Chapter III

Compliance Audit Observations

Department for Women, Children, Disabled and Senior Citizens

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

3.1.1 Introduction

The Directorate of Juvenile Welfare, Correctional Services and Welfare of Street Children (under the Department for Women, Children, Disabled and Senior Citizens) is responsible for the 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). This responsibility is discharged through the child care institutions (Children's Homes, Observation Homes and Special Homes) and After Care Home. As of March 2015, there were seven[1] child care institutions in the State with 373 children[2] in need of care and protection and 91 juveniles[3] in conflict with law.

Government of India notified (October 2007) the Rules (Juvenile Justice Rules) under Juvenile Justice Act, 2000 (as amended in 2006) to be administered by the States. The State Government is yet to formulate its own rules in conformity with these Rules. The GoI Rules are applicable to the State until the latter formulates its own Rules.

3.1.2 Audit Framework

Audit of all the seven child care institutions and the lone After Care Home in the State was carried out between May - June 2015 covering the period 2012-15 to assess the extent of (i) coverage of children in need of care and protection and juveniles in conflict with law, (ii) provision of infrastructure, manpower, training, diet, counselling and other facilities in the child care institutions as per the standards prescribed in the Rules, (iii) rehabilitation measures to facilitate reintegration of juveniles in conflict with law, and (iv) monitoring mechanism for effective functioning of various institutions, Boards, Committees, etc.

Audit scrutiny involved examination of records at the Directorate, two Regional Inspectors of Probation (Hyderabad (urban) and Warangal) and three District Probation Officers (Hyderabad (urban), Warangal and Nizamabad). Physical verification of all the seven child care institutions and the After Care Home was carried out along with the officials of the Directorate. Audit findings were benchmarked against the criteria sourced from Juvenile Justice (Care and Protection of Children) Act 2000 (as amended in 2006 and 2011) and the Rules issued by GoI, and guidelines of Integrated Child Protection Scheme (ICPS). The replies (December 2015) of the Director of Juvenile Welfare to the Audit observations have suitably been incorporated in the paragraph.

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[1] Children's Homes for Boys (2) at Hyderabad and Warangal; Observation Homes for Boys (3) at Hyderabad, Nizamabad and Warangal; Special Home for Boys (1) at Hyderabad; and Special-cum-Children's Home and Observation Home for Girls (1) at Hyderabad

[2] Children's Homes for Boys: 210 and Children's Home for Girls: 163

[3] Observation Homes: 71 (Boys: 66 and Girls: 5) and Special Homes: 20 (Boys)

3.1.3   Procedure for Child Care Services

There are two categories of children as per JJ Act, 2000 *viz.,* children in need of care and protection and juveniles in conflict with law.

Children in need of care and protection (Children) are produced before ***Child Welfare Committee*** (CWC) by any Police Officer, any public servant, Childline (a Non-Government Organization), social workers, public spirited citizens and by the children on their own and are kept in the Reception Unit pending inquiry by CWC. After inquiry, the child is either reintegrated into his or her family or is sent to a ***Children's Home*** for rehabilitation.

Children in conflict with law (Juveniles) are produced before the ***Juvenile Justice Board*** (JJB) by Police and are kept in ***Observation Home*** or released on bail pending inquiry. After inquiry, the child is either acquitted or placed in a ***Special Home*** for rehabilitation.

After discharge from Children's Homes/Special Homes, children who have no place to go to or are unable to support themselves are sent to ***After Care Home*** for facilitating their reintegration into the society.

Audit findings

3.1.3.1   Juvenile Justice Boards

As per Section 4 of JJ Act, the State Government should constitute one or more Juvenile Justice Boards in every district to deal with cases of juveniles in conflict with law. The Board should comprise a Metropolitan Magistrate or a First Class Judicial Magistrate and two social workers (at least one should be a woman) and have a tenure of three years.

Rule 13 (6) of the Rules ibid stipulates that every inquiry by the Board should be completed within a period of four months after the first summary inquiry and only in exceptional cases[4] the period may be extended by two months on recording of reasons by the Board.

As required under Rules, Juvenile Justice Boards (JJBs) were constituted in all the districts of the State. Audit scrutiny of records of JJBs located at Hyderabad, Warangal and Nizamabad revealed that there were many cases pending completion of inquiries by the Boards up to more than one year against the stipulated period of four months during 2012-15 as detailed below.

Table-3.1

Year	JJB, Hyderabad		JJB, Warangal		JJB, Nizamabad	
	Total no. of cases disposed	Cases pending for more than one year	Total no. of cases disposed	Cases pending for more than one year	Total no. of cases disposed	Cases pending for more than one year
2012-13	346	37	142	151	150	94
2013-14	206	76	183	161	187	26
2014-15	128	83	74	152	58	4

Source: Data furnished by the JJBs

The JJBs at Hyderabad and Warangal attributed (June 2015) the delay in disposal of cases to non-production of witnesses by prosecution and non-attendance of juveniles at the proceedings from time to time. Delay in completion of inquiries by the JJBs deprived the juveniles of post-discharge rehabilitation benefits.

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[4] involving trans-national criminality, large number of accused and inordinate delay in production of witnesses

3.1.3.2   Child Welfare Committees

As per Section 29 of JJ Act, the State Government should constitute a Child Welfare Committee (CWC) in every district to deal with the cases of children in need of care and protection. The Committee should consist of a Chairperson and four other members (at least one should be a woman) and have a tenure of three years.

While the State Government constituted CWCs in all the districts, Audit scrutiny of the CWCs at Hyderabad, Nizamabad and Warangal revealed the following:

(i)   *As per Rule 21 (6) of JJ Rules, any casual vacancy in the Committee may be filled by appointment of another person from the panel of names prepared by the Selection Committee, and shall hold office for the remaining term of the Committee.*

   The Chairperson of CWC, Hyderabad resigned during February 2014 but the vacancy was not filled up with another person from the panel, ignoring the rules. As a result, the CWC has been functioning without a regular Chairperson since February 2014.

(ii)   Although GoI sanctioned (2011-12) an amount of ₹72 lakh for construction of ten buildings each for CWCs and JJBs in ten districts of the composite State (six[5] in Telangana), these works were not taken up even after the lapse of about three years.

   Chief Probation Superintendent stated (July 2015) that proposals were sent to Government for revalidation of sanction to take up the works and orders were awaited from the Government.

(iii)   Details of children referred by CWC, Hyderabad to After Care Home during the period 2012-13 to 2013-14[6] were not made available to Audit. Therefore, Audit cannot derive assurance with regard to the measures initiated for reintegration of children into the mainstream and effectiveness of implementation of such initiatives.

3.1.4   Functioning of Child Care Institutions

Child care institutions (Children's Homes, Observation Homes and Special Homes) should provide proper care, protection and treatment to the children and juveniles as per the individual care plans. During the period 2012-15, 2238 juveniles[7] were received in three Observation Homes for Boys; 73 juveniles were sent to Special Home for Boys, Hyderabad; 4,302 children[8] were received in two Children's Homes; and 742 girls were received in Government Special-cum-Children's Home and Observation Home for Girls, Hyderabad (Girls Home).

Audit observations with regard to the functioning of child care institutions are given in the succeeding paragraphs.

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[5] Adilabad, Karimnagar, Khammam, Mahabubnagar, Medak and Nalgonda
[6] No children were referred to After Care Home during the year 2014-15
[7] Hyderabad: 1,351, Warangal: 585 and Nizamabad: 302
[8] Hyderabad: 3,618 and Warangal: 684

3.1.4.1 Home Management Committees

Rule 55 of JJ Rules stipulates that every institution should have a Management Committee[9] for the management of the institution and monitoring the progress of every juvenile and child. This Rule also required the Management Committee to meet every month to consider and review the matters relating to custodial care or minimum standards of care in the institution, housing, infrastructure and services available, medical facilities and treatment, food, water, sanitation and hygiene conditions, education, vocational training, grievance redressal, provision of legal aid services, release or restoration, etc.

Audit scrutiny revealed that the Management Committees were not constituted in any of the child care institutions (except Children's Home for Boys, Warangal) in the State. Consequently, functioning of the institutions, provision of required infrastructure and other amenities, as well as progress of every juvenile/child was not being reviewed at prescribed intervals as per the norms for taking corrective action, wherever necessary.

3.1.4.2 Segregation of juveniles and Children

(i) *Rule 40 (1) of JJ Rules stipulates that the homes for juveniles in conflict with law and children in need of care and protection should function from separate premises.*

In violation of the above Rule, Observation Home for girls, Special Home for girls in conflict with law and Children's Home for girls in need of care and protection were all set-up as a single institution *viz.*, 'Government Special-cum-Children's Home and Observation Home for Girls', Hyderabad for the entire State. During 2012-15, 742 girls[10] (Observation Home: 104 and Children's Home: 638) were admitted in the home. It was also observed (March 2015) that all the 168 girls (Observation Home: 5 and Children's Home: 163) were in fact, placed in a single dormitory on the ground of insufficient guard staff.

(ii) *Rule 55 (2) of JJ Rules stipulates that in order to ensure proper care and treatment as per the individual care plans, a juvenile or child should be grouped on the basis of age, nature of offence or kind of care required, physical and mental health and length of stay order.*

Rule 16 (2) further stipulates that the Observation Homes or Special Homes should set up separate residential facilities for boys and girls up to 12 years, 13 - 15 years and 16 years and above.

Audit scrutiny and physical verification of institutions revealed the following:

a. Juveniles or children were not segregated based on age, nature of offence or kind of care required, physical and mental health, etc. in any of the child care institutions (except Observation Home for Boys, Warangal and Children's Home

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[9] consisting of District Child Protection Officer (Chairperson), Officer-in-charge, Probation Officer or Child Welfare Officer or Case Worker, Medical Officer, Psychologist or Counsellor, Teacher, Social Worker Member of Juvenile Justice Board or Child Welfare Committee and a juvenile/child representative from each of Children Committees
[10] 2012-13: **228** (OH: 29 and CH: 199), 2013-14: **267** (OH: 43 and CH: 224) and 2014-15: **247** (OH: 32 and CH: 215)

for Boys, Hyderabad) in the State. In the Observation Homes at Hyderabad, Warangal and Nizamabad; Special Home, Hyderabad and Girls Home, Hyderabad, the juveniles were in fact, accommodated in a single dormitory.

b. In the Observation Home, Hyderabad*,* juveniles in conflict with law were not being grouped on the basis of age, attributing it to insufficient accommodation (one small dormitory only). Further, juveniles who were in delinquency for the first time and the juveniles who were repeated delinquents were accommodated in the same dormitory. This caused frequent conflicts among them.

c. In the Girls Home, Hyderabad*,* mentally challenged children were accommodated along with the other girls in a single dormitory, without providing an enabling environment.

The Superintendents of child care institutions stated (May/July 2015) that segregation of juveniles or children based on their age, physical and mental status, etc. could not be done due to non-availability of space/requisite number of dormitories in the homes (paragraph 3.1.4.3 also refers) and shortage of staff (Girls Home).

3.1.4.3   Infrastructure facilities

As per Rule 40 (3) of JJ Rules, a child care institution should have the building or accommodation with dormitories, classrooms, sickroom/first aid room, counselling and guidance room, workshop, playground, kitchen, dining hall, store room, recreation room, library, office room, residence for Superintendent and adequate toilets/bathrooms as per the prescribed norms in the said rule.

Integrated Child Protection Scheme (ICPS) guidelines also stipulate that minimum standards of accommodation as laid down in the JJ Rules (as specified above) should be ensured in child care institutions established under Juvenile Justice Act.

Physical verification of all the seven child care institutions in the State however, revealed that the institutions were not provided with accommodation and infrastructure as per the norms, as discussed in the succeeding paragraphs.

(i)   Buildings

There was no separate building for Government Observation Home, Hyderabad and it was accommodated (July 2010) in the Government Children's Home for Boys. Out of two small rooms allotted by the Government Children's Home, one room was utilised as dormitory for accommodating all the juveniles of different age groups and kitchen was shared with Government Special Home for Boys, Hyderabad.

As a result, the juveniles were deprived of adequate accommodation such as dormitories, dining hall, counselling room, etc. as per the norms specified in Rule 40 (3) of JJ Rules, as discussed in the following sub-paragraphs.

(ii)   Dormitories

Rule 40 (3) of JJ Rules stipulates that accommodation for an institution with 50 juveniles or children should have two dormitories.

In the seven child care institutions visited by the Audit team, there were 11 dormitories against the requirement of 30. Details are given alongside. In Observation Homes for Boys at Hyderabad, Warangal and Nizamabad; and Special Home, Hyderabad, due to insufficient accommodation, the juveniles of various age groups were accommodated in a single dormitory.

Table-3.2

Institution	C	R	E	S
OHB, Hyderabad	50	2	1	1
OHB, Warangal	50	2	1	1
OHB, Nizamabad	50	2	1	1
SHB, Hyderabad	100	4	1	3
CHB, Hyderabad	300	12	3	9
CHB, Warangal	100	4	2	2
Girls Home, Hyderabad	100	4	2	2
Total		30	11	19

C: Capacity, **R:** Requirement, **E:** Existing, **S:** Shortage

Girls Home, Hyderabad, which has a capacity of 100 children was provided with two dormitories against the requirement of four as per the norms. As of March 2015, about 168 girls of different age groups, those in conflict with law, those in need of care/ protection and mentally challenged children were accommodated in the home (in fact, in a single dormitory) without any segregation, which does not help in their growth and overall improvement.

(iii)   Provision of Toilets

Rule 40 (3) of JJ Rules stipulates that accommodation for an institution with 50 juveniles or children should have eight toilets.

In the seven child care institutions visited by Audit team, 48 toilets were available against the requirement of 120. The shortage was high in Children's Homes for Boys, Hyderabad (28), Warangal (10) and Girls Home, Hyderabad (8). Admission of children in these homes was high compared to other homes during the period 2012-15.

Table-3.3

Institution	C	R	A	S
OHB, Hyderabad	50	8	5	3
OHB, Warangal	50	8	2	6
OHB, Nizamabad	50	8	3	5
SHB, Hyderabad	100	16	4	12
CHB, Hyderabad	300	48	20	28
CHB, Warangal	100	16	6	10
Girls Home, Hyderabad	100	16	8	8
Total		120	48	72

C: Capacity, **R:** Requirement, **A:** Available, **S:** Shortage

(iv)   Classrooms

Rule 40 (3) of JJ Rules stipulates that accommodation for an institution with 50 juveniles or children should have two classrooms.

There was a shortage of classrooms in Children's Homes at Hyderabad (7), Warangal (3) and Special Home for Boys at Hyderabad (3).

(v)   Other basic infrastructure

Audit scrutiny of records/physical verification of seven child care institutions by Audit team revealed that basic infrastructure such as library, workshop, dining hall, kitchen, playground, etc. as prescribed in the norms were wanting in these institutions as detailed in Table-3.4.

Table-3.4

Infrastructure	Institutions not having infrastructure facilities
Workshop	SHB, Hyderabad and Girls Home, Hyderabad
Library	OHBs, Hyderabad and Warangal; and SHB, Hyderabad
Dining Hall	OHBs, Hyderabad and Warangal; and SHB Hyderabad
Playground	SHB, Hyderabad
Recreation room	OHBs, Hyderabad and Warangal; and SHB, Hyderabad
Sickroom/First Aid Room	OHB, Hyderabad
Counselling and Guidance room	OHBs, Hyderabad, Warangal and Nizamabad, SHB, Hyderabad and Girls Home, Hyderabad
Office room and Superintendent room	OHB, Hyderabad and SHB, Hyderabad
Kitchen	OHB, Hyderabad

OHB: Government Observation Home for Boy, **SHB:** Government Special Home for Boys, **Girls Home:** Government Special-cum-Children's Home and Observation Home

(vi)   Residential quarters for Superintendent

As per Rule 40 (4) of JJ Rules, Superintendent should stay within the institution and be provided with quarters and in case he is not able to stay in the home for legitimate reasons (to be permitted by Director, Child Protection) any other senior staff member of the institution should stay in the institution and be in a position to supervise the overall care of the juveniles or children and take decisions in the case of any crisis and emergency.

However, residential quarters for Superintendent of the institution were not provided in any of the child care institutions.

3.1.4.4   Vocational training

Rule 48 of JJ Rules stipulates that every institution should provide gainful vocational training to juveniles or children. The institutions should develop networking with Institute of Technical Instruction, Government and private organizations or enterprises, agencies or NGOs with expertise or placement agencies, etc.

Audit scrutiny of records in Government Children's Home for Boys, Hyderabad revealed that although the requisite machinery, equipment and instructors (six) were available, the raw material for imparting training was not being provided by the Directorate since 2009. Despite this, 2042 children[11] were stated to have been trained during 2012-15 in various courses such as tailoring, carpentry, house wiring, plumbing and boot making.

The Superintendent of the institution, while confirming the non-provision of raw material by the Directorate, stated (May 2015) that children were trained with available material in the home. Audit therefore, cannot derive assurance with regard to the quality of vocational training provided to the children.

3.1.4.5   Manpower in Child Care Institutions

Rule 68 (1) of JJ Rules stipulates that the personnel strength of a home should be determined according to the duty, posts, hours of duty per day and category of children that the staff is meant to cater to.

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[11] 2012-13: 376, 2013-14: 845 and 2014-15: 821

Audit scrutiny of staff position in the child care institutions revealed the following:

(i) As of March 2015, against 180 sanctioned posts in seven child care institutions, 91 were filled leaving 89 (49 *per cent*) posts vacant. Besides, 38 posts were operating on deputation/outsourcing basis. There were vacancies in vital posts such as Dy. Superintendent/Intake Probation Officer/Case Worker (8 vacant out of 15) and Supervisors/Matrons (34[12] vacant out of 65).

(ii) It was noticed in Girls Home that all the children were accommodated in a single dormitory without segregation on the ground of insufficient staff. In fact, Cash Book for Integrated Child Protection Scheme (ICPS) grants was not maintained in the Directorate and this was attributed to inadequacy of staff.

(iii) *As per Rule 46 (6) of JJ Rules every institution should have the services of trained counsellors or collaboration with external agencies such as child guidance centres, psychology and psychiatric Departments or similar Government and non-Governmental agencies for specialized and regular individual therapy for every juvenile or child in the institution.*

In Girls Home, Hyderabad, although there were seven mentally challenged children, the services of a psychiatrist were not provided. Thus, the mentally challenged children admitted in the institution were deprived of the professional services of a psychiatrist in helping them to lead a normal life.

Superintendent of the institution stated (July 2015) that action would be taken to send the seven mentally challenged children to NGOs to cater to their needs.

(iv) Out of six District Probation Officers (DPOs) intended for six divisions under the jurisdiction of Regional Inspector of Probation (RIP), Hyderabad for conducting preliminary investigation of juvenile/child, only two DPOs (Grade-I and Grade-II each) were engaged (since 2012-13) to cover all the six divisions.

RIP, Hyderabad stated (May 2015) that proposals would now be submitted to the Directorate for filling the vacancies.

3.1.5 After Care Home

Rule 38 of JJ Rules stipulates that the State Government should set up an after care programme for care of juveniles or children after they leave special homes and children's homes with the objective to facilitate their transition from an institution-based life to mainstream society for social reintegration. After care programmes should be made available for 18-21 year old persons who have no place to go to or are unable to support themselves, by the District or State Child Protection Units in collaboration with voluntary organizations.

The key components of the programme should *inter alia* include (i) community group housing (6 - 8 youths in each group) on a temporary basis, (ii) encouragement to learn a vocation or gain employment and to gradually sustain themselves, (iii) provision of a peer counsellor to discuss their rehabilitation plans, (iv) arrangement of loans for youth aspiring to set up entrepreneurial activities, etc.

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[12] besides, nine posts were operating on outsourcing/deputation basis

Audit scrutiny of records at State After Care Home for men (SACH), Hyderabad revealed the following.

(i) SACH was not provided with necessary infrastructure facilities such as dormitories, toilets, bathrooms, dining room, office room and it has been functioning in one small room on sharing basis with Child Welfare Committee, Hyderabad. Further, there were no sanctioned posts of instructors and counsellors for SACH and no vocational training was imparted to youth since 2007.

(ii) During the period January 2012 to September 2014, only 10 juveniles who were discharged from various homes were admitted in SACH. Due to lack of basic infrastructural facilities, these juveniles were *discharged on the same day of admission* without providing any facilities intended under the After Care Programme such as accommodation, boarding facilities, vocational training, services of peer counsellor, etc. Although these children were stated (July 2015) to have been provided employment in various organisations, there was no follow up to ascertain whether the children had returned to normal life and had adjusted to the socio-economic environment.

(iii) Since there was no activity in the SACH, four staff members were also deputed to the other services[13] of the Directorate and as of July 2015, only the Superintendent and one Office Subordinate remained in SACH.

As a result, transition of children (discharged from child care institutions) from an institution-based life to mainstream society for social reintegration was not ensured through effective implementation of After Care Programme.

3.1.6 Monitoring

3.1.6.1 Inspection Committee

Rule 63 of JJ Rules stipulates that the State Government should constitute State, District or City level Inspection Committee consisting of five members[14] for overseeing the matters, inter alia, the conditions in the institutions, standards of care and protection being followed and functioning of the Management Committee and Children's Committee and make suitable suggestions for improvement and development of the institution. The inspection should be carried out at least once in every three months with not less than three members.

Audit scrutiny revealed that the State level Inspection Committee was not established in the State after its formation (June 2014). Although the District level Inspection Committees were stated to have been constituted (February 2014), the details of inspections conducted by the Committees were not available with the Directorate.

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[13] Directorate of Juvenile Welfare: Junior Assistant and Sweeper; Girls Home, Hyderabad: Cook; and office of the RIP: Senior Assistant

[14] with representation from the State Government, the Board or Committee, the State Commission for the Protection of Child Rights or the State Human Rights Commission, medical and other experts, voluntary organizations and reputed social workers

As a result, functioning of the child care institutions was not being reviewed periodically (every three months) either at the State level or the district level to ensure their improvement and development.

3.1.6.2 Advisory Boards

Rule 93 of JJ Rules stipulates that the State Government should constitute the State, District and City level Advisory Boards[15] for a period of three years. The Board should inspect the various institutional or non-institutional services in their respective jurisdictions and the recommendations made by them should be acted upon by the State Government. The Advisory Boards should hold at least two meetings in a year.

Audit however, observed that the State level Advisory Board had been constituted by the Government only in October 2015. As for District/City level Advisory Boards, the Deputy Director of Correctional Services stated (July 2015) that District/City level Inspection Committee would function as the District/City level Advisory Board.

3.1.6.3 Departmental Inspections of child care institutions

Government, through its Circular instructions[16] (July 1997), emphasised the need for conducting inspections of Government Offices by the Head of the Department periodically.

Audit scrutiny revealed that no departmental inspections were conducted by the Directorate in the Children's Home, Warangal (since 2007), Observation Homes, Hyderabad, Warangal and Special Home, Hyderabad (since 2008-09), and Observation Home, Nizamabad (since 2011).

3.1.7 Fund allocation and utilisation under ICPS

The Centrally Sponsored 'Integrated Child Protection Scheme' (ICPS) in partnership with the State, has been providing financial support under various components for the implementation of the JJ Act, 2000.

Audit scrutiny of records at Directorate pertaining to ICPS grants revealed the following:

(i) The ICPS grants (intended for maintenance of child care institutions, JJBs, CWCs and Open Shelters) were not utilised fully by the Directorate during the financial year in which they were granted by the GoI. The grants were withdrawn from the concerned bank account and deposited in various banks as term deposits. As of 2 June 2014, an amount of ₹5.51 crore (for the combined State) was kept in the form of term deposits with various banks.

After formation of the new State, as against the ICPS grant of ₹8.03 crore received (2014-15) from GoI only an amount of ₹3.60 crore[17] (45 *per cent*) was utilised leaving ₹4.43 crore unspent. Of this, an amount of ₹1.50 crore was kept in the form of term deposit. It was also observed that the State Government did not release its share of ₹2.03 crore as of November 2015.

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[15] consists of representatives of the State Government, members of the competent authority, academic institutions, locally respectable and spirited citizens and representatives of NGOs
[16] vide G.O. (Cir) No. 42050/Ar-III/97-7 of GAD, dated 26 July 1997
[17] During 2014-15: ₹2.17 crore and 2015-16: ₹1.43 crore

The Director of Juvenile Welfare replied (November 2015) that grants sanctioned (by GoI) for one financial year were being released in the succeeding years and that too at the fag-end of the financial year. It was further stated that if the funds were not drawn, the same would be treated as unspent balances and the succeeding year grant would be reduced to that extent.

(ii) The Directorate did not maintain a separate Cash Book for ICPS funds since formation of the State (June 2014). In the absence of a Cash Book, the veracity of amounts stated to have been received and the expenditure stated to have been incurred cannot be vouched in Audit.

The Deputy Director of Correctional Services stated (May 2015) that Cash Book could not be maintained due to inadequate staff and bifurcation of the State.

(iii) There was a discrepancy of ₹15.35 lakh while considering the balances available with the Directorate to be apportioned between the States of Andhra Pradesh and Telangana. The amount still remained in the accounts of Directorate of Telangana State as of November 2015.

The Director of Juvenile Welfare accepted the audit observation and stated (November 2015) that the amount of ₹15.35 lakh would be distributed between the two States in due course.

3.1.7.1 Juvenile Justice Fund

Rule 95 of JJ Rules stipulates that the State Government should create a fund at the State level known as Juvenile Justice Fund under Section 61 of the JJ Act for the welfare and rehabilitation of the juvenile or the child dealt with under the provision of the Act. In addition to donations, contributions or subscriptions made by the individuals or organisations, the Central Government should also make contributions to the Fund.

Audit scrutiny however, revealed that the State Government did not create Juvenile Justice Fund as per Section 61 of the JJ Act as of November 2015.

3.1.8   Conclusion

As brought out in the foregoing paragraphs, juveniles in conflict with law and children in need of care and protection housed in various child care institutions were not provided with the required infrastructure and professional services to cater to their development needs and rehabilitation as per the norms. There were delays in completion of inquiry by the Juvenile Justice Boards, depriving the juveniles of post-discharge rehabilitation benefits. Juveniles or children were not grouped based on age, nature of offence or kind of care required and physical and mental health 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 which could have serious psychological/physical bearing on children. 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 being monitored adequately or reviewed periodically due to non-constitution of State level Advisory Board (till October 2015), State level Inspection Committee and Home Management Committees.

In its reply (December 2015) the Director of Juvenile Welfare admitted that, there were certain gaps in the service delivery in the child care institutions and attributed it mainly to shortage of manpower as there was no recruitment since many years. It was further stated that efforts were being made to improve the conditions in the institutions such as providing additional dormitories, toilets, etc. under Integrated Child Protection Scheme (ICPS), filling up of existing vacancies, etc. and to fulfil the requirements of CWCs/JJBs, Home Management Committees, etc.

The reply from Government is awaited (December 2015).

Information Technology, Electronics & Communications Department

3.2   Implementation of Mee-Seva in Telangana

3.2.1   Introduction

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. Initially the system catered to the requirements of citizens relating to two Departments with 12 citizen centric services. The system was fully operationalised across all the districts of the State in a phased manner extending to 34 Departments involving 310 services to the citizens.

3.2.2   Objectives of Mee-Seva

The broad objectives of Mee-Seva project are as follows:

(i)   To provide Government to Citizen (G2C) and Business to Citizen (B2C) services in a convenient and efficient manner through the various service centres.

(ii)   To enhance accountability, transparency and responsiveness to citizens' needs.

(iii) To enable the Departments and agencies to provide cost effective and quality services and real-time Management Information System reports.

(iv)   To enable Government Departments and agencies to focus on their core functions and responsibilities by freeing them from routine operations like collection of revenues and accounting, issuing certificates, etc. and thereby enhance the overall productivity of the administrative machinery.

3.2.3   System Architecture

The Application was developed by AP Online Ltd (a Joint Venture company between Government of Andhra Pradesh and Tata Consultancy Services Ltd.) in .Net (front end) with MSSQL database on Windows 2008 OS with IIS web server. The system architecture is as follows.
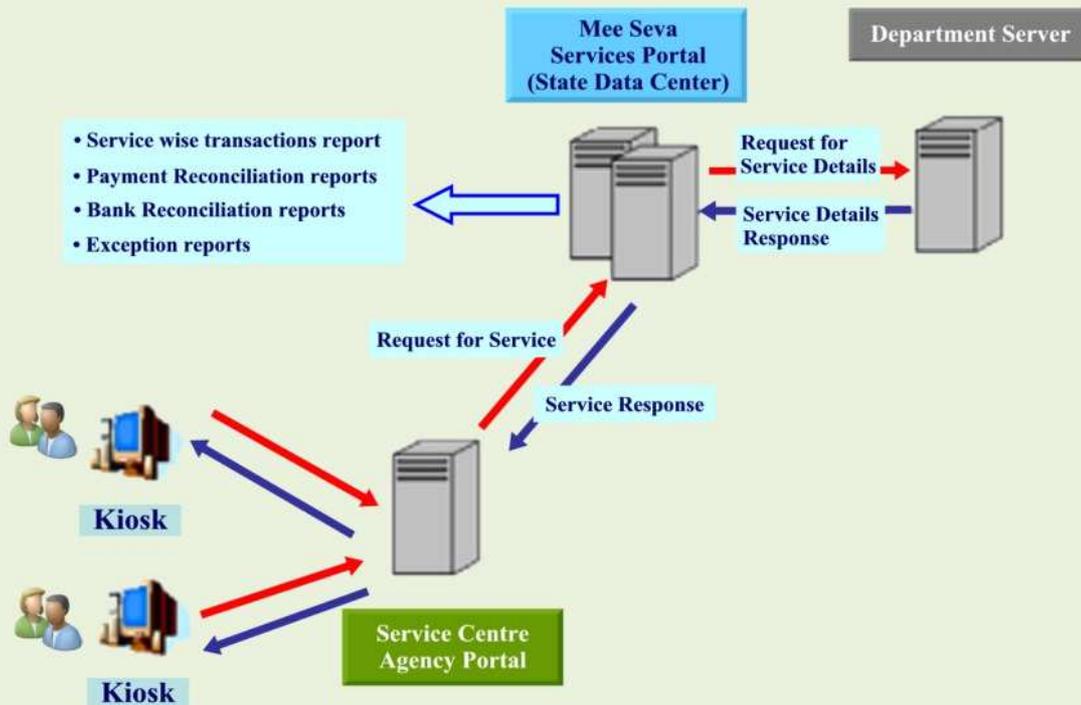
Source: GO MS 1, ITE&C Department, dated 1 January 2014

3.2.3.1   Salient features of the system

The system operates through multiple service delivery points and builds synergy between the existing Central Government Services like State Services Delivery Gateway (SSDG), e-Districts, RAJiv (Rajiv Internet Village), Citizen Service Centres (CSCs) and State Government Services like AP Online, e-Seva and Rural Services Delivery Point (RSDP). The system works through Public Private Partnership Model wherein seven vendors/ Authorised Service Providers have been chosen through agreed revenue sharing formula with regard to the user charges. Delivery points (Mee-Seva centres) have been established by the Authorised Service Providers which are run by Authorised Agents (Kiosk Operator). As of August 2015, there are 3,799 Mee-Seva centres in Telangana. The services provided by the Mee-Seva centres comprise two categories.

Category A: These services are provided across the counter (more than ⅓ of the services are of this nature). With regard to these services (example - Residence Certificates, duplicate copy of Income Certificates, etc.), a digitally signed certificate is issued across the counter on pre-printed stationery.

Category B: With regard to the services under this category, the document requested by the citizens/applicant is delivered after processing in the Departments concerned (example - issue of Income or Caste Certificate for the first time) within a fixed timeframe. The applicant is updated about the status through SMS on his/her registered mobile.

Citizen Charter Boards providing details such as name of the service, timelines, specified user charges for the service, etc. are to be displayed at Mee-Seva centres. In general, the user charges are apportioned among the Kiosk Operator, Authorised Service Provider (Service Centre Agency), IT Department (Director, Electronic Service Delivery) and the Department concerned in the following proportion.

Table-3.5

Category	% of Breakup	Kiosk Operator	Authorised Service Provider	Director, ESD	Department	Total user charges with Service Tax
A	Amount (₹)	8	4	6	7	25
	% Share	32	16	24	28	100
B	Amount (₹)	20	3	5	7	35
	% Share	57	9	14	20	100

3.2.4   Audit Approach

3.2.4.1 Audit Objectives

The objectives of carrying out IT audit of Mee-Seva are to assess whether:

(i)   the system met its envisaged objectives of providing G2C and B2C services in an efficient manner to enhance accountability, transparency and responsiveness to citizens' needs;

(ii) capacity building is adequate to ensure effective and efficient implementation of the system;

(iii) general and application controls, network security, disaster recovery and business continuity plans are in place and functioning effectively.

3.2.4.2 Scope and Methodology of Audit

Audit scope involved examination of the processes related to setting up the Mee-Seva system in the composite State of Andhra Pradesh and its bifurcation and operationalisation in the State of Telangana post bifurcation of the State with effect from 2 June 2014. Audit scope also included evaluation of general controls of the system at sampled Mee-Seva centres. Application controls were evaluated through analysis of transaction data using Computer Assisted Audit Techniques (CAATs). Exit Conference was held with Government representatives in December 2015 to discuss audit findings and replies of Government have been incorporated at appropriate places in the paragraph.

3.2.4.3 Sample size

The records at the Office of the Director (Electronic Service Delivery) of Government of Telangana were examined and data was collected for audit. Further, extent of implementation of Mee-Seva were verified through a review of the functioning of the system in three districts[18] in the State of Telangana. These districts were chosen based on the number of services centres and to cover all the operators/categories of centres. Four centres in urban area and four centres in rural area covering all the operators in each district and one centre operated by the Department of Post were taken as sample in each of the three districts (nine centres in each district) covering a total of 27 centres in the State.

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[18] Khammam, Ranga Reddy and Warangal

3.2.4.4   Audit Criteria

Audit findings were benchmarked against the following sources of criteria:

(i)   Electronic Service Delivery (ESD) Rules, 2011 of Government of Andhra Pradesh

(ii)   Functional requirements and technical specifications of the system as detailed in Request for Proposals

(iii)   Circulars/Orders issued by the Government from time to time

(iv)   Service Level Agreements (SLA) between the Government and Authorised Service Providers

Audit Findings

3.2.5   Third party audit of Application

As per Andhra Pradesh Information Technology (Electronic Service Delivery) Rules, 2011, the Director, ESD shall get the Software application audited by a third party agency, as to its security, reliability, performance and consistency, before it is deployed by the Authorized Agency[19]. The Mee-Seva Application was launched on 4 November 2011 in Chittoor district and subsequently rolled out in all the districts of composite State of Andhra Pradesh in 2012.

During the scrutiny of records, it was noticed that the Director, ESD approached Standardization Testing and Quality Certification (STQC), Hyderabad (December 2011) regarding security audit of Mee-Seva Portal. STQC submitted (July 2012) the detailed techno-commercial proposal and quoted an amount of ₹23.26 lakh (including service tax) and the work was divided into four stages comprising various activities as listed below.

Table-3.6

Stage No.	Activity	Time (in days)	Service Charges (₹)
1	Functionality Testing : 1st cycle	80	10,00,000
	Functionality Testing : 2nd cycle (Round functionality testing will be done after fixing the defect by Client)	20	
2	Application Security Testing:1st Cycle	30	6,50,000
	Application Security Testing: 2nd cycle (round Application Security will be done after fixing the defect by client)	10	
3	Performance Testing	10	3,00,000
4	Network Security Audit (assuming 10 IP/Host Machines @ 12,000 per host)	10	1,20,000
	Total	**160**	**20,70,000**
	Service Tax (12.36%)		2,55,852
	Grand Total		**23,25,852**

Work Order was issued to STQC (02 August 2012) for taking up security audit of Mee-Seva application and an amount of ₹11.24 lakh (₹10 lakh + 12.36% service tax) was paid to STQC as advance payment on 05 September 2012.

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[19] Chapter-4, 14(d)

The work was taken up by STQC (2 August 2012) and the second round of functionality testing (Stage 1) was under progress (July 2015). Thus, the work of security audit of the application was not completed even after a lapse of three years from the date of issuing the work order, exposing the entire application to security risk.

It was noticed (July 2015) that Mee-Seva Email ID[20] was hacked and an email had been sent from the mail id to the bank resulting in transferring of an amount of ₹1.54 crore from the Mee-Seva pooling bank account to various individual persons/firms accounts and the matter was under investigation by the police.

Thus, due to non-completion of third party audit even after considerable lapse of time after launching of Mee-Seva, assurance on performance and functionality of the application and security of data could not be obtained.

Government replied (December 2015) that two cycles of testing for two rounds were completed and clearance from STQC was awaited.

3.2.6 Extension of Mee-Seva services through post offices

A Memorandum of Understanding was entered (October 2013) between the Chief Post Master General (CPMG), Andhra Pradesh Circle, Hyderabad and Director, ESD, Hyderabad for rendering Mee-Seva services through Post Offices located in the composite State of Andhra Pradesh. It was agreed to offer the Mee-Seva services through all the 95 Head Post Offices across the State in Phase-1. The facility was to be extended to all the remaining 2,342 computerized Post Offices from time to time.

The service was launched on 9 October 2013 (i.e. on World Post Day) in 95 Head Post Offices across the erstwhile State of Andhra Pradesh. After bifurcation of the State, the services are being offered in 35 Head Post Offices in Telangana and 60 Post Offices in Andhra Pradesh. The Assistant Director, Marketing, Office of CPMG (AP Circle) proposed (May 2014) to extend the facilities to the remaining eligible computerized Post Offices (2,342) and sought necessary approval from the Department.

It was noticed that transactions of Mee-Seva services were meagre in the Post Offices (35 Post Offices in Telangana) where the facility was started and only 816 transactions were made during the period from June 2014 to August 2015.

Further, it was noticed during physical verification of DoP Mee-Seva centres in three post offices of three districts[21] that Mee-Seva counter was not operated in the test checked post offices due to transfer of the person trained in Mee-Seva application thereby not being able to login to Mee-Seva application.

Government in its reply attributed the lesser number of transactions to transfer of trained postal employees and stated that action would be taken to train the new personnel, so as to increase the transactions in post offices.

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[20] dydir1_eseva@telangana.gov.in
[21] Khammam, Ranga Reddy and Warangal

3.2.7 Conversion of Bhoomi counters to Mee-Seva centres

Bhoomi counters were established by the Government of Andhra Pradesh in eight districts in 416 mandals[22] for issue of land related certificates to the citizens from LRMIS[23] data available in mandal computers. After launch of Mee-Seva in 2011, Government decided[24] (June 2012) that the existing 416 Bhoomi counters in the eight districts be converted to Mee-Seva counters providing all Mee-Seva enabled services to the citizens, in addition to the land related services being offered through Bhoomi counters. The District e-Governance Society (DeGS) under the chairmanship of District Collector was to act as the Service Centre Agency (SCA) for these centres.

During scrutiny of records, it was noticed that the Department in July 2012 informed the Joint Collectors & Additional Directors (Mee-Seva) of the eight districts that Mee-Seva services were to be provided through the converted Bhoomi centres by connecting through urban eSeva data centres of districts concerned. Data access charges were to be paid to the service provider for data centre access. However, it was noticed that 51 centres in Warangal district were converted to Mee-Seva centres and shown as working under DeGS. However, the status of remaining 278 erstwhile Bhoomi counters pertaining to five districts that were to be converted to Mee-Seva counters were not reflected in the list of Mee-Seva authorized centres.

During the physical verification of Bhoomi centres in Warangal district, it was noticed that Mee-Seva application was being used only for approvals/mutations of revenue services and no other Mee-Seva services were being offered.

Thus, the purpose of conversion of Bhoomi centres for offering Mee-Seva services in Warangal district was not fruitful. Status of functioning/conversion of Bhoomi centres in other five districts[25] is awaited from concerned district Collectors.

During the Exit Conference, Government stated that Bhoomi counters were closed in all the districts (except Warangal) to discourage the citizens from visiting Government offices and that the Government had decided to shift over to Entrepreneur model wherein the operator would get incentives based on the number of transactions made.

3.2.8 Non-establishment and registration of Common Service Centres (CSCs)

Government of India formulated the National e-Governance Plan (NeGP) with the vision of providing Government services in an integrated manner at the doorstep of the citizen at an affordable cost. As part of it, Common Service Centres (CSCs) were envisioned as the front-end delivery points for providing Government, private and social sector services to rural citizens of India. State Designated Agency (SDA - EDS) has identified 4,687 as the total number of CSCs that would be established across the State (i.e. one CSC for every six census villages in six zones (excluding Hyderabad and Secunderabad).

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[22] Adilabad - 52, Anantapur - 41, Karimnagar - 57, Mahabubnagar - 64, Medak - 46, Nalgonda - 59, Nellore - 46 and Warangal - 51
[23] Land Record Management Information System
[24] in G.O. Rt. No. 92, ITE&C (Infrastructure) Department, dated 13 June 2012
[25] Adilabad - 52, Karimnagar - 57, Mahabubnagar - 64, Medak - 46, Nalgonda - 59

Subsequently, on launching of Mee-Seva during 2011, Government decided to offer all the Mee-Seva services through CSCs and the State Apex Committee in its meeting (November 2012) decided to subsume all delivery channels like CSCs, AP Online, Bhoomi counters into Mee-Seva. All CSCs-like kiosks were to be registered on the Online Monitoring Tool and the CSC portal of Government of India. On scrutiny of the status report from CSC Live for the month of June 2015, the following points were noticed:

Table-3.7

Name of SCA	District	No. of CSCs	No. of CSCs Registered as per CSC Live
CMS Computers Ltd.	Visakhapatnam	213	224
	Vizianagaram	213	169
	Srikakulam	213	195
	East Godavari	214	378
	Guntur	213	237
	Kurnool	213	209
	Prakasam	213	197
	Nizamabad	213	222
	Adilabad	213	154
	Karimnagar	213	211
	Warangal	213	229
Sreeven Infocom Ltd.	West Godavari	213	98
	Krishna	213	170
	Khammam	213	141
AP Online Ltd.	Ranga Reddy	213	141
	Nalgonda	213	181
	Mahabubnagar	213	218
	Medak	213	175
	YSR Kadapa	213	162
	Anantapur	213	216
	SPSR Nellore	213	170
	Chittoor	213	188
	Total	**4687**	**4285**

(a) A number of CSCs, which were contemplated in the agreement with different SCAs, were not established by some SCAs in some of the districts even after the lapse of more than five years.

(b) 402 CSCs, though showed as being rolled out in the CSC portal, were not registered on the CSC live portal which is mandatory as per agreement for monitoring the operation of CSCs by Central Government.

Thus, the CSC centres as contemplated were not established by the SCAs.

Government replied that post-bifurcation of composite State of Andhra Pradesh, CSC SPV, New Delhi was addressed for updation of Telangana SDA portal and the reply was awaited.

The contention of the Government is not acceptable as it is silent on the shortages in establishing the CSC centres and the CSC, SPV, New Delhi was addressed only to update the Telangana SDA portal.

3.2.9 CSC funds - Non-submission of Utilization Certificates

Government of India (Department of Information Technology (DIT)) accorded administrative approval (16 May 2007) for implementation of Common Service Centre (CSC) project at a total estimated outlay of ₹74.33 crore to be implemented in the composite State of Andhra Pradesh through Electronically Deliverable Services (EDS) over a duration of four years. The contributions of DIT and the State were to be ₹37.17 crore each. An amount of ₹9.29 crore was released[26] in 2007 as Grant-in-Aid (GIA). An amount of ₹9.29 crore was also released[27] by DIT as Additional Central Assistance (ACA) for implementation of the above project.

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[26] No. 3(88)2006-EGPMU, dated 6 August 2007
[27] No. 3(82)/2006-EGPMU, dated 22 June 2007

As per Rule 212 of General Financial Rules, 2005, a Utilization Certificate of actual utilization of the grants received for the purpose for which it was sanctioned is to be submitted to the granting authority within twelve months of the closure of the financial year. When such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization for any future grant, subsidy or other type of financial support from the Government.

It was noticed that:

(a) The Grant-in-aid and the ACA received by the Department in the year 2007 was not utilized and kept in bank and no UCs were submitted for more than three years.

(b) The DIT in its letter dated 14 July 2011 stated that the Parliamentary Standing Committee on Information Technology directed the DIT to take urgent steps to recover the money from the implementing agencies which have not spent the allocation effectively. Further, DIT in its letter (June 2012) requested the Department to refund the GIA amount lying unutilized since 2007-08.

(c) The Department neither submitted the UCs for the years 2013-14 and 2014-15 nor refunded the amounts lying unutilized as directed by DIT. Non-submission of UCs to DIT may result in stopping of further releases for the project.

(d) The CSC funds got accumulated to ₹25.37 crore over the years and the same were allocated between the States of Andhra Pradesh (₹14.71 crore) and Telangana (₹10.65 crore) due to bifurcation of the State as per the ratio finalized in AP Reorganization Act, 2014.

Government replied that Utilization Certificate was not submitted during the year 2014-15 as there was no expenditure. It was also stated that DIT was addressed to utilize the available funds for establishment of One Stop Shop (Palle Samagra Seva Kendras) in 8,687 panchayats in the State and the reply was awaited.

The contention of the Government that UCs were not submitted due to non-incurring of any expenditure is not acceptable as DIT had directed to surrender the unutilized amounts during the year 2011 only.

3.2.10   Non-implementation of Disaster Recovery Centre

Guidelines for development, implementation/operationalization, sustenance, maintenance and support of all services delivered through Mee-Seva platform of Government of Andhra Pradesh[28] provided for setting up a Disaster Recovery (DR) Centre for storing and maintaining the databases remotely. As per the Department of Information Technology (DIT) norms, the DR site should be geographically located in a different seismic zone i.e. at least 250 km. away from the main data centre site.

Andhra Pradesh Technology Services Limited (APTS) on behalf of the Department entered into a contract (January 2013) with a Secunderabad based firm for supply, installation and commissioning of IT infrastructure at Mee-Seva disaster recovery site at New Delhi. The Department paid an amount of ₹94.38 lakh towards setting up of the DR site to APTS.

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[28] G.O. No.5, ITE&C Department, dated 19 February 2014

The Department replied that the DR site was configured and tested but not implanted in the State of Telangana due to State bifurcation. Thus, non-setting up of DR site even after one year of bifurcation of the State exposes the system to disruptions in the event of calamities.

Government replied that the setting up of DR site was planned at DIT facility 'cloud Meghraj' or at a site planned by ITEC Department, Telangana for all the Departments in Hyderabad.

3.2.11 Non-reconciliation of receipts with Departments

It was noticed that the receipts on account of Mee-Seva collections (i.e. statutory amounts collected on behalf of the Department through Mee-Seva centres) were being maintained and transferred to the concerned Departments' bank account online from time to time. No reconciliation of the amounts so transferred was being carried out with the Departments concerned. As considerable amounts are being collected/transferred to various Departments by the ESD, reconciliation of the transactions and amounts are necessary to avoid discrepancies in anticipated revenue and actual collections.

Further, ESD did not take action for audit of accounts and records of SCAs to be conducted by an empanelled agency as laid down in ESD Rules, 2011.

Government replied that three steps to streamline the process of maintaining of accounts were being initiated *viz.,* implementation of a comprehensive accounting package, conducting concurrent audit through Chartered Accountants and establishment of a Project Management Unit for Finance in ESD for catering to all the needs of finances including the reconciliation work.

3.2.12 Grievance monitoring system

A multiple-service-delivery call centre (24x7) called 'Parishkaram' was set up to provide information related to Agriculture, Education, Exam results, etc. to citizens and to register and follow up grievances related to service delivery across various Government offices. Information/complaints about the Mee-Seva services could also be registered through this call centre by a toll free number[29].

It was noticed that the information regarding Mee-Seva services offered and status of applications submitted for availing Mee-Seva services were given to the citizens over the phone. Citizen grievances regarding the delay in offering services, demanding extra amount, etc. were entered into a file and the same was transferred to the district collectorate concerned for necessary enquiry.

However, the status of such complaints was not being updated/ available in the call centre records and thereby the grievances of the citizens could not be monitored at the State level and the status of such cases is not known.

During field visit to 27 Mee-Seva centres, it was also noticed that no complaint register was being maintained for registering citizens' complaints/suggestions, etc. at any centre.

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[29] 1100 (BSNL users) or 1800-425-1110 (all users)

Government replied that the existing call center was being updated to automated digital mode so as to record all the conversations/complaints, etc., and to measure and follow up the feedback.

3.2.13 Capacity building

Capacity Building is a critical component of Mee-Seva to ensure that the direct users and other stakeholders of Mee-Seva use the system optimally. The main objective is to have an online system to monitor all the training programmes being conducted through Institute for Electronic Governance (IEG) for Mee-Seva education and training programme. Training is imparted through classrooms, hands-on-training, training through video conference and Mana TV live. The details of training imparted are as follows.

Table-3.8

No. of training sessions	Kiosk Operators			Departmental officials		
	Nominations	Attendance	% trained	Nominations	Attendance	% trained
1886	194892	138310	71	22075	18984	86

As seen from the above, only 71 *per cent* of the kiosks/counter operators and 86 *per cent* of the Department officials were imparted training on all modules, even after the completion of more than three years of roll-out of the project.

Government replied that the observations made by Audit is only of classroom trainings and not inclusive of other two modes of training i.e., MANA TV and Video Conference. However, the Capacity Building team is being directed to visit every district office once in a month for monitoring the training programmes.

Government's reply is not acceptable as classroom training particulars were being recorded and the number of persons trained on the other two modes were not made available.

3.2.14 Delay in providing services

During the data analysis of transaction data, the following points were noticed:

Category-A: As per the time frame in the citizen charter of Mee-Seva, services under Category-A (which are to be given across the counter) are to be provided in a maximum of 15 minutes. Analysis of the transaction data of services under Category-A revealed that Mee-Seva could successfully deliver them within time frame in 69 to 99 *per cent* of cases.

Category-B: The time frame for rendering service under Category-B varies from three days to 365 days depending upon the service requested by the citizen. Analysis of the transaction data of five services under Category-B revealed as follows.

Table-3.9

Sl. No.	Service ID	Service description	SLA Days	Total No. of records	Pending beyond SLA	% beyond SLA
1	806	Income certificate	7	33,84,228	13,80,886	41
2	818	Integrated Certificate	30	15,52,755	4,09,812	26
3	805	Residence Certificate	7	10,61,285	4,39,400	41
4	845	Birth Certificate CDMA	5	1,78,451	49,844	28
5	855	Child Name Inclusion	6	1,39,052	77,207	56

As seen from the above, for the services which were availed by the citizens under category-B, the pendency beyond the SLA ranged from 26 *per cent* to 56 *per cent* which shows the delay in delivering the services on the part of the concerned Departments.

Further, analysis of SLA monitoring report (available in the Mee-Seva portal) revealed the following.

Table-3.10

Service name	Total Transactions	Approved within SLA	Approved beyond SLA	Rejected	Pending beyond SLA
Mutation + E Pattadar Passbook	1,96,719	0	1	43	1,57,387
Late Registration of Birth Hyderabad	2,80,959	1,44,869	62,332	18,876	21,626
Income Certificate	39,22,711	25,37,478	11,25,909	1,86,197	21,621
Community and Date of Birth-BC	12,10,576	9,36,598	1,36,219	42,081	20,625
Community and Date of Birth-SC	6,29,961	4,82,524	70,502	25,507	16,694

Out of total 3,79,879 records pending beyond the SLA period under all the services, 1,57,387 records (41 *per cent*) constitute the pending records for the service 'Mutation + E Pattadar passbook' which is one of the most availed Mee-Seva service.

Government replied that the issue of delay in providing services was taken up with District Collectors and the Departments, especially with CCLA and SSLR Departments as majority of cases beyond the SLA pertain to these two Departments. The pendency in respect of e-Pattadar Pass Books was attributed to non-finalization of the model of the pass book.

3.2.15 Inconsistencies in database

(i) In the Mee-Seva centres master table (Meeseva_centres_compliance[30]), out of total records of 5,964, details of centre *viz.,* Name of the Operator, SCA Details, Address, Photo-ID, etc., were not available in 2,542 records. Therefore, the records could not be categorized between the States of Andhra Pradesh and Telangana in these cases. Out of the remaining 3,422 records, 1,729 records pertain to Telangana. Out of them, no photo of Mee-Seva centre (both front and inside view) was uploaded in 512 records. Same e-mail ID and phone number was noticed in 10 cases. Junk entries like '00000', '01', '03' were noticed in the column where identity proof number (i.e. Aadhar, PAN No., etc.) is to be recorded. Thus, it can be construed that important fields like contact numbers, photo of centre, identity proof number were not being filled properly and verified through the system which shows that no proper validation existed for updating the master data.

(ii) In Portal_User table[31], out of 5,520 records, distinct password was being used only in respect of 2,110 cases and in remaining 3,410 cases, same password was being used which shows that the password was not being changed regularly as per password policy. Thus, it shows that same password is being used in the Departments which may affect the security of digital signature for processing of Mee-Seva services by the departmental officials, thereby exposing the system to misuse or vulnerability of frauds.

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[30] This table captures details of a centre *viz.,* operator name, centre code, address, centre photo, etc.
[31] This table captures details of departmental users like username, password, role id, etc.

Government replied that it was planned to reinitiate the data capturing/updation to get the latest information of all the centers to ensure that all necessary validations are taken care. It was also stated that mandatory check for changing the password frequently was removed owing to lack of IT knowledge of the field officers.

3.2.16   Performance of Mee-Seva centres

After the launch of the program in Government of Telangana, a total of 2.37 crore transactions till 12 August 2015 have taken place on Mee-Seva portal. An analysis of Authorized Agent-wise performance report available on the Mee-Seva portal revealed the following.

Table-3.11

Sl. No.	Name of the SCA	Total No of Agents	Agent having Txns. more than 1000	Agent having Txns. Less than 1000	Agent having zero transaction
1	AP Online	962	615	150	197
2	AP Online CSC	941	815	77	49
3	Ram Info	717	150	259	308
4	HCL	439	347	53	39
5	CMS	997	739	138	120
6	Sreeven	173	136	16	21
7	Postal Department	35	0	14	21
8	Bhoomi	103	10	36	57
	Total	**4367**	**2812**	**743**	**812**

Out of the total 4,367 Mee-Seva centres, only 2,812 centres have recorded transactions of more than 1,000 during June 2014 to September 2015 whereas 743 centres have recorded less than 1,000 transactions. Eight hundred and twelve (812) centres have not recorded any transactions during the period; thereby the citizens were deprived of the Mee-Seva services in those areas.

Government replied that as the contract of CSPs was coming to end in March 2016, an Entrepreneur model was being planned, wherein the operator is paid on transaction count basis, which motivates the Mee-Seva operators to complete more transactions and to offer all the Mee-Seva services.

3.2.17   Observations in test checked Centres

During the field visit in the test-check districts/centres, the following points were noticed:

• In urban centres, even though E-Queue Management System (EQMS) hardware is available, it was not being put to use and manual queue system was being followed.

• SCA shall maintain or cause to be maintained, Insurance policies against loss due to fire, floods, earthquake, etc. However, no insurance was being taken thereby exposing the Village Level Entrepreneur (VLE) to the financial risk.

• Anti-virus was not being used or outdated in some centres, exposing the application to unauthorized access to confidential data and virus/malware attacks.

• Funds pertaining to the departmental share were being transferred to District e-Governance Society (DeGS) account (at District Collectorate) for maintenance of

IT infrastructure/computerization, digitization, scanning, etc. at district offices. However, cash book reflecting the receipt and expenditure of the funds was not being maintained/submitted to audit in Ranga Reddy and Khammam districts.

Government replied that steps to utilize the EQMS facility would be initiated and other infrastructural shortcomings pointed out by Audit would be rectified during the selection of new CSPs.

3.2.18 Conclusion

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 centres needs improvement as considerable number of centres have not recorded any Mee-Seva transactions during 2014-15, thereby depriving the citizens of the Mee-Seva services.

3.2.19 Recommendations

(i) Coordination between the Department of Information Technology, Electronics & Communication and other participating State Government Departments needs to be strengthened for timely delivery of services to citizens.

(ii) Disaster Recovery Centre needs to be setup on priority basis to restore data in case of any contingency.

<div align="center">

Scheduled Caste Development, Tribal Welfare, Backward Classes Welfare and Minorities Welfare Departments

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

3.3.1   Introduction

Scholarship schemes represent an important social welfare measure initiated by the Central and State Governments to increase the enrolment and ensure retention of Scheduled Caste (SC), Scheduled Tribe (ST), Backward Classes (BC) and Minority community students in educational institutions. The benefits of these schemes are provided to pre-matric as well as post-matric students based on the parameters specified by the Government from time to time. In the composite State of Andhra Pradesh, approximately 25 lakh beneficiaries were being covered each year under post-matric scholarship schemes. Post bifurcation of the State with effect from 2 June 2014, approximately 14 lakh beneficiaries have been covered under post-matric scholarship schemes in Telangana State during 2014-15. Government of Telangana has been implementing these schemes through the Departments of Scheduled Caste Development

(erstwhile SC Welfare Department in the composite State), Tribal Welfare, Backward Classes Welfare and Minorities Welfare. Under the scheme, students are paid scholarships in the form of Reimbursement of Tuition Fee (RTF) comprising tuition fee, special fee and other fee; and Maintenance Fee (MTF) comprising mess charges, exam fee, etc., subject to fulfillment of certain specific criteria *viz.*, income limit, caste, age, etc. Director, Scheduled Caste Development (SCD) Department has been designated as the nodal officer for implementation of the scheme through ePASS[32] system. An amount of ₹5,772 crore was spent during the three year period 2012-15 on this scheme across the Telangana State.

3.3.2   Objective, Scope and Methodology of Audit

Performance Audit of scholarship schemes covering the period 2008-12 featured in the Report of the Comptroller and Auditor General (CAG) of India pertaining to the Government of Andhra Pradesh for the year ended March 2012 (Chapter 3 of Report No.4 of 2013). Eight recommendations were issued to the Government by the CAG to ensure that the deficiencies and irregularities flagged in the Report are addressed and necessary corrective action is taken by the Government so that the lapses/shortcomings do not recur. Government accepted (February 2013) all the eight recommendations and assured that appropriate corrective action would be initiated for streamlining the system.

CAG decided to carry out a follow-up audit of the post-matric scholarship schemes in 2015 to see whether the Government has addressed the concerns raised and remedied the underlying conditions highlighted in the Audit Report and implemented the accepted recommendations relating to post-matric scholarship schemes during the period 2012-15.

Audit methodology involved issue of specific structured questionnaire to the four concerned Departments (SCD, ST, BC and Minorities Welfare) for eliciting responses with regard to the action taken by the Government to implement the recommendations, followed by scrutiny of records (June - July 2015) at the Secretariat Department, Directorates, six[33] selected educational institutions and analysis of data in ePASS system using Computer Assisted Audit Techniques (CAAT).

Audit Findings

The status of implementation of eight audit recommendations accepted by the Department has been arranged in three categories.

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[32] System established by Centre for Good Governance (CGG) for processing of applications of students/colleges, sanction and disbursement of scholarship amounts to the beneficiaries

[33] Hyderabad: Government Junior college, Secunderabad and Government Degree college, Khairatabad; Ranga Reddy: New Government Junior college, Kukatpally and Government Degree College, Chevella; Khammam: SR&BGNR college and Government Junior college, Naya bazar

3.3.3 Insignificant or no progress

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
About 24 per cent of allocated funds remained unutilised during 2008-12 with regard to post-matric scholarships, due to freezing of budget by the Government. *There were delays in sanction/ disbursement of scholarship to students. Students were not sanctioned Maintenance Fees (MTF) and Reimbursement of Tuition fee (RTF) in the same academic year. Three to nineteen per cent students were not sanctioned MTF and RTF in the same academic year during 2009-11.* *(Paragraphs 3.4.2 & 3.6.3.5)*	Government should ensure allocation and release of adequate funds in a timely manner within the respective academic year, so that scholarships benefit the students in time.	Audit scrutiny of records (pertaining to the period April 2012 to March 2015) revealed that Government has not taken concrete steps to assess requirement of funds for clearing of arrears and payment of scholarships to all eligible beneficiaries in the same year. During the audit of test checked colleges, the issue of delayed release of scholarship was accepted (July 2015) by the Principals of all the six colleges who certified that an amount of ₹32.48 lakh was collected towards tuition fee from the students during the period 2012-15.	All the four welfare Departments stated (June 2015) that Government provided funds for release within the financial year.	It was observed in Audit that all the eligible students were not being sanctioned/paid in the same financial year. The delays in payment ranged upto two years *(Details vide Appendix-3.1).* Due to delayed release of RTF by the Government, college managements were collecting the fee from the students during the year. The Principals of all six test checked colleges have confirmed that they have collected tuition fees from the students in advance of receipt from the Government. Government has thus, not implemented this recommendation.
Large variations in the tuition fee structure were observed for the same course offered by different colleges of different Universities resulting in payment of different rates for the same course. (Paragraph 3.6.5.10)	There is an urgent need for the Government to assess the quality of education and infrastructure facilities provided by these institutes and rationalise/standardise the fee structure. Until	Audit scrutiny revealed that there was a proposal within the Scheduled Caste Development Department (SCDD) to convene a meeting with all Vice Chancellors to sort out the serious anomalies in the fee	Director, SCDD replied (May 2015) that Government had been addressed to convene a meeting of all Vice Chancellors to discuss the issue to formulate norms for fixing uniform fee structure	Thus, the recommendation was not implemented.

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
	that happens, Government should at least reimburse a fixed amount to the Universities/institutes for various courses, rather than reimbursing the cost quoted by these institutes.	structure and formulate norms for fixing fee structure for restructured courses, regular courses and self finance courses, etc. However, as of June 2015, nothing concrete has been done in this regard.		
As per Government orders of September 2010, the Project Monitoring Unit (PMU) should update the fee and course masters, monitor the fee structure, and address technical issues in the ePASS system for all the Welfare Departments. (***Paragraph 3.6.3.6***)	Fee structure uploaded in the ePASS system should be verified by an authorised official of the concerned Departments to ensure accuracy of scholarship amount released.	Government issued (September 2011) instructions to Registrars of all the universities to update the fee structure every year. They were also to furnish a hard copy as documentary evidence to the Project Monitoring Unit (PMU) for cross verification of the fee structure on the ePASS website. Only on confirmation of the fee structure, the revised rates, if any, would come into force; else, the fee structure of previous years is applicable.	Director, SCDD replied (May 2015) that the fee structure uploaded in ePASS system was being verified by an authorized official of the Departments.	Earlier, Government stated (February 2013) that the issue of achieving a unified fee structure for all courses irrespective of Universities was under consideration and a final decision would be taken in due course. Despite this assurance by Government, unified fee structure for all courses irrespective of Universities remains unachieved as guidelines in the matter were yet to be formulated (May 2015). Further, due to non-confirmation from the PMU, the fee structure pertaining to 2012-13 was adopted even as of 2014-15. The recommendation was thus, not implemented in its spirit.

3.3.4 Partial implementation

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
Scholarship is provided on saturation[34] basis and the Government is required to identify the eligible students before sanctioning the scholarship amount. While the Departments were not ensuring compliance with the prescribed format with regard to income level of parents, there is no mechanism with the Government to derive assurance about the other details of students like proof of address, etc. This is further reinforced by the fact of inability of the nodal banks in crediting the scholarship amounts to the students' accounts in some cases due to absence of the requisite details. *(Paragraph 3.3.1)*	Government should take immediate steps to carry out a survey of all eligible students/ colleges, and update the database with valid details, including e-mail IDs and bank accounts. The income certificate in the form prescribed by the Government should be insisted upon from the beneficiaries.	Government introduced (December 2013) Aadhar linkage for identification and authentication of the eligible students for disbursement of scholarships and mandated issue of income and caste certificates from the Revenue Department through Mee-Seva[35]. Principals of the educational institutions have been authorised by the Government to verify the authenticity of the details provided by the students in their application for scholarship. Where the students do not possess Aadhar card, scholarship amount is to be disbursed only after physical verification of the details provided by the applicant, by the concerned District Welfare Officer. Audit analysis of the data in the ePASS database revealed that out of the 21.68 lakh students who have been sanctioned scholarship during 2012-15, scholarships were sanctioned	Director, SCDD stated (May 2015) that the implementation of the scheme was carried out effectively through ePASS and that with the introduction of Aadhar Online Authentication, the student was sanctioned MTF first and then RTF after ensuring details such as student's ePASS id, online authentication after confirmation by biometric reader. It was also stated that Aadhar Card, Income and Caste certificates were made mandatory for availing scholarship.	During the field visit to test checked colleges, Audit observed that, the Principal or his authorised representative has not been verifying the details relating to income, caste and Aadhar number in several cases. Further, the biometric authentication procedure prescribed for payment of scholarship was not complied with in respect of students in Department Attached Hostels (DAHs). The above lapses point to inadequate verification processes at the college level as well as at the District Welfare Officer level. This is further substantiated by the fact that an amount of ₹135.93 crore sanctioned and released for being credited to students' accounts remained undisbursed in Corporate Internet Banking(CINB) accounts/ PD accounts as of March 2015.

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[34] Saturation basis implied that all the students who are eligible for sanction of scholarship are sanctioned. In case the student is not sanctioned during the current year, he is sanctioned scholarship on priority basis in the subsequent year

[35] Online citizen utility services portal

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
		after verification of all the six parameters, only in respect of 2.32 lakh students. In case of other students, scholarships were sanctioned without verifying one or more of the six prescribed parameters[36] i.e., Income certificate (16,794), Caste certificate (13,87,254), Bank account particulars (14,42,145), 75 *per cent* of Attendance (16,793), SSC[37] ID (16,873) and Aadhar Card (61,286). In 8,813 cases, none of these six prescribed parameters were verified before sanctioning scholarships (*Details vide Appendix-3.2*). Audit scrutinised 4,043 records of students who were sanctioned scholarship during 2014-15 and observed that, income certificate column was left blank in 2,894 cases; Aadhar number was not provided in respect of 27 cases; and SSC ID did not match with SSC database in 2,014 cases. This was despite all these fields being mandatory. Scholarships were sanctioned in these cases though the criteria specified were not satisfied.		Thus, although corrective action has been initiated by Government to implement the recommendation and streamline the procedure for verification and authentication of the details provided by the students, it was not being complied with at the ground level by the concerned officials at the college as well as at the district level.

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[36] indicated as mandatory fields in ePASS database
[37] Secondary School Certificate

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
Government introduced payment of scholarships through Nodal Banks, which were to furnish the drawal particulars of scholarships and the details of inoperative accounts of students college-wise every quarter to the District Officer. Considerable amounts (₹176.83 crore) remained undisbursed with the nodal banks, Corporate Internet Banking (CINB) and PD accounts. **(*Paragraph 3.4.2.4*)**	Government should put in place a proper mechanism to ensure refund of undisbursed scholarship funds available with various agencies (banks, corporations and district officials).	Government issued instructions (September 2011) to all the District Welfare Officers (DWOs) to refund the amounts lying with the Nodal Banks to the relevant Government account. However, it was observed in Audit that there was no improvement in this regard and the funds continue to be retained by the CINBs. In the composite State of Andhra Pradesh, an amount of ₹176.83 crore pertaining to the period 2008-12 was lying in nodal banks (₹20.32 crore), Corporate Internet Banking accounts (₹99.80 crore) and PD Accounts (₹56.71 crore) without utilization as of April 2012. Audit observed that, there was an undisbursed amount of ₹135.93 crore lying in CINB accounts (₹119.38 crore) and PD Accounts (₹16.55 crore) in Telangana as on 31 March 2015[38].	Director, SCDD stated (July 2015) that the District Welfare Officers were instructed to enter details of the challans and remittance details and that provision was also made in ePASS for remittance of amount into Government account.	Although Government initiated action as per Audit's recommendation, its directives have been disregarded by the Treasuries, which operate the corporate internet banking accounts. State Government has not taken any further action against the Treasuries for non-compliance with its directives or re-inforce its intent for ensuring financial discipline among the Treasuries in this regard.

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[38] 31 March 2013: CINB accounts (₹24.51 crore) and PD Accounts (₹11.03 crore); 31 March 2014: CINB accounts (₹83.19 crore) and PD Accounts (₹4.83 crore)

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
There were numerous errors in ePASS system. Due to inadequate validation controls, ePASS application permitted processing of several irregular/ excess payments/bogus claims involving an amount of ₹64.71 crore. *(Paragraphs 3.6.3.2 to 3.6.3.4, 3.6.3.7 and 3.6.3.8)*	Validation controls should be strengthened in the ePASS system to ensure that only eligible students get scholarship at the prescribed rates. Common Entrance Tests (CET) data may be linked with ePASS data/SSC Board data to avoid irregular sanction of PMS to management/ spot admission quota students.	It was commented in Audit Report for the year ended March 2012 that ePASS system allowed an applicant to file multiple applications by selecting different options in some of the fields (Pass type/State/Board) of his/her application form which resulted in multiple sanctions/scholarship releases to the same applicant. Audit scrutinized database of 41,19,368 records of applicants[39] in ePASS system pertaining to the period 2012-15. Scrutiny revealed that validation controls which should have prevented duplications, irregular sanctions, etc. at the application level were found inadequate as illustrated below.		
		Lack of validation controls in ePASS: Government issued (March 2012) instructions for validation of student details with SSC data at the college level for processing the application for scholarship to avoid duplications,	Director, SCDD stated (May 2015) that the SSC ID was used to access the application. Further, every year SSC data from School Education Department and Common	However, analysis of relevant data/ tables of ePASS system relating to processing of applications of students/colleges revealed that despite such validation controls the ePASS system allowed multiple entries of e-mail ID/mobile numbers as detailed below.

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[39] 2012-13: 14,44,414; 2013-14: 14,27,527; 2014-15: 12,47,427

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
		as the SSC ID is a unique number for each student. Audit however observed that in 4,152 instances where scholarship was sanctioned during 2014-15, there were 2,014 cases where there was a mismatch of SSC ID with that of data obtained.	Entrance Test (CET) data obtained from Convenors through Secretary, TSCHE, Aadhar based biometric authentication was introduced to ensure that eligible students only get scholarships.	• Invalid entries in mobile number field were given in the case of 49 records. • There were 721 instances where one e-mail address was given by more than one student (32 students have given the same mail ID). • Admission category has not been captured in respect of 3,136 students in all cases in the year 2014-15. • The application logic failed to restrict grant of scholarships to students belonging to SC/ST students whose family income is more than two lakh[40] which resulted in payment of scholarship of ₹2.24 lakh to 17[41] ineligible students during 2012-14. • It was observed that the students' bank account details were populated with the institution bank details in 65 cases[42] during the period 2012-14.
		Sanction of scholarship to students of ineligible age: Government instructions (November 2011) stipulated age limits to be eligible for sanction of scholarships to students. No scholarships should be sanctioned to students below 14 years/above 34 years of age.		During 2012-15 also, scholarships were sanctioned and released to the extent of ₹3.77 crore for over age (₹3.55 crore) and under age (₹0.22 crore) students (*Details vide Appendix-3.3*). Absence of validation controls facilitated release of scholarship to ineligible students.

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[40] One lakh in respect of students belonging to BC, EBC and Minority

[41] 2012-13 - 14 students (₹1,85,458); 2013-14 - 3 students (₹38,571)

[42] 2012-13: 62 cases (₹1,34,620); 2013-14: 3 cases (₹8,724)

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
		It was commented in the Audit Report 2011-12 that scholarships (RTF and MTF) were sanctioned and released (during 2011-12) to the extent of ₹1.44 crore to over age (₹1.05 crore) and under age (₹39.86 lakh) students. Scrutiny revealed that no corrective action was taken as observed from the analysis of relevant data/tables of ePASS system, as discussed below.		
		Irregular payment to students admitted under Management Quota/Spot Admission: Government issued (March 2012) instructions to all the principals to match the student details with Common Entrance Test (CET) data so as to ensure sanction of scholarships only to those students admitted through convener quota.	Department stated (July 2015) that CET validation has been introduced from 2011-12 onwards and the question of sanctioning scholarship under Management/Spot admissions does not arise.	Contrary to the Government's claim, an amount of ₹4.58 lakh was paid during 2012-13 to 21 students[43] admitted under the category of Management Quota/ Spot Admission. Thus, Government is yet to tighten the validation controls to the required extent in the ePASS system. This recommendation is thus, only partially implemented.

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43 Spot Admission: 2 students; Management Quota: 19 students

3.3.5   Full implementation

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
As of March 2012, ₹99.60 crore pertaining to various scholarship schemes funded by GoI and State Government had accumulated with the Minority Welfare Corporations (APSMFC: ₹80.70 crore, APSCMFC: ₹10.44 crore, UAAP: ₹8.46 crore). Further, funds amounting to ₹45.51 crore (out of ₹99.60 crore) were held in fixed deposits by APSMFC instead of utilising for the purpose for which these were sanctioned. **(Paragraph 3.4.2.1)**	In respect of minority welfare, Online Scholarship Management System (OSMS) should be brought into the ambit of ePASS, to ensure effective control. Also, payment of scholarship to minority community students needs to be brought under "treasury control" to avoid diversions and delays.	Audit scrutiny revealed that Government had brought the minority welfare scholarships also into the ambit of ePASS and payments were made through treasury from the academic year 2012-13.		Thus, the recommendation was implemented fully by the Government.
As per Government orders, Government educational institutions were to remit back the tuition fee component to the Government account and retain the special fee, examination fee and other fee in Non-government account to meet the miscellaneous expenditure incurred on students. Government colleges were however, not complying with these orders and the resultant money remained unremitted in the Principals accounts. **(Paragraph 3.4.2.5)**	Government should dispense with releasing RTF to Government educational institutions since this is remitted back in any case.	Audit analysis of the ePASS database however, revealed that release of RTF/MTF to Government colleges continued and an amount of ₹19.01 crore and ₹5.24 crore was released during 2012-13 and 2013-14 respectively, resulting in locking up of scholarship funds with the colleges.	Government in SCDD stated (June 2015) that the Higher Education Department has been addressed to issue specific guidelines to Government colleges to remit the Tuition Fee and Special Fee into Government account. Further, SCDD replied (May 2015) that the release of RTF/MTF to SW/TW/BCW residential junior colleges was stopped.	Thus, the audit recommendation was being implemented fully from 2014-15 only.

3.3.6   Other significant observations

3.3.6.1   Embezzlement of scholarship funds

Mention was made in the Audit Report (Para 3.4.2.6) that 4,156 eZpay/ATM cards were stolen during November 2010 to December 2011 in four[44] divisions of District BC Welfare Officer, Hyderabad and an amount of ₹17.25 lakh (90 *per cent* of the total amount of ₹19.12 lakh credited into these accounts) was fraudulently withdrawn from 471 bank accounts. Government stated[45] that, a police complaint was filed (May 2012) on the theft of eZ cards by the DBCWO, Hyderabad and that the Vigilance and Enforcement Department and Crime Investigation Department were investigating the case.

Audit scrutiny of the action taken to recover the amount revealed that Police authorities could establish accountability only in respect of 400 eZpay/ATM cards stolen (out of 4,156 eZpay/ATM cards stolen) and accountability regarding remaining ATM cards was yet to be established. Details of amounts recovered were not furnished to Audit as report in this regard was awaited from the Police authorities.

Thus, the audit concern brought out in the Report was not addressed by the Government.

3.3.6.2   Utilisation Certificates

Audit Report (Para 3.4.2.8) pointed out that in the sampled districts, an amount of ₹1,606 crore was released, against which Utilisation Certificates (UCs) to the extent of ₹1,122 crore (70 *per cent*) were furnished. Government stated (February 2013) that a service has since been provided in ePASS for UCs to be generated and submitted by the respective colleges and educational institutions for the year 2013-14 and that, with regard to earlier years, instructions had been issued to Officers concerned to obtain UCs from the respective colleges and educational institutions.

It was observed in Audit that although Government introduced (2013-14) the option in ePASS for uploading of UCs by the respective educational institutions, as of June 2015, UCs for 50 *per cent* of the funds (₹4,510 crore) released (during 2012-15) were yet to be furnished by the DWOs/educational institutions in the State as detailed in the table.

Table-3.12

(₹ in crore)

Year	Total amount	Pending at college	Pending at District Officers	Total UCs pending
2012-13	1568.55	458.28	268.31	726.59
2013-14	1676.63	383.67	367.42	751.09
2014-15	1265.21	466.60	331.83	798.43
Total	**4510.39**	**1308.55**	**967.56**	**2276.11**

Source: ePASS

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[44]Assistant Backward Classes Welfare Officer, Charminar (90 accounts/₹2.91 lakh), Assistant Backward Classes Welfare Officer, Golconda (209/₹8.31 lakh), Assistant Backward Classes Welfare Officer, Musheerabad (86/₹2.44 lakh) and Assistant Backward Classes Welfare Officer, Secunderabad (86/₹3.59 lakh)

[45] In its Explanatory Note submitted to Public Accounts Committee in December 2014

In the test checked districts of Hyderabad, Ranga Reddy and Khammam, it was observed that UCs for 52 *per cent* of funds released (₹1,233 crore) during 2012-15 were yet to be furnished by the educational institutions/confirmed by DWOs.

3.3.7   Conclusion

Of the eight recommendations, Government has implemented two recommendations (Sl. Nos. 5, 7) fully. Government has brought the minority welfare scholarships also within the ambit of ePASS with effect from the academic year 2012-13 and payments are now routed through the treasury, as in the case of the other Departments.

Three recommendations (Sl. Nos. 1, 3 and 4) have been implemented partially. The remaining three recommendations (Sl. Nos. 2, 6, and 8) have not been implemented as of June 2015. Although Government initiated appropriate measures in some cases as brought out in the foregoing paragraphs to remedy the situation and address the concerns raised in the Audit Report, it is still not in a position to derive assurance that scholarships are being provided only to the eligible students and the requisite control measures are complied with at all the concerned levels down the responsibility structure.

The matter was reported to Government in August 2015; reply has not been received (December 2015).

Health, Medical and Family Welfare Department
(Nizam's Institute of Medical Sciences - NIMS)

3.4   Unfruitful outlay on construction of NIMS University

> **Commencement of work without ensuring availability of requisite funds led to the project 'Development of NIMS University Campus' being stopped midway rendering the expenditure of ₹80.39 crore futile**

Government allotted (October 2005) 161 acres of land for University Campus at Rangapur Village, Bibinagar Mandal (Nalgonda district) to develop Nizam's Institute of Medical Sciences – University Campus (NIMS-UC) consisting of a top class international Heart institute and Medical University in order to cope with the overflowing number of cardiac patients. The project cost was estimated to be ₹330 crore[46], excluding the cost of human resource (₹125 crore). In the first phase, Government accorded (February 2009) administrative sanction of ₹100 crore and against this, an amount ₹41 crore was released as of January 2014.

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[46] Construction: ₹220 crore; cost of equipment: ₹100 crore; maintenance of buildings: ₹10 crore

Out of the proposed buildings and other amenities[47], initially the construction of Hospital Block (with cellar plus five floors) was contemplated. The estimates (for ₹74.64 crore based on Standard Schedule of Rates (SSR) 2007-08) for construction of buildings were got prepared by a firm. The construction of the buildings was awarded (April 2008) to a Hyderabad based Company for a contract value of ₹93.19 crore[48] and the work was to be completed by August 2009, which was later extended from time to time up to March 2014. Post-bifurcation of erstwhile Andhra Pradesh, no further extension was granted.

Audit scrutiny (March 2015) of the relevant records of NIMS revealed that the construction activity had however been stopped midway (August 2009) by the Company, due to non-release of further funds after completion of work to the extent of ₹80.39 crore. The buildings were in a semi-finished stage[49] as of September 2015. In fact, certain items *viz.,* fire fighting, A.C., external electrical false ceiling, infrastructure like medical equipment, which were incidental to make the project fully operational, were not even proposed in the original agreement. All the structures remained unoccupied as of October 2015.

Scrutiny further revealed that, as against the initial administrative sanction of ₹100 crore, Government had released only ₹41 crore till January 2014. As against this, an expenditure of ₹80.39 crore was incurred (the balance cost was met by NIMS from out of its own resources). In January 2014, it was estimated by the Finance Committee of NIMS that an amount of ₹40 crore would be required for completion of the buildings and that an amount of ₹250 crore (escalation to an extent of ₹110 crore) would be required to complete the original master plan, based on the then prevailing market rates. Although a provision of ₹60 crore was made in the Budget for the year 2013-14, no funds were released by Government. Although NIMS approached (July 2012, March 2013 and January 2014) the Government for release of funds to complete the project as envisaged, no further funds were released as of October 2015. As a result, the construction of the buildings taken up in April 2008, had to be stopped midway. This indicated that the work was commenced without ensuring the availability of requisite funds.

When the issue of non-completion of the project even after the lapse of over seven years was pointed out by Audit, NIMS, while accepting the audit observation attributed (April 2015) it to failure of the State Government to release funds for the project. It was further stated that the Government was considering to handover the project to Government of India for construction of AIIMS[50].

However, in the reply of November 2015, it was stated that keeping in view the investment made so far, they were planning to start out-patient services in the structures already constructed (semi-finished buildings) very soon and that these services would be

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[47] (1) Hospital Block (2) Administrative Block (3) Residential Block (4) AYUSH (5) Institute of Para Medical Services (6) Medical Mall (7) Sewerage Treatment Plant (8) Rehabilitation Centre (9) Services Block (10) Parking area (11) Sumps for water (12) Roads

[48] at 24.845 *per cent* excess over estimated rates as approved by Governing council of NIMS

[49] Hospital Block: Frame structure completed; super structure and plastering nearing completion; Painting and flooring partially done; Road drain - nearing completion; Road work: nearing completion; Electrical sub-station: RCC frame completed and Parking area: partially done

[50] All India Institute of Medical Sciences

further extended to in-patient services within a span of six months. The present reply of the Director is neither consistent with the original proposal of developing the University campus nor with the earlier statement of handing over the Project to GoI. Further, it is not clear as to how the existing structures which were completed way back in 2009 and not put to use as of now, could be utilised for the proposed medical services without completing the structures. The Director did not also state, if any efforts were being made for release of balance funds by the Government for completing the construction and procurement of equipment, etc., so as to develop the NIMS University campus as originally envisaged. Reply of Government is awaited (December 2015).

Thus, commencement of work without ensuring availability of requisite funds led to the project being stopped midway rendering the expenditure of ₹80.39 crore futile.

3.5   Upgradation of medical facilities did not materialise

> **Deficient planning of NIMS authorities resulted in the buildings constructed at a cost of ₹125.91 crore as part of upgradation of medical facilities remaining unutilised for the purpose envisaged by GoI even after the lapse of over eight years**

With a view to upgrading the existing medical facilities at Nizam's Institute of Medical Sciences, Hyderabad (NIMS), Government of India released an amount of ₹100 crore (civil works: ₹71 crore; equipment: ₹19 crore; miscellaneous[51]: ₹10 crore) during the year 2007 under the scheme Pradhan Mantri Swasthya Suraksha Yojana. The upgradation involved construction of 300 bedded Super Speciality Hospital (total floor area: 2,77,698 sft) and 200 bedded Trauma Care Centre (total floor area: 1,40,566 sft) at a total cost of ₹173 crore[52] to be borne by GoI and State Government. The construction of the buildings was awarded to a Company in January 2008 and was to be completed within 15 months from the date of commencement.

Audit scrutiny of relevant records of NIMS however, revealed that although the construction of the buildings was completed (cost: ₹125.91 crore) in December 2010, the buildings were taken over[53] only in May 2012 and almost 80 *per cent* of the built up structures were not put to use[54] as of September 2015.

In fact, the buildings were taken over by NIMS only in May 2012 due to non-completion of power supply and other networking facilities, despite completion of the buildings in December 2010. To make use of the buildings constructed, provision of required infrastructure *viz.,* providing Gas manifold system and procurement of equipment should

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[51] Planning, design, consultancy, cost of EPC development, etc.

[52] GoI: ₹100 crore; State: ₹73 crore (Civil works: ₹31 crore; Equipment: ₹42 crore)

[53] subject to issuing 'Completion Certificate' as certain defects *viz.,* outlets of urinal, wash basins and western commodes were choked at several places. There were floor leakages, dampness in water lines, etc, and these were to be rectified by the contractor

[54] In Super Specialty Hospital, as against the usage of 300 bedded hospital with operation theatres (6) and ICUs (4), only out-patient wards were functioning. Similarly, as against the proposed 200 bedded Trauma Care Centre with operation theatres (10) and ICUs (4), only a few beds were occupied

be synchronized. It was however, observed that although the construction of the buildings was completed in December 2010, contract for providing Gas manifold system was awarded only in September and November 2012 for laying of pipeline and medical Gas manifold system respectively, which were completed by January 2014. As regards medical equipment for providing additional facilities in the buildings, it was not procured even after the lapse of over four years since the date of completion of the construction of buildings. The amount (₹19 crore) released by GoI for procurement of equipment had been diverted for construction of the buildings. These events indicated deficient planning of NIMS authorities while conceiving the project.

Consequently, only twenty *per cent* of the buildings[55] were being used without providing additional facilities as envisaged in the project. It is pertinent to note that there were about 15 - 20 cases pending for surgery at any given time during 2012-15 in Oncology Department and 76 cases were pending for surgery in Urology Department of the Institute. Further, 15 - 80 cases in Neurology Department were waiting for investigations/ tests during the period 2012-15 and this was attributed by NIMS to heavy patient load and shortage of equipment.

When the non-utilisation of the buildings was pointed out by Audit, NIMS replied (October 2015) that tenders were under finalization for procurement of equipment and efforts were being made to fully occupy the buildings.

Thus, deficient planning of NIMS authorities resulted in the buildings constructed at a cost of ₹125.91 crore remaining unutilised after over eight years, depriving the public of the benefit of improved health care facilities.

The matter was reported to Government in October 2015; its reply has not been received (December 2015).

3.6   Loss due to non-adherence to norms

Non-observance of norms prescribed under Aarogyasri Scheme by NIMS led to non-reimbursement of ₹11.72 crore by AHCT adversely affecting the finances of NIMS

Rajiv Aarogyasri Scheme guidelines, the flagship scheme of all health initiatives of the State Government, stipulate that when a patient (covered under the Scheme)[56] is admitted to a network hospital (NWH)[57], the NWH has to send a pre-authorisation request to Aarogyasri Health Care Trust (AHCT) in respect of a patient including all relevant details and supporting documents about the complete details of treatment/investigations required

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[55] Excepting that two ICU beds and four operation tables were added only in May 2015 in third floor of the trauma and emergency hospital
[56] defined as member(s) of families living below poverty line providing coverage up to ₹2 lakh a year for the treatment of serious ailments requiring hospitalization and surgery
[57] the hospital, nursing home or such other medical aid provider empanelled with AHCT duly following the empanelment procedure

along with the necessary documentation and expenditure involved. Based on such information provided, AHCT issues approval for providing treatment and for subsequent submission of claim for reimbursement of the same, subject to the terms and conditions. In case AHCT rejects the reimbursement on technical grounds, the concerned hospital has to ultimately bear the cost of treatment/operations.

Audit scrutiny of records (March 2015) of the Nizam's Institute of Medical Sciences, Hyderabad (NIMS) revealed that claims made by it for reimbursement of surgeries and treatment charges amounting to ₹11.72 crore (in 3,696 cases) pertaining to the period 2011-12 to 2014-15, though pre-authorised by AHCT, were rejected by it on technical grounds such as non-submission/updation of case sheets, clarifications, etc.; mismatch of surgeries/treatments done in relation to approved codes; non-submission/updation of required data like biometric, intra-operative photos/videos, post-operative scar photos with face, haemodialysis (hd) photos, etc.; surgeries/medical treatments being done by treating surgeons/physicians. Due to non-refund of the amounts by AHCT, the same had to be borne by NIMS from its own sources.

On the matter being pointed out in Audit, Director, NIMS admitted (October 2015) that the AHCT had rejected many cases on the ground that no mandatory intra-operative photo was submitted. It was however, stated that AHCT could comprehensively consider taking into account all the other evidences available on record such as case sheet, operation notes, other clinical photos, etc. The Director further, informed that (i) all these cases have been updated for release of the amounts and AHCT was addressed for the refund (ii) circular instructions had been issued (September 2015) to all the Departments (of NIMS) for strict implementation of Aarogyasri procedures and guidelines.

Since the above requirements could be addressed only while the medical procedure was in progress, possibility of subsequent reconsideration of such claims is highly doubtful. Moreover, as per AHCT guidelines, intra-operative photos/videos, etc. are mandatorily to be forwarded to AHCT to establish the identity of the person actually undergoing the surgery and subsequently to honour their claim and these requirements should have been taken care of by NIMS while submitting the claims.

Thus, non-observance of norms prescribed under Aarogyasri Scheme by NIMS led to non-reimbursement of the amount of ₹11.72 crore by AHCT resulting in the same being borne by NIMS adversely affecting its finances.

The matter was reported to Government in September 2015; reply has not been received (December 2015).

Health, Medical and Family Welfare Department

3.7   Idle Equipment

> **Supply of medical equipment to Sarojini Devi Eye Hospital, Hyderabad, without receipt of an indent, led to equipment worth ₹90 lakh lying idle for over two years**

Article 124 of Financial Code stipulates that articles which are likely to depreciate or deteriorate during storage should not be purchased long in advance of requirement.

Audit scrutiny of records (April 2015) of the Sarojini Devi Eye Hospital, Hyderabad (Hospital) revealed that expensive and sophisticated medical equipment, *viz.,* Operating Microscopes, worth ₹90 lakh were lying idle in the operation theatre (OT) store room for over two years.

Scrutiny of relevant records revealed that the then Andhra Pradesh Medical Services and Infrastructure Development Corporation (APMSIDC - now TSMSIDC for the State of Telangana) supplied medical equipment worth ₹2.16 crore to the Hospital in March 2013, which included 14 Operating Microscopes (Model: Brilliant Zoom AA OM 2000 Legend with CCTV attachment), without however, receiving an indent from them. It was also revealed that the Director of Medical Education (DME) had *suo moto* instructed MSIDC in March 2013 to supply the above equipment to the Hospital even in the absence of a specific request from the Hospital. However, no efforts were made by the Hospital (as of August 2015) to surrender the equipment. This led to ten Microscopes worth ₹90 lakh lying idle in the store room for more than two years (August 2015).

The Superintendent of the Hospital confirmed the audit observation. The DME did not offer a specific reply in this regard except forwarding the reply of the Hospital which stated that no indents (for the equipment received) had been placed by them.

Thus, supply of medical equipment to the Hospital without receipt of an indent led to the 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 efflux of time.

The matter was reported to Government in September 2015; reply has not been received (December 2015).

Municipal Administration and Urban Development Department

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 water supply scheme taken up in 2007-08 remaining incomplete even after seven years, rendering the expenditure of ₹6.87 crore unfruitful**

In order to augment water supply to Sadasivapet town (Medak district), an independent water supply scheme was contemplated in the year 2007-08 to draw water from Manjeera River. State Government accorded (January 2008) administrative sanction, for an amount

of ₹32.03 crore, to undertake the scheme with GoI assistance under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). Technical sanction was accorded by Engineer-in-Chief (PH) in March 2008.

Tender was invited (March 2008) under EPC[58] system. Superintending Engineer (PH), West Circle, Hyderabad concluded the agreement[59] (January 2009) with the contractor for a contract value of ₹32.74 crore. The stipulated period of completion was 18 months from the date of agreement.

Audit scrutiny of the records of Executive Engineer (PH) Division, Nizamabad during December 2014 revealed that the contractor had executed only two components (out of 22) and that too partially[60]. The overall progress was only 27 *per cent* of that envisaged in the agreement, at a cost of ₹8.09 crore[61] (of which, ₹6.87 crore was spent). The contractor suspended the work mainly due to non-release of further funds. All remaining 20 items of work were left unexecuted as of November 2015.

Scrutiny further revealed that, while approving the project in August 2007, the State Level Sanctioning Committee (SLSC) stipulated that the work should be commenced only after receipt of funds from GoI. However, necessary permission was given (August 2008) by the State Government to commence the work without ensuring availability of requisite funds. As against 103 projects approved by SLSC and forwarded to GoI for sanction and release of funds, GoI had released funds in respect of only 84 projects. The remaining 19 projects, including the Sadasivapet project, did not receive funds. Although GoI had categorically expressed (May 2010) its inability to provide funds for this project under UIDSSMT as the seven year Mission Allocation in respect of Andhra Pradesh was exhausted, the State Government neither made a provision of further funds from its own resources nor did it ensure the release of Urban Local Body's share for completion of the project. The failure of the Government to plan the fund flow to the scheme resulted in suspension of the work midway by the contractor, even after grant of extension of time up to June 2012.

Apart from the above, Government had not also firmed up the technical specifications[62] either in the NIT or as on the date of entering into contract. In fact, these were finalised much later, i.e., during August 2009 - March 2010. There was also a delay in obtaining permission from Roads & Buildings Department for laying of pipes.

Government in its reply (November 2015) admitted that the agency had stopped the work due to non-release of funds. It was further stated that the Government of Telangana envisaged a flagship programme '*Intintiki Nalla*'[63] to supply drinking water to the entire State. The pipeline alignment of Medak segment was passing through the same alignment of the pipeline already laid and that the same would be integrated with the Project.

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[58] Engineering, Procurement, Construction (a form of contracting agreement in the construction industry)
[59] at 4.86 *per cent* excess over Internal Bench Mark (IBM value of ₹31.22 crore)
[60] i.e., 450 mm dia BWSC pipe for raw water pumping main and 500/350 mm dia BWSC pipes for feeder mains
[61] ₹1.22 crore work done but not paid
[62] Hydraulic designs for pumping main (August 2009), Structural design (during September 2009), Elevated Level Service Reservoir (ELSR) (during October 2009), Intake well (during January 2010) and Filtration Plant (during March 2010)
[63] water connection to every house

Thus, deficient planning and failure to ensure the availability of requisite funds before embarking on the project, resulted in the water supply scheme taken up in 2007-08 remaining incomplete rendering the expenditure of ₹6.87 crore unfruitful. The objective of providing water supply to the population of Sadasivapet town remains unachieved even after seven years.
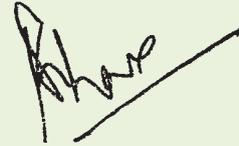
(L. TOCHHAWNG)
Hyderabad　　　　　　　　　　　　**Principal Accountant General (G&SSA)**
The　　　　　　　　　　　　　　　　**Andhra Pradesh & Telangana**

Countersigned

(SHASHI KANT SHARMA)
New Delhi　　　　　　　　　　　**Comptroller and Auditor General of India**
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