



**Report of the
Comptroller and Auditor General of India
on
General & Social Sector
for the year ended March 2015**



Government of Telangana
Report No. 4 of 2016

**Report of the
Comptroller and Auditor General of India
on
General & Social Sector
for the year ended March 2015**

Government of Telangana
Report No. 4 of 2016

Table of Contents

	Reference to	
	Paragraph	Page
<i>Preface</i>		v
Chapter I - Overview		
About this Report	1.1	1
Profile of General and Social Sector	1.2	1
Office of Principal Accountant General (G&SSA)	1.3	2
Authority for audit	1.4	2
Planning and conduct of audit	1.5	3
Response of Departments to Audit findings	1.6	3
Significant Audit observations	1.7	4
Chapter II - Performance Audits		
<i>School Education Department</i>		
National Programme of Mid-day Meal in Schools	2.1	13
<i>School Education Department (Adult Education)</i>		
Implementation of Basic Literacy Programme under Saakshar Bharat Mission	2.2	40
Chapter III - Compliance Audit Observations		
<i>Department for Women, Children, Disabled and Senior Citizens</i>		
Child Care Institutions for Juveniles in conflict with law and Children in need of care and protection	3.1	59
<i>Information Technology, Electronics and Communications Department</i>		
Implementation of Mee-Seva in Telangana	3.2	70
<i>Scheduled Caste Development, Tribal Welfare, Backward Classes Welfare and Minorities Welfare Departments</i>		
Follow up on Performance Audit of Scholarship schemes for SC, ST, BC and Minority students	3.3	82

	Reference to	
	Paragraph	Page
<i>Health, Medical and Family Welfare Department (Nizam's Institute of Medical Sciences - NIMS)</i>		
Unfruitful outlay on construction of NIMS University	3.4	94
Upgradation of medical facilities did not materialise	3.5	96
Loss due to non-adherence to norms	3.6	97
<i>Health, Medical and Family Welfare Department</i>		
Idle Equipment	3.7	99
<i>Municipal Administration and Urban Development Department</i>		
Unfruitful outlay on Sadasivapet water supply scheme	3.8	99

Appendices

		Reference to	
		Paragraph	Page
1.1	Department-wise break-up of outstanding Inspection Reports and Paragraphs	1.6	103
1.2	Explanatory Notes to be received (with regard to issues pertaining to the State of Telangana)	1.6	103
2.1	Inconsistencies between the figures of 2010-15 projected in Annual Work Plan and Budget (AWP&B) for the years 2011-16 by District Education Officers (DEOs) of test checked districts and Commissioner and Director of School Education (CDSE)	2.1.3.1	104
2.2	Component-wise budget allocation and utilisation of funds during 2010-15	2.1.4	104
2.3	Excess/short requisition of rice by State for the period 2011-16 due to incorrect reporting of average number of children who had availed mid-day meal during 2010-15	2.1.5.1	105
2.4	Requirement <i>vis-à-vis</i> actual utilisation of funds for preparation and serving of meals projected as served during 2010-15 in the AWP&B for the years 2011-16	2.1.7.1	105
2.5	List of sampled units	2.2.2.4	106
2.6	GP-wise female dropout rate in the test checked GPs (upto Phase-IV)	2.2.4.5	106
3.1	Details of students not being sanctioned/paid scholarship in the same year	3.3.3	107
3.2	Number of students sanctioned scholarship without verifying parameters	3.3.4	108
3.3	Sanction of scholarships to students without adhering to prescribed age limits	3.3.4	108
<i>Glossary</i>			109

Preface

This Report pertaining to the State of Telangana (State formed with effect from 2nd June 2014 as per The Andhra Pradesh Reorganisation Act, 2014) for the year ended March 2015 has been prepared for submission to Governor of Telangana under Article 151 of the Constitution of India.

This Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Telangana under the General and Social Sector including Departments of School Education; Women, Children, Disabled and Senior Citizens; Information Technology, Electronics & Communications; Scheduled Caste Development; Tribal Welfare; Backward Classes Welfare; Minorities Welfare; Health, Medical and Family Welfare; and Municipal Administration & Urban Development. However, Departments of Consumer Affairs, Food & Civil Supplies; Finance; General Administration; Higher Education; Home; Housing; Law; Panchayat Raj & Rural Development; Planning; Revenue; and State Legislature are not covered in this Report.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2014-15 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2014-15 have also been included, wherever necessary.

The audit has been conducted in conformity with Auditing Standards issued by Comptroller and Auditor General of India.

Chapter I

Overview

1.1 About this Report

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

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

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

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

1.2 Profile of General and Social Sector

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

Table-1.1

(₹ in crore)

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

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

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

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

1.3 Office of Principal Accountant General (G&SSA)

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



Offices of the Accountants' General

1.4 Authority for audit

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

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

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

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

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

1.5 Planning and conduct of audit

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

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

1.6 Response of Departments to Audit findings

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

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

Table-1.2

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

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

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

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

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

1.7 Significant Audit observations

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

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

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

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

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

1.7.1 National Programme of Mid-day Meal in Schools

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

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

Planning and Coverage

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

(Paragraph 2.1.3.1)

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

(Paragraph 2.1.3.2)

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

(Paragraph 2.1.3.2)

Funds Allocation and Utilisation

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

(Paragraph 2.1.4)

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

(Paragraphs 2.1.4 & 2.1.6)

Management of foodgrains

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

(Paragraphs 2.1.5.1 & 2.1.5.3)

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

(Paragraphs 2.1.5.2 & 2.1.5.3)

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

(Paragraphs 2.1.5.4 & 2.1.5.5)

Infrastructure facilities

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

(Paragraphs 2.1.6 and 2.1.6.1)

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

(Paragraph 2.1.6.1)

Serving of mid-day meal to children

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

(Paragraph 2.1.7.1)

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

(Paragraphs 2.1.7.2 & 2.1.7.3)

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

(Paragraph 2.1.7.4)

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

(Paragraph 2.1.7.5)

Impact of the scheme on educational indicators

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

(Paragraphs 2.1.3.2, 2.1.8.1 & 2.1.8.2)

Monitoring and Evaluation

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

(Paragraphs 2.1.9.1 & 2.1.9.2)

1.7.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

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

Programme implementation

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

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

(Paragraph 2.2.4.4)

Physical progress – Target and Achievement

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

(Paragraph 2.2.4.5)

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

(Paragraph 2.2.4.5)

Vocational Skill Development Programme (VSDP)

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

(Paragraph 2.2.5)

Financial Management

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

(Paragraph 2.2.6.3)

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

(Paragraph 2.2.6.1)

Monitoring

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

(Paragraph 2.2.7.1)

1.7.3 Compliance Audit Observations

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

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

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

(Paragraph 3.1)

1.7.3.2 Implementation of Mee-Seva in Telangana

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

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

(Paragraph 3.2)

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

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

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

(Paragraph 3.3)

1.7.3.4 Unfruitful outlay on construction of NIMS University

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

(Paragraph 3.4)

1.7.3.5 Upgradation of medical facilities did not materialise

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

(Paragraph 3.5)

⁶ Chapter 3 of the Report

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

1.7.3.6 Loss due to non-adherence to norms

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

(Paragraph 3.6)

1.7.3.7 Idle Equipment

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

(Paragraph 3.7)

1.7.3.8 Unfruitful outlay on Sadasivapet water supply scheme

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

(Paragraph 3.8)

Chapter II

Performance Audits

2.1 National Programme of Mid-day Meal in Schools

**2.2 Implementation of Basic Literacy Programme
under Saakshar Bharat Mission**

School Education Department

2.1 National Programme of Mid-day Meal in Schools

2.1.1 Introduction

Nutritional Support to Primary Education (NSPE) popularly known as Mid-day Meal Scheme (MDM Scheme) is a Centrally sponsored programme launched all over India on 15 August 1995. The programme was intended to boost universalisation of primary education by increasing (a) enrolment (b) retention (c) attendance with a simultaneous impact on the nutritional status of the children in primary classes country-wide in a phased manner by 1997-98. The guidelines of the programme were revised in September 2004 and June 2006. Amendments to the guidelines were also issued from time to time and the programme renamed (September 2007) 'National Programme of Mid-day Meal in Schools'.

Scheme objectives

MDM scheme was implemented in all States and Union Territories of India to address two of the most pressing problems for the majority of children in India, namely, hunger and education by:

- improving the nutritional status of children in primary and upper primary classes;
- encouraging poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities; and
- providing nutritional support to school children in drought-affected areas during summer vacation.

Under MDM scheme, cooked food is served to children of primary classes (I to V) and upper primary classes (VI to VIII) in all Government, Government aided and Local body schools, Special Training Centres¹ and Madarasas and Maqtabas². The State Government extended MDM scheme to the children studying in classes IX and X of Government/Local body/Government Aided Schools as a State Programme since October 2008. Further, the scheme laid (2006/2008) emphasis on providing cooked food with minimum 450 (primary)/700 (upper primary) calories and 12 (primary)/20 (upper primary) grams of protein content while simultaneously providing for essential micronutrients and de-worming medicines.

2.1.1.1 Components under the scheme

Central assistance is provided to State Government for implementation of MDM scheme under various components viz., cost of foodgrains, cost of transportation of foodgrains, cooking cost (including cost of pulses, vegetables, oil, fat and fuel), honorarium to Cook-cum-helper (CCH), assistance for Management, Monitoring and Evaluation (MME), construction cost for Kitchen-cum-store and cost of provisioning/replacing utensils for cooking/serving.

¹ Centres under Education Guarantee Scheme (EGS)/Alternative & Innovative Education (AIE) and National Child Labour Project (NCLP) schools

² those supported under Sarva Shiksha Abhiyan Scheme

Organisational setup

The Programme is implemented in the State by the School Education Department. The Principal Secretary to Government, School Education Department is the head assisted by the Commissioner and Director of School Education (CDSE) as State Nodal Officer. The District Education Officer (DEO) is Nodal Officer at district level. At the Mandal level, the Mandal Education Officer (MEO) is responsible and at School level the supervision of the programme was entrusted to Head Master of the school. The implementation of the programme at School level is assigned to SHGs³/DWCRA⁴/SMC⁵/NGOs⁶/parents, etc.



2.1.2 Audit Frame work

2.1.2.1 Audit Objectives

Performance Audit of the scheme was carried out to verify whether:

- the scheme was being implemented in a planned manner so as to cover all the eligible primary, upper primary and high school (Classes IX and X) children;
- the scheme achieved its objective of enhancing enrolment, retention and attendance in primary education;
- the scheme achieved its objective of improving the nutritional status of children in the primary, upper primary classes and high school (Classes IX and X) children;
- the funds allocated were being utilised in an economic and efficient manner; and
- the implementation of the scheme was being effectively monitored.

2.1.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

- Scheme guidelines issued by GoI
- Norms framed by State Government for expenditure under MDM scheme
- Relevant orders, notifications, circulars, instructions issued by GoI/State Government
- Annual Work Plan and Budget prepared by State
- AP Financial Code
- Evaluation reports of various monitoring institutes (including NIRD⁷) on the scheme

³ Self Help Groups

⁴ Development of Women and Children in Rural Areas

⁵ School Management Committee

⁶ Non-Government Organizations

⁷ National Institute of Rural Development

2.1.2.3 Scope and Methodology of Audit

A Performance Audit of the scheme ‘Nutritional Support to Primary Education’ was carried out earlier for the five year period 2003-04 to 2007-08 and the findings were included in the CAG’s Report on the erstwhile Government of Andhra Pradesh for the year ended 31 March 2008. Several lacunae in the implementation of the scheme were pointed out in that report and various measures were recommended for effective and smooth implementation of the scheme. The current Performance Audit of the scheme was carried out during September - December 2014 and June - July 2015 covering five year period 2010-15. As a follow-up, Audit assessed and evaluated the action taken by the Government on the Audit observations included in the Audit Report for the year ended 31 March 2008.

Audit methodology involved scrutiny of records relating to implementation of the scheme at Commissionerate of School Education and District Education Officers, Mandal Education Officers and Schools in three selected districts⁸. An Entry Conference was held with the Commissioner of School Education in September 2014 wherein audit objectives, methodology, scope, criteria and audit sample were explained. Audit Enquiries were issued, discussions were held with Departmental authorities at various levels and photographic evidence was taken to substantiate audit findings where necessary. An Exit Conference was held with Government representatives in December 2015 to discuss audit findings and the replies (December 2015) of Government have been incorporated at appropriate places in the report.

2.1.2.4 Audit Sample

Three districts were selected by Probability Proportional to Size without Replacement (PPSWOR) method. In each district, three rural and one urban mandals along with 30 schools (Primary, Upper Primary and High Schools) were selected under Simple Random Sampling without Replacement (SRSWOR) method.

2.1.2.5 Audit analysis of follow-up action by the Government on earlier Audit observations

The following major deficiencies in the implementation of the scheme were pointed out in the Audit Report for the year ended 31 March 2008:

- (i) Non-utilization of allocated scheme funds in full
- (ii) Excess lifting of rice from GoI by furnishing inflated enrolment figures by the State Government while seeking allotment of rice
- (iii) Absence of proper mechanism to assess actual utilisation of foodgrains, and huge accumulation of rice stocks at Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL)
- (iv) Excess claim of transportation charges by APSCSCL
- (v) Absence of proper system to ensure supply of Fair Average Quality (FAQ) foodgrains

⁸ Adilabad, Nalgonda and Warangal districts

- (vi) Inadequate infrastructure and basic amenities in the schools and short utilisation of GoI funds and lackadaisical approach towards construction of kitchen-cum-stores
- (vii) Non-provision of mid-day meal during summer vacations in drought prone areas
- (viii) Non-existence of a mechanism to monitor the impact of the scheme on health of children
- (ix) Critical information about the implementation of the scheme not being displayed by schools
- (x) Deficient monitoring/inspection of implementation of the scheme

Audit analysis revealed that the above Audit findings were not fully addressed and the deficiencies continued to exist.

During the Exit Conference, Government admitted that the deficiencies in the implementation of the scheme pointed out in the earlier Audit Report persisted and follow up action is needed.

Audit Findings

Audit findings pertaining to Telangana (now being a separate State of Telangana since 2 June 2014) consisting of 10 districts, for the period 2010-15 are discussed in the succeeding paragraphs.

2.1.3 Planning and Coverage

2.1.3.1 Annual Work Plan and Budget

MDM scheme assigns importance to the preparation of Annual Work Plan and Budget⁹ (AWP&B) by the State Government based on information maintained at school level and aggregated at Mandal, District and State levels. While preparing the AWP&B in the month of January/February for ensuing year, DEOs adopt actual figures of meals taken, rice utilised, funds utilised towards transportation charges, cooking cost, honorarium to CCHs, MME, etc. for the previous three quarters (April – December) and submit the same to the CDSE to enable them to submit a consolidated AWP&B to Programme Approval Board (PAB) of MDM scheme (GoI) on the basis of which PAB estimates and allocates rice and funds.

Audit scrutiny of records at CDSE and DEOs in the three test checked districts revealed that bottom up approach was not followed while preparing AWP&B. The enrolment figures of children in Government, Government aided and Local Body schools shown in AWP&B submitted by CDSE to GoI for the year 2010-11 were adopted for 2011-12 as well without any change, indicating lackadaisical approach in preparation of annual work plans. In the absence of bottom up approach, there were inconsistencies between the figures of institutions serving mid-day meal, enrolment of children and meals served

⁹ contains details of management structure, implementation process, district-wise information for financial proposals such as (i) anticipated number of working days for schools, (ii) average number of children who have availed of mid-day meal in the previous year, (iii) enrolment of children and number of children who are estimated to avail of mid-day meal in the current year, (iv) lifting and utilisation of foodgrains allocated in the previous year, (v) allocation and utilisation of central assistance towards cooking cost in the previous year, (vi) requirement of foodgrains and central assistance towards cooking cost for the current year, (vii) construction of Kitchen-cum-stores, etc.

during 2010-15 projected in AWP&B for the years 2011-16 submitted by DEOs of the test checked districts to CDSE and those in turn submitted by CDSE to GoI. Details are given in **Appendix-2.1**. Due to such discrepancies, short/excess release of rice and funds cannot be ruled out.

During the Exit Conference, Government accepted that compilation of State level data with regard to meals served, consumption of rice, expenditure incurred, etc. was not being properly made and thereby a clear picture was not emerging. It was further stated that the AWP&B were being prepared based on the Mandal-level reports and sometimes UDISE¹⁰ reports were the basis for preparation of AWP&B and hence the variation.

2.1.3.2 Coverage of MDM scheme

(i) Survey of school-age children

School teachers at village level were conducting door-to-door survey during summer vacation to ascertain the data of school-age children studying in Government/Private schools and ‘out of school’ children. Audit noticed that there was no evidence that initiatives were taken based on the consolidated survey data for attracting ‘out of school’ children to schools and bringing improvement in enrolment.

Although the Director of School Education (DSE) contended (May 2015) that a survey was being conducted every year at the beginning of academic year through Sarva Shiksha Abhiyan (SSA) and the data was being used while organising enrolment drives, etc. it was observed by Audit that the Educational Statistics in the State (prepared by SSA) for 2013-14¹¹ in fact, projected unrealistic statistics for primary stage. The projected population of children in the age group 6 - 10 years was 30,56,341 while the corresponding enrolment in classes I - V was 32,06,958.

(ii) Coverage of Schools/Children

As per the MDM scheme guidelines, nutritious cooked mid-day meal is to be provided to every child of primary classes and upper primary classes in all Government, Government aided and Local body schools, Special Training Centres and Madarasas and Maqtabas.

In the State, all the primary and upper primary schools were covered under MDM scheme and coverage¹² of children ranged from 83 (2012-13) to 94 (2011-12) *per cent* during 2010-15. In the test checked districts, the coverage of children was the lowest (81 *per cent*) in Nalgonda district. In the 90 sampled schools, coverage of children ranged from 97 *per cent* (2010-11) to 100 *per cent* (2012-15) during the period.

Government replied that in Nalgonda district, the coverage of children under MDM scheme was less during 2010-12 due to non-coverage of hostel children during the period.

Although the data on the number of children availing mid-day meal assumes great significance since it directly impacts scheme implementation in terms of assessment of funds requirement for foodgrains, cooking costs, etc. and its further release, the scheme

¹⁰ Unified District Information System for Education

¹¹ Educational Statistics for the year 2014-15 were not published as of September 2015

¹² the average number of children availed mid-day meal *vis-à-vis* the number of children enrolled

did not contain any provision to enable children to either opt in or opt out of the mid-day meal. In the absence of this vital data, the coverage of children and projection of requirements in the AWP&B are likely to be unrealistic.

Audit scrutiny of records in the sampled schools revealed that the number of children attending the schools was shown as number of children availing mid-day meal i.e. covered under the scheme.

Government replied that all the children attending school were not taking meals for various reasons and that instructions had been issued to the Headmasters to take the option of the children in the first hour and indicate number of children taking meals to the cooking agencies for preparation of meals to those children.

(iii) Coverage of children in drought-affected areas

As per MDM scheme guidelines, GoI provides assistance for cooked mid-day meal during summer vacations to school children in areas declared by State Government as drought affected. Out of 455 mandals in Telangana, 418 (2011-12), 16 (2012-13) and 6 (2013-14) mandals were declared¹³ as drought affected mandals.

Audit scrutiny however, revealed that proposals for providing mid-day meal in the drought affected mandals during summer vacations were in fact, not made in the AWP&B for 2012-13 to 2014-15, resulting in mid-day meal not being provided to children during summer vacations (2012, 2013 and 2014) in those areas.

Government, while accepting the audit observation, did not give specific reasons for non-inclusion of the proposals for providing mid-day meal in the drought affected areas during summer vacations.

2.1.4 Funds Allocation and Utilisation

GoI provides 100 *per cent* financial assistance for three components *viz.*, cost of foodgrains, transportation charges of foodgrains and MME. The cost sharing between GoI and State Government in respect of cooking cost and honorarium to CCHs is in the ratio of 75:25. For this purpose, PAB of MDM scheme (GoI) approves the annual requirements of funds and rice in consideration of the performance of the scheme in the previous year. Accordingly, Central assistance will be released after adjustment of balances of funds and foodgrains available with the State. In addition, State Government is required to provide funds for extending the programme to students studying in classes IX and X.

During the five year period 2010-15, GoI provided Central assistance of ₹2,595.51 crore for implementation of the MDM scheme. Out of this, State Government incurred ₹2,526.50 crore¹⁴ towards various components of the scheme. Further, as against ₹1,758.15 crore provided in the budget by the State Government towards its share, the expenditure was ₹1,139.37 crore (65 *per cent*). Budget provision *vis-à-vis* the expenditure under MDM scheme during the five year period 2010-11 to 2014-15 is given in **Table-2.1**.

¹³ Drought affected mandals were not declared by the State Government during 2014-15

¹⁴ Cost of foodgrains: ₹238.55 crore; Transportation cost: ₹52.97 crore; Cooking cost: ₹1,349.73 crore; Honorarium to Cook-cum-helpers: ₹590.73 crore; MME: ₹2.89 crore; and Kitchen-cum-stores: ₹291.63 crore

Table-2.1

(₹ in crore)

Year	Central share		State share		Total	
	GoI releases	Expenditure	Budget Provision	Expenditure	Budget Provision^	Expenditure (Percentage)
2010-11	478.92	465.58	291.38	169.48	1034.03	635.06 (61)
2011-12	851.91	510.51	413.92	298.92	1191.61	809.43 (68)
2012-13	612.33	702.24	426.35	327.90	1269.97	1030.14 (81)
2013-14	443.74	466.08	461.26	282.73	1151.13	748.81 (65)
2014-15*	0.00	135.18	96.64	24.33	238.05	159.51 (67)
2014-15	208.61	246.91	68.60	36.01	581.53	282.92 (49)
Total	2595.51	2526.50	1758.15	1139.37	5466.32	3665.87 (67)

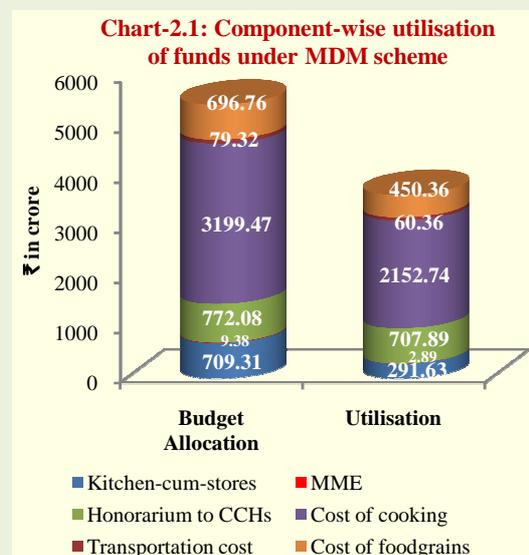
Source: GoI funds release orders and Appropriation Accounts of respective years; ^including Central share

Note: (i) Figures for the years 2010-11 to 2013-14 and 2014-15* (April & May) pertain to composite Andhra Pradesh and figures for the year 2014-15 (June to March) pertain to Telangana State. (ii) Figures for budget provision and expenditure include Central Share under the group head 'Centrally Sponsored Schemes' and State share under the group head 'Matching State Share' for classes I to VIII and 'Normal State Plan' for classes IX and X.

Thus, Government could not exhaust the funds allocated for MDM scheme in any of the last five years. Unutilised funds in this regard ranged from ₹239.83 crore (2012-13) to ₹402.32 crore (2013-14). Scrutiny also revealed that during 2014-15 (June to March), only 49 per cent (₹282.92 crore) of allocated funds (₹581.53 crore) could be utilised after formation of the State. Non-utilisation of budgetary allocation in full and non-release of GoI funds in full by the State for implementation of the scheme coupled with non-release of its matching share hampered the provision of infrastructure required for preparation/ serving of mid-day meal and Management, Monitoring and Evaluation (MME) activities as discussed in paragraphs 2.1.6 and 2.1.9.

During the Exit Conference, Government attributed the underutilisation of funds to the cumbersome process of release of funds and largely due to the release of funds at the fag end of the year by GoI.

Audit analysis with regard to the allocation *vis-à-vis* utilisation of funds under various components of the programme revealed that allocated funds were not utilised in full by the State Government under any component during 2010-15 as shown in Chart alongside. Unutilised funds were noticed under the components 'cost of foodgrains' (35 per cent), 'transportation cost' (24 per cent), 'cost of cooking' (33 per cent), 'honorarium to CCHs' (8 per cent), MME (69 per cent) and 'Kitchen-cum-stores' (59 per cent). Component-wise details of allocation and utilisation are given in *Appendix-2.2*.



Government replied that expenditure could not be incurred for construction of Kitchen-cum-stores sanctioned under Phase-II due to insufficient unit cost. It was further stated that the matter was under active consideration of the State Government to revise the unit cost for construction of Kitchen-cum-stores in all the eligible schools in the State.

2.1.5 Management of foodgrains

Under MDM scheme, foodgrains at free of cost are supplied by GoI at 100 grams and 150 grams per child per school day for children studying in primary (classes I to V) and upper primary (classes VI to VIII) classes respectively. GoI allocates foodgrains for the State as a whole based on the annual allocation approved by PAB of MDM scheme and in turn the State makes district-wise allocations of foodgrains separately for primary and upper primary classes as per the requirement. Local depots of the Food Corporation of India (FCI) supply foodgrains and payments are made at district level. In the composite State, Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL) upto June 2014 and thereafter in the newly formed State, Telangana State Civil Supplies Corporation Limited (TSCSCL) is the nodal agency for lifting and transportation of rice. In addition, the State is required to make its own arrangements for supply of foodgrains for providing mid-day meal to children studying in classes IX and X.

2.1.5.1 Allocation of foodgrains

As per the scheme guidelines, the State Government was required to furnish to PAB of MDM scheme (GoI), by January/February every year, a district-wise requisition for allocation of foodgrains based on average number of children who had availed of mid-day meal in the preceding year. The PAB, after considering the performance under the scheme during the preceding year and proposal of the State for the ensuing year, was to approve the allocation of the foodgrains for the State as a whole.

Audit scrutiny revealed that in the absence of bottom up approach in preparation of AWP&B, the figures of average number of children who had availed of mid-day meal in the preceding year furnished by the State Government to GoI while seeking allocation of foodgrains for ensuing year suffered from inconsistencies. In the three test checked districts, the figures of average number of children who had availed mid-day meal during 2010-15 (except 2011-12 for which details were not available with DEOs) as furnished by DEOs were inflated/deflated by the State Government while projecting the requirement of foodgrains in the AWP&B for 2011-12 to 2015-16, as shown in the table below.

Table-2.2

District	Reported figures of average number of children availed mid-day meal								
	DEO to CDSE			CDSE to GoI			Variation		
	PS	UPS	Total	PS	UPS	Total	PS	UPS	Total
Adilabad	596635	222279	818914	684571	342717	1027288	87936	120438	208374
Nalgonda	514780	275637	790417	568501	327800	896301	53721	52163	105884
Warangal	553367	324605	877972	549847	340133	889980	-3520	15528	12008
Total	1664782	822521	2487303	1802919	1010650	2813569	138137	188129	326266

Source: AWP&B for 2011-12 to 2015-16 compiled at State and District level

Overall, this resulted in excess requisition of 9,247 MT of rice (cost: ₹5.28 crore¹⁵) by the State Government in these three districts alone for the period 2011-16 and its subsequent allocation by GoI, as detailed in **Appendix-2.3**. This in turn resulted in accumulation of rice stocks with the lifting agency as also discussed in paragraph 2.1.5.3.

Government, in its reply, stated that periodical reports on utilisation of foodgrains were being submitted to GoI reflecting actual consumption of foodgrains and these figures would be reconciled at the end of the financial year and balance would be deducted from the approved figures of succeeding financial year.

Audit scrutiny however, revealed that while furnishing Quarterly Progress Reports (QPRs) to GoI, the balances of foodgrains available with the State were projected incorrectly and there were large balances of rice with lifting agency which was not being reported to GoI as discussed in the sub-paragraph 2.1.5.2 (v) & (vi).

2.1.5.2 Utilisation of foodgrains

As per para 3.5 of the guidelines, the DEO was required to ensure that each school was informed of its monthly allocation of foodgrains, etc. District administration makes Mandal-wise allocation of the foodgrains based on the indent (being the consolidated school-wise requirement of foodgrains) placed by the MEOs. The MEOs in turn allocate the foodgrains to the schools under their jurisdiction according to the indent placed by them on monthly basis. On the other hand, based on the allotment made by the CDSE, the District Managers (DMs), APSCSCL/TSCSCL lift the rice pertaining to Classes I to VIII from FCI. The DM, APSCSCL/TSCSCL releases rice to the schools from Mandal Level Stockist (MLS) points through Fair Price Shop (FPS) dealers, based on allotments made by the District administration.

Audit observed the following:

- (i) In 66 out of 73¹⁶ sampled schools, the allocation/release orders of foodgrains issued by the MEOs/Tahsildars (erstwhile MROs) were not available with the schools. Details of rice stock received from FPS dealer were only being noted by the Headmasters in the rice stock or meals taken register.

Government replied that instructions had been issued to the DEOs to provide a copy of foodgrains release orders to the Headmasters through the MEOs.

- (ii) In Nalgonda district, MLS-wise details of rice allotted by the District administration/Tahsildars for the period 2011-15 and total quantity supplied to the school for the period 2010-11 were not available with DM, TSCSCL. Thus, excess/short supply of rice to schools and accumulation of rice stocks with MLS points could not be ruled out.
- (iii) In Adilabad district, instead of releasing the quantities mentioned in the District Collector's proceedings, Tahsildars were preparing separate release orders issuing less quantities of rice than the actual allotment made. As a result, there was accumulation

¹⁵ 9,247 MT x ₹5,706.50 per MT

¹⁶ Details were not made available to Audit with regard to 17 sampled schools in Nalgonda district

of rice at MLS points. Out of four mandals test checked, in Bheemini and Uttoor, there was accumulation of foodgrains to an extent of 1,386 quintals¹⁷ during 2010-15. Further, no mechanism existed to identify such accumulated balances and to avoid misuse.

Government replied that in some mandals of Adilabad district, MEOs were lifting only the required quantity of rice from Tahsildars out of rice allotted by the District Collector due to security reasons at school points and that instructions had been issued (July 2015) to the MEOs to lift the total quantity of the rice allotted by the Tahsildars.

- (iv) In Nalgonda district, there were instances (2011-13) of off-take of rice (1,876 MT¹⁸) from out of the GoI's allotment to the schools by APSCSCL for provision of mid-day meal to the children studying classes IX and X for which requirement of rice was to be met from the State plan.

Government replied that instructions had been issued to the DEO concerned not to divert the rice allotted for classes I to VIII to the students of classes IX and X.

- (v) *As per the CDSE instructions (May 2011) DEOs should reconcile the foodgrains allocated by FCI, against the quantities actually lifted from APSCSCL/TSCSCL, supplied to the schools, utilised at the school point and unspent balances left during the month to avoid discrepancies.*

However, reconciliation of foodgrains was not being done by the DEOs with APSCSCL/TSCSCL at district level. As a result there was variation of figures between Department, APSCSCL/TSCSCL and FCI with regard to lifting, off-take and available balances of foodgrains. There were large balances of rice with lifting agency and the fact was not being reported to GoI.

During the Exit Conference, Government accepted the audit observation and stated that reconciliation of figures of foodgrains would be done with Civil Supplies and FCI with proper authentication by the officials of concerned Departments. It was further stated that instructions had been issued to DEOs to depute a representative while lifting rice from FCI and to reconcile the rice allotted, lifted and balances available every month.

In Warangal district, there was variation (5,309 MT) in the figures of foodgrains lifted (28,984 MT) as per APSCSCL/TSCSCL and that (34,293 MT) as per DEO during 2010-15. In Adilabad and Nalgonda districts also, there were variations in the figures with regard to allotment (5,227 MT¹⁹) and lifting (4,506 MT²⁰) of rice between DM, APSCSCL/TSCSCL and DEOs during the period 2010-15.

Government replied that in some mandals of Warangal and Adilabad districts, MEOs were lifting only the required quantity of rice from Tahsildars out of rice allotted by

¹⁷ Bheemini: 718 quintals and Uttoor: 668 quintals

¹⁸ 2011-12: 1,312 MT and 2012-13: 564 MT

¹⁹ Adilabad: 3,118 MT and Nalgonda: 2,109 MT

²⁰ Adilabad: 3,804 MT and Nalgonda: 702 MT

the District Collector due to security reasons and showing the balance rice (not being lifted) as closing balances.

- (vi) While furnishing Quarterly Progress Reports (QPRs) to GoI, the balances of foodgrains available with the State were projected incorrectly. The closing and opening balances of rice reported in the QPRs did not tally with the actual balances (as per the FCI and APSCSCL/TSCSCL data). For instance, the opening balance of foodgrains for 2014-15 was projected in the QPRs as 16,452 MT as against the actual balance of 39,816 MT (as shown in Table-2.3 below).

2.1.5.3 Large balance of foodgrains with lifting agency

Audit scrutiny revealed that there were large balances of rice with the lifting agency (APSCSCL/TSCSCL) ranging from 17,119 MT (2014-15) to 54,415 MT (2012-13). Details of allotment, lifting, off-take and balances of rice during 2010-15 are given in the table below.

Table-2.3

(in MT)

Year	Opening balance	GoI allotment	Lifting from FCI	Off-take	Closing balance
2010-11	17441	53010	53010	43019	27432
2011-12	27432	65293	63568	39545	51455
2012-13	51455	56118	48522	45562	54415
2013-14	54415	44897	27570	42169	39816
2014-15	39816	61043	27283	49980	17119

Source: Data furnished by APSCSCL/TSCSCL and FCI, Hyderabad

Retention of such a quantity of rice with the lifting agency at the end of each year indicated that the figures of average number of children who had availed of mid-day meal projected in AWP&B were incorrect and unrealistic. Further, due to the absence of control mechanism at various levels to assess the actual requirement and ensure release of foodgrains as per the allotment followed by reconciliation and reporting of balances available, there was accumulation of quantities of rice at lifting agency/MLS points as discussed in the foregoing paragraphs.

Audit scrutiny further revealed that cost of foodgrains and transportation charges were being paid by the Department based on the quantity of rice lifted from FCI by the lifting agency. However, the entire quantity of rice lifted from FCI was not supplied to schools during 2010-13, resulting in huge accumulated rice stock with lifting agency. As a result, the Department had to pay ₹10.77 crore towards cost of foodgrains (₹9.77 crore²¹) to FCI and transportation charges (₹one crore²²) to APSCSCL on the rice stock accumulated with APSCSCL, though these quantities of rice were not actually received by the Department.

Government replied that instructions had been issued (October 2015) to all the DEOs to reconcile the figures before making payments.

²¹ 17,119 MT x ₹5,706.50 per MT = ₹9.77 crore

²² 17,119 MT x ₹750 per MT - ₹28 lakh (being the outstanding dues) = ₹one crore

2.1.5.4 Quality of foodgrains

As per the MDM scheme guidelines, 2006, FCI was required to issue foodgrains of best quality available, which would in any case be at least of Fair Average Quality (FAQ). This would be ensured by District Collectors after joint inspection by a team consisting of FCI and nominees of district administration.

Audit however, observed in the three test checked districts that no such joint inspections were conducted during 2010-15. In Adilabad district, the MEOs brought (June 2014) the issue to the notice of District level Steering-cum-Monitoring Committee (SMC) that good quality foodgrains were not being supplied to schools. In 90 sampled schools, rice bags containing the mid-day meal rice did not have the unique symbol 'MDM rice' (though required as per the directions of February 2012 of State level SMC) so as to enable the school authorities to identify that the rice supplied to them conformed to FAQ norms.

Government replied that all the DEOs had been requested for conducting joint inspection by a team consisting of FCI and nominee of district administration to ensure supply of FAQ rice. The DEOs had also been asked to ensure that the rice bag supplied to the school point bear the unique symbol 'MDM rice'.

2.1.5.5 Maintenance of buffer stock

As per para 2.6 of guidelines for decentralization of payment of cost of foodgrains to FCI at District level issued (February 2010) by GoI, the District administration would ensure that every consuming unit maintains a buffer stock of foodgrains required for a month to avoid disruption due to unforeseen exigencies.

Audit scrutiny of relevant records revealed that in 82²³ out of 90 sampled schools, buffer stock required for a month was not maintained and, in fact, the closing stock reflected a negative balance in 29 schools²⁴ during 2010-15. In such cases, the schools/Self Help Groups (SHGs) had to make their own arrangements to get the foodgrains from the nearby schools or FPS dealer on reimbursement basis.

Government replied that the DEOs had been asked to maintain a buffer stock of foodgrains required for a month for distribution during unforeseen exigencies and to ensure maintaining buffer stock by the Headmasters at school level.

2.1.5.6 Transportation charges

As per para 2.3 (ii) of the MDM scheme guidelines, GoI was to reimburse the actual cost incurred on transportation of foodgrains from the nearest FCI godown to the school point subject to a prescribed ceiling of ₹750 per MT.

Audit scrutiny of relevant records revealed the following:

- APSCSCL/TSCSCL was submitting (2010-15) transportation claims for entire ₹750 per MT without furnishing actual expenditure incurred by them and payment was also made at flat rate without ascertaining the actual expenditure by DEOs.

Government replied that appropriate action would be taken in this regard.

²³ Adilabad: 22, Nalgonda: 30 and Warangal: 30

²⁴ Adilabad: 22 and Nalgonda: 7

- In Nalgonda district, though transportation charges of ₹45.95 lakh (2010-11) were outstanding, the funds (₹22.69 lakh) intended for the purpose were surrendered during 2010-12 without payment to APSCSCL. DEO replied that unspent balances were surrendered as per the instructions of CDSE. The contention is not acceptable as the DEO should have apprised the CDSE about the outstanding dues before surrendering the funds.
- In Adilabad district, there was a discrepancy of ₹11 lakh in payment of transportation charges during 2010-15 between the figures furnished by DM, APSCSCL/TSCSCL and DEO.

2.1.5.7 Delivery of rice to the school point

As per para 3.8 (i) of MDM scheme guidelines the State nodal agency engaged for lifting and transportation of foodgrains was responsible for lifting foodgrains from FCI godowns and delivering them to designated authority at the taluk/block level. State Government was also to make foolproof arrangements to ensure that the foodgrains were carried from the taluk/block level to each school in a timely manner.

Audit however, observed in the three²⁵ test checked districts that contrary to this, the rice stock was being supplied only up to Fair Price Shop (FPS) instead of to school point, though the transportation charges (₹750 per MT) were reimbursed by GoI. In 62²⁶ out of 90 sampled schools, rice stock was brought to the schools by Head Masters/SHGs/CCHs by bearing transportation charges on their own.

Government replied that in Nalgonda and Warangal districts, rice was being transported directly from MLS point to school point without the involvement of FPS dealers since January 2015. In Adilabad district, action was being taken for transportation of rice upto school point. It was further stated that instructions had been issued to all the DEOs to ensure supplying of rice to the school point and payment of transportation charges to deliver the rice upto the school point.

2.1.5.8 Disposal of empty rice (gunny) bags

The foodgrains were being transported from FCI to schools in gunny bags. The MDM scheme guidelines 2006 were silent about disposal of empty gunny bags. In the absence of any guidelines, the schools in the test checked districts did not take any action to dispose of the empty gunny bags. Instead, the Headmasters were allowing the FPS dealers to take away the empty bags free of cost. As a result, the opportunity to earn revenue on account of sale of 18.11 lakh empty gunny bags valuing ₹1.81 crore (considering at least ₹10 per bag) in the three test checked districts alone, was lost during 2010-15.

Government replied that necessary instructions had been issued (October 2015) to all the DEOs/Headmasters in the State to ensure disposal of the empty gunny bags as per rules and to remit the sale proceeds into Government account.

²⁵ In Nalgonda district, foodgrains were being transported to school point since January 2015

²⁶ Adilabad: 19, Warangal: 15 and Nalgonda: 28 (of this, in 26 schools, upto December 2014)

2.1.6 Infrastructure facilities

Provision of essential infrastructure for preparation/serving of mid-day meal was one of the components of MDM scheme. It included Kitchen-cum-store, kitchen devices, adequate water supply for cooking/drinking, etc. The responsibility for creation of infrastructure and procurement of kitchen devices, etc. lies with the State Government.

Audit however, noticed that during 2010-15, 59 per cent of allocated funds for construction of 'Kitchen-cum-store' remained unutilised and there was no budgetary provision/release of funds for provision/replacement of Kitchen utensils and for provision of Gas connections.

The status of provision of infrastructure facilities in the three test checked districts as of July 2015 is given in table below.

Table-2.4

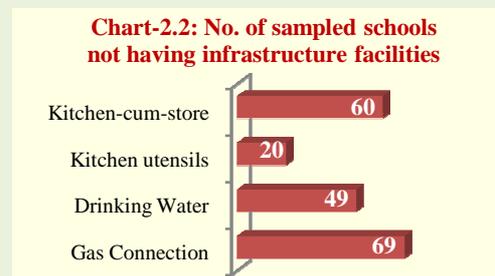
District	Total number of schools	Number of schools having infrastructure facilities (percentage)			
		Kitchen-cum-stores	Kitchen devices	Water	Gas connection
Adilabad	3850	402 (10)	2832 (74)	729 (19)	1820 (47)
Nalgonda	3283	1104 (34)	2052 (63)	2055 (63)	Nil*
Warangal	3444	1131 (33)	2807 (82)	2730 (79)	Nil*

Source: Data furnished by the DEOs

* Although there was no provision of Gas connection in the schools as per the data furnished by DEOs, Audit noticed provision of Gas connections in 10 sampled schools as mentioned in the following paragraph

Out of 90 sampled schools, most of the schools did not have Kitchen-cum-store (60²⁷), Kitchen utensils (20²⁸), drinking water (49²⁹) and Gas connection (69³⁰) as shown in the Chart alongside.

Thus, improvement of infrastructure required for preparation/serving of mid-day meal in schools was neglected by the Department.



Government replied that the unit cost approved by the GoI for construction of Kitchen-cum-stores was insufficient and proposals for revision of unit cost was under active consideration of the Government. Drinking water facility was being provided in the schools under Rural Water Supply and SSA. It was further stated that instructions had been issued to the DEOs to provide drinking water facilities in all the schools and as per convenience, to utilise Gas stoves for cooking of mid-day meal.

2.1.6.1 Construction of Kitchen-cum-store

(i) Requirement vis-à-vis sanction

Based on the requirement projected by the State, GoI sanctioned 30,014 Kitchen-cum-store (Phase-I: 19,316 and Phase-II: 10,698) and released ₹236.25 crore (Phase-I: ₹115.90 crore and Phase-II: ₹120.35 crore) during 2006-08 and 2011-12 respectively.

²⁷ Adilabad: 26, Nalgonda: 19 (8 in dilapidated condition) and Warangal: 15

²⁸ Adilabad: 7, Nalgonda: 9 and Warangal: 4

²⁹ Adilabad: 21, Nalgonda: 11 and Warangal: 17

³⁰ Adilabad: 19, Nalgonda: 23 and Warangal: 27

Audit scrutiny of records revealed that the State Government incorrectly projected the requirement of Kitchen-cum-stores while seeking Central assistance during the period 2006-08 and 2011-12 as shown below.

Table-2.5

Total no. of schools in the State in 2011-12 (as per AWP&B 2012-13)	28770
No. of schools wherein Kitchen-cum-stores already existed as of 2006-07	10089
No. of schools where mid-day meal is served by NGOs through centralized kitchen as of 2011-12	1278
No. of schools requiring Kitchen-cum-stores as of 2011-12 (28770-10089-1278)	17403
No. of schools for which financial assistance already received from GoI under Phase-I (2006-08)	19316
No. of schools for which excess financial assistance claimed under Phase-I (19316 - 17403)	1913
No. of schools for which financial assistance claimed under Phase-II (2011-12) though not required	10698

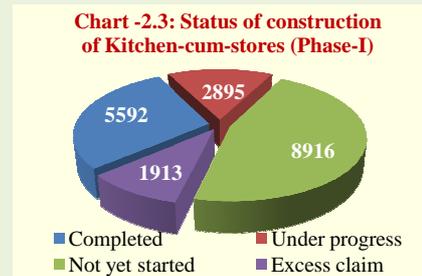
As seen from the above table, State Government obtained financial assistance for construction of Kitchen-cum-stores in 19,316 schools as against the actual requirement in 17,403 schools (excess claim for 1,913 schools). Moreover, financial assistance for construction of 10,698 units under Phase-II was claimed though not required. Despite this, the construction of Kitchen-cum-stores sanctioned under Phase-I was not completed as of November 2015 as detailed in the succeeding paragraphs.

Government did not offer any specific reply in this regard.

(ii) Construction under Phase-I

Out of Central assistance (2006-08) of ₹115.90 crore (at ₹60,000 per unit) for construction of 19,316 Kitchen-cum-stores, State Government released ₹44.05 crore (38 per cent) only to the districts and of which ₹1.36 crore was lying in PD account of Chief Planning Officers (CPOs) (as of May 2015). Since 2006-07, in all the years, large amounts were allowed to lapse and these were got revalidated in the subsequent years.

As of November 2015, out of 19,316 Kitchen-cum-stores sanctioned by GoI, 5,592 kitchen sheds (29 per cent) were completed and 2,895 (15 per cent) were in progress. Remaining 8,916 (excluding excess projection of 1,913 Kitchen-cum-stores) were not yet started.



In order to complete construction of Kitchen-cum-stores (Phase-I) which were in fact, not started due to insufficient cost, the State Government enhanced (November 2011) the unit cost from ₹60,000 to ₹75,000 and reduced the plinth area from 252 sft to 136 sft. It was noticed that although additional funds of ₹25.57 crore (17,048 units at ₹15,000 each) was required to be provided by the State Government, no additional funds were released to districts for ensuring completion of Kitchen-cum-stores (Phase-I).

Government replied that the proposal for releasing the funds for completion of the under progress Kitchen-cum-stores was under active consideration of the Finance Department.

In the three test checked districts, out of 4,258 Kitchen-cum-stores sanctioned (2011-12) under Phase-I, 1465 units were completed and 1,640 units were under progress.

Construction of the remaining 1,153 units was yet to be commenced as of July 2015 as shown in the table below.

Table-2.6

District	No. of units sanctioned	No. of units completed	No. of units in progress	No. of units yet to be commenced
Adilabad	1313	402	632	279
Nalgonda	1493	577	621	295
Warangal	1452	486	387	579
Total	4258	1465	1640	1153

Source: Information furnished by DEOs

Non-completion/non-grounding of construction works was attributed (October 2014/ July 2015) by DEOs to non-release of funds (Adilabad) and insufficient funds (Nalgonda).

(iii) Construction under Phase-II

Out of ₹120.35 crore³¹ released (2011-12) by GoI for construction of 10,698 Kitchen-cum-stores, State Government released ₹86.58 crore. However, the Department adjusted (2012-13) ₹86.58 crore to PD accounts of CPOs of nine (i.e., except Hyderabad) districts and the entire amount was shown as expenditure without actual utilisation of these funds (balances available in PD account as of May 2015: ₹58.67 crore). Moreover, the State Government did not release its share of ₹40.12 crore (25 per cent of cost).

As of November 2015, construction of **none of the Kitchen-cum-stores was in fact started in the State**. Despite availability of funds, State Government did not ensure completion of construction of Kitchen-cum-stores even after the lapse of three and half years since date of GoI sanction. As a result, the cost of construction escalated from ₹1.50 lakh to ₹2.50 lakh per unit (as per the revised estimates submitted by the Executive Engineer, SSA).

Although GoI specifically instructed (March 2012) that the funds released for Phase-II construction works should not be used for Phase-I construction works for which funds had already been released, CDSE issued (January 2014) instructions to the district authorities to utilise the funds released under Phase-II for Phase-I construction works. It was observed that the funds amounting to ₹24.99 crore intended for Phase-II constructions were utilised for Phase-I construction works as of May 2015.

Government replied that proposals for approval of revised unit cost for construction of 10,698 Kitchen-cum-stores in all the eligible schools in the State were under active consideration of the Government.

(iv) Cooking of mid-day meal in open area/dilapidated rooms

Audit noticed in 13 out of 90 sampled schools that Kitchen-cum-stores were not available and cooking of mid-day meal was being done in open area in 11 schools (Nalgonda: 10 and Adilabad: one) and in dilapidated rooms in two schools (Adilabad: one and Warangal: one) as shown in the images of some of the sampled schools.

³¹ Being 75 per cent of estimated cost ₹160.47 crore (10,698 units x ₹1.50 lakh)



MPP School, Muthyalastreet Village,
Huzurnagar Mandal, Nalgonda district (July 2015)



ZPH School, K. Samudram (Village & Mandal),
Warangal district (July 2015)



Thus, cooking of mid-day meal in open areas/dilapidated rooms in 13 of the sampled schools defeated the objective of providing cooked meal to children in hygienic conditions.

Government replied that as soon as the proposals for release of funds/revision of unit cost were approved, appropriate action would be taken for construction of Kitchen-cum-stores on war footing basis in all the eligible schools in the State.

(v) *Convergence with other development programmes*

As per para 2.5 of MDM scheme guidelines, the programme has to be implemented in close convergence with several other development programmes³² implemented by GoI so that all the requirements for implementation of the scheme like Kitchen-cum-store, etc. could be provided to all schools within the shortest possible time frame.

Audit however, observed that there was no recorded evidence that the State Government ensured convergence of the construction activity of Kitchen-cum-stores under MDM scheme with other development programmes to complete the construction of sanctioned units. This resulted in non-starting/non-completion of construction of units despite availability of Central assistance way back in 2006-07.

Government replied that the Director, Rural Development was requested to sanction the cost of unskilled labour component under MGNREGS for construction of Kitchen-cum-stores which were proposed to be constructed with revised unit cost.

2.1.6.2 Kitchen devices

GoI provides assistance at an average cost of ₹5,000 per school for provisioning cooking devices (Stove, Chulha, etc.); containers for storage of foodgrains and other ingredients; and utensils for cooking/serving and replacement of kitchen devices.

During 2006-08 and 2012-13, GoI released ₹16.50 crore for provisioning of kitchen devices to schools. Out of this, an amount of ₹10.40 crore was utilised leaving ₹6.10 crore unspent as of March 2015. Further, none of the GoI funds (₹16.18 crore) intended (2012-13 and 2014-15) for replacement of Kitchen devices were utilised by the State as of July 2015.

³² Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Basic Services for Urban Poor (BSUP), Integrated Housing and Slum Development Programme (IHSDP), Urban Wage Employment Programme, Backward Region Grant Fund (BRGF) and Sarva Shiksha Abhiyan (SSA)

Audit observed in the three test checked districts that although many of the schools did not have kitchen utensils in Adilabad (26 per cent), Nalgonda (37 per cent) and Warangal (18 per cent), funds were not provided for provisioning/replacement of kitchen devices during 2010-15.

Government replied that although GoI sanctioned (October 2014) ₹7.47 crore for replacement of kitchen devices pertaining to nine districts (i.e., except Hyderabad) of Telangana, the funds were yet to be transferred by the Government of Andhra Pradesh. It was further stated that GoI was requested to release the amount to the Telangana State and as soon as the amount was received, it would be utilised for replacement of kitchen devices.

2.1.7 Serving of mid-day meal to children

State Government was ultimately responsible for providing a nutritious cooked mid-day meal uninterruptedly to the children of primary classes (I to V) and upper primary classes (VI to VIII) in all Government, Government aided and Local body schools, Special Training Centres and Madarasas and Maqtabas. Further, State Government extended MDM scheme to the children studying in classes IX and X from 2008 onwards.

2.1.7.1 Meals served vis-à-vis utilisation of funds

As per the AWP&B for 2011-12 to 2015-16, 237 crore meals were projected as served during 2010-15 for children studying classes I to VIII.

Audit evaluated the requirement of funds (consisting of cost of foodgrains and cooking cost) for preparation and serving of 237 crore meals to the children vis-à-vis the actual utilisation of funds by the State Government, as detailed in the table below.

Table-2.7

Year	No. of meals projected as served	Requirement of funds	Actual utilisation of funds by the State	Variation
(₹ in crore)				
2010-11	556769636	252.69	254.65	-1.96
2011-12	450763877	211.63	186.04	25.59
2012-13	465649145	226.99	201.12	25.87
2013-14	463559552	259.78	202.84	56.94
2014-15	437900715	258.77	95.49	163.28
Total	237,46,42,925	1209.86	940.14	269.72

Source: Actual figures projected in AWP&B (2011-12 to 2015-16) for the first three quarters i.e. April to December and average of these three quarters is taken for fourth quarter (due to non-projection of fourth quarter figures in AWP&B); and Appropriation Accounts of respective years

As seen from the above table, as against the requirement of ₹1,209.86 crore³³ for preparation and serving of meals (237 crore) projected as served (as per the AWP&B) during 2010-15, an expenditure of only ₹940.14 crore³⁴ was incurred by the State towards cost of foodgrains and cooking cost. Details are given in **Appendix-2.4**. This indicated that figures of meals projected as served in the AWP&B were unrealistic and proved to be inflated.

³³ Cost of foodgrains: ₹159.10 crore and cooking cost: ₹1,050.76 crore

³⁴ Cost of foodgrains: ₹100.68 crore and cooking cost: ₹839.46 crore

Government replied that the balances of foodgrains/funds of the previous years were being utilised in the succeeding financial year. It was however, noticed in Audit that the expenditure incurred by the State towards cost of foodgrains and cooking cost was less than the actual requirement of funds for preparation and serving of meals, as mentioned above.

2.1.7.2 Quality of meals served

(i) Tasting of meal before serving

As per para 4.3 of MDM scheme guidelines, 2006 and para (ii) of guidelines issued (July 2013) by GoI (Ministry of Human Resource Development) on quality, safety and hygiene, food prepared was required to be tasted by 2 – 3 adults including at least one teacher before it was served to children and a record to this effect be kept in a register maintained for the purpose.

Audit however, observed in 77³⁵ out of 81³⁶ sampled schools that though the food was stated to have been tasted by teachers, there was no recorded evidence in support of their claim.

Government replied that instructions had been issued (October 2015) to all the DEOs to ensure maintenance of a register by the Headmasters showing the details of School Management Committee/mothers of children and at least one teacher by whom the food was to be tasted before serving to the children. It was further stated that a third party monitoring committee was constituted (March 2015) to visit the schools to evaluate the quality of food being served.

(ii) Involvement of mothers in MDM scheme

The scheme guidelines (Annexure 10 of Para 4.4) emphasized the need to involve mothers of the children to ensure that the good quality of the meal was being served every day without interruption to the children in the school.

Audit however, observed in 49³⁷ out of 90 sampled schools, mid-day meal was prepared and served without mothers' physical presence/supervision.

Government replied that instructions had been issued (October 2015) to all the DEOs to involve the mothers of the children in the process of preparation/serving of meal to ensure quality of food being served.

(iii) Assessment of nutritional status of children

One of the MDM scheme objectives was to improve the nutritional status of the children studying in primary and upper primary classes. Under School Health Programme, being implemented in convergence with Health Department, anaemia/nutritional status of the children was to be assessed among provision of other general health care and referral services.

³⁵ Adilabad: 30, Warangal: 30 and Nalgonda: 17

³⁶ Details were not made available to Audit with regard to nine sampled schools (Nalgonda district)

³⁷ Adilabad: 10, Nalgonda: 30 and Warangal: 9

Audit however, noticed in all the 90 sampled schools that assessment of improvement of the nutritional status of the children was not being made and instead, general health check-ups by doctor/ANM was only being conducted during 2010-15. As a result, on an average, 9853 students³⁸ per annum were deprived of assessment of their nutritional status.

Government replied that the Doctors working at nearby PHCs were visiting the schools twice in a month and conducting health check-up of the students and health cards were being maintained/updated at school level. Government however, did not reply with regard to non-assessment of the nutritional status of the children as envisaged.

2.1.7.3 Food poisoning cases

Audit scrutiny of records of DEOs, Adilabad and Nalgonda revealed that lack of adequate monitoring, absence of supervision of mothers in cooking/serving of meals to children and poor infrastructure facilities for cooking and storage, resulted in recurring food poisoning cases in schools as detailed below:

- In Nalgonda district, there were 14 food poisoning incidents during 2011-15 in which 252 students were affected due to improper and unhygienic preparation/serving of mid-day meal, improper cleaning of utensils, etc.

Government while attributing the food poisoning incidents to usage of contaminated drinking water, etc., stated that instructions had been issued to the Headmasters to take utmost care/precautions at every level to avoid food poisoning.

- In Adilabad district, four food poisoning incidents occurred³⁹ during 2012 and 2014 in which 127 students suffered due to improper preparation/serving of mid-day meal viz., preparation of curry with spoiled vegetables and eggs, serving of half cooked curry, serving of contaminated food items, etc.

As regards food poisoning occurred in Bangariguda Model School (Adilabad), Government stated that the cooking agency was replaced by another agency and legal action was also initiated against it.

- For any emergency, schools were depending on the Primary Health Centres, located at a distance ranging from 0.5 km to 30 km. In some instances, although there was a sub-centre located in the vicinity, it was not equipped to handle emergency such as food poisoning cases.

Government replied that instructions had been issued to the DEOs to utilise the services of 108 ambulance and to display the Child Right Cell toll free help line number, etc. in the school premises to contact in case of emergency.

2.1.7.4 Engagement of NGOs under MDM scheme

Scheme guidelines (September 2010) provide for entrustment of cooking and serving of mid-day meal through centralized kitchen for a cluster of schools in urban areas, where there is a space constraint for setting up school kitchens in individual schools.

³⁸ 2010-11: 10,417, 2011-12: 10,065, 2012-13: 9,572, 2013-14: 9,590 and 2014-15: 9,623

³⁹ As per the reports of MEOs/DEOs

In Hyderabad, Medak and Ranga Reddy districts, NGOs were engaged for cooking and serving of mid-day meal through centralized kitchens. In Medak district⁴⁰, Audit observed the following:

- (i) The time limit for supply of food (30 minutes) and the maximum distance of schools (20 km) from the centralised kitchen as advised (February 2013) by GoI (Ministry of Human Resource Development) were not adhered to while engaging the NGO. There were 333 out of 443 schools covered by the NGO, located more than 20 km away involving travel time of more than 30 minutes from the centralised kitchen. The distance from the centralized kitchen to the farthest school ranged from 22 to 90 km.

Thus, transporting of cooked meal over a distance of above 20 km with travel time of more than 30 minutes defeated the purpose of serving of hot and hygienic meals to the children.

- (ii) Although kitchen sheds were available in 93 schools and sufficient space available for setting up of Kitchen-cum-store in 313 schools, implementation of MDM scheme in these schools was entrusted to NGO resulting in the existing infrastructure remaining unfruitful. The objective of encouraging community participation in the scheme was, thus, ignored.

Government replied that instructions had been issued to the DEO, Medak/MEOs to discontinue serving of mid-day meal through the existing NGO and to take necessary action to provide mid-day meal through SHGs in all the 93 schools where Kitchen-cum-store were already available.

2.1.7.5 Cook-cum-helpers

GoI made (November 2009) a separate provision for payment of honorarium to Cook-cum-helper (CCH) under MDM scheme at the rate of ₹1,000 (GoI: ₹750 and State: ₹250) per month for each CCH for 10 months in a financial year leaving the summer vacation so that teachers were not involved in the cooking and serving process. One CCH was to be engaged in a school having upto 25 students, two CCHs for schools having 26 to 100 students and one additional CCH for every additional 100 students.

(i) Engagement of CCHs

GoI sanctions total number of CCHs based on the requirement projected in the AWP&B by the State Government and releases its share.

Audit observed the following:

- There was no evidence that the requirement of CCH projected by the Department in the AWP&B was need based. During 2010-15, proposals for 51,382 CCHs (2010-11), 63918 CCHs (2011-12 to 2013-14) and 66,383 CCHs (2014-15) per annum were sent to GoI. However, the proposals for CCHs were raised suddenly by 12,536 (2010-11 to 2011-12) and 2,465 (2013-14 to 2014-15), reasons for which were not on record.

⁴⁰ details of NGOs in Hyderabad and Ranga Reddy districts were not made available to Audit

Although State Government obtained (2012-15) sanction for 1,91,666 CCHs⁴¹ from GoI, only 1,55,630 CCHs⁴² were actually engaged in the State (as per the MIS School Report). This indicated that the requirement was inflated by 36,036 CCHs while projecting the requirement in AWP&B (excess claim: ₹27.03 crore⁴³).

Government did not offer specific reply in this regard.

- Claiming and allocation of excess funds to CCH component had a cascading effect on MME⁴⁴ component. During 2012-15, an amount of ₹48.65 lakh (1.8 per cent of ₹27.03 crore being excess claim/allocation on CCH) was also claimed in excess under MME component.

(ii) Training to CCHs and DRPs

As per GoI (Ministry of Human Resource Development) guidelines (July 2013), training programmes to CCHs and District Resource Persons (DRPs) was to be conducted for managing safety of foodgrains and for ensuring hygienic cooking of mid-day meal.

Audit scrutiny revealed that no such training programmes were conducted in 61⁴⁵ out of 87⁴⁶ sampled schools during 2010-15. As a result, cooking and serving of mid-day meal in hygienic conditions with nutrition values was not ensured.

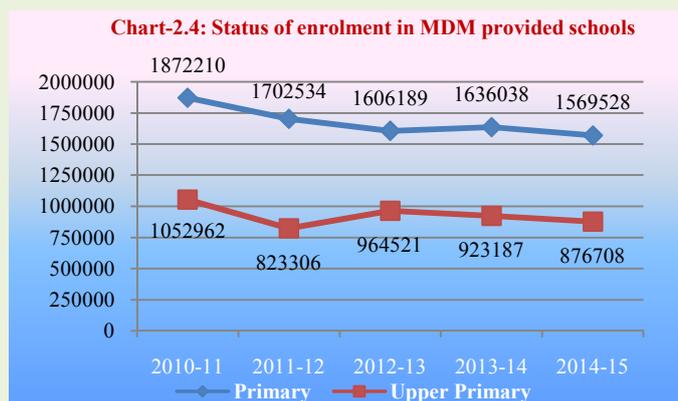
Government replied that training programmes at District and Mandal level were proposed to be conducted in the ensuing months and Standard Operating Procedure (SOP) on basic food safety and hygiene was also communicated to all the schools to follow.

2.1.8 Impact of the scheme on educational indicators

MDM scheme was intended to boost universalization of elementary education by increasing enrolment, retention and attendance.

2.1.8.1 Impact on enrolment

Enrolment in mid-day meal provided schools in the State displayed decreasing trend during the period covered under Performance Audit (2010-15). The enrolment of 18.72 lakh (PS) and 10.53 lakh (UPS) children during 2010-11 came down to 15.70 lakh (PS) and 8.77 lakh (UPS) children during 2014-15 (16 and 17 per cent decrease) as shown in the chart alongside.



Source: Annual Work Plans for the years 2011-12 to 2015-16

⁴¹ 2012-13: 63,918, 2013-14: 63,119 and 2014-15: 64,629

⁴² 2012-13: 51,479, 2013-14: 52,101 and 2014-15: 52,050

⁴³ $(1,91,666 - 1,55,630) \times ₹750 \times 10$ (months) = ₹27.03 crore

⁴⁴ GoI provides assistance for MME at the rate of 1.8 per cent of total assistance on cost of foodgrains, transport cost, cooking cost and honorarium to CCH, etc.

⁴⁵ Adilabad: 29, Nalgonda: 11 and Warangal 21

⁴⁶ Details were not made available to Audit in three sampled schools (Nalgonda)

In the three test checked districts, the enrolment of 9.84 lakh children (PS, UPS and HS) in 2010-11 decreased (by 2.3 per cent) to 9.62 lakh children in 2014-15. Decrease was high (12 per cent) in Nalgonda district. During the audit of 90 sampled schools, it was observed that the enrolment decreased from 10,417 children (PS, UPS and HS) in 2010-11 to 9,623 children in 2014-15 (by 7.6 per cent).

Government, while accepting the decrease in enrolment even after implementation of mid-day meal scheme and other schemes such as free supply of text books, uniforms, etc., attributed it to the increasing trend of parents preferring private (English medium) schools. It was stated that efforts would be made to increase the enrolment in Government schools in the ensuing years.

2.1.8.2 Impact on retention

The scheme was intended for encouraging poor children, belonging to disadvantaged sections, to attend school more regularly and help them to concentrate on classroom activities.

At State level, the dropout rate of students at elementary level was above 26 per cent⁴⁷ for the years 2010-11 to 2013-14⁴⁸. In Adilabad and Warangal districts⁴⁹, the annual dropout rate of students (PS, UPS and HS) ranged from 7.50 per cent (2013-14) to 12.52 per cent (2014-15) during the period 2010-15.

In 90 sampled schools, out of 49,267 children⁵⁰ (PS, UPS and HS) enrolled, 47301 children continued upto last working day of the school during the period 2010-15 (dropout: 1,966⁵¹). The dropouts of children from the schools were high (954 children) in Adilabad district during 2010-15.

Government replied that instructions had been issued to the DEOs/ Headmasters to ensure regular attendance of all the enrolled children and to increase the retention rate with the help of School Management Committee.

2.1.8.3 Impact on attendance

In the State, average daily attendance ranged from 90.06 per cent (2010-11) to 91.50 per cent (2013-14) for primary classes and 93.35 per cent (2011-12) to 94.71 per cent (2014-15) for upper primary classes. In Adilabad and Warangal districts⁵², the average daily attendance was 86 to 100 per cent for primary classes, 78 to 100 per cent for upper primary classes and 87 to 100 per cent for high schools during 2010-15. The average daily attendance was lowest in Adilabad district ranging from 78 to 95 per cent (UPS).

Government replied that steps would be taken to improve the attendance.

⁴⁷ 2010-11: 28.74 per cent; 2011-12: 26.74 per cent; 2012-13: 32.69 per cent and 2013-14: 32.56 per cent

⁴⁸ Dropout rate for 2014-15 was yet to be published through Educational Statistics as of September 2015

⁴⁹ Details were not made available to Audit by DEO in respect of Nalgonda district

⁵⁰ Adilabad: 19,824, Nalgonda: 17,773 and Warangal: 11,670

⁵¹ Adilabad: 954, Nalgonda: 912 and Warangal: 100

⁵² Details were not made available to Audit by DEO in respect of Nalgonda district

2.1.9 Monitoring and Evaluation

2.1.9.1 Monitoring of programme/impact parameters

The MDM scheme would need to be monitored to assess (i) programme parameters, such as the manner in which the programme was being implemented in terms of whether all children were regularly getting a meal of satisfactory quality and (ii) impact parameters, such as the effect, if any, on improving children's nutritional status, regularity of attendance, and retention in and completion of primary education.

Audit analysis of budget allocation (₹9.38 crore) and utilisation of funds (₹2.89 crore) under MME component for the period 2010-15 revealed that there was inadequate utilisation of budgetary allocation/Central assistance towards MME activities (unutilised funds ranged from 70 per cent (2013-14) to 100 per cent (2010-11)).

Audit observed in the test checked districts that monitoring system was not in place to assess programme and impact parameters as stipulated. As a result, the implementation of the scheme was hampered. There were delays in construction of Kitchen-cum-stores; non-supply of Kitchen devices; large variation in figures of enrolment, meals taken, institutions serving mid-day meal, etc.; retention of large balances of rice stock at MLS points, resulting in frequent cases of negative balances of rice stock at school level, etc.; non-ensuring supply of FAQ rice; incidences of food poisoning; and non-assessment of prescribed nutritional status of children, etc. as discussed in the foregoing paragraphs.

During the Exit Conference Government stated that the unspent MME funds would be utilised towards more qualitative monitoring and steps would be taken to improve and strengthen the system for getting accurate and absolute data from every stage. Further, while attributing the above shortcomings to weak monitoring system, Government stated that necessary steps would be taken to strengthen/upgrade the monitoring system for effective implementation of the scheme.

2.1.9.2 Steering-cum-Monitoring Committees

MDM scheme guidelines, 2006 stipulate setting up of Steering cum Monitoring Committees (SMCs) at the State, District and Mandal levels to oversee the implementation of the programme.

SMCs were not constituted at any level in the State till 2010-11. When this was reiterated by GoI (September 2010), the State issued orders for constitution of SMCs at State, District and Mandal levels only in March 2011. Audit scrutiny revealed that the State and District level SMC meetings were not being conducted as per the GoI stipulations as detailed below.

<p>State level SMC meetings</p> <p><i>As per the directions (August 2010) of GoI, State level SMC meetings were required to be conducted at least once in six months. Later, GoI issued (March 2011) instructions to conduct State level SMC meetings at least once in every quarter.</i></p>	<p>The State level SMC meetings were conducted five times⁵³ only during 2011-15 as against the requirement of 16 times as per norms.</p> <p>Government replied that at present, State level SMC meeting was being conducted under Chairmanship of the Chief Secretary once in a year and the Principal Secretary was reviewing the implementation of the scheme as frequently as possible.</p>
<p><i>As per the MDM guidelines, nominated members⁵⁴ by the Chairman of the SMC were to be included in the composition of the State level SMC.</i></p>	<p>The State level SMC was however, constituted without these intended members as per the norms.</p> <p>Government replied that all the members would be invited for State level SMC meeting as per the GoI guidelines.</p>
<p>District level SMC meetings</p> <p><i>As per the GoI directions (August 2010) the District level SMC meetings were required to be held every month to review the scheme under the Chairmanship of District Collector.</i></p>	<p>Audit observed in the three test checked districts that merely one or two meetings per annum were conducted against the requirement of 12 meetings per annum during 2010-15 in each district.</p> <p>Government replied that instructions had been issued (October 2015) to all the DEOs to conduct District level SMC meetings as per the GoI directions.</p>

2.1.9.3 Monitoring on management of foodgrains

As per para 5.1 of guidelines for decentralization of payment of cost of foodgrains to FCI at District level issued (February 2010) by GoI, a monthly meeting was to be held by the District administration with District Manager, FCI or his representative and all other concerned officials in the last week of the month to resolve all the issues pertaining to lifting, quality of foodgrains and payments; and a report be submitted to the State headquarters by 7th of the succeeding month.

Audit noticed in Adilabad district⁵⁵ that no monthly meeting was conducted by the District administration with District Manager, FCI or his representatives and all other concerned officials during 2010-15. As a result, issues such as under weight of rice bags (44 to 49 kg instead of 50 kg per bag), negative stock balances at schools, non-reaching of rice to school point, etc. could not be resolved.

Government replied that instructions had been issued (October 2015) to all the DEOs to conduct monthly meeting with the District Manager, FCI and all other concerned officials to sort out the issues of lifting, quality of foodgrains and payment.

⁵³ 14 September 2011, 17 February 2012, 16 August 2012, 7 February 2013 and 29 January 2015

⁵⁴ (i) two experts in the area of nutrition, (ii) four persons of whom at least two should be women with significant contribution/achievement in the area of nutrition/school education/child welfare/health, etc. (iii) representatives of 3 - 5 districts and (iv) at least one representative of teachers

⁵⁵ Details were not made available to Audit in Nalgonda and Warangal districts

2.1.9.4 Inspections of schools

As per para 6.2 of MDM scheme guidelines, the Officers of District, Sub-Divisional, Mandal and other suitable levels should visit in each quarter on an average 25 per cent of the schools covered under MDM scheme and all schools/EGS/AIE centres providing mid-day meal should be visited at least once in every year. Monthly targets for inspection were to be fixed by the State Government.

Audit however, observed in Adilabad district that the number of inspections of primary schools, EGS and AIE centres conducted was far below the prescribed norms during 2010-15. The shortfall in conducting inspections ranged from 64 per cent (2010-11) to 30 per cent (2014-15) as shown in table below.

Table-2.8

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Number of inspections to be conducted	3045	3146	3200	3089	3032
Conducted (Percentage)	1105 (36)	1155 (37)	1533 (48)	1407 (46)	2117 (70)

Source: Records of DEO

Government replied that instructions had been issued to all the districts to conduct minimum daily/monthly inspections of schools by DEO/Dy. Education Officer/MEO, etc. for effective implementation of the scheme.

2.1.10 Conclusion

As discussed in the foregoing paragraphs, the implementation of MDM scheme in the State suffered from lack of infrastructure facilities. The Central assistance for provision of construction of Kitchen-cum-stores and utensils for cooking/serving of mid-day meal were not utilized in full. Majority of the schools in the test checked districts had no basic infrastructure such as water facility, Kitchen-cum-stores, Kitchen utensils and Gas connection. Bottom-up approach was not followed in preparation of Annual Work Plans and Budget (AWP&B). The figures of average number of children who had availed of mid-day meal were inflated by the State Government while seeking allotment of rice from GoI resulting in excess allocation of rice and large accumulation of stocks with the lifting agency. Ineffective management of foodgrains under the scheme led to retention of large balances with the lifting agency. Procedure prescribed in scheme guidelines for ensuring utilization of Fair Average Quality (FAQ) of rice for mid-day meal to children was not complied with. There were violations to guidelines with respect to provision of hot cooked meal to children through centralized kitchen where mid-day meal services were entrusted to NGO. Mid-day meal was not provided to children in drought affected areas during summer vacations. No mechanism was in place in the sampled schools to assess the improvement of nutritional status of children except conducting occasional health check-ups. The performance of Steering-cum-Monitoring Committees was far from satisfactory.

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

2.1.11 Recommendations

- (i) State Government should evolve a mechanism to cross-check and validate the details of enrolment, attendance and retention flow from school level across the State.
- (ii) All eligible children should be covered under the scheme with provision of meals for prescribed number of days and calorific content as per norms and nutrition indicators should be monitored at regular intervals.
- (iii) For providing hygiene and healthy mid-day meal, better infrastructural facilities like Kitchen-cum-stores and supply of safe drinking water should be ensured by converging with other schemes viz., SSA, MGNREGS, BRGF, ARWS⁵⁶, etc.
- (iv) Monitoring mechanism should be strengthened and inspections should be carried out as prescribed in guidelines. Deviations identified should be thoroughly followed up for corrective action.

During the Exit Conference, the Government assured remedial action on the points raised by Audit. The recommendations made by Audit were also discussed and accepted by the Government.

⁵⁶ Accelerated Rural Water Supply

School Education Department (Adult Education)

2.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

2.2.1 Introduction

Literacy and education play a central role in human development and impact overall socio-economic development. Higher levels of literacy and education lead to better attainment of health and nutritional status, economic growth, population control, empowerment of the weaker sections and community as a whole.

Government of India (GoI) launched 'Saakshar Bharat', a Centrally Sponsored Scheme, in September 2009 during the XIth Plan period, aimed at promoting and strengthening adult education in the country, especially of women, by extending educational options to those adults in the age group of 15 years and above.

Primary goals of the Saakshar Bharat are:

- to improve overall literacy rate to 80 *per cent*
- to reduce gender gap in literacy to 10 *per cent*

The broad objectives defined for the scheme are as follows:

Basic Literacy	To impart functional literacy and numeracy to non-literate and non-numerate adults
Basic Education	To enable new literate adults to continue their learning beyond basic literacy and acquire equivalence to formal educational system
Vocational Skills	To impart relevant skill development programmes to improve earning and living conditions
Continuing Education	To promote a learning society by providing opportunities for continuing education

As per Census-2011, literacy rate in Telangana State was 66.46 *per cent*, which is lower than the national average of 72.99 *per cent*. The literacy rate in the State varies from 55.04 *per cent* in Mahabubnagar to 83.25 *per cent* in Hyderabad. There is also a considerable difference in literacy rates of males (74.95 *per cent*) and females (57.92 *per cent*), resulting in a gender gap of 17.03 percentage points.

Although the scheme was launched in September 2009, it commenced in the State after one year i.e. in September 2010. The scheme, which was initially up to March 2012, was extended up to March 2017. Of the stated objectives, the State Government implements only two programmes viz., (i) Basic Literacy Programme (BLP) and (ii) Continuing Education Programme (CEP) in nine (i.e. all districts except Hyderabad) districts of Telangana State identified⁵⁷ by the National Literacy Mission Authority (NLMA), the

⁵⁷ having adult female literacy rate of 50 *per cent* or below

apex body for monitoring the implementation of the programme in the country. BLP aims to ‘impart functional literacy to non-literate adults’. It is implemented in the State through volunteer based approach⁵⁸ in a phased manner and as of August 2015 five phases⁵⁹ were completed. CEP involves establishment of Adult Education Centres (AECs) otherwise known as Lok Shiksha Kendras at Gram Panchayat (GP) level to provide a learning environment so that learners (neo-literates and school dropouts) are encouraged to continue with their literary aspirations lifelong as well as to equip them with livelihood skills.

A total of 8,707 AECs (one in each GP) have been established all over the State. In keeping with GoI guidelines, Saakshar Bharat is implemented through Panchayati Raj Institutions who appoint coordinators at Panchayat, Mandal and District level to oversee the functioning. AECs are located mostly in public buildings like Panchayat office, community halls, school buildings, etc. They function for about six hours in a day. Neo-literate books and graded reading material along with newspapers and magazines are supplied to all AECs. They motivate volunteers to take up the literacy programme and monitor it. One Awareness/Skill Training Programme is conducted every month inviting resourceful persons from development Departments/agencies. They also conduct sports and cultural activities using material provided to the centre.

2.2.1.1 Responsibility Centres

Telangana State Literacy Mission Authority (TSLMA), a registered society constituted in May 2014, is the nodal agency⁶⁰ for implementing the programme in the State. Office of the Director, Adult Education (DAE) acts as the Secretariat for TSLMA. The TSLMA reviews the activities in monthly monitoring meetings and reports to NLMA and the State Government. Adult Education Centres at GP level are responsible for providing institutional, managerial and resource support to literacy and lifelong education at grass root level. Literacy programmes are conducted by Voluntary Literacy Educators (VLEs) through literacy centres in the villages. Responsibility centres at various levels viz., at State, District, Mandal and Village are shown below.

State level	<ul style="list-style-type: none"> • Implementing agency: TSLMA • Responsibility entrusted to: Director of Adult Education
District level	<ul style="list-style-type: none"> • Implementing agency: Zilla Lok Shiksha Samiti (ZLSS) • Responsibility entrusted to: Deputy Director of Adult Education
Mandal level	<ul style="list-style-type: none"> • Implementing agency: Mandal Lok Shiksha Samiti (MLSS) • Responsibility entrusted to: Mandal Coordinator
Village level	<ul style="list-style-type: none"> • Implementing agency: Gram Panchayat Lok Shiksha Samiti (GPLSS) • Responsibility entrusted to: Village Coordinator

⁵⁸ Under this approach, a volunteer acts as a mobiliser, trainer and teacher and is responsible for imparting literacy, on an average, to 8 - 10 learners. The implementing agency at the operational level, will be responsible for identification of the potential learners as well as volunteers, their batching and matching, making arrangements for their training, distribution of literacy kits to learners and volunteers, keeping track of the progress made by each learner-volunteer group

⁵⁹ Phase-I: 2010-11; Phase-II: 2011-12; Phase-III: 2012-13; Phase-IV: 2013-14; and Phase-V: 2014-15

⁶⁰ The programme was implemented in the State by Andhra Pradesh State Literacy Mission Authority (APSLMA) from September 2010 to May 2014. Consequent on reorganization of the State into Andhra Pradesh and Telangana, Director of Adult Education, Telangana is implementing the mission in the State from 2 June 2014

2.2.2 Audit Framework

2.2.2.1 Audit Objectives

Performance audit of implementation of BLP (a component of the Scheme) was carried out with the objective of assessing whether,

- State Government carried out a survey to identify the non-literates and mapped their learning needs GP-wise;
- Approaches advocated by GoI for implementing functional literacy programme had been followed by the Government; and
- Learners had acquired the skills specified by GoI to progress to the next level.

2.2.2.2 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Saakshar Bharat scheme guidelines
- Action Plans and Budget
- Programme Accounts Manual
- Orders, notifications, circulars, instructions issued by NLMA/State Government/SLMA from time to time
- Andhra Pradesh Financial Code

2.2.2.3 Audit Scope and Methodology

Performance audit was conducted during December 2014 - February 2015 and August 2015 covering implementation of Basic Literacy Programme during the period 2010-15 in the State. An Entry Conference was held in December 2014 with the DAE wherein audit objectives, methodology, scope and criteria, audit sample, etc., were discussed and agreed upon. An Exit Conference also was held with Government representatives in December 2015 to discuss the audit findings.

Audit methodology involved scrutiny of relevant files/records at SLMA, Zilla Lok Shiksha Samities (ZLSSs), Mandal Lok Shiksha Samities (MLSSs) and Gram Panchayat Lok Shiksha Samities (GPLSSs) and discussions with officials concerned at various levels. Replies furnished by authorities during the audit and by the DAE/Government (November 2015) to the draft Performance Audit Report have been taken into account/suitably incorporated in the Report.

2.2.2.4 Audit Sample

Sampling for Performance Audit was done based on the level of female literacy, considering highest female non-literates as criteria and three districts were selected viz., Mahabubnagar, Medak and Nalgonda and three mandals from each district. Two GPs from each mandal were selected for detailed study; these GPs were chosen from within the mandals based on the highest and the lowest female non-literates identified. List of sampled units is given in *Appendix-2.5*.

Audit Findings

2.2.3 Releases and Expenditure

Both NLMA and State Government release funds to SLMA's bank account and the funds were utilised through core banking system by the District/Mandal/GP based on the authorisations issued in their favour by SLMA/respective districts. The scheme cost⁶¹ in the Telangana State for the period 2010-11 to 2014-15 was ₹414.07 crore which was to be shared between GoI and State Government in the ratio of 75:25.

As against the total releases of ₹514.92 crore (GoI releases of ₹403.50 crore including opening balance for the year 2010-11 and State releases of ₹111.42 crore) made available to the combined State during the period 2010-14, an expenditure of ₹480.59 crore was incurred, leaving a balance of ₹34.33 crore as of 1 June 2014. For the year 2014-15, as against ₹79.97 crore made available to Telangana State, an expenditure of ₹36.32 crore was incurred leaving ₹43.65 crore unutilized (March 2015).

Year-wise details of funds released and expenditure incurred in the combined State upto 1 June 2014 and exclusively by Telangana State during 2 June 2014 to 31 March 2015 are shown in Table-2.9.

Table-2.9

(₹ in crore)

Year	Releases				Expenditure	Closing Balance
	Opening Balance	GoI releases	State matching share	Total		
2010-11	69.00	84.67	23.00	176.67	36.46	140.21
2011-12	140.21	64.55	49.74	254.50	172.17	82.33
2012-13	82.33	116.06	0.00	198.39	119.31	79.08
2013-14	79.08	69.22	38.68	186.98	130.19	56.79
2014-15 (up to 1 June 2014)	56.79	Nil	Nil	56.79	22.46	34.33
2014-15 (as on 2 June 2014)	34.65 [@]	34.32	11.00	79.97	36.32	43.65

Source: Records of SLMA

Note: Figures shown up to 1 June 2014 relate to composite State of Andhra Pradesh

[@] For the year 2014-15, opening balance of ₹34.65 crore (including interest component) has been taken based on GoI orders of October 2014 issued consequent on bifurcation of the State

It was also observed from the audited statement for the period 2 June 2014 to 31 March 2015 that an amount of ₹6.92 lakh was utilised from Saakshar Bharat Mission (SBM) funds towards implementation of literacy programme in Hyderabad district which is a non-Saakshar Bharat district.

In the sampled districts, as against a release of ₹39.96 crore, ₹31.27 crore and ₹34.80 crore in Mahabubnagar, Medak and Nalgonda districts, the utilization was ₹34.28 crore, ₹30.85 crore and ₹33.18 crore respectively. While Medak district utilized 98.66 per cent, Mahabubnagar could utilize only 86 per cent of the released funds.

⁶¹ The total cost worked out by NLMA till the end of XIIth Plan period against a target of 48.49 lakh non-literates

DAE, in its reply attributed (October 2015) the non-utilisation of funds by ZLSSs to the delay in issue of necessary guidelines in this regard. Government did not offer specific remarks in this regard.

Audit findings relating to financial management are discussed in paragraph 2.2.6.

2.2.4 Programme implementation

2.2.4.1 Survey and Planning

As per the programme guidelines, non-literates are to be identified through a survey and the GPs are responsible for micro-planning in respect of preparation of an Action Plan at GP level. A GP level plan is to be formulated considering all activities⁶² of the Programme. These micro plans are to be consolidated at appropriate levels viz., Mandal, District and State, and the consolidated State plan is to be submitted to NLMA for administrative and financial sanctions.

It was observed that, as per household survey conducted during 2010-11 there were 82.41 lakh non-literates in nine districts of the State of which 48.49 lakh were targeted to be covered during the programme period i.e. by 2016-17⁶³.

Although, consolidated Action Plan of the State detailing the proposals to implement the approved activities of the programme were prepared by the SLMA, no Action Plans were prepared by the District implementing agency of Mahabubnagar. In Nalgonda district, triennial district Action Plans for 2011-13 and 2013-15 and in Medak district Action Plans for 2010-11 to 2014-15 (except 2013-14) were prepared. During the test-check, it was observed that none of the sampled mandals had prepared their Action Plans. Contrary to guidelines, micro-planning was also not done in any of the sampled GPs. Thus, Action Plans at State level were prepared without the support of GP level micro plans.

Government replied (November 2015) that neither the GP-wise/District-wise Action Plans nor any Action Plans at Micro level were called for by GoI for implementation of Saakshaar Bharat Programme. During the Exit Conference, Government assured that, in future, annual Action Plans would be prepared at each of the levels. Para 74 of the SBM guidelines mandate that all stakeholders, especially at the grassroots level should have a role in the planning and implementation of the programme. Non-preparation of micro Action Plans at GP level was a clear violation of Mission guidelines.

(i) Inconsistencies in the data uploaded in the website

Analysis (in respect of the three test checked districts) of the survey data uploaded by the implementing agencies⁶⁴ to the national website revealed the following.

- While the number of non-literates as per survey data in the three test checked districts was 43,06,105 (Mahabubnagar: 20,60,587; Medak: 9,21,656 and Nalgonda: 13,23,862) the number as per DAE was 36,12,582 (Mahabubnagar: 15,50,479; Medak: 10,87,220 and Nalgonda: 9,74,883), indicating data inconsistency.

⁶² survey, data collection, mass mobilisation, training schedules of different levels of functionaries, procurement and distribution of teaching-learning materials, evaluation of learning outcome of the learners, budgetary requirement, etc.

⁶³ the end of XIIth Plan

⁶⁴ Private agencies finalised by the District Level Committee viz., ZLSS

- Similarly, the number of beneficiaries whose educational qualification was matriculation and above were incorrectly shown as ‘non-literates’ in 1,94,059 cases out of a total of 13,53,630 such households, thus indicating 14.33 *per cent* of records being doubtful.
- A large number of junk data i.e. data not having full particulars of non-literates identified and containing repetitions of name, father’s name, door number, mandal and village in a total of 6,38,517 records (Mahabubnagar: 663 times in 3,85,918 records; Medak: 253 times in 96,266 records and Nalgonda: 166 times in 1,56,333 records) was observed.

This indicates the magnitude of incorrectness of data being uploaded by the implementing agencies. This resulted in a considerable degree of non-reliability of the information being provided on the national website. This defeats the very purpose of the Teaching-Learning Programmes (TLPs) of the Scheme which aim at identification of genuine non-literates and neo-literates in the society and address their diverse literary needs.

Further, a master survey data/list was not being maintained at GP level, which would be the benchmark against which the beneficiaries enrolled could be linked with the numbers identified in the survey and watched whether they successfully completed the programme.

During the Exit Conference, Government admitted that during the survey, owing to lack of experience, relevant information was incorrectly filled by village level functionaries of different Departments. Further, in its reply Government stated that the names of persons along with the names of their fathers/husbands are common due to most of the families being undivided. It was further stated that while uploading the data (by private agencies) no unique number was obtained from the person to verify the correctness leaving the scope for discrepancies in the survey data which was uploaded. It was also contended that the discrepancies could not be rectified due to non-provision of edit option by GoI.

(ii) *Discrepancy in number of non-literates identified*

Against the targeted 48.49 lakh non-literates to be covered in the State, a total of 51.68 lakh non-literates were enrolled in five phases. Of these, 34.76 lakh⁶⁵ were stated to have been covered under the programme. Audit scrutiny revealed the following:

- There was a mismatch in number of identified non-literates between the details furnished by DAE and those mentioned in SLMA’s Action Plan as detailed below.

Table-2.10

District	Number of identified non-literates (in lakh)		
	As per SLMA’s Action Plan	As reported by the DAE	Difference
Adilabad	8.56	8.45	0.11
Karimnagar	9.93	6.12	3.81
Khammam	6.96	6.96	0.00
Mahabubnagar	15.51	15.51	0.00
Medak	8.70	10.87	-2.17
Nalgonda	9.76	9.75	0.01
Nizamabad	7.90	7.71	0.19
Ranga Reddy	6.76	6.76	0.00
Warangal	7.95	10.28	-2.33
Total	82.03	82.41	-0.38

Source: SLMA Action Plan and details furnished by Director, Adult Education

⁶⁵ includes 4.35 lakh non-literates covered under Phase V

- Although the difference was around 38 thousand only in all, it may be seen that there were significant differences in number of non-literates in Karimnagar, Medak and Warangal districts. Further, in Medak district, as per ZLSS, the figure for identified non-literates was 9.37 lakh, which was more by 0.67 lakh than that mentioned in the Action Plan of SLMA.
- Discrepancies noticed in the sampled GPs are tabulated below:

GP (Mandal/District)	Audit finding
Ghattu (Ghattu/Mahabubnagar)	Identified non-literates were 3,150 (male: 1,536; female: 1,614) whereas enrolled figure in Phase-II alone was 3,304 (male: 1,592; female: 1,712). However, the beneficiary register contained only 588 names. Thus, number of enrolled beneficiaries was in excess of identified non-literates.
Lingapuram (Ghattu/Mahabubnagar)	Enrolled beneficiaries in all the four phases together stood at 1,546 against the identified 1,060 (male: 730; female: 330) non-literates indicating excess enrolment. However, the beneficiary register contained only 625 names.
Anthwar (Narayankhed/ Medak)	Against the identified 1,850 non-literates (as per district office), the beneficiaries register at the GP contained only 725 names.
Ponnala (Siddipet/Medak)	As per district office there were 1,251 non-literates identified in the GP. However, the beneficiaries register in the GP contained 232 names.
Erakapally (Manoor/ Medak)	As per district office 100 non-literates were stated to have been enrolled for Phase-V. Test-check however revealed that the enrolment in the GP was only 30.
Karasgutti (Manoor/ Medak)	As per district office 100 non-literates were stated to have been enrolled for Phase-V. Test-check however revealed that the enrolment in the GP was only 30.

Source: Records of test checked GPs

Thus, reliability of the data of non-literates identified and those stated to have been covered under the programme is doubtful in view of the inconsistencies in the data observed at ground level *vis-à-vis* the higher levels.

Government, while accepting the audit observations in case of Mahabubnagar district, stated that inconsistencies in the data of non-literates occurred due to non-recording the names of people who migrated from other places in the beneficiary register. The reply is however, silent with regard to the discrepancies pointed out by Audit in case of Erakapally and Karasgutti GPs of Medak district.

2.2.4.2 Non-compliance with programme guidelines/instructions

Scrutiny of records relating to the programme implementation in the sampled units revealed the following.

- (i) As per programme guidelines, each enrolled non-literate is to be taught for duration of 300 hours spread over three months or beyond. Attendance Registers of VLEs engaged during I and III phases were not made available in Mahabubnagar district while in two GPs of Medak district (*viz.*, Erakapally and Karasgutti), attendance registers of 2nd Village Coordinators (VCOs) were not produced, due to which Audit was unable to verify the fact of completion of stipulated duration of teaching and re-enrolment of the learners in subsequent phases.
- (ii) As per the instructions of SLMA, various registers/reports *viz.*, Daily Work Register, Monthly Self-Appraisal reports, Stock Issue Register, etc., are to be maintained by the VCOs. It was observed that Daily Work Register, weekly 'Vignanam' Register, Monthly Self-Appraisal reports (except in Chinnakarpamula GP of Peddakothapally Mandal), monthly reports on problems faced by Learner Literacy Centres (LLCs) and AECs, etc. were not maintained in any of the sampled GPs of Mahabubnagar district.
- (iii) In Mahabubnagar district, stock registers of Teaching and Learning Material (TLM) and literacy kits were not maintained properly in all test checked GPs (except Kanaipally and Palem GPs of Kothakota Mandal). Though stock of TLM and literacy kits supplied was recorded, the details of distribution to VLEs and learners with dated acknowledgement, etc. were not recorded and as such the correctness of distribution could not be verified in Audit.

The above instances of non-compliance with programme guidelines/instructions at GP and Mandal levels adversely affected the achievement of the Scheme objectives.

Government replied that concerned VCOs were instructed to maintain relevant registers.

2.2.4.3 Continuance of programme even after achieving targets

Scrutiny of records in Narayankhed Mandal of Medak district revealed that BLP was continuing in nine villages even after achieving the target during third phase (in five villages⁶⁶) and fourth phase (in four villages⁶⁷). Particulars of non-literates enrolled, dropped out, passed, re-enrolled were however, not made available to compare and analyse the actual position.

Records of Deputy Director, Medak however showed that 100 *per cent* literacy was achieved in 186 out of 1,170 GPs by 2013-14. However, Deputy Director, Adult Education, replied (January 2015) to the contrary, that 100 *per cent* literacy was not achieved in any of the villages in the district since 2010.

DAE replied (October 2015) that some of the non-literates relapsed into illiterate status and, hence, were enrolled again and the programme was being continued in the 100 *per cent* literate GPs. Evidence regarding re-enrolment of such relapsed non-literates

⁶⁶ Hangariga-B (identified: 316; excess enrolled: 298), Hanmanthroapet (identified: 470; excess enrolled: 130), Hangara-K (identified: 316; excess enrolled: 284), Rudraram (identified: 375; excess enrolled: 188) and Venkatapur (identified: 339; excess enrolled: 228)

⁶⁷ Kondapur (identified: 500; excess enrolled: 23), Narayankhed (identified: 490; excess enrolled: 111), Nizampet (identified: 556; excess enrolled: 55) and Sanjeevaraopet (identified: 535; excess enrolled: 7)

was however, not produced to Audit. The contradictory statements made by Deputy Director and the DAE only raises doubts on the actual progress of implementation of the programme in these villages. Government did not offer specific remarks in this regard.

2.2.4.4 Non-filling of vacant posts

The Deputy Directors (DDs), Project Officers (POs) and Supervisors play a vital role in implementation of the programme at District level and are entrusted with the task of efficient utilisation of funds, constant monitoring and evaluation of field level functionaries viz., MLSS and GPLSS, including timely action in achieving the targets.

Scrutiny of records relating to cadre strength in the SLMA revealed existence of vacancies at SLMA and district offices. At SLMA, the post of Director was vacant since December 2014.

At District level, the post of Deputy Director was vacant in two districts (Karimnagar and Khammam); similarly, against the sanctioned strength of 15 POs and 121 Supervisors, 8 posts (53 per cent) and 89 posts (74 per cent) of POs and Supervisors respectively were vacant. In Mahabubnagar district, as against the requirement of 2,656 VCOs for 1,328 GPs, 215 VCOs were not engaged (August 2015). Further, six Mandal Coordinators (MCOs) were also not engaged in six Mandals to supervise the performance of VCOs. As the supervisory officer is supposed to conduct periodical visits to monitor the performance at grass root level, non-filling of these crucial posts would adversely impact effective monitoring of the programme.

Government replied that action was being taken to fill all the above vacant posts.

2.2.4.5 Physical progress – Target and Achievement

As per the physical target fixed⁶⁸ by GoI, a total of 48.49 lakh non-literates were to be covered in the State. It was observed that during the four phases, against the stipulated target, only 34.76 lakh (72 per cent) non-literates were covered. Director, Adult Education replied (December 2014) that target for each phase was decided on the basis of availability of funds and Voluntary Literacy Educators engaged. He also stated that every effort was made to improve the attendance of Learners at Literacy Centres. Inconsistencies regarding number of non-literates covered (upto Phase IV) were however, observed between the figures mentioned in SLMA's Action Plan and those reported by DAE as given below.

Table-2.11

District	Number of non-literates covered (in lakh)		
	As per SLMA's Action Plan (excluding Phase-V enrolment)**	As per the records of the DAE	Difference
Adilabad	2.31	2.42	-0.11
Karimnagar	2.90	3.00	-0.10
Khammam	2.32	3.09	-0.77
Mahabubnagar	5.49	5.72	-0.23
Medak	3.91	4.07	-0.16

⁶⁸ September 2014

District	Number of non-literates covered (in lakh)		
	As per SLMA's Action Plan (excluding Phase-V enrolment)**	As per the records of the DAE	Difference
Nalgonda	3.91	2.35	1.56
Nizamabad	3.69	4.04	-0.35
Ranga Reddy	2.47	2.59	-0.12
Warangal	2.42	3.13	-0.71
Total	29.42	30.41	-0.99

Source: SLMA Action Plan and details furnished by Director, Adult Education

** Since the figures relating to coverage of non-literates enrolled under Phase V of the programme was not available to Audit, the same were not included

During the Exit Conference, Government stated that the figures of beneficiaries covered were based on final report as received from ZLSSs and the discrepancy in the figures of non-literates indicated in the Action Plan and that of Directorate would be reconciled.

It was observed from the records of ZLSSs of sampled districts, relating to phase-wise enrolment and coverage details, that the total achievement⁶⁹ figures did not match with those maintained at SLMA/DAE. Phase-wise physical progress in the sampled districts is shown in Table-2.12.

Table-2.12

(Figures in lakh)

District	Phase I		Phase II		Phase III		Phase IV		Phase V		Total (as per ZLSS)		Total (as per SLMA)		Difference	
	T/E	A	T/E	A	T/E	A	T/E	A	T/E	A	T/E	A	T/E	A	T/E	A
Mahabubnagar	1.10	0.68	2.37	1.44	3.50	2.22	1.49	1.16	0.43 [@]	0.66	8.89	6.16	9.32	6.38	-0.43	-0.22
Medak	0.80	0.58	0.80	0.74	3.00	2.10	0.99	0.46	0.65	0.62	6.24	4.50	6.23	4.69	0.01	-0.19
Nalgonda	0.67*	0.66	0.89	0.80	2.50	1.60	2.00	1.17	0.70	0.50	6.76	4.73	6.09	2.86	0.67	1.87

Source: Records of district offices (ZLSSs)

T/E: Target/Enrolment; A: Achievement; *against the target of 90,000, actual enrolment was 66,741; and [@]against the target of 79,680, actual enrolment was 43,379

Note: (+)'ve figures in difference column indicate excess of ZLSS figures over SLMA figures and (-)'ve figures indicate vice-versa

Thus, the number of non-literates covered under the programme was at variance with those reported by SLMA, DAE and ZLSSs, casting doubts on the correctness of the data.

Audit scrutiny further revealed that:

- (i) The overall figures for female enrolment and coverage in the State upto the five phases were 41.87 lakh and 28.52 lakh respectively, indicating a dropout of 13.35 lakh (31.88 per cent).
- (ii) In Mahabubnagar district, total number of enrolled candidates as per SLMA was 9.32 lakh whereas it was 8.89 lakh as per district office. Further, number of non-literates who completed the programme as per SLMA was 6.38 lakh and as per ZLSS it was 6.16 lakh.

⁶⁹ 'Non-literates enrolled' are those identified non-literates who were enrolled for BLP as they were not self-reliant in Reading, Writing and Arithmetic (Numeracy) while 'Achievement' indicates those enrolled non-literates who successfully gained Functional Literacy as defined in programme guidelines

- (iii) In Mahabubnagar district, the enrolment of non-literates in test checked Mandals as furnished by ZLSS was 2,411⁷⁰ only in Phase V, whereas the Mandal records revealed the enrolment figure as 4,775⁷¹. The discrepancy between the figures of District office and Mandals was not reconciled.
- (iv) In Mahabubnagar district, although performance of female non-literates completing the BLP was satisfactory, percentage of dropout of enrolled female non-literates ranged between 22 and 40 *per cent* during the four phases. The enrolment of female non-literates (Phase V) as per ZLSS was only 0.32 lakh whereas SLMA claimed an achievement figure of 0.50 lakh which was unrealistic.

In Nalgonda district, the overall percentage of dropouts during all the five phases was around 28 *per cent*.

- (v) In Medak district, 5.99 lakh learners appeared for the National Institute of Open Schooling, New Delhi (NIOS) test against the registered learners of 7.13 lakh (this includes repeaters and self-taught candidates upto Phase V) and all the learners who appeared for the test were declared as 'certificates issued'⁷². However, the Department had no information about successful candidates. In the absence of information with regard to passed learners, Audit was unable to assess the achievement against targets.

Government replied that information regarding successful learners would be produced to Audit.

- (vi) In Nalgonda district, a large variation was noticed between the targets fixed as per triennial Action Plan and those actually fixed by SLMA. As per the Action Plan, 12.28 lakh non-literates were to be covered in all the five phases; however, seven lakh non-literates were targeted/enrolled (by SLMA). Of the enrolled non-literates 4.23 lakh had completed the programme (upto Phase V). With regard to variation between the targets set out in Action Plan and those actually fixed, Deputy Director, Adult Education replied (January 2015) that SLMA had ignored the Action Plan while fixing targets.
- (vii) In Nalgonda district, all the non-literates (4.23 lakh) who completed the literacy programme (upto Phase IV) were declared passed. However, in two test checked mandals⁷³ it was observed that out of total 24,104 candidates who appeared for NIOS test, 17,445 candidates (about 73 *per cent*) were declared as passed. In the absence of Mandal-wise and candidate-wise particulars of those who completed the programme, appeared and cleared the test, Audit was unable to verify the correctness of achievement.

Although Government replied that ZLSS, Nalgonda has had the information about the appeared/successful candidates, the same was not produced to Audit during the period of inspection (September 2015).

⁷⁰ Gattu: 1,016; Kothakota: 840; Peddakothapally: 555

⁷¹ Gattu: 2,195; Kothakota: 1,560; Peddakothapally: 1,020

⁷² Grades 'A' or 'B' for those non-literates who successfully completed the BLP and Grade 'C' for unsuccessful candidates (who are motivated to reappear in the NIOS test)

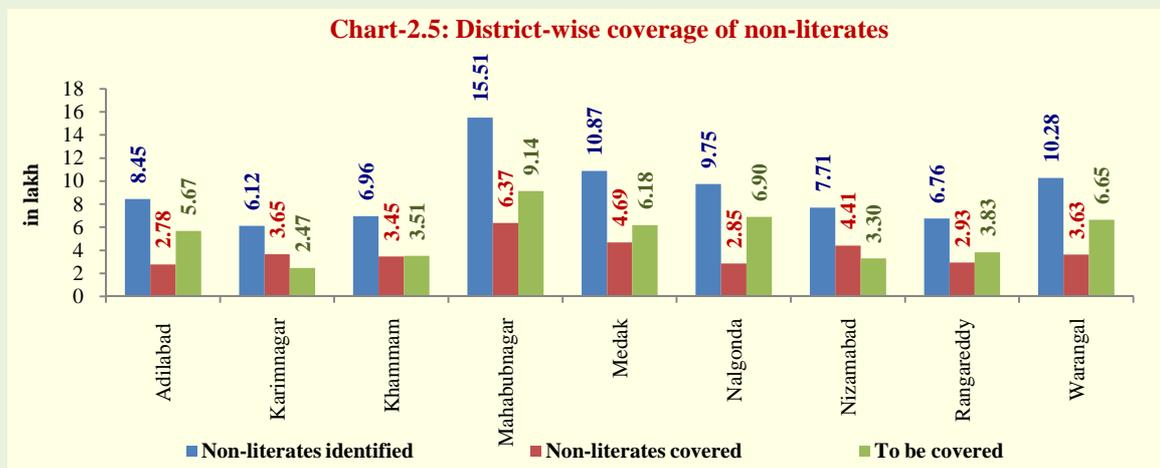
⁷³ Kodada (appeared: 14,874; passed: 9,291) and Devarakonda (appeared: 9,230; passed: 8,154)

(viii) With regard to female dropouts (upto Phase IV), the rate was above 50 per cent in seven out of 18 test checked GPs (maximum dropout rate was 91 per cent in Ghattu GP and Mandal of Mahabubnagar district). GP-wise details are given in **Appendix-2.6**. ZLSSs attributed the high female dropout to migration of beneficiaries to other places due to the lack of adequate opportunities for earning livelihood.

Government, while confirming the audit observations, attributed the high rate of female dropouts to implementation of the programme purely on a voluntary basis and absence of adequate interest on the part of the learners.

(i) **Progress against identified non-literates**

Although 34.76 lakh (72 per cent) of targeted non-literates (48.49 lakh) were covered in five phases, around 46.65 lakh⁷⁴ (out of total 82.41 lakh identified) non-literates are yet to be covered. District-wise details of achievement against total identified number of non-literates are shown in Chart-2.5.



Source: Records of SLMA

Against the identified non-literates, coverage (those who completed five phases) ranged from 29 per cent (Nalgonda district) to 60 per cent (Karimnagar district). The number of non-literates to be covered was high in six⁷⁵ out of nine districts. In the State Action Plan (2015-17), although it was proposed to cover 23.45 lakh non-literates (in the age group of 15 - 35 years) in two spells during 2015-17, prioritisation was not made in respect of the districts where number of non-literates to be covered was high.

Government replied that priority would henceforth be given to cover the non-literates in districts with high rate of illiteracy.

2.2.5 Ineffective implementation of Vocational Skill Development Programme

With a view to improving earning and living conditions, SLMA decided (December 2011) to conduct Vocational Skill Development Programme (VSDP) for the benefit of learners in each GP. The programme was to be conducted for 30 days covering 25 beneficiaries in

⁷⁴ = 82.41 lakh - 34.76 lakh

⁷⁵ Adilabad, Mahabubnagar, Medak, Nalgonda, Ranga Reddy and Warangal

each GP. As per the guidelines, it was to be ensured that the beneficiaries covered under VSDP were enrolled for next phase of BLP. An amount of ₹5.57 crore was released to nine districts for implementing the programme.

As per the records relating to VSDP implementation in the sampled districts, about 64,030 beneficiaries⁷⁶ were covered under this programme. However, details of those beneficiaries who had undergone VSDP and subsequently enrolled for next phase of BLP were not on record. Scrutiny further revealed that:

- (i) Out of total 3,585 GPs⁷⁷, VSDP programme was not implemented in 909 GPs⁷⁸ thereby depriving about 22,725 beneficiaries the opportunity of skill development; DAE replied (October 2015) that GoI had not provided any grant for conduct of VSDP due to which it was decided to utilize limited amount of funds for conduct of programmes thereunder. Hence, all the GPs were not covered.
- (ii) In Mahabubnagar district, funds amounting to ₹20.13 lakh remained unutilised over a period of 30 months; in Medak district, ₹13.24 lakh provided for procurement of material for the vocational programme on 'home needs', remained unutilised. The Deputy Director, Adult Education, Medak, replied that the funds could not be utilised in the absence of specific orders from the DAE.
- (iii) Against the stipulated 30 days, the programme duration was reduced to seven days (in the GPs of Nalgonda district) as per the orders (July 2013) of the District Collector, Nalgonda; six days (in the GPs of Medak district) and also reduced number of hours than stipulated - only two hours (instead of four to six hours). This was done on the plea that it was causing hardship to beneficiaries to attend such extended learning sessions for the entire period of one month. In Medak district, completion certificates for vocational courses were issued by MCOs to implementing agencies even before their actual completion.
- (iv) Test-check of bills/vouchers revealed instances of excess payment (₹4.69 lakh in Nalgonda district) to the programme implementing agency.
- (v) Despite the stipulation in the guidelines, follow-up activities for post training programmes were not taken up.

These instances reveal ineffective implementation of the skill development programme and the lack of monitoring in ensuring enrolment of beneficiaries covered under VSDP into the next phase of BLP as well.

During the Exit Conference, Government admitted the shortfall in conduct of trainings and stated that necessary action would be taken to compensate the shortfall.

⁷⁶ Mahabubnagar: 23,260; Medak: 22,700; Nalgonda: 18,070

⁷⁷ Mahabubnagar: 1,348 GPs; Medak: 1,059 GPs; Nalgonda: 1,178 GPs

⁷⁸ Mahabubnagar: 429 GPs; Medak: 151 GPs; Nalgonda: 329 GPs

2.2.6 Financial Management

Deficiencies in financial management are discussed below.

2.2.6.1 Non-utilisation of funds

- (i) In all the sampled districts total funds amounting to ₹2.44 crore⁷⁹ released (2010-15) towards ‘Non-recurring Grant’ remained unspent.

DAE attributed (October 2015) the non-utilisation of funds in Medak district to non-issue of detailed guidelines by SLMA with regard to procurement procedure. It was further stated that necessary instructions had been issued for utilisation of unspent funds in Mahabubnagar and Nalgonda districts.

- (ii) In Mahabubnagar district, funds amounting to ₹1.42 crore released for various activities⁸⁰ remained unutilised (November 2015) due to non-authorisation by DAE to utilise the amount.
- (iii) SLMA released funds amounting to ₹8.35 crore⁸¹ (as of November 2015) since inception of the programme, to ZLSSs of the sampled districts to conduct training programmes for various functionaries from GP to District level. Of the funds provided, an amount of ₹5.29 crore (63 per cent) only was utilized leaving a balance of ₹3.06 crore.

Thus, there was no effective monitoring on utilisation of funds.

2.2.6.2 Advances pending adjustment

As per the provisions of AP Financial Code, advances released should be adjusted as early as possible. It was however, noticed in the test checked districts that advances given during the period 2010–15 were pending adjustment as of November 2015 as tabulated below.

District	Purpose of advance	Audit findings
Mahabubnagar	Imparting training to coordinators	As against ₹59.34 lakh released during 2010-15 to ZLSSs and MLSSs an amount of ₹27.31 lakh remained unadjusted
	Conduct of NIOS test held during August 2011 - August 2013 and March 2015	As against ₹38.89 lakh released, an amount of ₹14.88 lakh remained unadjusted
	Imparting training to VCOs at Mandal level	As against ₹14.56 lakh drawn by ZLSS, ₹6.93 lakh had been settled and an amount of ₹5.11 lakh remitted to ZLSS account. An amount of ₹2.52 lakh remained unadjusted

⁷⁹ Mahabubnagar: ₹0.33 crore; Medak: ₹1.00 crore; Nalgonda: ₹1.11 crore

⁸⁰ for Training to coordinators: ₹19.32 lakh; Registers to AECs: ₹9.44 lakh; Purchase of books to AECs: ₹53.92 lakh; TLM: ₹23.98 lakh, Programme Cost: ₹35.47 lakh

⁸¹ Mahabubnagar: ₹3.64 crore (unspent: ₹1.72 crore); Medak: ₹2.64 crore (unspent: ₹1.24 crore); Nalgonda: ₹2.07 crore (unspent: ₹0.10 crore)

District	Purpose of advance	Audit findings
Nalgonda	Imparting training to MCOs, VCOs and VLEs	The entire amount of ₹1.40 crore drawn and disbursed to MPDOs remained unadjusted

Government replied (November 2015) that expenditure vouchers were being collected from concerned Mandal Parishad Development Officers (MPDOs) for adjustment of balance amounts.

Due to non-adjustment of the advances, the fact of utilisation of amounts for the intended purpose could not be ensured.

2.2.6.3 Non-obtaining of Utilisation Certificates

As per the guidelines, SLMA is responsible for collection of Utilisation Certificates (UCs) from the districts and submission of a consolidated UC to NLMA. It was observed that SLMA submitted year-wise consolidated UCs (for the years 2010-11 to 2014-15) for ₹240.83 crore⁸², without however, collecting UCs from the districts for the amounts utilised. Thus, there was no assurance whether these funds stated to have been spent were actually spent for the intended purpose.

Although Government replied that UCs were obtained from all the districts for the stated period, as per the records made available to Audit, UCs were furnished only for an amount of ₹104.23 crore⁸³ leaving UCs for ₹136.60 crore yet to be received.

2.2.6.4 Fund and Accounts Management System (FAMS)

The scheme has adopted internet-based Fund and Accounts Management System (FAMS) with a view to (i) manage and monitor fund flow (ii) maintain accounts at all levels (iii) provide instant and easy access to accounts and (iv) provide NLMA/SLMA a complete view of expenditure on activities. As per the accounting manual the expenditure particulars are to be uploaded to FAMS on a monthly basis.

The benefits of the FAMS *inter alia* include availability of latest information facilitating the policy makers and executing officials in taking timely decisions as well as and anytime/anywhere availability of finance/accounts related data. The FAMS system was made operational from August 2010 in the State.

Audit scrutiny of expenditure comparison reports (August 2015) generated through FAMS website relating to the three sampled districts revealed inconsistency in total expenditure between cash book figures and that of bank figures. These expenditure details were in turn not in conformity with ZLSS figures. Details are as shown in Table-2.13.

⁸² 2010-11: ₹12.10 crore; 2011-12: ₹77.25 crore; 2012-13: ₹53.22 crore; 2013-14: ₹53.94 crore; and 2014-15: ₹44.32 crore

⁸³ 2010-11: ₹6.34 crore; 2011-12: ₹39.09 crore; 2012-13: ₹22.23 crore; ₹2013-14: ₹18.29 crore; and 2014-15: ₹18.28 crore

Table-2.13

(₹ in crore)

District	Expenditure as per cash book (as uploaded)	Expenditure as per bank (as uploaded)	Expenditure as per ZLSS (figures from Statements of Expenditure)
Mahabubnagar	13.73	20.45	34.17
Medak	11.04	14.71	30.86
Nalgonda	13.84	21.05	33.17

Source: Saakshar Bharat FAMS website and records of ZLSSs

Audit scrutiny of SLMA records revealed that uploading of data (status as of August 2015) to FAMS was lagging behind by more than one year in respect of three ZLSSs⁸⁴. In the remaining six ZLSSs uploading was done up to January/March 2014. At Mandal and GP levels also there were consistent delays in uploading the data into FAMS. With regard to Mandals and GPs, data was uploaded only upto March 2013 in Mahabubnagar, Medak and Nalgonda districts.

Due to non-uploading of relevant data to FAMS on monthly basis, effective monitoring on reconciliation aspect was not possible.

Government replied that uploading of data to FAMS was done only upto March 2013 due to lack of computers/net facility at Mandal/GP level and that, as on date, FAMS was not working in the State of Telangana.

Thus, the primary objective of providing a complete and true picture of expenditure details to NLMA/SLMA was defeated.

2.2.7 Monitoring

As per SLMA instructions, officers at various levels were to visit the subordinate units at periodical intervals to monitor implementation of the programme. Test-check of daily tour programmes in respect of Assistant Project Officers (APOs) and Supervisors in the sampled districts revealed the following:

- (i) In Mahabubnagar district, in all the nine cases, shortfall in actual number of days on tour/visits to AECs/LLCs was noticed during the years 2013-14 and 2014-15 against the stipulation of 20 days/40 AECs/80 LLCs in a month. The shortfall ranged from 70 to 100 *per cent*.

Government accepted the audit observation. However, no specific reasons were furnished in this regard.

- (ii) In Mynampally and Mudigonda GPs of Devarakonda Mandal (Nalgonda district), it was noticed in Audit that DD/Supervisor had not undertaken visits to inspect the implementation of the program even once during its four phases.

⁸⁴ Ranga Reddy: May 2013; Nizamabad: September 2013; and Adilabad: December 2013

2.2.7.1 Internal Audit

The Accounts Manual of Saakshar Bharat Mission stipulates appointment of internal auditors as a management aid to ensure the true and fair record of accounts. The SLMA may identify, with the help of NLMA, competent organisations for this task. The Audit is to be carried out in two phases of six months each ending 30 September and 31 March.

Audit scrutiny, however, revealed that Internal Audit was not conducted in any of the nine districts of the State during the entire period of execution of the program (2010-15) despite the stipulation in the programme Accounts Manual.

Government attributed non-conduct of Internal Audit to non-appointment of Auditors and assured that action would be taken to conduct internal audit in due course.

2.2.8 Impact of implementation

Although the statistical figures in the sampled districts depict significant achievement against the target, Audit was however, unable to assess the actual outcome of programme implementation in terms of improvement in literacy rate and reduction in gender gap in literacy due to the lacunae observed in the household survey (conducted in 2010-11) data and absence of mapping of the beneficiaries enrolled and beneficiaries who completed the programme successfully, beneficiaries' continuing education, etc.

2.2.9 Conclusion

As discussed in the foregoing paragraphs, implementation of Saakshar Bharat, a flagship programme of GoI, aimed at promoting and strengthening adult education, especially of women, in the age group of 15 years and above, suffered from various systemic lapses with only 72 per cent of the targeted non-literates (and 42 per cent of identified non-literates) being covered under the programme. Contrary to guidelines, consolidated Action Plan was prepared without the basis of micro level planning. Funds were not utilised in full. There were inordinate delays in uploading/updating expenditure details to online system by ZLSSs/MLSSs/GPLSSs thereby defeating the objective of Fund and Accounts Management System (FAMS). There were several discrepancies, relating to non-literates identified and covered, among the figures of SLMA's Action Plan, Director of Adult Education and ZLSSs. In the sampled districts ZLSSs had no details of non-literates enrolled, those who actually completed the programme, attended and cleared the NIOS test, repeaters, self-taught candidates, etc. The programme was continued in some GPs even after achievement of 100 per cent literacy.

There were considerable vacancies in the important areas/cadres adversely affecting the implementation of the programme. The dropout rate of female non-literates from the literacy programmes is a serious concern.

2.2.10 Recommendations

- (i) Action Plans should be prepared at each level, especially at Gram Panchayat level, annually for fixing realistic targets and for effective implementation of the programme in a planned manner.
- (ii) Record maintenance of non-literates identified, actually enrolled, those who completed the programme, attended and cleared the NIOS test, etc., should be put in place for effective monitoring of implementation of the programme.
- (iii) Proper motivation and wide publicity should be given at grass root level to encourage non-literates to enrol for the programme and, subsequently, to arrest the dropout rate, particularly in case of female non-literates.

In its reply, the Government accepted (November/December 2015) the recommendations and stated that the same would be followed for better implementation of the Saakshar Bharat Programme and that necessary guidelines would be issued to all the field functionaries for adherence.

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 seven¹ child care institutions in the State with 373 children² in need of care and protection and 91 juveniles³ 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.

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 cases⁴ 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.

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 (six⁵ 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 2013-14⁶ 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 juveniles⁷ were received in three Observation Homes for Boys; 73 juveniles were sent to Special Home for Boys, Hyderabad; 4,302 children⁸ 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.

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 Committee⁹ 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 girls¹⁰ (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

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 children¹¹ 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.

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 (34¹² 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.

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 services¹³ 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 members¹⁴ 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.

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 Boards¹⁵ 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 instructions¹⁶ (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 crore¹⁷ (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.

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.

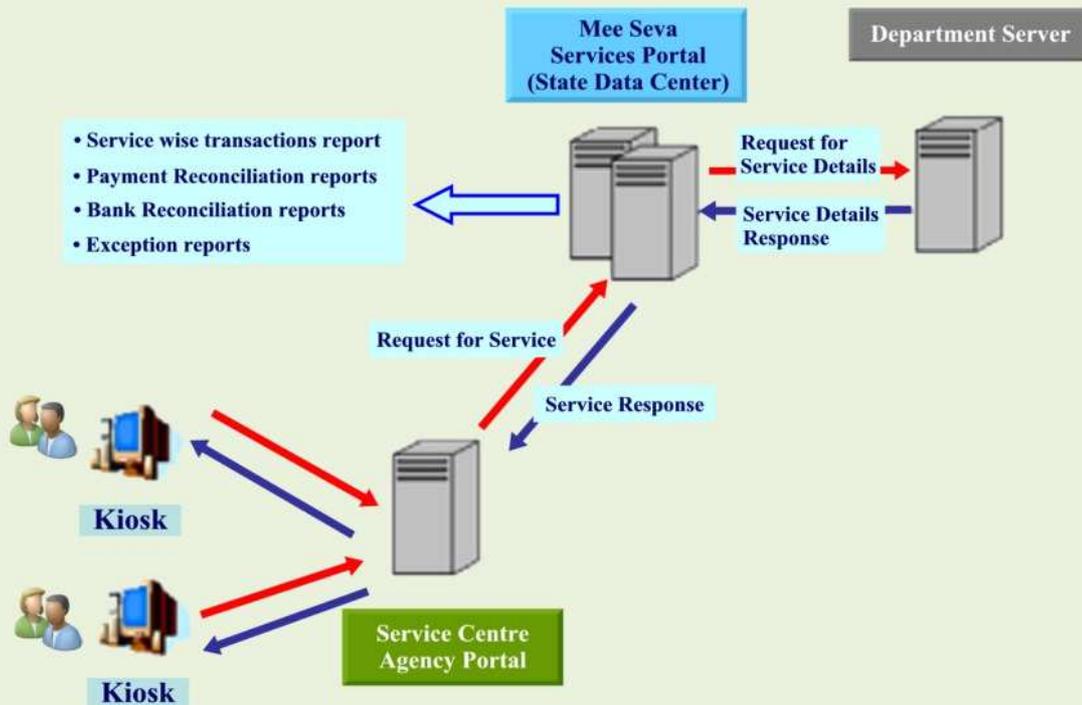
3.2.2 Objectives of Mee-Seva

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 1/3 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 districts¹⁸ 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.

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 Agency¹⁹. 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 : 1 st cycle	80	10,00,000
	Functionality Testing : 2 nd cycle (Round functionality testing will be done after fixing the defect by Client)	20	
2	Application Security Testing:1 st Cycle	30	6,50,000
	Application Security Testing: 2 nd 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.

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 ID²⁰ 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 districts²¹ 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.

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 mandals²² for issue of land related certificates to the citizens from LRMIS²³ data available in mandal computers. After launch of Mee-Seva in 2011, Government decided²⁴ (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 districts²⁵ 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).

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
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 released²⁶ in 2007 as Grant-in-Aid (GIA). An amount of ₹9.29 crore was also released²⁷ by DIT as Additional Central Assistance (ACA) for implementation of the above project.

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 Pradesh²⁸ 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.

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 number²⁹.

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.

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_compliance³⁰), 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 table³¹, 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.

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/update 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.

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

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 ePASS³² 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, six³³ 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.

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
<p>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.</p> <p>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)</p>	<p>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.</p>	<p>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.</p> <p>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.</p>	<p>All the four welfare Departments stated (June 2015) that Government provided funds for release within the financial year.</p>	<p>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 (<i>Details vide Appendix-3.1</i>).</p> <p>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.</p> <p>Government has thus, not implemented this recommendation.</p>
<p>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)</p>	<p>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</p>	<p>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</p>	<p>Director, SCDD replied (May 2015) that Government had been addressing to convene a meeting of all Vice Chancellors to discuss the issue to formulate norms for fixing uniform fee structure</p>	<p>Thus, the recommendation was not implemented.</p>

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
	<p>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.</p>	<p>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.</p>		
<p><i>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.</i> (Paragraph 3.6.3.6)</p>	<p>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.</p>	<p>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.</p>	<p>Director, SCDD replied (May 2015) that the fee structure uploaded in ePASS system was being verified by an authorized official of the Departments.</p>	<p>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.</p> <p>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).</p> <p>Further, due to non-confirmation from the PMU, the fee structure pertaining to 2012-13 was adopted even as of 2014-15.</p> <p>The recommendation was thus, not implemented in its spirit.</p>

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
<p>Scholarship is provided on saturation³⁴ 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.</p> <p style="text-align: right;">(Paragraph 3.3.1)</p>	<p>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.</p>	<p>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-Seva³⁵. 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.</p> <p>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</p>	<p>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.</p>	<p>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).</p> <p>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 undischursed in Corporate Internet Banking(CINB) accounts/ PD accounts as of March 2015.</p>

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
		<p>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 parameters³⁶ i.e., Income certificate (16,794), Caste certificate (13,87,254), Bank account particulars (14,42,145), 75 per cent of Attendance (16,793), SSC³⁷ ID (16,873) and Aadhar Card (61,286). In 8,813 cases, none of these six prescribed parameters were verified before sanctioning scholarships (<i>Details vide Appendix-3.2</i>).</p> <p>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.</p>		<p>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.</p>

³⁶ indicated as mandatory fields in ePASS database

³⁷ Secondary School Certificate

Audit Report on 'General & Social Sector' for the year ended March 2015

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
<p><i>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.</i></p> <p>(Paragraph 3.4.2.4)</p>	<p>Government should put in place a proper mechanism to ensure refund of undisbursed scholarship funds available with various agencies (banks, corporations and district officials).</p>	<p>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.</p> <p>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 2015³⁸.</p>	<p>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.</p>	<p>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.</p>

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
<p><i>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.</i></p> <p>(Paragraphs 3.6.3.2 to 3.6.3.4, 3.6.3.7 and 3.6.3.8)</p>	<p>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.</p>	<p>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 applicants³⁹ 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.</p>		
		<p>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,</p>	<p>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</p>	<p>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.</p>

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

Audit Report on 'General & Social Sector' for the year ended March 2015

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow up audit and current status	Replies/Comments of Department	Audit comments
		<p>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.</p>	<p>Entrance Test (CET) data obtained from Convenors through Secretary, TSCHE, Aadhar based biometric authentication was introduced to ensure that eligible students only get scholarships.</p>	<ul style="list-style-type: none"> • 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 lakh⁴⁰ which resulted in payment of scholarship of ₹2.24 lakh to 17⁴¹ ineligible students during 2012-14. • It was observed that the students' bank account details were populated with the institution bank details in 65 cases⁴² during the period 2012-14.
		<p>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.</p>		<p>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 (<i>Details vide Appendix-3.3</i>). Absence of validation controls facilitated release of scholarship to ineligible students.</p>

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
		<p>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.</p>		
		<p><i>Irregular payment to students admitted under Management Quota/Spot Admission:</i> 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.</p>	<p>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.</p>	<p>Contrary to the Government's claim, an amount of ₹4.58 lakh was paid during 2012-13 to 21 students⁴³ 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.</p>

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
<p>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)</p>	<p>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.</p>	<p>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.</p>		<p>Thus, the recommendation was implemented fully by the Government.</p>
<p>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)</p>	<p>Government should dispense with releasing RTF to Government educational institutions since this is remitted back in any case.</p>	<p>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.</p>	<p>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.</p>	<p>Thus, the audit recommendation was being implemented fully from 2014-15 only.</p>

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 four⁴⁴ 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 stated⁴⁵ 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

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 crore⁴⁶, 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.

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

Out of the proposed buildings and other amenities⁴⁷, 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 crore⁴⁸ 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 stage⁴⁹ 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 AIIMS⁵⁰.

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

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; miscellaneous⁵¹: ₹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 crore⁵² 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 over⁵³ only in May 2012 and almost 80 per cent of the built up structures were not put to use⁵⁴ 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

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 buildings⁵⁵ 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

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 EPC⁵⁸ system. Superintending Engineer (PH), West Circle, Hyderabad concluded the agreement⁵⁹ (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 partially⁶⁰. The overall progress was only 27 per cent of that envisaged in the agreement, at a cost of ₹8.09 crore⁶¹ (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 specifications⁶² 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.

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.

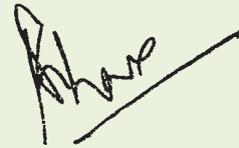


(L. TOCHHAWNG)

**Principal Accountant General (G&SSA)
Andhra Pradesh & Telangana**

**Hyderabad
The**

Countersigned



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

**New Delhi
The**

Appendices

Appendix-1.1
(Reference to paragraph 1.6 page 3)

Department-wise break-up of outstanding Inspection Reports and Paragraphs

Department	Number of IRs/Paragraphs pending as of 30 September 2015	
	IRs	Paragraphs
Backward Classes Welfare	51	272
Consumer Affairs, Food and Civil Supplies	17	89
General Administration	20	79
Health, Medical and Family Welfare	394	3295
Higher Education	577	2897
Home	118	580
Labour, Employment, Training and Factories	107	423
Law	51	210
Minorities Welfare	14	45
Municipal Administration and Urban Development	178	2119
Panchayat Raj and Rural Development	273	1941
Planning	5	68
Revenue	49	317
Scheduled Castes Development	82	781
School Education	63	1234
Tribal Welfare	84	595
Women, Children, Disabled and Senior Citizens	269	1037
Youth Advancement, Tourism and Culture	39	327
Total	2391	16309

Appendix-1.2
(Reference to paragraph 1.6 page 4)

Explanatory Notes to be received (with regard to issues pertaining to the State of Telangana)

Department	2006-07	2009-10	2010-11	2011-12 (G&SSA)	2012-13 (G&SSA)	2013-14 (G&SSA)	Total
Department for Women, Children, Disabled & Senior Citizen						1	1
Finance		1 [§]	-	1	1	-	3
Health, Medical and Family Welfare						2	2
Higher Education						3	3
Home	1 [§]	-	-	1	1	1	4
Housing					3		3
Minorities Welfare				1		1	2
Municipal Administration and Urban Development (Municipal Administration Wing)				1		1	2*
Panchayat Raj					3 [^]	2 [^]	5* [^]
Rural Water Supply and Sanitation				1			1
School Education						1	1
Tribal Welfare			1	1	-	1	3
Youth Advancement, Tourism and Culture						1	1
Total	1	1	1	6	8	14	31

* Including paragraphs featured in Audit Report on Local Bodies; ^ Paragraphs also pertain to Rural Development Department;

§ Including paragraphs that featured in Audit Reports on Revenue Receipts

Appendix-2.1
(Reference to paragraph 2.1.3.1 page 17)

Inconsistencies between the figures of 2010-15 projected in Annual Work Plan and Budget (AWP&B) for the years 2011-16 by District Education Officers (DEOs) of test checked districts and Commissioner and Director of School Education (CDSE)

Year	Component	Primary			Upper Primary		
		Furnished by DEO to CDSE	Furnished by CDSE to GoI	Difference	Furnished by DEO to CDSE	Furnished by CDSE to GoI	Difference
Adilabad (2010-11 & 2012-15)	Institutions	12373	11550	-823	3256	3246	-10
	Enrolment	747073	718728	-28345	341629	365497	23868
	Meals served	98537320	109931235	11393915	45116247	55262370	10146123
Warangal (2010-11 & 2012-15)	Institutions	9915	9697	-218	3893	3659	-234
	Enrolment	580860	612284	31424	348086	401287	53201
	Meals served	88246625	90062888	1816263	52023265	54771417	2748152
Nalgonda (2010-11 & 2012-15)	Institutions	9739	9868	129	3633	3643	10
	Enrolment	671349	691666	20317	378428	411626	33198
	Meals served	82994279	91721146	8726867	44427003	52811887	8384884

Note: Details for the year 2011-12 not available with DEOs

Appendix-2.2
(Reference to paragraph 2.1.4 page 19)

Component-wise budget allocation and utilisation of funds during 2010-15

(₹ in crore)

Component	Central share		State share		Total	
	Budget Allocation	Utilisation	Budget Allocation	Utilisation	Budget Allocation	Utilisation (Percentage)
Cost of foodgrains	388.34	238.55	308.42	211.81	696.76	450.36 (65)
Transportation cost	68.80	52.97	10.52	7.39	79.32	60.36 (76)
Cost of cooking	1982.17	1349.73	1217.30	803.01	3199.47	2152.74 (67)
Honorarium to CCHs	620.17	590.73	151.91	117.16	772.08	707.89 (92)
MME	9.38	2.89	0.00	0.00	9.38	2.89 (31)
Kitchen-cum-stores	639.31	291.63	70.00	0.00	709.31	291.63 (41)
Total	3708.17	2526.50	1758.15	1139.37	5466.32	3665.87 (67)

Appendix-2.3
(Reference to paragraph 2.1.5.1 page 21)

Excess/short requisition of rice by State for the period 2011-16 due to incorrect reporting of average number of children who had availed mid-day meal during 2010-15

District	Year	PS/UPS	Reported figures of average number of children availed mid-day meal			Entitlement of Rice per child per day (in grams)	Excess(+)/short(-) requisition of rice for ensuing year for 220 days (in MT)
			DEO to CDSE	CDSE to GoI	Difference		
Adilabad	2010-11	PS	118384	154826	36442	100	801.724
	2010-11	UPS	11396	79887	68491	150	2260.203
	2012-13	PS	189728	181533	-8195	100	-180.290
	2012-13	UPS	72419	77709	5290	150	174.570
	2013-14	PS	177815	176712	-1103	100	-24.266
	2013-14	UPS	87232	97267	10035	150	331.155
	2014-15	PS	110708	171500	60792	100	1337.424
	2014-15	UPS	51232	87854	36622	150	1208.526
Nalgonda	2010-11	PS	147086	186349	39263	100	863.786
	2010-11	UPS	74514	113724	39210	150	1293.930
	2012-13	PS	122773	137231	14458	100	318.076
	2012-13	UPS	61862	74815	12953	150	427.449
	2013-14	PS	130551	130551	0	100	0.000
	2013-14	UPS	69732	69732	0	150	0.000
	2014-15	PS	114370	114370	0	100	0.000
	2014-15	UPS	69529	69529	0	150	0.000
Warangal	2010-11	PS	144808	163832	19024	100	418.528
	2010-11	UPS	73595	98848	25253	150	833.349
	2012-13	PS	132290	112361	-19929	100	-438.438
	2012-13	UPS	67328	57603	-9725	150	-320.925
	2013-14	PS	137957	137957	0	100	0.000
	2013-14	UPS	88680	88680	0	150	0.000
	2014-15	PS	138312	135697	-2615	100	-57.530
	2014-15	UPS	95002	95002	0	150	0.000
Total			2487303	2813569	326266		9247.271

Note: Details were not available with DEOs for the year 2011-12

Appendix-2.4
(Reference to paragraph 2.1.7.1 page 30)

Requirement vis-à-vis actual utilisation of funds for preparation and serving of meals projected as served during 2010-15 in the AWP&B for the years 2011-16

Year	No. of meals served	Requirement				Actual utilisation		
		Quantity of rice (in MT)	Cost of rice	Cooking cost	Total	Cost of rice	Cooking cost	Total
2010-11	556769636	65785	37.54	215.15	252.69	0.00	254.65	254.65
2011-12	450763877	52655	30.05	181.58	211.63	30.46	155.58	186.04
2012-13	465649145	54133	30.89	196.10	226.99	36.73	164.39	201.12
2013-14	463559552	54540	31.12	228.66	259.78	23.49	179.35	202.84
2014-15	437900715	51687	29.50	229.27	258.77	10.00	85.49	95.49
Total	2374642925	278800	159.10	1050.76	1209.86	100.68	839.46	940.14

Appendix-2.5
(Reference to paragraph 2.2.2.4 page 42)

List of sampled units

District	Mandal	Gram Panchayat
Mahabubnagar	1. Ghattu	Ghattu and Lingapuram
	2. Kothakota	Palem and Kannaipally
	3. Peddakothapally	Vennacherla and Chinnakarpamula
Medak	1. Siddipet	Ponnala and Nacharpalle
	2. Manoor	Erakpalle and Karasgutti
	3. Narayankhed	Anthwar and Hangariga-B
Nalgonda	1. Kodad	Kodad and Kothagudem
	2. Devarakonda	Mudigonda and Mynampally
	3. Anumula	Anumula and Yacharam

Appendix-2.6
(Reference to paragraph 2.2.4.5 page 51)

GP-wise female dropout rate in the test checked GPs (upto Phase IV)

District	Mandal	Gram Panchayat	Female non-literates dropout percentage range		
			From	To	
Mahabubnagar	Ghattu	Lingapuram	22	81	
		Ghattu	42	91	
	Kothakota	Palem	20	26	
		Kannaipally	23	47	
	Peddakothapally	Vennacherla	46	60	
		Chinnakarpamula	43	60	
Nalgonda	Devarakonda	Mudigonda	27	39	
		Mynampally	21	28	
	Anumula	Anumula (phases III and IV data not available)	64	73	
		Yacharam	13	32	
	Kodada	Kothagudem (phases III and IV data not available)	Nil	Nil	
		Kapugallu (phases III and IV data not available)	Nil	Nil	
	Medak	Narayankhed	Hangariga-B	18	51
			Anthwar	14	72
Manoor		Erakapally	Nil	Nil	
		Karasgutti	Nil	5	
Siddipet		Nacharpalle	2	11	
		Ponnala	5	7	

Appendix-3.1
(Reference to paragraph 3.3.3 page 84)

Details of students not being sanctioned/paid scholarship in the same year

Budget authorised year	Expenditure incurred pertaining to year	RTF		MTF	
		No. of students	Expenditure incurred (₹ in crore)	No. of students	Expenditure incurred (₹ in crore)
2012-13	2009-10	45,786	17.81	21,409	4.73
	2010-11	36,069	19.00	80,757	22.86
	2011-12	12,98,433	959.24	11,40,218	275.54
	Total	13,80,288	996.06	12,42,384	303.13
2013-14	2010-11	2,554	2.51	10,120	2.37
	2011-12	16,848	19.50	33,318	10.03
	2012-13	9,85,058	1076.59	13,00,146	268.58
	Total	10,04,460	1098.60	13,43,584	280.98
2014-15	2011-12	5,489	11.54	5,422	1.95
	2012-13	50,906	42.58	1,43,736	14.02
	2013-14	14,31,130	1205.03	19,76,991	329.36
	Total	14,87,525	1259.16	21,26,149	345.32

Details of students not being sanctioned/paid scholarship in the same year in the sampled colleges

Year	Department	Year to which relates	No. of students	RTF amount sanctioned (in ₹)
2012-13	SC	2011-12	46	24,711
		2012-13	204	2,24,698
	ST	2011-12	22	27,058
		2012-13	688	15,48,740
	BC	2011-12	116	43,076
		2012-13	429	18,59,124
MW	2012-13	3	864	
2013-14	SC	2012-13	561	20,64,214
		2013-14	81	3,34,610
	ST	2012-13	94	4,49,718
		2013-14	3	18,045
	BC	2012-13	544	19,12,402
		2013-14	134	8,77,147
	EBC	2012-13	27	3,19,910
	MW	2012-13	82	2,61,568
2013-14		13	1,51,710	
2014-15	SC	2012-13	2	5,980
		2013-14	502	18,07,570
	ST	2013-14	1,334	28,04,425
	BC	2013-14	777	17,65,468
	EBC	2012-13	4	33,650
		2013-14	21	1,65,580
	MW	2013-14	86	2,77,511
Total			5,773	1,69,77,779

Appendix-3.2
(Reference to paragraph 3.3.4 page 87)

Number of students sanctioned scholarship without verifying parameters

Year	Total number of students sanctioned scholarship	No. of students in respect of whom all the six parameters were verified	No. of students in respect of whom none of the six parameters were verified	Number of students sanctioned scholarship without verifying					
				Income certificate	Caste certificate	Bank account particulars	75 per cent Attendance	SSC ID	Aadhar card
2012-13	13,39,787	Nil	3,371	3,373	7,93,104	13,39,787	3,372	3,452	--
2013-14	8,24,092	2,32,359	2,306	10,285	5,90,565	98,315	10,285	10,285	57,517
2014-15	4,043	Nil	3,136	3,136	3,585	4,043	3,136	3,136	3,769
Total	21,67,922	2,32,359	8,813	16,794	13,87,254	14,42,145	16,793	16,873	61,286

Appendix-3.3
(Reference to paragraph 3.3.4 page 90)

Sanction of scholarships to students without adhering to prescribed age limits

Age group (Years)	Number of students	RTF (₹ in lakh)	MTF (Exam fee)	Total (₹ in lakh)
0 to 14	335	21.40	0.57	21.97
35 to 112	5176	343.62	11.10	354.70
Total	5511	365.02	11.67	376.67

Glossary

ACA	:	Additional Central Assistance
AECs	:	Adult Education Centres
AIE	:	Alternative & Innovative Education
ANM	:	Auxiliary Nurse Midwife
AP	:	Andhra Pradesh
APSCMFC	:	AP State Christian Minority Finance Corporation Limited
APSCSCL	:	Andhra Pradesh State Civil Supplies Corporation Limited
APSMFC	:	AP State Minority Finance Corporation Limited
APTS	:	Andhra Pradesh Technology Services Ltd.
ARWS	:	Accelerated Rural Water Supply
AWP&B	:	Annual Work Plan and Budget
AYUSH	:	Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy
B2C	:	Business to Citizen
BC	:	Backward Classes
BLP	:	Basic Literacy Programme
BRGF	:	Backward Region Grant Fund
BSUP	:	Basic Services for Urban Poor
CAAT	:	Computer Assisted Audit Techniques
CCH	:	Cook-cum-helper
CCLA	:	Chief Commissioner of Land Administration
CDSE	:	Commissioner and Director of School Education
CEP	:	Continuing Education Programme
CET	:	Common Entrance Test
CGG	:	Centre for Good Governance
CHB	:	Children's Homes for Boys
CINB	:	Corporate Internet Banking
CPMG	:	Chief Post Master General
CPOs	:	Chief Planning Officers
CSC	:	Citizen Service Centre
CSP	:	Contract Service Provider
CWC	:	Child Welfare Committee
DAE	:	Director of Adult Education
DAHs	:	Department Attached Hostels
DBCWO	:	District Backward Classes Welfare Officer
DeGS	:	District e-Governance Society
DEO	:	District Education Officer
DIT	:	Department of Information Technology
DMs	:	District Managers

DoP	:	Department of Posts
DPO	:	District Probation Officer
DR	:	Disaster Recovery
DRP	:	District Resource Person
DSE	:	Director of School Education
DWCRA	:	Development of Women and Children in Rural Areas
DWOs	:	District Welfare Officers
EBC	:	Economically Backward Classes
EGS	:	Education Guarantee Scheme
EPC	:	Engineering Procurement Construction
EQMS	:	Electronic Queue Management System
ESD	:	Electronic Service Delivery
FAMS	:	Fund and Accounts Management System
FAQ	:	Fair Average Quality
FCI	:	Food Corporation of India
FPS	:	Fair Price Shop
G2C	:	Government to Citizen
GAD	:	General Administration Department
GIA	:	Grants-in-Aid
GO	:	Government Order
GP	:	Gram Panchayat
GPLSSs	:	Gram Panchayat Lok Shiksha Samities
HS	:	High School
ICPS	:	Integrated Child Protection Scheme
ID	:	Identity
IEG	:	Institute for Electronic Governance
IHSDP	:	Integrated Housing and Slum Development Programme
IIS	:	Internet Information Services
IT	:	Information Technology
ITEC	:	Information Technology, Electronics & Communication
JJ Act	:	Juvenile Justice (Care and Protection of Children) Act, 2000
JJ Rules	:	Juvenile Justice Rules notified under Juvenile Justice Act, 2000
JJB	:	Juvenile Justice Board
LLCs	:	Learner Literacy Centres
LRMIS	:	Land Records Management and Information Systems
MCOs	:	Mandal Coordinators
MDM	:	Mid Day Meal
MEO	:	Mandal Education Officer

MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
MHRD	:	Ministry of Human Resource Development
MIS	:	Management Information System
MLS	:	Mandal Level Stockist
MLSSs	:	Mandal Lok Shiksha Samities
MME	:	Management, Monitoring and Evaluation
MPDOs	:	Mandal Parishad Development Officers
MRO	:	Mandal Revenue Officer
MSA	:	Master Service Agreement
MSSQL	:	Microsoft Structured Query Language
MT	:	Metric Tonne
MTF	:	Maintenance Fee
MW	:	Minority Welfare
NCLP	:	National Child Labour Project
NeGP	:	National e-Governance Plan
NGO	:	Non-Government Organization
NIOS	:	National Institute of Open Schooling
NIRD	:	National Institute of Rural Development
NLMA	:	National Literacy Mission Authority
NSPE	:	Nutritional Support to Primary Education
OHB	:	Observation Home for Boys
OS	:	Operating System
OSMS	:	Online Scholarship Management System
PAB	:	Programme Approval Board
PD account	:	Personal Deposit Account
PHC	:	Primary Health Centre
PMU	:	Project Monitoring Unit
PPSWOR	:	Probability Proportional to Size without Replacement
PS	:	Primary School
QPR	:	Quarterly Progress Report
RAJiv	:	Rajiv Internet Village
RIP	:	Regional Inspector of Probation
RSDP	:	Rural Services Delivery Point
RTF	:	Reimbursement of Tuition Fee
SACH	:	State After Care Home
SBM	:	Saakshar Bharat Mission
SC	:	Scheduled Caste
SCA	:	Service Centre Agency

SCDD	:	Scheduled Caste Development Department
SDA	:	State Designated Agency
SDC	:	State Data Centre
SHB	:	Special Home for Boys
SHG	:	Self Help Group
SLA	:	Service Level Agreement
SLMA	:	State Literacy Mission Authority
SMC	:	School Management Committee
SMC	:	Steering cum Monitoring Committee
SMS	:	Short Message Service
SOP	:	Standard Operating Procedure
SPV	:	Special Purpose Vehicle
SRSWOR	:	Simple Random Sampling without Replacement
SSA	:	Sarva Shiksha Abhiyan
SSC	:	Secondary School Certificate
SSDG	:	State Services Delivery Gateway
SSLR	:	Superintendent of Survey and Land Records
ST	:	Scheduled Tribe
STQC	:	Standardisation Testing and Quality Certification
TLM	:	Teaching and Learning Material
TSCSCL	:	Telangana State Civil Supplies Corporation Limited
TSLMA	:	Telangana State Literacy Mission Authority
UAAP	:	Urdu Academy of Andhra Pradesh
UC	:	Utilisation Certificate
UDISE	:	Unified District Information System for Education
UPS	:	Upper Primary School
VCOs	:	Village Coordinators
VLE	:	Village Level Entrepreneur
VLEs	:	Voluntary Literacy Educators
VSDP	:	Vocational Skill Development Programme
ZLSSs	:	Zilla Lok Shiksha Samities

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

www.cag.gov.in

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

www.agap.cag.gov.in