and to provide nutritious food for giving birth to babies not of under-weight. In the above mentioned order, Government specifically stated that those who availed benefit under JSY could also avail the assistance under DMRMBS.

Scrutiny of records of the Director of Public Health and Preventive Medicine (DPH&PM) revealed that Government had ordered (July 2008) that (i) beneficiaries who were eligible to avail assistance under both JSY and DMRMBS could avail cash assistance of ₹ 5,300 to ₹ 5,500 under DMRMBS and ₹ 500 to ₹ 700 under JSY, so that the total benefit could be restricted to ₹ 6,000, (ii) GoI assistance received for JSY be remitted into the State

[7] ₹ 700/₹ 600 for rural/urban institutional deliveries and ₹ 500 for home deliveries

Government account and (iii) separate account be maintained for JSY and the utilisation certificate should be furnished to GoI, in time.

With reference to the Government order of July 2008, the Mission Director, State Rural Health Mission, NRHM brought to the notice (July 2008) of the Principal Secretary, Health and Family Welfare Department that procedural change in the guidelines of JSY might affect subsequent release of funds from GoI and requested to maintain *status quo* prior to the issue of July 2008 Government order. Accordingly, DPH&PM instructed (August 2008) all the DDsHS to implement the schemes in the manner that existed prior to the issue of the said Government order i.e., to provide assistance under both the schemes, as the case may be, without any restriction of the amount until further instructions.

As the GoTN order in July 2008 to restrict the assistance under both JSY and DMRMBS to ₹ 6,000 per beneficiary was very clear, the contrary instruction of DPH & PM issued in August 2008 resulted in avoidable payment of ₹ 74.45 crore during the period from October 2008 to May 2011, by way of non-restriction of the total benefits to ₹ 6,000 per beneficiary.

When this was pointed out in audit, DPH&PM stated (August 2012) that the benefits under the two schemes were extended for different purposes and to different beneficiaries and that Government had been addressed requesting necessary guidelines on the parallel implementation of both the schemes.

The reply is not acceptable as test check of records in 25 PHCs in three health unit districts disclosed that the benefits of JSY to the tune of ₹ 67.89 lakh were extended to more than 95 *per cent* of the beneficiaries of DMRMBS too. Thus, the decision of DPH&PM not to restrict the total benefits to ₹ 6,000 per beneficiary was contrary to the Government order issued in July 2008 and that led to the avoidable payment from DMRMBS.

The matter was referred to Government in September 2012; reply has not been received (December 2012).

3.3 Regularity issues and others

REVENUE DEPARTMENT

3.3.1 Denial of benefits and idling of funds

Non-settlement of the claims in time by the Revenue Department resulted in denial of the intended benefits to the agricultural labourers and idling of funds to the tune of ₹ 53.39 crore for one to six years.

Government launched (February 2001) the Tamil Nadu Agricultural Labourers Social Security and Welfare Scheme 2001 for providing financial assistance to the agricultural labourers. The scheme was to provide financial assistance to the agricultural labourers in the cases of accident, death, permanent total/partial disablement and funeral expenses. In September 2005,

Government introduced a new scheme namely "Tamil Nadu Chief Minister's Farmers Social Security Scheme" for the same purpose including small and marginal farmers in the targeted beneficiaries. In December 2006, Government enacted a legislation called the "Tamil Nadu Agricultural Labourers-Farmers (Social Security and Welfare) Act, 2006" and ordered its implementation in lieu of the "Tamil Nadu Chief Minister's Farmers Social Security Scheme". The scheme under the Act was to be implemented by the Commissioner of Land Reforms (CLR). The Act was repealed by Government in September 2011 and the scheme was continued as "Chief Ministers Farmers Social Security Scheme" from September 2011. The members to be registered under the new scheme were to be provided financial assistance for education, marriage, maternity, relief to the legal heirs in case of death, old age pension on attainment of 60 years of age and funeral expenses.

The details of claims received and settled, cost of printing of identity cards and forms and financial assistance provided under the four schemes are given in the **Table 3.1**.

Table 3.1 : Details of claims received, settled and financial assistance provided

Scheme	Cost of printing of ID cards	Cost of printing of forms	Number of claims received	Number of claims settled	Number of eligible claim not settled	Number of claim not processed	Financial assistance provided
	(₹ in lakh)						(₹ in crore)
2001	0.00	34.47	1962	0	454	1508	0.00
2005	178.36	328.84	4,53,788	3,38,789	2645	1,12,354	90.81
2006	257.77	187.78	9,84,591	9,22,081	62,510	0	803.49
2011	0.00	0.00	9,73,983	8,70,412	0	1,03,571	950.59
Total	**436.13**	**551.09**	**24,14,324**	**21,31,282**	**65,609**	**2,17,433**	**1,844.89**

Scrutiny of records revealed the following:

(i) Out of 24.14 lakh claims received from the registered labourers, the department settled 21.31 lakh claims only and financial assistance of ₹ 1,844.89 crore was provided (September 2012) to them since February 2001.

(ii) Out of 14,40,341 claims received under 2001, 2005 and 2006 schemes, 65,609 claims though eligible were not settled and 1,13,862 claims were not processed. GoTN directed the CLR (January 2012) to submit a revised proposal for the pending claims. The revised proposal submitted (September 2012) by the CLR recommending sanction of claims pertaining to the pending applications of 2001 and 2005 schemes was pending with GoTN (October 2012).

(iii) Rupees 53.39 crore out of the funds released in the earlier years to the 31 District Collectors for implementation of the 2005 and 2006 schemes remained unutilised.

(iv) Though the forms and registers were printed by incurring an expenditure of ₹ 34.47 lakh for the scheme launched in 2001, no financial assistance was provided even to the 454 eligible claimants for an amount of ₹ 46.52 lakh.

(v) Government while modifying the scheme every time, did not consider settlement of the eligible applications and processing of the pending applications. As a result, claims pertaining to the earlier schemes numbering 1,79,471 were not processed/settled, despite availability of funds.

(vi) The expenditure of ₹ 1.78 crore incurred on issue of identity cards for the 2005 scheme which was closed in 2006 and ₹ 0.34 crore on printing of forms and registers for the 2001 scheme became wasteful.

Thus, Government without taking into account, the unspent amount in the earlier schemes, continued to release funds for the new schemes which resulted in idling of Government funds to the tune of ₹ 53.39 crore with the District Collectors for periods ranging from one to six years.

Government stated (October 2012) that the request of the CLR to furnish head of account for settling the claims of 2001 and 2005 schemes already approved on 25 May 2010 was under the consideration of Government. As regards the 2006 scheme, the CLR was directed (October 2012) by Government to furnish the financial implication involved in this case and the report was awaited. In respect of idling of funds of ₹ 53.39 crore, the head of account to which the amount was to be remitted to Government Account had been intimated to CLR in October 2012 and action would be taken to remit the unspent amount. The reply is admittance of the fact that there were no proper instructions on settlement of the pending claims, despite availability of funds.

INFORMATION TECHNOLOGY AND REVENUE DEPARTMENTS

3.3.2 Failure to utilise the colour television sets

Delay in taking decision on distribution of 95,725 colour television sets procured at a cost of ₹ 22.82 crore for free distribution scheme resulted in idling of television sets for 16 to 29 months.

With the objective of providing entertainment to women at home and improving their general knowledge, Government introduced (June 2006) a scheme of supply of colour television sets (CTVs) free of cost to households that possessed family cards and did not own CTVs. Government procured 1.65 crore CTVs at a cost of ₹ 3,907.38 crore in six phases during 2006-11 through the Electronics Corporation of Tamil Nadu Limited (ELCOT) and distributed 1.64 crore sets to the beneficiaries through the Revenue Department. The phase-wise details of procurement and distribution of CTVs are given in the **Appendix 3.1.**

Scrutiny of records (September 2011) in the Information Technology (IT) and Revenue departments and in the office of the Commissioner of Revenue Administration (CRA) disclosed that, on the grounds of completing the scheme by covering all eligible households for supply of CTVs, the Principal Secretary cum Commissioner of Revenue Administration (CRA), after ascertaining the requirement from the district collectors, submitted a proposal (5 January 2011) to the IT Department for procurement of 12 lakh CTVs at the

shortest possible time. The Government ordered (11 January 2011) procurement of 10 lakh CTVs in the sixth phase and also reduced the minimum time prescribed[8] for submission of tenders from 30 days to 15 days on the plea to ensure coverage of all eligible beneficiaries in a continuous manner.

The firms which were given supply orders, supplied 2.51 lakh CTVs at a cost of ₹ 62.73 crore[9] and payments were made. Out of 2.51 lakh CTVs supplied, 1.24 lakh CTVs were supplied to the districts for distribution to the beneficiaries and the remaining 1.27 lakh CTVs were kept in the suppliers' godowns and their distribution was suspended with effect from 1 March 2011 as the model code of conduct in connection with the State Assembly elections came into effect on that day.

After the election process was over, the Cabinet, on grounds that the Government had distributed 1.64 crore CTVs, which was over and above the total number of households (1.42 crore as per 2001 census), decided (30 May 2011) to stop procurement of the balance ordered quantity of 7.49 lakh CTVs and to distribute the 1.27 lakh CTVs kept in the suppliers' godowns to schools, hospitals, health centres, anganwadi centres, orphanages etc. Accordingly, Government order was issued (6 June 2011).

Audit noticed that subsequent to the Government order, the CRA brought to the notice (16 June 2011 and 11 August 2011) of the Secretary, IT Department that 95,725 CTVs[10] remained undistributed in various districts. Out of this, 75,619 CTVs were reported to be in good condition and 20,106 CTVs were reported as defective or damaged. In response to the CRA's letter (April 2012) calling for particulars as to how the CTVs were damaged, six District Collectors[11] reported that 6099 CTVs were damaged during transportation and handling. Out of the 20,106 CTVs damaged, it was found that warranty for 670 CTVs distributed during the Phase IV had already expired.

When the CRA requested orders from Government for the proposal (February 2012) of distributing the 95,725 CTVs to other Government institutions which were not covered in the earlier Government Order, the Revenue Department directed (April 2012 and June 2012) the CRA to furnish the details of distribution of 1.27 lakh CTVs already ordered. The CRA did not furnish (October 2012) the required details and the 95,725 CTVs remained undistributed.

Thus, 95,725 CTVs procured during 2009-2011 at a cost of ₹ 22.82 crore[12] were idling in the districts for 16 to 29 months as of July 2012. Part of the

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8 Vide the Tamil Nadu Transparency in Tenders Rules, 2000

9 2,51,225 CTVs at ₹ 2497 = ₹ 62,73,08,825

10 Phase IV (February 2009 to February 2010): 1,112; Phase V (February 2010 to January 2011): 58,815 and Phase VI (February 2011 to 01 March 2011): 35,798.

11 Cuddalore (1388 CTVs) Madurai (1200 CTVs), Ramanthapuram (1142 CTVs), Tiruchirapalli (885 CTVs), Vellore (758 CTVs) and Villupuram (726 CTVs)

12 Phase IV: 1,112 CTVs x ₹ 2,061 = ₹ 0.23 crore; Phase V: 58,815 CTVs x ₹ 2,321 = ₹ 13.65 crore and Phase VI: 35,798 CTVs x ₹ 2,497 = ₹ 8.94 crore; Total : ₹ 22.82 crore

surplus CTVs procured in February 2011 had to be diverted for the purposes other than the purpose for which they were procured. Further, even though the Government, in IT Department, was aware of the damaged CTVs, the Department failed to take action to replace them through ELCOT.

The matter was referred to Government in September 2012; reply has not been received (December 2012).

HIGHER EDUCATION DEPARTMENT

3.3.3 Avoidable delays leading to shelving of a scheme

Release of fund by Government to the Tamil Nadu Open University without ensuring the scope of spending in time and avoidable delays led to shelving of a scheme and loss of interest of ₹ 42.89 lakh.

As per Article 210 (3) of the Tamil Nadu Financial Code, only so much of grant as is likely to be expended during the year should be paid during any financial year. In the budget speech for the year 2008-09, a scheme to telecast educational programmes[13] for improvement of skills of the people through Tamil Nadu Open University was announced. Based on the plan of action (December 2008) furnished by the University stating that tenders were called for and the process of identifying the eligible bidders by a committee appointed for the purpose was nearing completion, Government released (September 2009) ₹ 3 crore to the University and the University kept the amount in savings bank account.

Scrutiny of records of the University revealed (May 2012) that the University had not invited tenders for the programmes in December 2008 and even the draft tender documents were finalised only in August 2010. The University stated that it could not invite tenders due to enforcement of code of conduct (March 2011) for the Assembly Elections. The University requested Government (February 2012) to permit it to use the amount for construction of its new academic block and library. In the meantime, the amount kept in savings bank account was drawn and invested (February 2012) in fixed deposit at the interest rate of 9.5 *per cent*. The request of the University to utilise the funds for construction of building was declined (March 2012) by Government and hence, the amount of ₹ 3 crore along with accrued interest of ₹ 0.34 crore was remitted (July 2012) into Government account.

Thus, the scheme of telecasting of educational programmes for development of various skills of the people was not implemented due to avoidable delays on the part of University from July 2009 in the finalisation of tender process and the delay also led to keeping of Government money outside its account for 33 months (October 2009 to June 2012). There was loss of interest of ₹ 42.89 lakh[14] due to keeping the amount in savings bank account instead of in fixed deposits during the period 22 September 2009 to 20 February 2012.

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[13] Spoken English, yoga, guidance for students, training in general knowledge for competitive examinations, etc.

[14] (₹ 3 crore x 9.5 *per cent* x 882 days) / 365 days *minus* ₹ 25.98 lakh earned as interest in savings bank account

Further, the Director of Collegiate Education, who was to watch utilisation of the grant released, also failed to monitor the implementation of the programme.

Government attributed (October 2012) the delays to re-constitution of the expert committees for chalking out the programmes, change in the senior management of the University, shortage of staff and enforcement of code of conduct for the Assembly Elections.

The reply is not acceptable as the reasons stated by the Government are administrative in nature and foreseeable and should have been controlled.

HOME, PROHIBITION AND EXCISE DEPARTMENT

3.3.4 Undue delay in construction of court buildings

Delay in finalising the estimate/according administrative sanction for carrying out the balance work of construction of court buildings at Kakkathope, Udagamandalam resulted in increase in the latest estimated cost of construction by ₹ 62 lakh, besides idling of the basic building structure constructed at a cost of ₹ 41 lakh in April 1999.

Government, based on a proposal of Madras High Court, sanctioned (November 1996) ₹ 7.89 crore for the construction of court buildings and quarters for the judicial officers at Kakkathope in Udagamandalam through the Public Works Department (PWD).

The work, awarded (December 1997) to a contractor at a cost of ₹ 5.51 crore, was scheduled for completion in 18 months and the contractor started the work on 2 March 1998. Government, however, ordered (13 March 1998) to stop the work due to agitation by the Bar Association and advocates' boycott, in view of the distant location of the site, lack of transport facilities and burden of legal community and litigants. On further review, Government ordered (August 1998) resumption of the work. The work resumed in September 1998 was ordered to be stopped by Government on 12 April 1999 as the Bar Association and the advocates agitated again. At the time of stoppage of work all the structural columns of the court buildings had been raised upto the ground floor slab level as shown in the **Figure 3.1**, at a cost of ₹ 41 lakh.



Figure 3.1 :Incomplete construction of court buildings at Kakkathope

It was noticed that PWD's proposal (August 2000) to construct office buildings at an estimated cost of ₹ 5.39 crore for 28 Government offices in Udagamandalam, by utilising the structure was also not approved by the Government on the grounds of financial constraints.

In May 2009, the Registrar, Madras High Court, requested the Government to issue necessary instruction to the Chief Engineer (Buildings), PWD (CE) for speedy completion of the partially completed court buildings. The CE prepared an estimate for the balance work in September 2009 at an estimated cost of ₹ 11.80 crore and the estimate was sent (December 2009) to the Registrar, Madras High Court for obtaining sanction of Government. However, on further instruction by the Registrar (July 2010), the CE prepared (October 2010) a revised estimate for ₹ 12.42 crore adopting the Schedule of Rates of 2010-11. Revised proposal sent to Government by the Madras High Court in January 2011 was pending (May 2012) with the Government.

Thus, even after lapse of three years since the Registrar, Madras High Court sought completion of the balance work, the delay in finalising the estimate/obtaining administrative approval resulted in increase in the cost of construction of the work by ₹ 62 lakh[15], besides idling of the basic building structure constructed in April 1999 at an expenditure of ₹ 41 lakh for 12 years.

The matter was referred to Government in June 2012; reply has not been received (December 2012).

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

3.3.5 Unauthorised utilisation of scheme funds

Interest earned on scheme funds required to be spent on schemes were utilised on contingent and other items of expenditure of District Rural Development Agencies.

In accordance with the Accounting Procedure for District Rural Development Agencies (2001), funds received by the District Rural Development Agencies (DRDAs) from Government of India and State Government under various centrally sponsored and State schemes are initially credited to a common Bank account operated by the DRDAs. The DRDAs should immediately transfer the fund so credited to the common Bank account to the Bank accounts maintained for the respective schemes. The Accounting Procedure for DRDAs also provides that interest earned on the funds of each scheme should be added to the respective scheme fund.

Audit noticed (November 2011 to February 2012) from the records of DRDAs of Tirunelveli, Virudhunagar, Erode and Coimbatore that funds amounting to ₹ 1,786 crore, relating to important schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme, Indira Awaas Yojana, Total Sanitation Campaign, Flood relief scheme, Member of Legislative Assembly Constituency Development Scheme remitted by GoI/ State Government were belatedly transferred from the common Bank account of the DRDAs to the respective scheme accounts during 2007-12, with delays ranging from five days to 280 days. The interest accrued in the common account of the four DRDAs during the said period on this respect was ₹ 2.41 crore.

[15] Difference in the estimated cost: ₹ 12.42 crore - ₹ 11.80 crore = ₹ 62 lakh

Audit noticed that out of ₹ 2.41 crore interest accrued on the scheme funds credited in the common account, ₹ 1.19 crore (**Appendix 3.2**) was utilised by the four DRDAs for purposes other than the schemes, in violation of the guidelines. The approval of GoI/State Government was not obtained for incurring such expenditure.

An analysis of the expenditure incurred out of the interest credited in the common account showed that vehicle, laptops, air conditioners, television, mobile phones, consumer articles etc., were procured at a cost of ₹ 57.10 lakh for the offices / camp offices of the District Collectors / Project Directors of DRDAs. Further, contingent and other expenditure like travel expenses, maintenance of vehicles, providing gifts to press persons, purchase of stationeries and consumables, conduct of meetings etc., amounting to ₹ 61.87 lakh were also incurred. Such utilisation of scheme funds for the expenditure of the offices of Collectors/Project Directors without obtaining approval of GoI / State Government was against the norms and principles of financial propriety.

In reply to audit query, the Project Directors of the DRDAs, Erode and Coimbatore stated that expenditure out of the interest amount was incurred due to insufficient allocation made under the 'DRDA Administration scheme'[16] for contingent expenses.

The reply is not acceptable as the expenditure was mostly incurred on purchase of items like television, mobile phones, improvements to existing rooms etc., and not to be incurred out of interest earned from deposit of scheme funds.

The Commissioner of Rural Development and Panchayat Raj stated (December 2012) that suitable instructions had been issued to the District Collectors and Project Directors of the districts concerned to recover the "ineligible expenditure" from the officers concerned for whom it was spent and to recoup the "eligible expenses" from the DRDA Administrative cost. The commissioner attributed backlog in release of funds for the DRDA Administration scheme by the State Government to incurring of eligible administrative expenses from a portion of the interest amount.

The matter was referred to Government in July 2012; reply has not been received (December 2012).

[16] A scheme under which funds towards administrative expenses of DRDAs are provided (GoI : 75 *per cent* and the State Government: 25 *per cent*)

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

3.3.6 Idling of a Samathuvapuram

Omission to include a clause in the Government guidelines that beneficiaries should be identified before construction of houses led to idling of a Samathuvapuram.

To provide social justice and spread the message of social equality, Government has been implementing a housing scheme called "Periyar Ninaivu Samathuvapuram" since 1997-98. Under this scheme, habitations are established in rural areas by constructing and allotting houses free of cost to the beneficiaries belonging to different communities where they live in unity and brotherhood. As per the guidelines issued by Government for establishing Samathuvapurams, selection of the beneficiaries should be done before construction of the houses and as far as possible the beneficiaries should be selected from the village in which the Samathuvapuram was established. The beneficiary selection before construction of the houses was to serve the purpose that each beneficiary was aware of the allotted site and was involved in the construction process from the beginning.

During 2009-10, Government sanctioned (July 2009) ₹ 75 crore for establishment of 30 Samathuvapurams, one in each district excluding Chennai and the Nilgiris District. Villupuram was one among the 30 districts. The District Collector, Villupuram established (December 2010) a Samathuvapuram by constructing 100 houses with infrastructural facilities such as roads, water supply and electricity in 8.64 acres of land in Sithalur village in the District at a cost of ₹ 2.50 crore.

Test check (September 2011) of records of the Commissioner of Rural Development by audit revealed that in the year 2009-10, while ordering establishment of Samathuvapurams, Government issued guidelines excluding the clause relating to identification of the beneficiaries before construction of the houses. Consequently, identification of the beneficiaries for Sithalur Samathuvapuram commenced only in November 2010 *i.e.*, after construction of the houses. However, the Court restrained (December 2010) the Department from allotting the houses to the beneficiaries of Sithalur village based on a case filed in Madras High Court, by a resident from a nearby Panayangal village. Even though the District Collector was in the process to settle the dispute by out of court settlement with the petitioner, by agreeing to allot the houses in the ratio of 60: 40 to the beneficiaries belonging to Sithalur and Panayangal villages, another resident from Sithalur village filed (2012) a case for allotment of all the constructed houses to Sithalur village people only and the case is pending in Madras High Court (September 2012).

It was observed in audit that due to non-inclusion of clause in the guidelines issued by Government for the scheme (2009-10) relating to identification of beneficiaries before construction of houses, and consequent non-finalisation of beneficiaries, there was scope for claims from residents of other villages for allotment of houses. When audit sought (May 2012) specific reasons for

non-inclusion of such a clause, Government, *inter-alia,* stated (June 2012) that the clause was not included as it faced practical difficulties in re-selection of the other qualified beneficiaries, when the selected beneficiaries happen to migrate to other places and in case of sudden demise of the selected beneficiaries.

The reply is not acceptable as no such reason was recorded in the files of Government/Commissionerate for non-inclusion of the clause in the Government guidelines issued in 2009-10. There was always an option available with the Government/Commissioner for inclusion of additional beneficiaries in the case of un-allotted cases due to migration or death of beneficiaries already selected. Incidentally, Audit noticed inclusion of such clause in the guidelines issued by Government for the subsequent year (2010-11), which indicated that audit contention on State Government's incorrect stance earlier, was in fact correct.

Thus, the omission to include a specific clause in the Government guidelines in 2009-10 led to non-allotment of the houses constructed at a cost of ₹ 2.50 crore, when the people were in dire need of such facility.

The matter was referred to Government in July 2012; reply has not been received (December 2012).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.3.7 Inadequate provision of equipment, staff and other facilities

Due to lack of proper assessment and coordination, the newly constructed 500 bedded medical college hospital at Thoothukudi, has not been provided with the required equipment, staff, etc., for its full-fledged functioning, even after two years of its inauguration.

During an inspection of the Thoothukudi Medical College, the Medical Council of India (MCI) had pointed out (2004) certain deficiencies in building requirements and had not permitted the college to admit students. Government, based on a proposal of Director of Medical Education (DME) to fulfil the norms of MCI sanctioned (November 2004) ₹ 27.75 crore for construction of the college and hospital buildings of the Government Thoothukudi Medical College and Hospital (TMCH). Out of the sanctioned amount, ₹ 15.98 crore were earmarked for construction of 500 bedded hospital and an outpatient block. Due to extra cost on account of tender premium and provision for one additional lift, the cost of construction of the 500 bedded hospital building was revised (July 2009) to ₹ 18.75 crore. The work entrusted to Public Works Department (PWD) was completed in September 2009. The building was inaugurated in November 2009 and an expenditure of ₹ 16.80 crore was incurred upto February 2011.

Audit noticed that due to the delay in finalisaing the proposal at the DME/Government level, required facilities like equipment, staff, etc., were not provided to the newly constructed hospitals, as discussed below:

Equipment

The Dean, TMCH sought (June/October 2009) ₹ 7.60 crore for purchase of equipment and instruments for the proposed operation theatres and other departments to be accommodated in the new hospital. However, based on further instruction by the Government/DME, the proposal was scaled down to ₹ 3.66 crore by the Medical Superintendent of TMCH, in July 2010 for purchasing only the very essential equipment given in **Appendix 3.3**. Only one out of the eight operation theatres available in the newly constructed hospital was functioning as of March 2012. Other seven operation theatres are not functioning due to non-provision of required equipment/ furniture. To a specific audit query (June 2012) Government stated (December 2012) that revised proposal was awaited from the DME.

Staff

Based on the proposal of the Dean, TMCH, the DME sought (November 2009) for creation of 1,349 additional posts for the newly constructed Medical College Hospital of Thoothukudi. On perusal of the proposal by the Government and based on the DME's instruction, the number of additional posts required was revised (March 2011) to 479 by the Dean / TMCH. However, the revised proposal for creation of 459 posts sent to Government (January 2012 and March 2012) by the DME, was under consideration of Government (December 2012).

Centralised Oxygen, Nitrous Oxide and Suction System

As per MCI norms, provision of Centralised Oxygen, Nitrous Oxide and Suction System (CONO & SS) is mandatory. Though the DME had sent the proposal as early as in December 2008 for provision of CONO & SS in the 500 bedded new hospital, the Government directed (September 2009) the DME to restrict the provision of CONO & SS to the operation theatres, intensive care units and post operative wards only. The DME sent revised proposals for 2011-12 (₹ 66 lakh), for 2012-13 (₹ 72.60 lakh) and for 2013-14 (₹ 79.86 lakh), to the Government only in October 2011. CONO & SS was not provided to the hospital so far (December 2012). Thus, despite mandatory requirement as per MCI norms, the newly constructed 500 bedded hospital was functioning without CONO & SS even after two years since it was opened.

It was further noticed that, though the Government sanctioned ₹ 3.71 crore in April 2012 itself for purchase of linen items; provision of centralised oxygen, nitrous oxide and suction system, improved sewerage system etc., the funds were not drawn (December 2012) by the DME.

On a similar nature of audit observation included in the previous Audit Reports (Paragraph 3.7 of the Report of Comptroller and Auditor General of India for the year ended 31 March 1980), the Public Accounts Committee had stressed that proposals submitted to the Government for sanction should cover

all requirements *viz.,* buildings and equipment. Government assured[17] as early as in September 1985 that the Committee's recommendation for simultaneous coordinated action for commissioning the medical facilities would be followed in future. Despite such assurance, the newly constructed hospital at Thoothukudi was not provided with the required equipment, staff etc., for its full-fledged functioning due to lack of proper assessment and coordination.

The matter was referred to Government in June 2012; reply has not been received (December 2012).

SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT

3.3.8 Avoidable expenditure in procurement of cloth for uniform

Failure of the Director of Social Welfare and the Director of Handlooms and Textiles to procure double breadth pant cloth, disregarding the principles of financial propriety, resulted in avoidable expenditure of ₹ 3.42 crore.

Government has been implementing the scheme of free supply of uniforms to school children studying in schools since 1985. The Director of Handlooms and Textiles (DHT) is the nodal officer for implementing the scheme and the Tamil Nadu Handloom Weavers Cooperative Society Limited (Co-optex) functions as the agency for supplying cloth. The Director of Social Welfare (DSW) is responsible for placing consolidated indent with DHT based on the requirements for pant cloth received from the Directors of Elementary and School Education. The Director of Adi Dravidar and Tribal Welfare places supply orders for uniform cloth directly with the DHT. The DSW is also responsible for making arrangement for stitching the uniforms by utilising the services of Tailoring Women Industrial Co-operative Societies under his control.

Pant cloth for boys is available in single (27 inches width) and double (54 inches width) breadths. The rate of single breadth cloth was ₹ 63.78 / ₹ 66.83 per metre and that of double breadth cloth was ₹ 86 per metre in the year 2010-11. At a marginal increase in cost, double the quantity of cloth is available if double breadth cloth is purchased. In other words, if double breadth cloth is used, only half the quantity required under single breadth cloth is required for making the same number of pants, since the width of double breadth cloth was twice that of single breadth cloth. The Industrial Coordinator, Office of the District Social Welfare Office, Chennai also confirmed (July 2012) that only half the quantity required under single breadth cloth is enough if double breadth cloth is procured.

Audit noticed that the ADW has been procuring double breadth pant cloth from 2007-08 onwards and issued instructions (June 2007) to all the District

[17] Serial Number 2 of 69th Report (X Assembly) – 1991-92 presented to the Legislature on 28 April 1992

Adi-dravidar Welfare Officers to issue only half the quantity of what is required under single breadth cloth. The DSW, however, procured 14,57,000 metres of single breadth pant cloth produced by power looms at the rate of ₹ 63.78/ ₹ 66.83 per metre for the academic year 2011-12 at a total cost of ₹ 9.68 crore. The DSW, vested with the responsibility of placing orders with DHT failed to procure double breadth cloth of 54 inches width, whereby only 7,28,500 metres of pant cloth (50 *per cent* of 14,57,000 metres) would have been required at ₹ 86 per metre. Failure on the part of DSW to do so resulted in avoidable expenditure of ₹ 3.42 crore[18].

Being the monitoring authority of the Industrial Co-operative Tailoring Societies, which cater to the tailoring requirements of both DSW and ADW, DSW was aware that ADW was procuring double breadth pant cloth and accordingly should have placed orders for the cloth with same width for the requirement in DSW as well. Moreover, DHT, the nodal officer for procurement of uniform cloth, being conscious of the cost advantage in procuring double breadth pant cloth, should have insisted DSW to procure only double breadth pant cloth as done by ADW.

Thus, failure on the part of DSW and DHT to procure double breadth pant cloth, disregarding the principles of financial propriety, resulted in avoidable expenditure of ₹ 3.42 crore.

The matter was referred to Government in July 2012; reply has not been received (December 2012).

SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT AND RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

3.3.9 Construction of kitchen-*cum*-stores for the noon meal centres

3.3.9.1 Introduction

With a view to avoid using the classrooms for cooking and storage purposes and to avoid cooking in the open which is unhygienic and hazardous, the scheme of "National Programme of Nutritional Support to Primary Education" envisaged construction of kitchen-*cum*-stores (KCS) in the government and local bodies' schools in convergence with other development schemes. GoI, while revising the scheme guidelines in 2006, made provision for central assistance to the states upto ₹ 60,000 per KCS and instructed to implement the scheme in convergence with other rural development schemes if the central assistance was found inadequate. Subsequently, in October 2007, GoI extended the scheme to cover the children of upper primary classes also and renamed it as the 'National programme of mid-day meal in schools' (NPMDMS). Since 2009-10, the cost of construction of KCS was shared by the central and state governments in the ratio of 75:25. The central assistance was released to GoTN and in turn GoTN released the funds along with its

[18] ₹ 9.68 crore *minus* ₹ 6.26 crore (7,28,500 metres x ₹ 86) = ₹ 3.42 crore

share through the Commissioner of Social Welfare to the district collectors. The district collectors, based on requirements of number of Kitchen-cum-stores redistributed the funds to the Block Development Officers (BDOs), who are the implementing officers of NPMDMS at block level.

At the State level, the Principal Secretary, Social Welfare and Nutritious Meal Programme Department and the Commissioner of Social Welfare (CSW) were responsible for provision, drawal and distribution of funds to the district collectors. The District Collectors were responsible for receipt and distribution of funds to the blocks for implementation of NPMDMS.

A thematic audit of construction of KCS covering the period 2006-12 was conducted during January to March 2012 by test checking of records in the offices of the Principal Secretary, Social Welfare and Nutritious Meal Programme Department; Commissioner of Social Welfare; district collectors of four[19] selected districts; and nine blocks[20] out of 74 blocks in the four districts. The audit findings are discussed below:

Audit findings

3.3.9.2 Planning

Though the scheme guidelines envisaged adoption of the prescribed type design for the KCS, GoI permitted the states to have their own type designs depending on local needs with cost estimates exceeding ₹ 60,000 per unit. In cases where the unit cost was higher, the states were requested to construct KCS in convergence with other rural and urban development programmes such as Backward Regions Grant Fund, Basic Services for Urban Poor, Member of Parliament Local Area Development Scheme, rural and urban wage employment programmes, etc.

It was noticed in Audit that when the poor progress in construction of KCS was brought to the notice (November 2010) of the Director of Rural Development (DRD) by the CSW, the DRD stated (January 2011) that in the interest of the scheme, the DRD and the District Rural Development Agencies (DRDAs) should have been completely involved in the scheme from the initial stage itself as the required funds were not available with Social Welfare and Nutritious Meal Programme Department and funds were to be dovetailed from other Rural Development schemes.

At the district level, the rural development programmes are implemented through the DRDA for which the District Collector is the chairman. Since DRDAs carry out a number of rural development programmes, it was essential to involve them so that convergence of programmes was possible.

Thus, the failure of the Social Welfare and Nutritious Meal Programme Department to involve the DRDAs in planning and execution of KCS in

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19 Salem, Thiruvallur, Thiruvannamalai and Villupuram

20 Kadayampatti and Omalur (Salem), Poonamallee and Kadambattur (Thiruvallur), Polur and Thiruvannamalai (Thiruvannamalai) and Melmalayanur, Gingee and Thirukovilur (Villupuram)

convergence with the other schemes was the main reason for the poor financial and physical progress of construction of KCS as discussed in subsequent paragraphs.

3.3.9.3 Release and utilisation of funds

The details of funds released during 2006-10 and utilised upto August 2012 are given in **Table 3.2.**

Table 3.2: Release and utilisation of funds

(₹ in crore)

Programme Year	Funds released to the districts			Amount utilised upto August 2012	Percentage of utilisation	Unspent balance
	GoI share	State Share	Total			
2006-07	2.74	-	2.74	2.39	87	0.35
2007-08	6.20	0.85 *	7.05	4.46	63	2.59
2008-09	22.82	--	22.82	8.61	38	14.21
2009-10	** 148.53	** 49.51	198.04	30.42	15	167.62
Total	**180.29**	**50.36**	**230.65**	**45.88**	**20**	**184.77**

* ₹ 0.85 crore were released by the State in 2007-08 for construction of 142 KCS out of its own funds.

** Though GoI released its share of ₹ 148.53 crore in March 2010 for the programme year 2009-10, GoTN released the amount along with its share of ₹ 49.51 crore in April 2010.

As of August 2012, the district collectors spent ₹ 45.88 crore (20 *per cent*) only out of the funds of ₹ 230.65 crore released to them leaving a huge balance of ₹ 184.77 crore (80 *per cent*) as unspent.

Audit scrutiny revealed that non-sanction of works due to insufficient unit cost (₹ 60,000) per KCS, delay in release of funds to districts in respect of 2007-08 programme and non-adherence to the scheme guidelines regarding construction of KCS in convergence with other development schemes were the reasons for poor utilisation of fund.

3.3.9.4 Poor physical progress

The State level details of number of KCS sanctioned during 2006-2010, constructed, works in progress and works not yet started as of August 2012 are given in **Table 3.3.**

Table 3.3 : Details of kitchen-*cum*-stores sanctioned and constructed

Year	Number of works sanctioned	Number of works for which AS was not given	Number of works for which AS was given	Number of works completed	Number of works in progress	Number of works not yet started
2006-07	457	0	457	398	36	23
2007-08	1,176 *	0	1,176	760	154	262
2008-09	3,804	465	3,339	1,388	578	1,373
2009-10	9,045	3,900	5,145	1,142	1,894	2,109
Total	**14,482**	**4,365**	**10,117**	**3,688**	**2,662**	**3,767**

* Includes 142 KCS sanctioned out of State funds. AS : Administrative sanction

Out of 14,482 KCS sanctioned during 2006-10, the State constructed only 3,688 KCS (25 *per cent*) as of August 2012. Even administrative sanction was not given by the district collectors for 4,365 works and 3,767 works out of the 10,117 works for which sanction was given were not started. As already mentioned, the poor progress in construction of KCS was mainly due to inadequate unit cost of ₹ 60,000 and failure to overcome that by implementation of the programme in convergence with the other development programmes.

Scrutiny of the records in the test checked districts disclosed the following:

(i) The details of financial and physical progress in respect of KCS sanctioned during 2006-10 in the test-checked districts as of March 2012 are given in **Table 3.4.**

Table 3.4 : Physical and financial achievement in the test-checked districts

District	Financial progress(₹ in crore)			Physical progress (in numbers)				
	Amount released to districts	Amount utilised	Unspent balance	Works sanctioned	Works for which Administrative sanction accorded	Works taken-up	Works completed	In progress
Salem	10.21	1.57	8.64	666	542	297	155	142
Thiruvallur	10.17	1.17	9.00	632	501	326	115	211
Thiruvannamalai	11.81	0.85	10.96	726	488	176	34	142
Villupuram	12.71	0.58	12.13	1,009	296	111	88	23
Total	**44.90**	**4.17**	**40.73**	**3,033**	**1,827**	**910**	**392**	**518**

Out of the 3,033 works sanctioned in the four districts during 2006-10, administrative sanctions were accorded by the district collectors for 1,827 works (60 *per cent*) and out of 1,827 KCS for which administrative sanctions were given, 910 works were commenced as of March 2012. An amount of ₹ 40.73 crore out of ₹ 44.90 crore released during 2006-11 to the four districts remained unspent with the district collectors as on 31 March 2012.

Audit noticed delays ranging from six months to more than two years in according administrative sanctions to 1,536 KCS in the test-checked districts. Even the progress made so far could be achieved in the districts only by dovetailing funds from the general fund of the blocks for which approval of block panchayat councils were obtained.

(ii) In Villupuram District even the administrative sanction was not given (March 2012) by the District Collector for 713 out of 1,009 works sanctioned during 2006-10 and there was no financial progress during the years 2008-09 and 2009-10. The Personal Assistant (Noon Meal Programme) (PA (NMP)), Villupuram in his reply to an audit enquiry, stated (April 2012) that administrative sanctions were given for construction of KCS only in cases where the block panchayat councils approved dovetailing of their general fund to this programme and that DRDA, Villupuram was addressed (February 2011) for providing additional funds of ₹ 2.35 crore for completing the pending KCS works sanctioned during the period 2006-09. He added that on receipt of additional funds, administrative sanctions would be given to all the pending works.

(iii) The Assistant Engineer, Panchayat Union, Omalur, while furnishing (March 2012) progress report to the District Collector, stated that the KCS in Peramachur Panchayat Union Middle School was in progress at the foundation

stage. But, during the joint inspection of the school by audit with the Union Engineer, it was noticed that the existing Noon Meal Centre (NMC) building was in a dilapidated condition in the school and cooking was done in open space as shown in the **Figures 3.2 and 3.3**, and no work was in progress as reported in the progress report. Even though a new KCS was sanctioned in 2007-08 and administrative sanction was accorded in December 2010 by the District Collector, Salem, the work was not yet taken-up (March 2012), however, the progress of work was misreported to higher authorities.



Figure 3.2 : NMC building in Peramachur Panchayat Union Middle School



Figure 3.3 : Cooking was done in open space in Peramachur Panchavat Union Middle School

3.3.9.5 Utilisation of the kitchen-cum-stores

Test check of records in the nine selected blocks and joint site inspection (March 2012) of 76 out of 3,033 noon meal centres by Audit along with the Union Engineers revealed the following:-

(i) In 21 NMCs, cooking was done in open, in the existing unhygienic old buildings and in the open space very near to school toilets due to non-construction of KCS, despite provision of funds under the scheme **(Figure 3.4)**.

In these cases, administrative sanctions were not accorded by the district collectors or works were not commenced by the BDOs due to insufficient funds made available per KCS (₹ 60,000).

(ii) Even after construction of KCS, in seven NMCs, they were utilised as office room of noon meal organiser /store room and cooking was continued to be done in the open space **(Figure 3.5)**.



Figure 3.4 : NMC at Panchayat Union Elementray School Kanaganandal, Tirukovilur Block, Villupuram district. Cooking done in open space



Figure 3.5 : Kitchen-cum-Stores used as office room / store room in NMC at Panchayat Union Middle School, Karuppur, Salem District

3.3.9.6 Non-furnishing of Utilisation Certificates

Form 19A of General Financial Rules prescribed the format of Utilisation Certificates (UCs) to be furnished by grantee institutions. The format provides either for the surrender or carry over of the unspent balances of earlier years. Accordingly, the district collectors were to furnish UCs for the grants utilised to CSW by consolidating the UCs obtained from the BDOs. The CSW was to furnish UCs to GoI. Financial assistance of ₹ 180.29 crore was received from GoI during 2006-10 for construction of KCS and an expenditure of ₹ 45.88 crore, as stated in **Table 3.2**, was incurred by the district collectors upto August 2012. It was noticed that no UC was furnished by the district collectors of the test-checked districts to CSW for sending it to GoI. To a specific audit enquiry, the PAs to Collectors of Villupuram and Salem districts stated that UCs were not furnished by the BDOs for the reason that the funds were not fully utilised. The reply is not acceptable since as per the format prescribed, UC is to be furnished even when there is an unspent balance out of the funds received. Thus, the district collectors and the Commissioner of Social Welfare, who released the funds to the blocks failed to monitor the utilisation of grants and furnishing of UCs.

3.3.9.7 Misreporting of physical progress to Government

The District Collector being the implementing authority is responsible for monitoring the progress at district level. The details of physical progress of construction of KCS as on 31 March 2012 reported to GoI by the Department and the status of physical progress upto August 2012 furnished to Audit by the Department largely varied in respect of number of KCS completed and in progress as given in **Table 3.5.**

Table 3.5 : Progress and completion of construction of Kitchen-*cum*-Stores

Status of construction	Reported to GoI (as of March 2012)	Furnished to Audit (as of August 2012)
Number of KCS completed	4,275 (30)	3,688 (19)
Number of KCS in progress	6,941 (48)	2,662 (17)
Number of KCS not taken up	3,124 (22)	8,132 (64)
Total	**14,340**	**14,482** [@]

(Figures in brackets represent percentage)

@ Including 142 KCS sanctioned out of State funds

As of August 2012, only 3,688 and 2,662 out of 14,482 works were completed and in progress respectively. Whereas it was reported by the Department to GoI that 4,275 works were completed and 6,941 works were in progress as of March 2012.

Test check of records and site inspections conducted (March 2012) by audit team along with the Union Engineers in 76 NMCs revealed that in respect of 30 NMCs in Salem and Thiruvallur districts, the physical progress in

construction of KCS based on BDOs reports as reported by the district collectors to the Commissioner of Social Welfare was incorrect as illustrated in **Table 3.6**.

Table 3.6 : Incorrect report on the construction of Noon meal centres

District	Number of NMCs	Progress	
		Reported position	Actual position
Salem	3	Basement level	Works not started
	22	Foundation level	Works not started
Tiruvallur	4	Foundation level	Works not started
	1	Lintel level	Basement level
Total	**30**		

Thus, there was large-scale misreporting of status of the works which proved that the monitoring of progress of works and physical inspection of works by the district level officers were not effective. The PA (NMP) Salem, admitted (March 2012) the misreporting.

3.3.9.8 Lack of co-ordination and monitoring

It was noticed in audit that Commissioner of Social Welfare requested (November 2010) DRD to instruct the District Collectors to speed-up construction works dovetailing funds from the centrally sponsored schemes or from the General Fund of blocks and to review the progress at the monthly review meetings. In reply, DRD stated that in most of the districts, the Project Directors of DRDAs were not aware of the scheme and the stage of works as the works were being directly dealt by the PA (NMP). DRD further stated that the subject was not brought to his notice earlier and that when such a massive scheme was under implementation in the blocks, the Directorate of Rural Development should have been involved from the initial stage itself for proper monitoring. It was evident from the above that there was no co-ordination between the Social Welfare & Nutritious Meal Programme and Rural Development departments, which hampered the progress of construction of KCS.

The State level Steering-*cum*-Monitoring Committee met only twice (October 2009 and July 2010) during 2006-12 and in the meetings, it generally instructed the agencies concerned to expedite completion of construction of the kitchen-*cum*-stores, without analyzing the reasons for poor progress at block/district levels and finding out ways to solve the problems in construction of KCS.

3.3.9.9 Conclusion

The scheme guidelines regarding construction of the Kitchen-*cum*-stores in convergence with the other development programmes were not followed, which resulted in poor utilisation of funds and poor progress of works. Only 3,688 out of the targeted 14,482 kitchen-*cum*-stores were constructed in the State and ₹ 184.77 crore out of ₹ 230.65 crore released during 2006-10 remained unutilised. There were misreporting of progress of the scheme and utilisation of the kitchen-*cum*-stores for purposes other than the intended one. There was lack of coordination between the departments of Social Welfare and Nutritious Meal Programme and Rural Development and Panchayat Raj.

The above points were referred to Government in September 2012; reply has not been received (December 2012).

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

3.3.10 Implementation of the Total Sanitation Campaign in Tiruvallur District

3.3.10.1 Introduction

The Total Sanitation Campaign (TSC) was launched by Government of India (GoI) in 1999 and it was aimed at providing sanitation to all rural communities by 2012 (extended to 2017 in July 2011). The main objectives of TSC are to accelerate sanitation coverage in rural areas, generate demand for sanitation facilities through intensive awareness and health education, promotion of sanitation in schools and anganwadis and to reduce/eliminate water borne diseases that spread through sewage contamination.

The strategy was to make the programme "Community led" and "People centred". A demand driven approach was to be adopted with emphasis on awareness creation and demand generation for sanitary facilities in houses and schools for achieving cleaner environment. GoI contributed 60 to 80 *per cent* of the fund requirement and the rest was to be met by the State Government and the beneficiaries.

Audit of implementation of TSC as a theme was conducted in Tiruvallur District between January and March 2012 by test checking of records relating to the period from 2007-08 to 2011-12 in all the 14 blocks and 57 randomly selected village panchayats out of the 539 village panchayats in the district, besides the office of District Rural Development Agency, Tiruvallur (DRDA). Field visits were made to selected individual households, schools, community sanitary complexes and rural sanitary marts in the 57 village panchayats by the Audit team along with the District Coordinators and Block Coordinators of TSC. The Audit findings are given below:

3.3.10.2 Utilisation of fund

Provision of funds to TSC by GoI and the State Government were on sharing basis. GoI released funds directly to the Project Directors, DRDAs upto 2009-10 and through the State Water and Sanitation Mission from 2010-11 onwards. The funds received by DRDAs were kept in savings bank account in nationalised banks.

During the period 2003-12, DRDA, Tiruvallur received ₹ 36.32 crore (GoI share : ₹ 23.72 crore, State share : ₹ 11.27 crore and beneficiary contribution of ₹ 1.33 crore) for the project. The DRDA spent only ₹ 15.05 crore (41 *per cent*) during the period and kept the unspent balance of ₹ 21.27 crore (₹ 15.98 crore with DRDA and ₹ 5.29 crore with the blocks) including interest earned in the bank account. The poor financial progress was mainly due to shortfall in construction of individual household latrines and community sanitary complexes.

3.3.10.3 Target and achievement

Component-wise target for the project period and achievement in Tiruvallur District from 2004 to the end of March 2012 are given in **Table 3.7.**

Table 3.7 : Component-wise target and achievement as of March 2012

Component	Target	Achievement	Percentage of shortfall
	(in numbers)		
Individual household latrines	1,94,625	57,251	71
School toilets	1,418	1,418	0
Anganwadi toilets	1,312	1,183	10
Community sanitary complexes	35	5	86
Rural sanitary marts	10	8	20

The shortfall and other deficiencies noticed during audit in each of the components of TSC are discussed in the succeeding paragraphs.

3.3.10.4 Construction of Individual Household Latrines

A duly completed Individual Household Latrine (IHL) comprises a basic low cost toilet unit with a superstructure. The programme aimed at covering all rural families.

The unit cost[21] of construction of IHL under TSC was ₹ 1,500 from 1 April 2006, ₹ 2,500 from 1 April 2008 and ₹ 3,500 from 1 June 2011. The amount was released to the Below Poverty Line (BPL) household beneficiaries as cash incentive. The construction of toilets was to be undertaken by the BPL household and on completion and use of the toilet by the BPL household, cash incentive was given to the beneficiaries.

[21] Including beneficiary contribution of ₹ 300 per unit

(a) Audit scrutiny of records of the blocks disclosed that the actual achievement in construction of IHL for the families living below the poverty line was 57,251 units (29 *per cent*) during the period 2004-05 to 2011-12, as against the project target of 1,94,625 units. But, the achievement had been shown as 1,30,787 units in the on-line progress report of DRDA submitted to GoI. Thus, the progress report of DRDA was misleading.

The Commissioner of Rural Development and Panchayat Raj (CRD) stated (November 2012) that the progress of 1,30,787 units under IHL for BPL households, reported in online Integrated Management Information System (IMIS), was a cumulative progress reported periodically by the DRDA, based on the physical completion reports received from the blocks from 2004 onwards, for which subsidies were claimed and that the records including those available in the village panchayats would be verified and the correct details made available to Audit.

(b) The IHLs constructed prior to 2006-07 were without the super structure. Audit noticed that in five[22] out of the 57 test-checked village panchayats, IHLs were not in use due to absence of the super structure and subsequent damage **(Figures 3.6 and 3.7)** as the beneficiaries were not motivated to provide their contribution (12 *per cent* of the cost) for raising the super structure.



Figure 3.6 : Kuppamkandigai in Thiruvalangadu Block



Figure 3.7 : Sirugumi in Thiruthani Block

The CRD stated (2 November 2012) that in the five test-checked village panchayats the beneficiaries had since constructed the super structure by using hollow blocks with their own funds and had started reusing the toilets. During the field visit conducted by audit on 21 and 22 November 2012, it was noticed that the condition of the toilets remained the same. Hence, the reply is not acceptable.

(c) Similarly, in three IHLs of Beerakuppam in Tiruthani block and five IHLs of Jagirmangalam in Tiruvalangadu block, it was observed during physical verification by the Audit team that the household latrines constructed were used as dump yards for wastes and as cattle sheds as shown in **Figures 3.8** and **3.9** indicating lack of awareness among the beneficiaries.

[22] Dharanivarahapuram and Sirugumi in Tiruthani Block; Melanur and Vishnuvakkam in Tiruvallur Block; and Kuppamkandigai in Thiruvalangadu Block



Figure 3.8 : IHL, Beerakuppam



Figure 3.9 : IHL,Beerakuppam, Tiruthani

The CRD stated (2 November 2012) that in respect of eight IHLs, there was temporary disuse and that they had since been used by the beneficiaries. During the field visit conducted by audit on 21 and 22 November 2012, it was noticed that the condition of the toilets remained the same. Hence, the reply is not acceptable.

3.3.10.5 Functioning of institutional toilets and rural sanitary marts

(a) School toilets

Audit noticed that in 16 out of 56 test-checked schools, toilets and urinals set-up at a total cost of ₹ 3.20 lakh were not used during January 2011 to March 2012 due to lack of water facility, location of the toilets outside the schools, non-maintenance and damaged condition depriving the students of the basic amenities and safe healthy learning environment.

The CRD producing photographic evidence, stated (2 November 2012) that the 16 toilets which were unused were set right immediately by the district administration by using Panchayat funds and were made functional and that there was only one toilet located outside the school compound as no sufficient space was available within the school premises. During the field visit conducted by audit on 21 and 22 November 2012, it was found that the toilets were put into use.

(b) Anganwadi toilets

Audit noticed that in 20 out of 57 test-checked Anganwadis, 21 toilets set-up at a total cost of ₹ 1.05 lakh, were not in use from January 2011 to March 2012 due to their damaged condition and lack of water facility.

The CRD producing photographic evidence, stated (2 November 2012) that the defects pointed out in audit *viz.,* lack of water facility, damaged conditions, etc., in 20 Anganwadi toilets were rectified by using Panchayat funds and that the toilets were made functional. During the field visit conducted by audit on 21 and 22 November 2012, it was found that the toilets were put into use.

Thus, the schools and anganwadis toilets were rectified after being pointed out in audit.

(c) Rural sanitary marts

Audit scrutiny of records of DRDA, revealed that out of eight NGOs to whom ₹ 2 lakh each were released during 2004 to 2011 as Revolving Fund for functioning as rural sanitary marts (RSMs), six[23] of them became defunct. Rupees 12 lakh provided to them as Revolving Fund, were not recovered by DRDA.

The CRD stated (November 2012) that as reported by the District Administration, these NGOs had revived their RSMs and all the six RSMs were functioning and that the NGOs were instructed to refund the Revolving fund in 10 monthly instalments.

3.3.10.6 Shortfall in construction of the community sanitary complexes

As against the approved cost of ₹ 71 lakh for construction of 35 Community Sanitary Complexes (CSCs) at the unit cost of ₹ 1.80[24] lakh in Tiruvallur District, as of January 2012, DRDA had constructed only five CSCs (cost : ₹ 9 lakh). In reply the CRD stated (November 2012) that only for five CSCs, where public were forthcoming in providing 10 *per cent* contribution, were constructed. Out of the pending works, Audit noticed that in respect of 26 CSCs, no public contribution (10 *per cent* of the cost) of ₹ 5.20 lakh had been collected (March 2012) indicating lack of community participation. Contrary to the above factual position, DRDA had wrongly reported to GoI the physical and financial achievement at the end of 2011-12 as 29 CSCs and ₹ 59 lakh respectively.

The CRD stated (November 2012) that the data entry was done in IMIS, a data entry software application used by Ministry of Drinking Water Supply and Sanitation, based on the physical progress reported by the blocks, where some of them had wrongly included the sanitary complexes completed and subsequently renovated under the State schemes and that this had been erroneously entered in IMIS.

3.3.10.7 Solid and liquid waste management

In order to bring about improvement in general quality of life in rural areas, proper maintenance of general cleanliness of the villages was emphasized. For this purpose 10 *per cent* of the TSC project outlay i.e. ₹ 6.50 crore was earmarked for the capital cost towards solid and liquid waste management in Tiruvallur District. Out of this, though there was approval for spending ₹ 2.58 crore, none of the blocks in the District had taken up this activity so far.

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[23] SCAN in Poondi, IWDI and SHARE in Gummidipoondi, IRCDS in Kadambathur, ANNAI INDIRA in Pallipat and MOTHER THERASA in R.K. Pet.

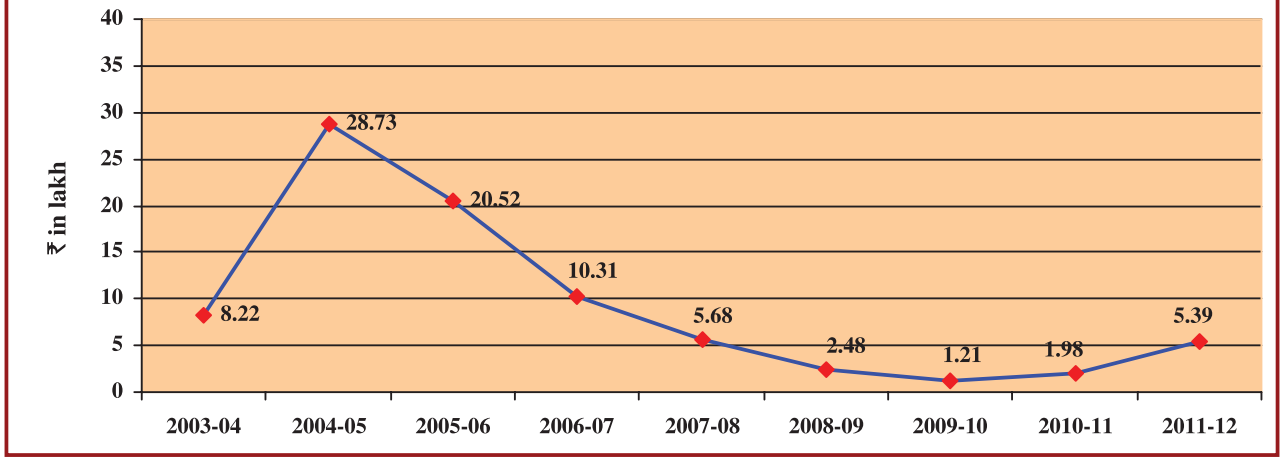
[24] Total unit cost : ₹ 2 lakh inclusive of beneficiary contribution of ₹ 0.20 lakh

In reply the CRD stated (November 2012) that the district administration had selected 34 village Panchayats in 14 blocks for implementation of solid and liquid waste management project during the year 2012-13 at an estimated cost of ₹ 6.06 crore.

3.3.10.8 Information, Education and Communication activities

Information, Education and Communication (IEC) activities intend not only to create demand for sanitary facilities, but also for use, maintenance and upgradation of the sanitary facilities. Though there was an allocation of ₹ 7.44 crore to Tiruvallur District for carrying out the IEC activities, only a meagre sum of ₹ 85 lakh (11 *per cent*) was spent on this component during the years 2003-04 to 2011-12 (**Chart 3.1**) leaving a huge unspent balance of ₹ 6.59 crore as of 31 March 2012, with the DRDA.

Chart 3.1 : Trend of expenditure on IEC activities



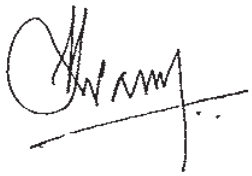
In spite of clear instructions that this component was not to be implemented as one-time activity, Audit noticed that only during the year 2004-05 *i.e.,* at the beginning stage of implementation of the scheme, ₹ 28.73 lakh were spent and the expenditure had come down to the level of below ₹ 2 lakh during the years 2009-10 and 2010-11. Under-utilisation of the IEC funds had resulted in lack of creation of awareness and inadequate community participation, eventually leading to poor achievement of the targets. In respect of Scheduled Castes and Scheduled Tribes, the achievement in construction of IHL at the end of July 2012 was only 40.86 *per cent* of the total achievement for the families living below the poverty line.

In reply the CRD stated (November 2012) that IEC activities were being carried out in Thiruvallur District and that the District Communication Action Plan was also being prepared based on the National Communication Strategy released by the Ministry of Drinking Water Supply and Sanitation.

3.3.10.9 Conclusion

Due to poor monitoring and lack of community participation, the targets set for some of the components of Total Sanitation Campaign in the District were not achieved, resulting in huge unspent amount. Information, Education and Communication activities were not carried out on regular basis to create awareness among the individuals and community for their participation. Thus, there is long way to go for achieving the primary objective of sanitation for all in the District.

The above points were referred to Government in August 2012. Government endorsed the reply of CRD (December 2012).



(K. SRINIVASAN)
Principal Accountant General
(General and Social Sector Audit),
Tamil Nadu and Puducherry

Chennai
The 08 March 2013

Countersigned



(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The 11 March 2013

APPENDICES

Appendix 2.1

(Reference : Paragraph 2.1.8.1 (ii); Page 26)

Delay in disbursement of scholarship in sample districts

Year	Date of credit of amount in Personal Deposit account	Amount credited	Amount test-checked for which records were produced to Audit	Amount disbursed by DADTWO through cheque / demand draft to educational institutions				
				Upto November	December	January	February	March
		₹ in lakh						
Chennai								
2009-10	24.09.09	1611.63	1533.50	760.89	391.92	11.27	250.38	119.04
2010-11	16.08.10	1502.20	1516.29	441.71	670.84	179.76	159.19	64.79
2011-12	17.10.11	1613.97	1558.50	401.59	766.48	286.23	104.20	--
Dindigul								
2009-10	09.10.09	553.02	371.92	0.00	39.17	91.13	52.34	189.28
2010-11	06.08.10	529.52	422.48	5.64	96.83	61.97	133.19	124.85
2011-12	23.09.11	526.52	504.64	193.94	147.32	119.19	44.19	0
Ramanathapuram								
2009-10	07.09.09	187.62	181.42	139.84	20.79	20.79	-	-
2010-11	10.08.10	225.12	26.12	9.40				16.72
2011-12	07.10.11	306.12	Details not available					
Tiruvarur								
2009-10	17.9.09	246.22	240.91	107.44	37.58	88.23	--	7.66
2010-11	02.08.10	345.57	338.36	163.82	97.65	14.40	16.89	45.60
2011-12	7.10.11	364.57	364.56	202.91	116.37	19.49	9.57	16.22
Vellore								
2009-10	06.10.09	721.85	669.26	380.54	176.47	85.37	1.10	25.78
2010-11	27.08.10	920.07	822.51	425.32	372.72	24.02	0.45	0
2011-12	21.10.11	1257.69	841.88	190.63	480.94	170.31	--	--
Villupuram								
2009-10	13.10.09	495.77	360.25	300.95	19.00	30.93	--	9.37
2010-11	19.08.10	675.27	277.24	145.58	121.91	--	9.75	--
2011-12	24.11.11	708.79	358.92	--	188.33	--	170.59	--
Tirunelveli								
2009-10	Not available	735.42	516.87	479.50	33.10	4.27	--	--
2010-11	16.08.10	602.53	574.02	296.97	237.48	39.57	--	--
2011-12	23.09.11	794.25	Details not available					
Total		**14,923.72**	**11,479.65**	**4,646.67**	**4,014.90**	**1,246.93**	**951.84**	**619.31**
Percentage to total disbursement test checked				40.48	34.98	10.86	8.29	5.39

Appendix 2.2

(Reference : Paragraph 2.1.8.1 (iv) (a); Page 29)

Inadequate facilities in hostels

Name of hostel / Location	Admitted / Sanctioned strength	Number of bath rooms/ water closets available	Audit observations
Tiruvarur District			
Government College (B), Tiruvarur	150 / 155	8 / 8	The hostel was found (April 2008) to be in dilapidated condition. In response to a proposal for construction of hostel for 158 inmates, Government sanctioned (June 2009) a building for 50 inmates. The site was handed over to the contractor in February 2011. But even after completion of the building, about 100 students continued to stay either in the existing building in dilapidated condition or in a new building.
Dindigul District			
ADW (G), Palani	115 / 117	4 / 4	The Warden reported (July 2010) unsafe condition and insufficient bath and toilet arrangement to DADTWO. Though the building was declared (April 2012) by PWD as unfit for occupation, no action was taken to accommodate the inmates in a safe building.
ADW (B),Keeranur,	20 / 55	2 / 2	The hostel was run in a very small rented building (plinth area 51.92 sq.m.), which could hardly accommodate 20 students at the rate of 2.94 Sq.m/hosteler. The construction of own building sanctioned in October 2010 is yet to start (June 2012).
Tirunelveli District			
ADW (G), Senthamaram	42 / 55	1 / 1	Hostel was started in a rented building in January 2006. Kitchen was functioning in thatched shed. Site for own building was identified and enter upon permission awaited from District Collector (June 2012).
ADW (B), Senthamaram	55 / 55	1 / 1	Hostel was opened in a rented building in January 2006. The building was asbestos roofed and without piped water supply to the toilet available in the premises. A site for construction of own building is yet to be identified.
Ramanathapuram District			
ADW (B), Paramakudi	290/ 325	6 / 6	For sanctioned strength of 325 inmates of the hostel, there were only 6 bathrooms. The living space of the building was disproportionate to the admitted strength.
ADW(B), Neeravy.	58 / 55	Not available	As per the inspection report of DADTWO, the space of the building was not adequate to accommodate 58 inmates. There was no toilet.
Chennai District			
ADW College (B), Nandanam	319/ 340	16 / 18	Considering the norms of one bath room and one toilet per eight hostelers prescribed by the National Building Code, existing toilet facilities were grossly inadequate.
ADW (B) Hostel, Perambur (and Annexe) at Villivakkam	308 / 380	8 / 18	
ITI (B), Vepery at Villivakkam	308 / 280	8 / 12	
MC Raja College (B), Saidapet	594 / 640	22 / 30	

B – Boys **G –** Girls **ADW –** Adi Dravidar Welfare **ITI –** Industrial Training Institute

Appendix 2.3

(Reference : Paragraph 2.1.8.1 (viii); Page 34)

Dates of supply of uniforms to the schools/hostels of the Department of AD&TW

District	2008-09	2009-10	2010-11	2011-12
Chennai	04.07.2008 to 30.08.2008	16.10.2009 to 24.12.2009	13.09.2010 to 16.11.2010	09.03.2012 to 27.04.2012
Ramanathapuram	Details not available			07.12.2011 to 12.03.2012
Tirunelveli	10.11.2008 to 02.12.2008	26.09.2009 to 09.11.2009	20.12.2010 to 09.01.2011	From 28.06.2012
Tiruvarur	Details not available	31.10.2009 to 25.11.2009	18.06.2010 to 20.10.2010	21.03.2012 to 09.04.2012
Vellore	Details not available	20.10.2009 to 08.02.2010	19.07.2010 to 12.11.2010	11.01.2012 to 16.04.2012

Appendix 2.4

(Reference : Paragraph 2.1.8.5 (ii); Page 41)

Details of housing units sanctioned and completed under IHSDP

Municipality / Corporation	Year of sanction	Number of units sanctioned	Number of units completed as of June 2012	Balance to be completed
Dindigul	2008-09	590	506	84
Ramanathapuram	2008-09	277	244	33
Ranipet	2008-09	121	111	10
Tiruvarur	2006-07	1,226	184	1,042
Tirunelveli	2008-09	750	707	43
Villupuram	2008-09	502	423	79
Total		**3,466**	**2,175**	**1,291**

Appendix 2.5

(Reference : Paragraph 2.2.5; Page 52)

List of test-checked Units

District	Block	Name of Gram Panchayat
Coimbatore	Pollachi South	Veeralpatti
		Naickenpalayam
		Gomangalam
		Ambarampalayam
		Gomangalampudur
		Thenkumarapalayam
		Nallur (S)
		Vakkampalayam
		Zaminkottampatti
		Thondamuthur
	Kinathukadavu	Panapatti
		Kovilpalayam
		Arasapalayam
		Kakkadavu
		Mettupalayam
		Sirukalandai
		Solavampalayam
		Devarayapuram
		Andipalayam
		Sokkanur
	Sultanpet	Kumarapalayam
		Varapatti
		Sellackarichal
		Vadavedampatti
		Bogampatti
		Sencheripudur
		S.Ayyampalayam
		Kamalapatti
		Kallapalayam
		Pachapalayam
Vellore	Alangayam	Beemalulam
		Pungampattunadu
		Govindapuram
		Girisamudiram
		Neckanamalai
		Elayanagaram
		Madanancheri
		Pudumadu
		Pethaveppampattu
		Vijilapuram
	Thimiri	Pali
		Pariyamangalam
		Melnayakanpalayam

District	Block	Name of Gram Panchayat
		Senganavaram
		Mambakkam
		Soraiyur
		Sennasamudram
		Durgam
		Mazhaiyur
		Vembi
	Thirupathur	Aneri
		Pudukottai
		Kakamanpalayam
		Annandapatti
		Kurumbakeri
		Mittur
		AK Mottur
		Thathanavalasai
		Kadhirampatti
		Madapalli
Thiruvallur	Kadambathur	Kondancheri
		Polivakkam
		Ramankoil
		Kopur
		Kadambathur
		Vellerithangal
		Pudumavilangai
		Citrambakkam
		Killacheri
		Mappedu
	Vilivakkam	Palavedu
		Ayyapakkam
		Pammadhukulam
		Adayalampattu
		Vellachery
		Pondeshwaram
		Arakkambakkam
		Vanagaram
		Karalapakkam
		Alathur
	Poondi	Kalavai
		Eraiyur
		TB Puram
		Perunjeri
		Meyyur
		Ramalingapuram
		Ellapanaidupetttai
		Thiruper
		Goonipalayam
		Nampakkam
Erode	Bhavanisagar	Desipalayam
		Karapadi
		Kavilipalayam
		Mathampalayam

District	Block	Name of Gram Panchayat
		Nallur
		Nochikkuttai
		Periyakallippatti
		Pungar
		Kothamangalam
		Panayampalli
	TN Palayam	Akkaraikodivery
		Arakkankottai
		Kanakkampalayam
		Nanjaipulliampatti
		Odayagoundenpalayam
		Perumugai
		Pullappanaickenpalayam
		Punjaithurayam palayam
		Kondayampalayam
		Kongarapalayam
	Kodumudi	Anjur
		Ayyampalayam
		Avudaiyarparai
		Elunuthimangalam
		Ichipalayam
		Kollathupalayam
		Kondalam
		Kongudaiyampalayam
		Nanjaikollanalli
		Vallipuram
Perambalur	Alathur	Elandapatti
		Adhanur
		Ayinapuram
		Naranamangalam
		Elandankuzhi
		Mavilangai
		Kolathur
		Padaloor
		Irur
		Kizhamathur
	Veppur	Perali
		Aduthurai
		Andhoor
		Vadakkalur
		Periammapalayam
		Kizhumathoor
		Varagoor
		Kunnam
		Asoor
		Sirumathur
Sivaganga	Manamadurai	Keelappasalai
		Kattikulam
		Thanjakoor
		Sannathipudhukulam

District	Block	Name of Gram Panchayat
		Perumpatcheri
		M.Karisalkulam
		Vagudi
		Kalkurichi
		Therukku chanthanoor
		Seikalathur
	S.Pudur	Kuluthupatti
		Manaloor
		Piranapatti
		Puluthipatti
		Kunnathur
		K Pudupatti
		Melavannariruppu
		Urathupatti
		Ulagampatti
		Musundapatti
	Kannangudi	Hanumanthagudi
		Koduvour
		Thiruppakkottai
		Puthurani
		Kangani
		Thathani
		Vengalore
		Kandiyur
		Kannangudi
		Siruvatchi
Virudhunagar	Vembakottai	A.Lakshmiapuram
		Alangulam
		Guganparai
		Jegaveeranpatti
		Kundairrpu
		Sevalpatti
		Thulukankurichi
		Vettrilaiyoorani
		Subramaniapuram
		Elayirampannai
	Kariapatti	Varalotti
		Mustakuruchi
		Pampatty
		Kambikudi
		Vakkanankundu
		Melakallankulam
		Alagianallur
		V.Nangoor
		Manthope
		Chettikulam
	Rajapalayam	Zamin Nallamangalam
		Ayankollankondan
		Sundaranatchiyapuram
		Venganallur (S)

District	Block	Name of Gram Panchayat
		Muhavoor
		Meenachipuram
		Ganapathy sundaranatchiyapuram
		Chatrapati
		Cholapuram
		Sundarajapuram
Pudukottai	Thirumayam	Kannanoor
		Pulivalam
		Arasampatti
		Kuzhipirai
		Melur
		Nachandupatti
		Kuruvikondampatti
		Rarapuram
		Kottur
		Thulaiyanoor
	Ponnamaravathi	Maravamadurai
		Olimangalam
		Kopnapatti
		Konnaipatti
		Konnayampatti
		Melamelnilai
		Nagarapatti
		Nallore
		Vedampatti
		Chirukalamboor
	Viralimalai	Letchumanampatti
		Perambalur
		Boodhakudi
		Viralimalai
		Meenaveli
		Kesavanoor
		Kumaramangalam
		Vadudapatti
		Theravoor
		Pakudi

Appendix 2.6

(Reference : Paragraph 2.2.13.2; Page 71)

Discrepancies in data

2009-10

District	Cumulative number of HH registered		Cumulative number of HH issued job cards		Cumulative number of HH demanded employment		Cumulative number of HH provided employment		Cumulative persondays generated (in lakh)		Cumulative number of HH completed 100 days of employment		Social Audit conducted	
	MPR	MIS	MPR	MIS	MPR	MIS	MPR	MIS	MPR	MIS	MPR	MIS	MPR	MIS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Coimbatore	30,035	1,27,024	30,035	1,58,762	93,233	71,002	93,233	70,902	69.35	34.26	29,261	16,241	1,167	NA
Erode	2,12,847	1,47,268	2,12,847	1,65,200	1,23,132	78,477	1,23,132	78,428	47.82	37.18	22,955	10,059	1,372	NA
Perambalur	89,136	89,046	89,136	1,03,598	70,589	72,735	70,589	72,544	22.78	21.33	6,349	1,206	363	NA
Pudukottai	2,38,050	2,37,869	2,38,050	2,59,761	2,10,128	2,01,020	2,10,128	2,00,968	78.87	85.22	33,472	15,570	996	NA
Sivaganga	2,06,846	2,09,818	2,06,846	2,25,372	1,67,198	1,54,860	1,67,198	1,54,801	90.43	86.89	36,749	22,858	890	NA
Tiruvallur	1,70,955	2,61,056	1,70,955	3,26,592	1,64,972	27,547	1,64,972	2,27,190	100.82	94.22	18,115	13,015	1,612	NA
Vellore	3,30,968	3,30,968	3,30,968	4,16,309	2,04,527	2,38,914	2,04,527	2,38,616	120.02	113.84	36,284	24,706	3,012	NA
Virudhunagar	2,30,212	2,08,725	2,30,212	2,46,978	1,62,995	1,60,276	1,62,995	1,60,222	67.50	62.58	25,802	8,669	1,800	NA

MPR : Monthly Progress Report
MIS : Management Information System
HH : Households
NA : Not Available

2010-11

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Coimbatore	2,21,842	1,64,188	2,21,842	1,60,766	53,216	91,328	53,216	90,234	44.66	39.92	22,182	10,512	916	NA
Erode	2,18,854	1,95,529	2,18,854	1,66,372	1,43,050	88,949	1,43,050	88,632	47.04	46.98	22,804	10,076	920	NA
Perambalur	1,03,599	1,04,068	1,03,599	1,04,877	92,724	94,339	92,724	94,201	36.14	35.08	13,039	3,201	484	NA
Pudukottai	2,38,050	2,62,226	2,38,050	2,62,816	2,25,627	2,26,309	2,25,627	2,25,929	113.50	106.33	47,027	17,720	996	NA
Sivaganga	2,06,846	2,26,171	2,06,846	2,28,287	1,82,026	1,62,264	1,82,026	1,62,235	97.87	93.37	48,054	19,044	1,744	NA
Tiruvallur	2,63,372	3,30,824	2,63,372	3,30,738	2,43,304	2,46,680	2,43,304	2,44,995	112.05	108.10	44,805	21,295	1,068	NA
Vellore	4,16,980	4,18,212	4,16,980	4,22,071	3,16,849	3,22,148	3,16,849	3,21,164	176.68	170.91	63,676	39,147	3,012	NA
Virudhunagar	2,31,344	2,50,793	2,31,344	2,50,312	1,75,100	1,85,217	1,75,100	1,84,830	72.70	71.79	27,430	8,647	886	NA

2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Coimbatore	1,59,199	1,72,508	1,59,199	1,73,395	1,16,219	97,935	1,16,219	97,043	41.10	39.82	22,849	8,777	456	1
Erode	1,66,088	2,05,240	1,66,088	1,76,456	1,57,441	1,01,775	1,57,441	1,00,753	51.01	50.56	26,244	12,992	910	0
Perambalur	1,09,059	1,09,543	1,09,059	1,10,342	1,01,076	1,01,726	1,01,076	1,01,125	43.82	42.17	17,873	5,356	242	92
Pudukottai	2,38,050	2,66,453	2,38,050	2,68,704	2,23,349	2,25,216	2,23,349	2,24,137	128.46	97.57	25,322	10,674	994	0
Sivaganga	2,06,846	2,35,111	2,06,846	1,77,992	1,96,123	1,77,992	1,96,123	1,77,533	107.17	107.24	58,252	19,842	890	311
Tiruvallur	2,26,653	3,38,348	2,26,653	3,36,903	2,44,922	2,50,787	2,44,922	2,48,964	120.69	115.54	47,661	27,978	1,578	0
Vellore	4,40,114	4,41,276	4,40,114	4,48,637	2,17,043	3,33,273	2,17,043	3,31,742	191.00	185.32	74,630	51,858	2,972	NA
Virudhunagar	2,58,796	2,63,093	2,58,796	2,63,157	1,77,056	1,87,392	1,77,056	1,86,706	78.50	76.84	5,942	8,747	900	0

Appendix 2.7

(Reference : Paragraph 2.3.5; Page 80)

List of test-checked hospitals

Stage	District	Sl.No.	Name of the hospital	Category of the hospital
Pilot	Kancheepuram	1.	Tambaram	Taluk hospital
Phase-I	Pudukottai	2.	Pudukottai	Headquarters hospital
		3.	Avudayarkoil	Taluk hospital
		4.	Thirumayam;	Taluk hospital
Phase-II	Kancheepuram	5.	Kancheepuram	Headquarters hospital
		6.	Uthiramerur	Taluk hospital
	Karur	7.	Karur	Headquarters hospital
		8.	Krishnarayapuram	Taluk hospital
		9.	Pallapatti	Non-Taluk hospital
	Madurai	10.	Thirumangalam	Taluk hospital
		11.	Melur	Taluk hospital
		12.	Sholavandhan	Non-Taluk hospital
	Salem	13.	Mettur Dam	Headquarters hospital
		14.	Omalur	Taluk hospital
		15.	Gangavalli	Taluk hospital
	Thanjavur	16.	Kumbakonam	Headquarters hospital
		17.	Papanasam	Taluk hospital
		18.	Thirukkattupalli	Non-Taluk hospital
	Thiruvallur	19.	Thiruvallur	Headquarters hospital
		20.	Gummidipoondi	Taluk hospital
		21.	Madhavaram	Non-Taluk hospital
	Thoothukudi	22.	Kovilpatti	Headquarters hospital
		23.	Srivaikundam	Taluk hospital
		24.	Ottapidaram	Taluk hospital

Appendix 2.8

(Reference : Para 2.3.7.8; Page 89)

Incomplete flow of data under HMIS

Name	Type	HMIS start date	HMIS upto date	Total Regist-ration	OP as per HMIS	No. of Consul-tation by Medical Officers through HMIS	Usage of HMIS by Medical Officers (%)	No. of Issues in the OP Pharmacies through HMIS	Usage of HMIS by OP Phar-macists (%)	Total Injection reques-ted for patients by Doctors in HMIS	Total Injection Adminis-tered by Staff Nurse through HMIS	Usage of HMIS by Staff Nurses (%)	Total Lab Request for patients by Doctors through HMIS	Lab Results issued to patients through HMIS	Usage of HMIS by Lab Tech-nicians (%)
Gummidipoondi	Taluk	26-Aug-11	14-May-12	38,667	49,939	20,286	41	14,579	29	9,771	0	0	821	436	53
Madhavaram	Non-taluk	12-Aug-11	14-May-12	62,236	90,269	58,109	64	49,345	55	22,730	6142	27	7,676	5,920	77
Thiruvallur	HQ	25-Aug-11	14-May-12	1,43,552	1,71,057	84,089	49	53,403	31	36,560	304	1	17,200	7,704	45
Kancheepuram	HQ	24-Nov-11	14-May-12	1,43,636	2,72,307	2,00,475	74	1,76,787	65	8,868	0	0	20,604	14,942	73
Tambaram	Taluk	23-Jun-08	14-May-12	6,56,142	9,81,692	3,89,380	40	4,76,012	48	28,618	2137	7	1,03,636	1,01,800	98
Uthiramerur	Taluk	12-Aug-11	14-May-12	1,533	1,595	693	43	634	40	534	0	0	52	51	98
Krishnarayapuram	Taluk	4-Jan-12	14-May-12	13,692	21,426	18,527	86	15,344	72	13,166	0	0	2,244	1,471	66
Pallapatti	Non-taluk	30-Jan-12	14-May-12	15,493	32,627	28,965	89	22,282	68	27,347	0	0	8,295	7,282	88
Kumbakonam	HQ	26-Apr-12	14-May-12	12,569	14,388	7,973	55	6,343	44	3,789	0	0	1,312	1,213	92
Papanasam	Taluk	5-Jan-12	14-May-12	5,207	7,229	6,063	84	5,081	70	2,131	0	0	1,622	1,285	79
Thirukattupalli	Non-taluk	16-Nov-11	12-May-12	41,289	67,061	49,614	74	45,671	68	23,427	0	0	7,119	7,063	99
Avudiyarkoil	Taluk	13-Nov-09	14-May-12	96,354	1,52,565	84,753	56	94,372	62	1,247	0	0	17,526	15,830	90
Pudukkottai	HQ	9-Sep-09	2-Mar-12	4,24,079	6,98,348	99,074	14	83,423	12	0	0	0	9,285	8,845	95
Thirumayam	Taluk	17-Nov-09	26-Sep-10	39,506	75,255	44,306	59	41,982	56	0	0	0	21,601	4,941	23
Melur	Taluk	29-Sep-11	10-May-12	1,14,368	1,46,368	77,251	53	58,949	40	37,981	0	0	12,368	10,714	87
Sholavandan	Non-taluk	19-Sep-11	14-May-12	47,925	86,730	58,631	68	52,370	60	29,794	119	0	10,306	10,198	99
Tirumangalam	Taluk	23-Sep-11	14-May-12	85,177	1,12,426	66,067	59	53,233	47	59,544	0	0	23,799	23,332	98
Kovilpatti	HQ	23-Feb-12	14-May-12	41,278	62,226	43,057	69	32,507	52	24,190	0	0	7,547	5,580	74
Ottapidaram	Taluk	1-Feb-12	14-May-12	14,205	27,548	24,944	91	22,709	82	20,795	0	0	7,594	5,961	78
Srivaikundam	Taluk	8-Feb-12	14-May-12	24,427	49,270	41,814	85	34,344	70	33,981	0	0	10,087	6,573	65
			Total	**20,21,335**	**31,20,326**	**14,04,071**	**45**	**13,39,370**	**43**	**3,84,473**	**8,702**	**2**	**2,90,694**	**2,41,141**	**83**

Appendix 2.9

(Reference : Paragraph 2.4.1; Page 97)

Details of major disasters in the State during the last decade

Period	Nature of disaster	Impact
26 September 2001	Earthquake of magnitude 5.5 in the Richter scale off the coast of Puducherry	Three deaths and minor damage to property in Puducherry and coastal Tamil Nadu
26 December 2004	Sumatra-Andaman earthquake and Tsunami– a very great earthquake in the north Indian Ocean and the Bay of Bengal	7,996 human lives were lost, 1.5 lakh dwellings were damaged and 4.9 lakh people were evacuated
October - November 2005	Very active north east monsoon 2005 coupled with low pressure area and deep depression over Bay of Bengal. Intense torrential downpour of rain in many districts of Tamil Nadu.	497 persons died, 1,520 cattle lost their lives, 1,04,843 huts fully damaged and 2,06,340 huts partly damaged.
17 December 2007 - 21 December 2007	Heavy Rainfall during North east monsoon	71 human lives lost, 385 milch animals lost and 20,216 huts were damaged.
March 2008	Un-seasonal heavy rains	24 human lives lost, 804 animals lost and 5,782 huts were damaged.
07 June 2008	Earthquake of magnitude 3.8 in the Richter Scale in Pallar Valley region and was felt in many parts of Vellore	No casualty was noticed.
19 November- 28 November 2008	Nisha Cyclone	245 human lives lost, 6,601 milch animals were lost, 10.59 lakh huts were damaged, 5.85 lakh hectares of agricultural crop damaged and 543 public buildings were damaged.
7 November- 10 November 2009	Landslide in the Nilgiris District	44 persons lost their lives, 3,715 huts were damaged and 899 landslides occurred in the State Highways.
October – December 2010	Heavy north east monsoon rains	203 human lives lost, 6,256 cattles were lost, 13,975 huts were fully damaged and 52,812 huts were partially damaged.

Period	Nature of disaster	Impact
12 August 2011	Earthquake of magnitude 3.5 in Ariyalur area in Tamil Nadu	One death and minor damage in the districts of Cuddalore, Perambalur, Tiruchirappalli and Villupuram.
30 December 2011	Thane Cyclone – Cuddalore and Villupuram districts severely affected.	56 lives lost, 401 cattle died, 5,77,584 huts were damaged, 2.34 lakh hectares crops were damaged, 27 High Tension towers, 45,460 electric poles and 4,700 transformers were uprooted.

(Source: Website (asc.india.org) of Amateur Seismic Centres, Pune; Annual Reports on Natural Calamities for the years 2005-06, 2007-08, 2008-09 and 2010-11; information collected from records of CRA, DMMA and Policy note of the Revenue Department for the year 2012-13).

Appendix 3.1

(Reference : Paragraph 3.3.2; Page 117)

Phase-wise details of procurement and distribution of colour television sets

Year/Phase	Number of CTVs procured	Rate per CTV (in ₹)	Value (in ₹)	Number of CTVs distributed by Government
2006-07 / I	30,000	2,965	8,89,50,000	30,000
2007-08 / II	25,00,000	2,740	6,85,00,00,000	25,00,000
2008-09 / III	37,50,000	2,197	8,23,87,50,000	37,50,000
2009-10 / IV	41,62,500	2,321	9,66,11,62,500	50,00,000
	8,37,500	2,061	1,72,60,87,500	
2010-11 / V	50,00,000	2,321	11,60,50,00,000	50,00,000
2010-11 / VI	2,51,225	2,497	62,73,08,825	1,23,819*
Total	1,65,31,225		38,79,72,58,825	1,64,03,819
Service charges paid to ELCOT			27,65,49,642	
Grand Total			**39,07,38,08,467 (or) 3,907.38 crore**	

* Remaining 1,27,406 CTVs have been ordered to be distributed to schools, hospitals etc.

Appendix 3.2

(Reference : Paragraph 3.3.5; Page 122)

Interest accrued on the scheme funds utilised by the DRDAs for purposes other than the schemes

Name of the DRDA	Expenditure on vehicle, laptops etc., (in ₹)					
	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Tirunelveli	6,75,074	1,16,111	0	0	0	7,91,185
Virudhunagar	0	0	6,73,749	16,03,806	7,82,964	30,60,519
Coimbatore	15,820	14,897	0	64,715	0	95,432
Erode	1,63,813	11,34,823	1,79,725	2,84,480	0	17,62,841
Total	**8,54,707**	**12,65,831**	**8,53,474**	**19,53,001**	**7,82,964**	**57,09,977**
Name of the DRDA	**Expenditure on contingent and other expenditure (in ₹)**					
	2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**Total**
Tirunelveli	70,873	0	0	0	0	70,873
Virudhunagar	1,39,909	1,63,972	7,33,094	3,79,895	4,45,392	18,62,262
Coimbatore	4,39,648	2,09,082	2,04,671	4,06,065	2,39,134	14,98,600
Erode	5,31,801	7,83,769	5,36,325	9,03,768	0	27,55,663
Total	**11,82,231**	**11,56,823**	**14,74,090**	**16,89,728**	**6,84,526**	**61,87,398**
Name of the DRDA	**Total Expenditure (in ₹)**					
	2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**Total**
Tirunelveli	7,45,947	1,16,111	0	0	0	8,62,058
Virudhunagar	1,39,909	1,63,972	14,06,843	19,83,701	12,28,356	49,22,781
Coimbatore	4,55,468	2,23,979	2,04,671	4,70,780	2,39,134	15,94,032
Erode	6,95,614	19,18,592	7,16,050	11,88,248	0	45,18,504
Grand Total	**20,36,938**	**24,22,654**	**23,27,564**	**36,42,729**	**14,67,490**	**1,18,97,375 or ₹ 1.19 crore**

Appendix 3.3

(Reference : Paragraph 3.3.7; Page 125)

List of essential equipment to be procured

Sl.No.	Name of the equipment	Number of equipment required
1.	Boyle's apparatus	21
2.	Pulse oximeter	20
3.	Ophthalamoscope	52
4.	Defibrillator	30
5.	Ventilator (Mechanical)	16
6.	E.C.G. Machine	26
7.	Cardiac monitor (or) Multiparamonitor	26
8.	Suction apparatus (Electricals)	117
9.	Alpha bed	32
10.	Syringe pump	24
11.	Laryngoscope with four blades	58
12.	Anaesthesia ventilator	8
13.	Dental chair with accessories	1
14.	Bedside screen	123
15.	Digital Video Colposcope (Hot link International)	1
16.	Examination table (or) Couch	87
17.	B.P. apparatus (box type)	225
18.	Nebulizer	69
19.	Weighing machine	26
20.	Infusion pump	17
21.	O.T. table	20
22.	O.T. pendant	20
23.	Video Laryngoscope	2
24.	Airway scope	2
25.	E.T. CO_2 Monitor	8
26.	Folwer's Cot	50
27.	Fully automated ESR analayser	1

Sl.No.	Name of the equipment	Number of equipment required
28.	Semi auto analyser (ERBA Chemical 0.5 Plus)	2
29.	Stretcher trolley four wheels	25
30.	Operation ceiling lamp (Operation Theatre)	20
31.	32, Channel E.E.G with computer	1
32.	Video EEG (Polysomnograph for sleep study)	1
33.	Electro neuro myography (four channels)	1
34.	Transcranial doppler	1

Glossary of Abbreviations

Abbreviation	Full form
AD&TW	Adi Dravidar and Tribal Welfare
ADW	Adi Dravidar Welfare
AMC	Annual Maintenance Contract
APO	Annual Plan Outlay
BDO	Block Development Officer
BNRGSK	Bharat Nirman Rajiv Gandhi Sewa Kendra
BPL	Below Poverty Line
BPO	Block Programme Officers
BSNL	Bharath Sanchar Nigam Limited
BSUP	Basic Services to Urban Poor
CE	Chief Engineer
CLR	Commissioner of Land Reforms
CMA	Commissioner of Municipal Administration
CRA	Commissioner of Revenue Administration
CRD	Commissioner of Rural Development and Panchayat Raj
CRF	Calamity Relief Fund
CSS	Centrally Sponsored Scheme
CSW	Commissioner of Social Welfare
CTV	Colour Television set
DADTWO	District Adi Dravidar and Tribal Welfare Officer
DBDO	Deputy Block Development Officers
DDHS	Deputy Director of Health Services
DDMP	District Disaster Management Plan
DET	Director of Employment and Training
DHT	Director of Handlooms and Textiles
DMA	Disaster Management Act, 2005
DME	Director of Medical Education
DMMD	Disaster Management and Mitigation Department
DMRMBS	Dr. Muthulakshmi Reddy Maternity Benefit Scheme
DPC	District Programme Coordinators
DPH&PM	Director of Public Health and Preventive Medicine
DPMO	District Project Monitoring Officer

Abbreviation	Full form
DPP	District Perspective Plan
DPR	Detailed Project Report
DQM	District Quality Monitors
DRD	Director of Rural Development
DRDA	District Rural Development Agency
DSW	Director of Social Welfare
DVA	Detailed Vulnerability Assessment
ELCOT	Electronics Corporation of Tamil Nadu
EOC	Emergency Operation Centre
FDS	Free Distribution Scheme
FRSD	Fire and Rescue Services Department
GH	Government Hospital
GIS	Geographical Information System
GoI	Government of India
GoTN	Government of Tamil Nadu
GP	Gram Panchayat
GRS	Gram Rozgar Sevak
HMIS	Health Management Information System
HMS	Hospital Management System
IAY	Indra Awaz Yojana
IEC	Information Education and Communication
IHSDP	Integrated Housing and Slum Development Programme
IP	Inpatient
IT	Information Technology
JDPC	Joint District Programme Coordinators
JSY	Janani Suraksha Yojana
KCS	Kitchen-cum-store
KHS	Kalaignar Housing Scheme
MCI	Medical Council of India
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System
MNP	Makkal Nala Paniyalargal

Abbreviation	Full form
MO	Medical Officer
MoRD	Ministry of Rural Development
MRs	Muster Rolls
NDMA	National Disaster Management Authority
NGO	Non-Governmental Organisation
NMC	Noon Meal Centre
NMS	Network Monitoring System
NOC	No Objection Certificate
NPMDMS	National Programme of Mid-day Meal in Schools
NRHM	National Rural Health Mission
OAP	Old Age Pension
OGR	Outward Goods Report
OP	Outpatient
PA	Personal Assistant
PDSI	Planning, Development and Special Initiatives
PHC	Primary Health Centre
PIN	Patient Identification Number
PO	Programme Officers
PRI	Panchayat Raj Institutions
PWD	Public Works Department
RCS (H)	Registrar of Cooperative Societies (Housing)
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RVS	Rapid Visual Screening
SC	Scheduled Castes
SCSP	Scheduled Castes Sub Plan
SDMA	State Disaster Management Authority
SDMP	State Disaster Management Plan
SDRF	State Disaster Response Fund
SE	Superintending Engineer
SEC	State Executive Committee
SEGC	State Employment Guarantee Council
SLMC	State Level Monitoring Committee
SPC	State Programme Coordinator

Abbreviation	Full form
SQL	Structured Query Language
SQM	State Quality monitors
SRs	Schedule of Rates
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribes
TAHDCO	Tamil Nadu Adi Dravidar Housing and Development Corporation Limited
TCS	M/s. Tata Consultancy Services Limited
TMCH	Thoothukudi Medical College and Hospital
TNCHF	Tamil Nadu Cooperative Housing Federation Limited
TNCSC	Tamil Nadu Civil Supplies Corporation
TNHSP	Tamil Nadu Health Systems Project
TNSWAN	Tamil Nadu State Wide Area Network
TSC	Total Sanitation Campaign
TSP	Tribal Sub Plan
TWAD	Tamil Nadu Water Supply and Drainage
ULB	Urban Local Bodies
UPC	Union Planning Commission
UPS	Uninterrupted Power Supply
VDP	Village Development Plan
VHF	Very High Frequency
VMC	Vigilance and Monitoring Committee
VP	Village Panchayat
VPN	Virtual Private Network
VPP	Village Panchayat President