

Chapter I

Overview

1.1 About this Report

This Report of the Comptroller and Auditor General (CAG) relates to matters arising from performance audit of selected programmes and Departments of Government of Telangana (State formed with effect from 2nd June 2014 as per The Andhra Pradesh Reorganisation Act, 2014), compliance audit of transactions of its various Departments, Central and State plan schemes and audit of autonomous bodies of the State pertaining to General and Social Sectors.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing Standards require that materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. Findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management of organisations and contribute to better governance.

Compliance audit refers to the examination of transactions of audited entities to ascertain whether provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with. On the other hand, performance audit, besides including compliance audit, also examines whether objectives of programme/activity/Department are achieved economically, efficiently and effectively.

This Chapter, in addition to explaining planning and coverage of audit, provides a synopsis of important achievements and deficiencies in the implementation of selected schemes, significant audit observations made during audit of transactions and follow-up action on previous Audit Reports.

1.2 Profile of General and Social Sector

A summary of the expenditure incurred by Departments of Government of Telangana falling within General and Social Sector during the year 2014-15 (with effect from 2nd June 2014 i.e., after the State came into existence), is given below.

Table-1.1

(₹ in crore)

| Sl. No. | Name of the Department | Expenditure |
|----------|------------------------|-----------------|
| A | General Sector | |
| 1 | Finance and Planning | 13396.77 |
| 2 | General Administration | 212.91 |
| 3 | Home | 3032.41 |
| 4 | Law | 339.52 |
| 5 | Revenue | 1346.41 |
| 6 | State Legislature | 42.40 |
| | Total (A) | 18370.42 |

| Sl. No. | Name of the Department | Expenditure |
|--------------------------|--|-----------------|
| B | Social Sector | |
| 1 | Backward Classes Welfare | 1090.51 |
| 2 | Consumer Affairs, Food and Civil Supplies | 817.49 |
| 3 | Health, Medical and Family Welfare | 2439.02 |
| 4 | Higher Education | 1146.48 |
| 5 | Housing | 402.18 |
| 6 | Labour, Employment, Training and Factories | 217.12 |
| 7 | Minorities Welfare | 332.31 |
| 8 | Municipal Administration and Urban Development | 2248.41 |
| 9 | Panchayat Raj [§] | 3033.38 |
| 10 | Rural Development [§] | 3712.02 |
| 11 | School Education | 5938.81 |
| 12 | Scheduled Castes Development | 1254.77 |
| 13 | Tribal Welfare | 701.75 |
| 14 | Women, Children, Disabled and Senior Citizens | 820.06 |
| 15 | Youth Advancement, Tourism and Culture | 230.79 |
| | Total (B) | 24385.10 |
| Grand Total (A+B) | | 42755.52 |

Source: Appropriation Accounts of Government of Telangana for the year 2014-15

[§]under one Secretariat Department 'Panchayat Raj and Rural Development'

1.3 Office of Principal Accountant General (G&SSA)

Under directions of the CAG, Office of the Principal Accountant General (General & Social Sector Audit), Andhra Pradesh & Telangana conducts audit of 20 Departments and local bodies/PSUs/autonomous bodies thereunder in the State of Telangana.



Offices of the Accountants' General

1.4 Authority for audit

Authority for audit by the CAG is derived from Articles 149 and 151 of Constitution of India and Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of General and Social Sector Departments of Government of Telangana under Section 13¹ of the DPC Act. CAG is the sole auditor in respect of autonomous bodies/local bodies which are audited under Sections 19(2)² and 20(1)³ of the DPC Act. In addition, CAG also conducts audit, under

¹ Audit of (i) all transactions from Consolidated Fund of State, (ii) all transactions relating to Contingency Fund and Public Account and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts kept in any department of a State

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

³ Audit of accounts of any body or authority on request of Governor, on such terms and conditions as may be agreed upon between CAG and Government

Section 14⁴ of the DPC Act, of other autonomous bodies which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the CAG.

1.5 Planning and conduct of audit

The Audit process commences with assessment of risk of Department/organisation/autonomous body/scheme, etc. based on expenditure incurred, criticality/complexity of activities, priority accorded for the activity by Government, level of delegated financial powers, assessment of internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, frequency and extent of audit are decided and an annual audit plan is formulated to conduct audit.

After completion of audit of each unit, Inspection Report (IR) containing audit findings is issued to head of the unit with a request to furnish replies within one month of receipt of IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at highest level in Government, are processed for inclusion in Audit Reports which are submitted to the Governor of Telangana under Article 151 of the Constitution of India for causing them to be laid on the Table of State Legislature.

1.6 Response of Departments to Audit findings

Heads of offices and next higher authorities are required to respond to observations contained in IRs and take appropriate corrective action. Audit observations communicated in IRs are also discussed in meetings at district levels by officers of the AG's office with officers of the concerned Departments.

As of 30 September 2015, 2391 IRs containing 16,309 paragraphs pertaining to the previous years (in respect of the 10 districts of Telangana State) were pending settlement as detailed below. Of these, first replies have not been received in respect of 207 IRs (3,026 paragraphs). Department-wise details are given in *Appendix-1.1*.

Table-1.2

| Year | Number of IRs/Paragraphs as of 30 September 2015 | | IRs/Paragraphs where even first replies have not been received | |
|---------------------------|--|--------------|--|-------------|
| | IRs | Paragraphs | IRs | Paragraphs |
| 2010-11 and earlier years | 1959 | 10287 | 66 | 724 |
| 2011-12 | 203 | 1828 | - | - |
| 2012-13 | 39 | 929 | 9 | 284 |
| 2013-14 | 54 | 1033 | 14 | 319 |
| 2014-15 | 136 | 2232 | 118 | 1699 |
| Total | 2391 | 16309 | 207 | 3026 |

⁴ Audit of all (i) receipts and expenditure of a body/authority substantially financed by grants or loans from Consolidated Fund of State and (ii) all receipts and expenditure of any body or authority where grants or loans to such body or authority from Consolidated Fund of State in a financial year is not less than ₹one crore

Lack of action on audit IRs and paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports, dilution of internal controls in process of governance, inefficient and ineffective delivery of public goods/services, fraud, corruption and loss to public exchequer.

As per instructions issued by Finance and Planning Department in November 1993, administrative Departments are required to submit Explanatory Notes on paragraphs and performance audit reports included in Audit Reports within three months of their presentation to Legislature, without waiting for any notice or call from Public Accounts Committee, duly indicating action taken or proposed to be taken. No Explanatory Notes are due in respect of Performance Audit Reports/Compliance audit paragraphs exclusively pertaining to Government of Telangana. However, Explanatory Notes with regard to the issues pertaining to both the States of Andhra Pradesh and Telangana are yet to be received from 14 Departments of Government of Telangana in respect of 31 paragraphs/performance audit reports that featured in Audit Reports for the years 2006-07 to 2013-14. Details are given in **Appendix-1.2**.

As per Finance Department's Handbook of Instructions and their U.O. dated 3 November 1993, all Departments are required to send their response to draft audit paragraphs proposed for inclusion in Report of Comptroller and Auditor General of India, within six weeks of their receipt. During 2015-16, two draft Performance Audit reports and 13 draft compliance audit paragraphs were forwarded to Special Chief Secretaries/ Principal Secretaries/Secretaries of Departments concerned of the State Government of Telangana, drawing their attention to audit findings and requesting them to send their response within six weeks. It was brought to their personal attention that in view of likely inclusion of these paragraphs in Report of Comptroller and Auditor General of India, which would be placed before State Legislature, it would be desirable to include their comments/responses to the audit findings. Despite this, six Departments⁵ did not furnish reply to six draft compliance audit paragraphs as on the date of finalisation of this Report. This fact was also brought to the notice of the Chief Secretary to the Government in January 2016. Responses of Departments, where received, have been appropriately incorporated in the Report.

1.7 Significant Audit observations

This Report contains findings of Audit from a test-check of accounts and transactions of nine Departments of Government of Telangana during 2014-15. Audit focus during the year has been primarily on evaluating implementation of specific Government programmes and initiatives in Departments covering mainly School Education; Women Development, Children, Disabled and Senior Citizens; Information Technology, Electronics and Communications; Scheduled Caste Development; Tribal Welfare; Backward Classes Welfare; Minorities Welfare; Health, Medical and Family Welfare; and Municipal Administration and Urban Development Departments, under General and

⁵ Backward Classes (1), Health, Medical and Family Welfare (4), Minorities Welfare (1), Scheduled Caste Development (1), Tribal Welfare (1) and Women, Children, Disabled & Senior Citizens (1)

Social Sectors so as to aid Government in taking necessary corrective action to improve service delivery levels to citizens with special focus on children. Towards this end, two Performance Audit reports and 13 draft compliance audit paragraphs have been issued to the Government.

The two Performance Audits included in this Report are (i) National Programme of Mid-day Meal in Schools and (ii) Implementation of Basic Literacy Programme under Saakshar Bharat Mission.

Significant results of audit that featured in this Report are summarised below:

1.7.1 National Programme of Mid-day Meal in Schools

The National Programme of Nutritional Support to Primary Education popularly known as Mid-day Meal Scheme (MDM Scheme) was launched in August 1995 (renamed ‘National Programme of Mid-day Meal in Schools’ in 2007) to boost universalisation of primary education by increasing enrolment, retention and attendance with a simultaneous impact on the nutritional status of the children in primary (I to V) and upper primary (VI to VIII) classes; and encouraging poor children, belonging to disadvantaged sections, to attend school more regularly and to help them concentrate on classroom activities. The State Government extended MDM scheme to the children studying in classes IX and X as a State Programme since October 2008.

The implementation of the scheme during the period 2003-08 was earlier reviewed by Audit in 2007-08 and the Audit observations were included in the CAG’s Report pertaining to the erstwhile Government of Andhra Pradesh for the year ended 31 March 2008. As a follow-up, the current Performance Audit of the scheme was carried out covering the five year period 2010-15 to assess and evaluate the action taken by the Government on the Audit observations included in the earlier Audit Report. Significant findings of this Performance Audit are summarised below:

Planning and Coverage

- *Bottom up approach was not followed by the State Government while preparing Annual Work Plan and Budget (AWP&B). There were inconsistencies in the figures of institutions serving mid-day meal, enrolment of children and meals served during 2010-15 projected in AWP&B for the years 2011-16. Due to such inconsistencies, short/excess release of rice and funds by GoI cannot be ruled out.*

(Paragraph 2.1.3.1)

- *Although the data on the number of children availing mid-day meal assumes great significance in terms of assessment of funds requirement for foodgrains, cooking cost, etc., no proper mechanism was in place to maintain such vital data.*

(Paragraph 2.1.3.2)

- *Proposals for providing mid-day meal in the drought affected mandals during summer vacations, though prescribed in the guidelines, were not made in the AWP&B for 2012-13 to 2014-15, resulting in mid-day meal not being provided to children during summer vacations (2012, 2013 and 2014) in those areas.*

(Paragraph 2.1.3.2)

Funds Allocation and Utilisation

- *Government could not exhaust the funds allocated under any component of MDM scheme in any of the five years (2010-15). As against the total budget provision (including the Central share) of ₹5,466 crore for implementation of the scheme, an amount of ₹3,666 crore (67 per cent) was utilised.*

(Paragraph 2.1.4)

- *During 2010-15, 59 and 69 per cent of allocated funds for construction of Kitchen-cum-stores and Management, Monitoring and Evaluation (MME) activities respectively remained unutilised. There was also no budgetary provision/release of funds for provision/replacement of kitchen utensils and for provision of gas connections.*

(Paragraphs 2.1.4 & 2.1.6)

Management of foodgrains

- *Due to inflation of the average number of children who had availed mid-day meal during 2010-15 while projecting the requirement of foodgrains by the State Government, there was excess requisition of 9,247 MT of rice (cost: ₹5.28 crore) and its subsequent allocation by GoI in the three test checked districts (Adilabad, Nalgonda and Warangal) alone. This in turn resulted in accumulation of rice with the State Civil Supplies Corporation.*

(Paragraphs 2.1.5.1 & 2.1.5.3)

- *Reconciliation of foodgrains was not done by the DEOs with the State Civil Supplies Corporation at district level. There were large balances of rice with the Corporation ranging from 17,119 MT (2014-15) to 54,415 MT (2012-13) which was not reported to GoI.*

(Paragraphs 2.1.5.2 & 2.1.5.3)

- *Utilisation of Fair Average Quality (FAQ) foodgrains in preparing mid-day meal for the children was not ensured and buffer stock of foodgrains required for a month as per norms was not maintained in most of the sampled schools.*

(Paragraphs 2.1.5.4 & 2.1.5.5)

Infrastructure facilities

- *Twenty one to eighty one per cent of the schools in the test checked districts had no water facility; 66 to 90 per cent of the schools had no Kitchen-cum-stores; 18 to 37 per cent of schools were not provided with Kitchen utensils and majority of the schools had no Gas connection. Audit noticed cooking of mid-day meal in open areas/dilapidated rooms in 13 sampled schools.*

(Paragraphs 2.1.6 and 2.1.6.1)

- *As against the envisaged construction of 30,014 Kitchen-cum-stores under Phase-I and II, only 5,592 units (29 per cent) under Phase-I (19,316) were completed and the construction of none of the Phase-II units (10,698) was commenced. Further, the convergence of the construction activity of Kitchen-cum-stores with other development programmes was not ensured.*

(Paragraph 2.1.6.1)

Serving of mid-day meal to children

- *As against the requirement of ₹1,209.86 crore for preparation and serving of meals (237 crore) projected as served (as per the AWP&B) during 2010-15, an expenditure of ₹940.14 crore was only incurred by the State towards cost of foodgrains and cooking cost. This indicated that the figures of meals projected as served in the AWP&B were unrealistic.*

(Paragraph 2.1.7.1)

- *There were deficiencies in implementation of the scheme such as non-assessment of improvement of nutritional status of children except conducting general health check-ups, etc. in the sampled schools/districts and occurrence of food poisoning incidents in schools due to absence of supervision and poor infrastructure facilities for cooking and serving of meals.*

(Paragraphs 2.1.7.2 & 2.1.7.3)

- *The provision of hot cooked meal to all the targeted children (in Medak district) through a centralised kitchen was not ensured, in as much as 333 out of 443 schools (covered by an NGO) were located more than 20 km away (farthest school ranged upto 90 km).*

(Paragraph 2.1.7.4)

- *The State Government did not project a need based requirement of cook-cum-helpers (CCHs) in the AWP&B for the years 2012-15, resulting in excess requisition of 36,036 CCHs (excess claim: ₹27.03 crore).*

(Paragraph 2.1.7.5)

Impact of the scheme on educational indicators

Although the coverage of children under MDM scheme in the State during 2010-15 ranged between 83 and 94 per cent, the scheme has not shown any positive impact on educational indicators with the enrolment in mid-day meal provided schools registering a decreasing trend during the five year period 2010-15. Dropout rate of students at elementary level was above 26 per cent during the period 2010-14.

(Paragraphs 2.1.3.2, 2.1.8.1 & 2.1.8.2)

Monitoring and Evaluation

Funds provided for Management, Monitoring and Evaluation (MME) component remained grossly underutilised (70 to 100 per cent). The State and District level Steering-cum-Monitoring Committee meetings were not conducted as per the GoI stipulations.

(Paragraphs 2.1.9.1 & 2.1.9.2)

1.7.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

Government of India (GoI) launched 'Saakshar Bharat', a Centrally Sponsored Scheme, in September 2009 during the XIth Plan period. The scheme aimed at promoting and strengthening adult education in the country, especially of women, by extending educational options to those adults in the age group of 15 years and above. The primary goals of the Saakshar Bharat are (a) to improve overall literacy rate to 80 per cent and (b) to reduce gender gap in literacy to 10 per cent. The State Government implements only two programmes viz., (i) Basic Literacy Programme (BLP) and (ii) Continuing Education Programme (CEP) in nine (i.e. all districts except Hyderabad) districts of Telangana State. The programme is implemented in the State through Panchayati Raj Institutions who appoint coordinators at Panchayat, Mandal and District level to oversee the functioning. A total of 8,707 Adult Education Centres (AECs) (one in each Gram Panchayat) have been established all over the State, who are responsible for providing institutional, managerial and resource support to literacy and lifelong education at grass root level. As per household survey conducted during 2010-11 there were 82.41 lakh non-literates in nine districts of the State of which 48.49 lakh were targeted to be covered during the programme period i.e. by 2016-17. Significant findings of this Performance Audit are summarised below:

Programme implementation

- *Contrary to the scheme guidelines, Action Plans at State level were prepared without the support of Gram Panchayat (GP) level micro plans as micro planning was not done in any of the sampled GPs.*
(Paragraph 2.2.4.1)
- *The survey data uploaded by the implementing agencies to the national website reflected a large number of inconsistencies like repetition of names of beneficiaries, 'literate' being shown as 'non-literate' in the records of beneficiaries uploaded, etc. indicating the unreliable nature of data.*
(Paragraph 2.2.4.1)
- *As against the targeted 48.49 lakh non-literates to be covered in the State, a total of 51.68 lakh non-literates were enrolled (in five phases). Of these, 34.76 lakh were only covered under the programme. There was a mismatch in number of identified non-literates between the details furnished by Director of Adult Education (DAE) and those mentioned in State Literacy Mission Authority (SLMA)'s Action Plan. In view of the inconsistencies in data observed at ground level vis-à-vis the higher levels, the reliability of the data of non-literates identified and those stated to have been covered under the programme is doubtful.*
(Paragraph 2.2.4.1)

- *Considerable number of vacancies existed at SLMA and the district offices. At SLMA, the post of Director was vacant since December 2014.*

(Paragraph 2.2.4.4)

Physical progress – Target and Achievement

- *The number of non-literates covered under the programme was at variance with those reported by SLMA, DAE and Zilla Lok Shiksha Samities (ZLSSs), raising doubts on the correctness of the data.*
- *The female enrolment and the coverage in the State upto five phases were 41.87 lakh and 28.52 lakh respectively, indicating a dropout of 13.35 lakh (32 per cent). The female dropout rate was above 50 per cent in seven out of 18 test checked GPs due to migration of beneficiaries to other places for want of adequate opportunities for earning livelihood.*

(Paragraph 2.2.4.5)

- *As against the identified non-literates, the coverage (those who completed five phases) ranged from 29 per cent (Nalgonda district) to 60 per cent (Karimnagar district). However, prioritisation was not made in the State Action Plan (2015-17), in respect of the districts where the number of non-literates to be covered was high.*

(Paragraph 2.2.4.5)

Vocational Skill Development Programme (VSDP)

Although 64,030 beneficiaries were stated to have been covered under the programme, details of those beneficiaries who had undergone VSDP and subsequently enrolled for the next phase of BLP were not on record. Further, out of total 3,585 GPs, VSDP programme was not implemented in 909 GPs, thereby depriving about 22,725 beneficiaries of the opportunity of skill development. Despite the stipulation in the guidelines, follow-up activities for post training programmes were also not taken up.

(Paragraph 2.2.5)

Financial Management

- *As against a total expenditure of ₹240.83 crore incurred, UCs were furnished only for an amount of ₹104.23 crore leaving UCs for ₹136.60 crore yet to be received.*

(Paragraph 2.2.6.3)

- *There was no effective monitoring on utilisation of funds. In the three sampled districts alone, funds amounting to ₹2.44 crore released (2010-15) towards ‘Non-recurring Grant’ remained unspent.*

(Paragraph 2.2.6.1)

Monitoring

Internal Audit was not conducted in any of the nine districts of the State during the entire period of execution of the program (2010-15) despite the stipulation in the Programme Accounts Manual.

(Paragraph 2.2.7.1)

1.7.3 Compliance Audit Observations

1.7.3.1 Child Care Institutions for Juveniles in conflict with law and Children in need of care and protection

The responsibility of development and rehabilitation of children in need of care and protection (orphans, destitutes, neglected, street children, victims, etc.) and juveniles in conflict with law (children who are alleged to have committed offences) up to the age of 18 years under the Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act) (as amended in 2006 and 2011) is discharged through the child care institutions (Children's Homes, Observation Homes and Special Homes) and After Care Home in the State.

Audit of all the seven child care institutions and the lone After Care Home in the State revealed that juveniles or children were not grouped based on age, nature of offence or kind of care required, physical and mental health, etc. in five out of seven child care institutions, which was against the norms. The juveniles in conflict with law were housed along with children in need of care and protection in violation of the norms, and this could have serious psychological/physical bearing on children. The institutions were not provided with the required infrastructure and professional services to cater to the development needs of juveniles or children and their rehabilitation as per the norms. There were vacancies (up to 52 per cent) in vital posts responsible for management of child care institutions. Implementation of After Care Programme was sub-optimal in outcomes. Functioning of the child care institutions and progress of every juvenile/child were not monitored adequately nor reviewed periodically due to non-constitution of State level Advisory Board (till October 2015), State level Inspection Committee and Home Management Committees.

(Paragraph 3.1)

1.7.3.2 Implementation of Mee-Seva in Telangana

Mee-Seva is a good governance initiative of the government of the composite State of Andhra Pradesh. It was set up in November 2011 as an extension of the existing e-Seva facilities in the twin cities of Hyderabad-Secunderabad and Ranga Reddy district. The main objectives of Mee-Seva project are to (a) provide Government services in a convenient and efficient manner through various service centres and (b) enable the Departments and agencies to provide cost effective and quality services and real-time Management Information System reports.

Scrutiny revealed that the delay in providing services under category-B (issue of Income Certificate/Caste Certificate, etc.) defeated the purpose of providing services in a timely manner. Non-operationalisation/implementation of Disaster Recovery Centre exposed the system to risk of hampering business continuity. Grievance monitoring and capacity building activities are far from satisfactory and need strengthening measures for their effective functioning. Performance of the Mee-Seva centers needs improvement as considerable number of centers have not recorded any Mee-Seva transactions during 2014-15, thereby depriving the citizens of the Mee-Seva services.

(Paragraph 3.2)

1.7.3.3 Follow up on Performance Audit of Scholarship schemes for SC, ST, BC and Minority students

Follow-up audit (2015) of the post-matric scholarship schemes was conducted to see whether the Government has addressed the concerns raised in the Performance Audit Report that featured in the Comptroller & Auditor General’s Audit Report (General & Social Sector)⁶ for the year ended March 2012 and implemented the accepted recommendations relating to the schemes during the period 2012-15⁷.

Scrutiny revealed that, of the eight recommendations made by Audit, Government has implemented two recommendations fully and three other recommendations partially. Three recommendations have not been implemented as yet. Although the procedure for verification and authentication of the details provided by the students has been streamlined by Government, it was not complied with by the concerned officials at the college as well as at the district level. Government directives to put in place a proper mechanism to ensure refund of undisbursed scholarship funds available with various agencies (banks, corporations and district officials) have been disregarded by the Treasuries which operate corporate internet banking accounts. Government is yet to tighten the validation controls to the required extent in the ePASS system, resulting in continuation of irregular payments. Allocation and release of adequate funds in a timely manner within the respective academic year was not ensured. The issue regarding formulation of norms for fixing uniform fee structure remained unresolved. The fee structure was also not updated/confirmed by the Project Monitoring Unit and as a result, the students were being paid scholarships (in 2014-15) at the rates approved for 2012-13.

(Paragraph 3.3)

1.7.3.4 Unfruitful outlay on construction of NIMS University

Commencement of work without ensuring availability of requisite funds led to the project ‘Development of Nizam’s Institute of Medical Sciences (NIMS) University Campus’ at Rangapur Village in Bibinagar Mandal (Nalgonda district) being stopped midway rendering the expenditure of ₹80.39 crore futile.

(Paragraph 3.4)

1.7.3.5 Upgradation of medical facilities did not materialise

Deficient planning of Nizam’s Institute of Medical Sciences, Hyderabad (NIMS) resulted in the buildings constructed at a cost of ₹125.91 crore as part of upgradation of medical facilities under ‘Pradhan Mantri Swasthya Suraksha Yojana’ remaining unutilised for the purpose envisaged by GoI even after the lapse of over eight years, depriving the public of the benefit of improved health care facilities.

(Paragraph 3.5)

⁶ Chapter 3 of the Report

⁷ Approximately 14 lakh beneficiaries have been covered per year on an average during 2012-15 (amount involved: ₹5,772 crore) under post-matric scholarship schemes in Telangana State

1.7.3.6 Loss due to non-adherence to norms

Non-observance of norms prescribed under Aarogyasri Scheme by Nizam's Institute of Medical Sciences, Hyderabad (NIMS) led to non-reimbursement of surgeries and treatment charges pertaining to the period 2011-12 to 2014-15 amounting to ₹11.72 crore by Aarogyasri Trust, resulting in the same being borne by NIMS, and adversely affecting its finances.

(Paragraph 3.6)

1.7.3.7 Idle Equipment

Supply of medical equipment to Sarojini Devi Eye Hospital, Hyderabad by the Director of Medical Education in March 2013, without receipt of an indent, led to equipment worth ₹90 lakh lying idle for over two years resulting in locking up of Government money to that extent besides risking their deterioration with time.

(Paragraph 3.7)

1.7.3.8 Unfruitful outlay on Sadasivapet water supply scheme

Deficient planning and failure to ensure the availability of requisite funds before embarking on the project resulted in the 'Sadasivapet water supply scheme' (Medak district) taken up in 2007-08 remaining incomplete even after seven years, rendering the expenditure of ₹6.87 crore unfruitful.

(Paragraph 3.8)