

**Report of the  
Comptroller and Auditor General of India**

**General and Social Sector**

The Report has been laid on the table of the State Legislature Assembly on 12-08-2014

**for the year ended March 2013**

**Government of Tamil Nadu  
Report No. 4 of 2014**

## TABLE OF CONTENTS

	Paragraph	Page
Preface		v
<b>CHAPTER I – INTRODUCTION</b>		
About this Report	1.1	1
Profile of Audited Entities	1.2	1
Authority for Audit	1.3	2
Planning and conduct of audit	1.4	3
Response to Audit	1.5	3
Audit observations of Performance Audits	1.6	4
Audit observations of Compliance Audit	1.7	7
Recommendations	1.8	9
<b>CHAPTER II – PERFORMANCE AUDITS</b>		
<i><b>LABOUR AND EMPLOYMENT DEPARTMENT</b></i>		
Functioning of the Tamil Nadu Construction Workers' Welfare Board	2.1	11
<i><b>HIGHER EDUCATION DEPARTMENT</b></i>		
Imparting Technical Education through Polytechnic Colleges	2.2	30
Functioning of Bharathiar University	2.3	48
<i><b>HOUSING AND URBAN DEVELOPMENT DEPARTMENT</b></i>		
<i><b>CHENNAI METROPOLITAN DEVELOPMENT AUTHORITY</b></i>		
Implementation of e-Governance Initiatives in Chennai Metropolitan Development Authority	2.4	67

	Paragraph	Page
<b>CHAPTER III – COMPLIANCE AUDIT</b>		
<i>SCHOOL EDUCATION DEPARTMENT</i>		
Functioning of Public Libraries	3.1	77
<i>HEALTH AND FAMILY WELFARE DEPARTMENT</i>		
Procurement and utilisation of Medical Equipment	3.2	86
Dr. Muthulakshmi Reddy Maternity Benefit Scheme	3.3	92
<b>Excess payment/wasteful/infructuous expenditure</b>	<b>3.4</b>	
<i>REVENUE AND HOUSING &amp; URBAN DEVELOPMENT DEPARTMENTS</i>		
<i>TAMIL NADU SLUM CLEARANCE BOARD</i>		
Wasteful expenditure on construction of temporary shelters	3.4.1	97
<b>Avoidable expenditure/Extra expenditure</b>	<b>3.5</b>	
<i>HEALTH AND FAMILY WELFARE DEPARTMENT</i>		
Avoidable expenditure	3.5.1	98
<i>HIGHER EDUCATION DEPARTMENT</i>		
Extra expenditure due to defective preparation of estimates	3.5.2	99

	Paragraph	Page
<b>Regularity issues and others</b>	<b>3.6</b>	
<b><i>HEALTH AND FAMILY WELFARE DEPARTMENT</i></b>		
Non-maintenance of telemedicine facilities	3.6.1	101
<b><i>HIGHER EDUCATION DEPARTMENT</i></b>		
<b><i>ANNA UNIVERSITY - REGIONAL CENTRE, COIMBATORE</i></b>		
Injudicious procurement of machinery and their non-installation	3.6.2	102
<b><i>HOME DEPARTMENT</i></b>		
Delay in implementation of centrally sponsored scheme	3.6.3	103
<b><i>LABOUR AND EMPLOYMENT DEPARTMENT</i></b>		
Idle mobile weighbridge testing units	3.6.4	104
<b><i>PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES DEPARTMENT</i></b>		
Unutilised funds and incorrect reporting of expenditure	3.6.5	106
Non-implementation of Hill Area Resource Information System	3.6.6	107

## APPENDICES

Appendix No.	Details	Page No.
1.1	Department-wise details of Inspection Reports and Paragraphs pending	109
2.1	Welfare Schemes implemented by the Tamil Nadu Construction Workers' Welfare Board	110
2.2	List of sample Government and Government-aided Polytechnic Colleges	111
2.3	Details of block grant received and utilised	112
2.4	Utilisation of Special Fees and Development Fees in Government Polytechnic Colleges	113
2.5	Status of construction of hostels	114
2.6	Non-conduct of practicals prescribed in the syllabi	115
2.7	Vacancy in teaching staff – Government Polytechnic Colleges	116
2.8	Performance before and after introduction of e-Governance in according planning permission	117
2.9	Trend analysis in time taken for according planning permission approval during the year 2013 in test-checked cases	118
3.1	District-wise literates and library members	119
3.2	Funds sanctioned by GoTN and released to TNMSC under Tamil Nadu Health Additional Financing Project	120
3.3	Details of dropped and incomplete procurements	121
3.4	Details of delay in procurements	122
3.5	Inflated estimated cost	123
	Glossary of abbreviations	124

## PREFACE

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

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

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2012-13 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

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

**CHAPTER I**  
**INTRODUCTION**

# CHAPTER I

## INTRODUCTION

### 1.1 About this Report

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

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

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

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

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

### 1.2 Profile of Audited Entities

There are 37 departments in the State at the Secretariat level, headed by Principal Secretaries/Secretaries who are assisted by Commissioners/Directors and Subordinate officers. Of these, 23 departments including 13 Public Sector Undertakings and 2,386 Autonomous Bodies/Local Bodies coming under these departments are under audit jurisdiction of the Principal Accountant General (General and Social Sector Audit).

---

Abbreviations used in this report are listed in the Glossary at Page 124

---



The comparative position of expenditure incurred by the Government during the year 2012-13 and in the preceding two years is given in **Table 1.1**.

**Table 1.1: Comparative position of expenditure**

(₹ in crore)

Disbursements	2010-11			2011-12			2012-13		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
<b>Revenue expenditure</b>	<b>14,267</b>	<b>58,649</b>	<b>72,916</b>	<b>17,576</b>	<b>66,262</b>	<b>83,838</b>	<b>23,384</b>	<b>73,683</b>	<b>97,067</b>
General services	28	25,896	25,924	52	28,889	28,941	36	31,616	31,652
Social services	11,258	17,651	28,909	13,728	19,534	33,262	19,288	19,335	38,623
Economic services	2,473	9,749	12,222	3,172	10,970	14,142	3,277	14,351	17,628
Grants-in-aid and contributions	508	5,353	5,861	624	6,869	7,493	783	8,381	9,164
<b>Capital Expenditure</b>	<b>12,219</b>	<b>217</b>	<b>12,436</b>	<b>16,216</b>	<b>120</b>	<b>16,336</b>	<b>14,351</b>	<b>217</b>	<b>14,568</b>
<i>Loans and advances disbursed</i>	<i>292</i>	<i>1,960</i>	<i>2,252</i>	<i>338</i>	<i>5,145</i>	<i>5,483</i>	<i>170</i>	<i>4,599</i>	<i>4,769</i>
<i>Repayment of public debt (including transactions under ways and means advances)</i>	<i>*</i>	<i>*</i>	<i>3,297</i>	<i>*</i>	<i>*</i>	<i>3,830</i>	<i>*</i>	<i>*</i>	<i>5,015</i>
<i>Contingency fund</i>	<i>*</i>	<i>*</i>	<i>30</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Public account disbursements</i>	<i>*</i>	<i>*</i>	<i>1,04,959</i>	<i>*</i>	<i>*</i>	<i>1,20,953</i>	<i>*</i>	<i>*</i>	<i>1,33,101</i>
<b>Total</b>			<b>1,95,890</b>			<b>2,30,440</b>			<b>2,54,520</b>

\* Plan and non-plan bifurcation is not applicable  
(Source: Finance Accounts for the respective years)

### 1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. The C&AG conducts audit of expenditure of the departments of Government of Tamil Nadu under section 13<sup>1</sup> of the C&AG's (DPC) Act, 1971. The C&AG is the sole auditor in respect of 33 Autonomous Bodies which are audited under Sections 19(2)<sup>2</sup>, 19(3)<sup>3</sup> and 20(1)<sup>4</sup> of the said Act. Audit of Government companies is also conducted under Section 19(1) of the DPC Act. In addition,

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

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

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

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

the C&AG conducts, under Section 14<sup>5</sup> of the Act, audit of other Autonomous Bodies which are substantially funded by the State Government. The C&AG also provides Technical Guidance and Support to the Local Fund Audit for audit of Local Bodies. The principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts 2007 issued by the C&AG.

## 1.4 Planning and conduct of audit

Audit process starts with the risk assessment of the department/organisation as a whole and that of each unit based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this exercise. Based on this risk assessment the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

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

## 1.5 Response to Audit

### 1.5.1 *Draft Paragraphs and Performance Audits*

Twelve Draft Paragraphs (DPs) and four draft Performance Audits (PAs) were forwarded demi-officially to Principal Secretaries/Secretaries of the Departments concerned between May and December 2013 with requests to send their responses within six weeks. Departmental replies for only seven out of twelve DPs were received. The replies, wherever received, have been suitably incorporated in the Report. In respect of draft PAs, Exit Conferences were held with representatives of the Government between November 2013 and February 2014. The Government reply in respect of only one PA 'Functioning of the Tamil Nadu Construction Workers' Welfare Board' was received. The Government reply and views expressed by the representatives of the Government during Exit Conferences were considered while finalising the Report.

---

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

### **1.5.2 Pending replies to Inspection Reports**

A review of the IRs issued up to 30 September 2012 revealed that 15,370 paragraphs relating to 4,539 IRs remained outstanding at the end of March 2013 as detailed in **Appendix 1.1**.

Large pendency of IRs due to non-receipt of replies was indicative of the fact that heads of offices and heads of departments did not initiate appropriate and adequate action to rectify the defects, omissions and irregularities pointed out in the IRs.

## **1.6 Audit observations of Performance Audits**

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

### **1.6.1 Functioning of the Tamil Nadu Construction Workers' Welfare Board**

The Government of Tamil Nadu established (1994) Tamil Nadu Construction Workers' Welfare Board (Board) under the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982. Performance Audit of the Board was conducted to evaluate the functional efficiency in providing welfare measures to construction workers in the State. Significant audit findings are given below:

- The Board had no mechanism for identifying and registering all eligible workers and the migrant workers from other states were not registered by the Board.
- The Board did not have a duly constituted Governing Body from April 2011. The Chief Executive Officer of the Board exercised the powers, functions and duties of the Governing Body from April 2011 without authorisation by the Government.
- Out of funds of ₹ 687.08 crore available with the Board during 2008-13, it spent only ₹ 147.31 crore on provision of welfare measures to the construction workers.
- The Board's administrative expenditure was high and constituted 26 *per cent* of the total expenditure which was due to engagement of more staff on daily wage basis and operation of posts in excess of sanction.
- The Board had no mechanism in place to monitor collection/deduction of contribution and its remittance to the Board by Government agencies, autonomous bodies, local bodies and others. Only 10 to 12 *per cent* of the registered workers renewed their memberships.

- The schemes implemented by the Board and the quantum of assistance under each scheme were not attractive to registered workers compared to similar schemes implemented by other departments of the Government.
- In test check, cases of irregular or ineligible payments were noticed in providing various kinds of assistance to workers. Monitoring was ineffective and no internal audit system was in place in the Board.

**(Paragraph 2.1)**

**1.6.2 Imparting Technical Education through Polytechnic Colleges**

Polytechnic colleges offer three-year diploma courses in various branches of studies in engineering and technology. Students who passed X or XII standard and certificate holders from the industrial training institutes are eligible for admission to polytechnic colleges. The Directorate of Technical Education coordinates the development of technical education in the State. Performance Audit on Imparting Technical Education through Polytechnic Colleges brought out the following significant audit findings.

- Out of ₹ 241.60 crore provided for technical education during the Eleventh Plan period, only ₹ 14.78 crore (six *per cent*) was allotted for development of polytechnic colleges.
- The State Board of Technical Education and Training, set up to advise the Government on general programme as well as specific individual schemes necessary for bringing about co-ordinated development of technical education and training in the State was not reconstituted after November 2008.
- Grants released in excess to Government-aided polytechnic colleges were recovered after periods ranging from two to nine years from their release. Delays in release of GoI funds by GoTN were also noticed.
- Shortfall in admission of students in the Government polytechnic colleges ranged from 5 to 11 *per cent* and in the Government-aided polytechnic colleges from 6 to 15 *per cent*.
- There were shortages in infrastructure such as classrooms and laboratories in test-checked Government polytechnic colleges. Students were admitted in excess (74 *per cent* in boys' hostels and 94 *per cent* in girls' hostels) of the capacity of hostels.
- Vacancies in the teaching staff and non-teaching technical staff were noticed.
- Pass percentage of students in respect of Government polytechnic colleges decreased from 72 in 2008-11 batch to 47 in 2010-13 batch.

**(Paragraph 2.2)**

### **1.6.3            *Functioning of Bharathiar University***

Government of Tamil Nadu established (1982) Bharathiar University at Coimbatore under the Bharathiar University Act, 1981 with area of jurisdiction covering Coimbatore, Erode, the Nilgiris and Tiruppur districts. Main objectives of the University are to impart quality higher education to youth, to provide for research and dissemination of knowledge and to institute and confer degrees, titles, diplomas and other academic distinctions. Performance Audit on the functioning of the University brought out following significant audit findings.

- Popular under graduate/post-graduate courses, which are relevant to the needs of society, offered in the self-financing colleges were not offered by the University's constituent and affiliated Government colleges.
- In the School of Distance Education, academic staff for preparation of self instructional material was inadequate.
- Out of 135 research projects, 33 projects were in progress even after the stipulated date of completion with delays ranging from 5 to 36 months.
- An amount of ₹ 55.25 crore out of surplus in the School of Distance Education fund account was diverted to General Fund in excess of prescribed norms.
- Bank balances in fund accounts were not reviewed periodically to assess surplus funds for investment.
- In 17 out of 43 endowment accounts, interest earned was not utilised for giving awards or scholarships to the students.
- As against the capacity to accommodate 619 boys and 602 girls in the University hostels, number of boys and girls admitted annually during 2008-13 in these hostels were 868 and 1,020 respectively.

**(Paragraph 2.3)**

### **1.6.4            *Implementation of e-Governance Initiatives in Chennai Metropolitan Development Authority***

State Government introduced (2006) e-Governance system for regulatory functions of Chennai Metropolitan Development Authority (CMDA), objectives of which were to reduce time taken for according approval to Planning Permission Application (PPA), improve transparency in their day-to-day functions, better monitoring of the system and web-enabled interaction. Government also carried out Business Process Re-engineering to facilitate computerisation by introducing an improved electronic work flow including automating key component of checking building plans electronically. Performance Audit of implementation of e-Governance initiatives in CMDA revealed the following significant audit findings.

- There was no improvement in time taken for processing the PPA after introduction of e-Governance system and the time frame set in Citizen Charter was not adhered to. Breaks in the work flow led to adoption of batch process, which deprived public of the facility to verify status of their applications online. This defeated the objective of improving transparency in CMDA's day-to-day functions.
- Due to incomplete/partial implementation of e-Governance system, Automated Planning Permission Application Software (APPAS), the core software for online building plan scrutiny which was originally planned to be integrated with e-Governance system, was not integrated. The APPAS database also had deficiencies in its design.
- Even after spending ₹ 1.01 crore and six years after the introduction of e-Governance system, CMDA could not achieve planned objectives.

(Paragraph 2.4)

## 1.7 Audit observations of Compliance Audit

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

### *Functioning of Public Libraries*

Local Library Authorities (LLAs) consisting of user groups and representatives of Local Bodies in the districts were not constituted by the Government. In absence of LLAs, District Library Officers discharged functions relating to planning and decision making. Collection of library cess, which is the main source of income for proper maintenance of libraries, was in arrears. The LLAs could not repay the staff cost to Government incurred initially from State funds. In 10 out of 32 districts in the State not even 10 per cent of literates in the districts have become members in the libraries. In the test-checked districts, library buildings were in dilapidated condition and infrastructural facilities like racks for stacking books and toilet facilities for readers and the staff were lacking. Huge vacancies in the posts of District Library Officer, Librarian, Record Clerk and Watchman were noticed.

(Paragraph 3.1)

### *Procurement and Utilisation of Medical Equipment*

Deficiencies such as delays in processing and finalisation of tenders and award of contracts, avoidable expenditure due to delays, diversion of equipment procured, non-procurement of equipment included in the approved procurement plan etc., were noticed. Further, delays in installation due to non-availability of sites and non-utilisation of installed equipment delayed achievement of intended objectives of the Tamil Nadu Health Additional Financing Project in full.

(Paragraph 3.2)

***Dr. Muthulakshmi Reddy Maternity Benefit Scheme***

During the period 2011-13, an amount of ₹ 1,174.21 crore was spent by Government on providing cash assistance to poor pregnant women under the scheme. There were savings in budget provisions as physical targets were not fixed realistically. Thirty six *per cent* of beneficiaries who availed the first instalment opted for deliveries other than in Government Hospitals and hence had not availed subsequent instalments. Audit noticed delays ranging from 1 to 26 months in disbursement of cash assistance.

**(Paragraph 3.3)**

Temporary shelters constructed at a cost of ₹ 1.83 crore to accommodate slum families remained unoccupied for more than three years and were dismantled subsequently rendering the expenditure wasteful.

**(Paragraph 3.4.1)**

Failure of State Illness Assistance Society to furnish required documents to Government of India in time resulted in non-availing of GoI assistance of ₹ 12 crore and avoidable additional expenditure of ₹ 9.50 crore from State fund.

**(Paragraph 3.5.1)**

Failure of Executive Engineer, Technical Education Division, Madurai to prepare and adopt observed data for special item of work in the estimates inflated estimated cost of works and resulted in extra expenditure of ₹ 1.36 crore.

**(Paragraph 3.5.2)**

Failure of the Department to operate and maintain telemedicine facilities created at a cost of ₹ 2.29 crore resulted in idling of the equipment and instruments for more than three years

**(Paragraph 3.6.1)**

Procurement of machinery at a cost of ₹ 5.47 crore for setting up a laboratory by Anna University of Technology, Coimbatore without ensuring availability of space for installing them resulted in their non-installation for more than three years.

**(Paragraph 3.6.2)**

Despite release of ₹ 10.45 crore by Government of India for Strengthening of Fire and Emergency Services, financial sanctions for procurement of vehicles and equipment were accorded by Government of Tamil Nadu for ₹ 4.26 crore only as against the approved outlay of ₹ 13.06 crore resulting in non-achievement of objective of the scheme.

**(Paragraph 3.6.3)**

Non-sanction of posts of driver and helper and maintenance expenditure to operate mobile weighbridge testing units supplied free of cost by Government of India resulted in idling of three units costing ₹ 1.78 crore for two to three years.

**(Paragraph 3.6.4)**

Hill Area Development Programme funds of ₹ 68.40 crore remained unutilised and kept outside Government account besides incorrect reporting of expenditure.

**(Paragraph 3.6.5)**

Despite release of ₹ 1.45 crore to Bharathidasan University, Tiruchirapalli for development of Hill Area Resource Information System for the Nilgiris District, the system was not utilised due to lack of co-ordination between the Project Director, Hill Area Development Project and the University and proper monitoring.

**(Paragraph 3.6.6)**

## **1.8 Recommendations**

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



**CHAPTER II**  
**PERFORMANCE**  
**AUDITS**

## CHAPTER II

### PERFORMANCE AUDITS

This chapter contains findings of Performance Audits on (i) Functioning of the Tamil Nadu Construction Workers' Welfare Board, (ii) Imparting Technical Education through Polytechnic Colleges, (iii) Functioning of Bharathiar University and (iv) Information Technology Audit of Implementation of e-Governance Initiatives in Chennai Metropolitan Development Authority.

#### *LABOUR AND EMPLOYMENT DEPARTMENT*

#### **2.1 Functioning of the Tamil Nadu Construction Workers' Welfare Board**

##### *Executive Summary*

*The Government of Tamil Nadu established (1994) the Tamil Nadu Construction Workers' Welfare Board (Board) under the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982. Performance Audit of the Board was conducted to evaluate the functional efficiency of the Board in providing welfare measures to the construction workers in the State. Significant audit findings are given below:*

*The Board had no mechanism for identifying and registering all eligible workers and the migrant workers from other States were not registered by the Board.*

*The Board did not have a duly constituted Governing Body from April 2011. The Chief Executive Officer of the Board exercised the powers, functions and duties of the Governing Body from April 2011 without authorisation by Government.*

*Out of funds of ₹ 687.08 crore available with the Board during 2008-13, it spent only ₹ 147.31 crore on provision of welfare measures to the construction workers.*

*The Board's administrative expenditure was high and constituted 26 per cent of the total expenditure which was due to engagement of more staff on daily wage basis and operation of posts in excess of sanction.*

*The Board had no mechanism in place to monitor collection/deduction of contribution and its remittance to the Board by Government agencies, autonomous bodies, local bodies and others. Only 10 to 12 per cent of the registered workers renewed their memberships.*

*The Schemes implemented by the Board and quantum of assistance under each scheme were not attractive to registered workers compared to similar schemes implemented by other departments of the Government.*

*In test check, cases of irregular or ineligible payments were noticed in providing various kinds of assistance to the workers. Monitoring was ineffective and no internal audit system was in place in the Board.*

### **2.1.1 Introduction**

Government of Tamil Nadu (GoTN) enacted the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982 (Act) and framed thereunder the Tamil Nadu Manual workers (Regulation of Employment and Conditions of Work) Rules, 1986 (Rules) to regulate employment of manual workers, conditions of their work and to provide social security to manual workers engaged in employment included in the Schedule to the Act. Under Section 6 of the Act, GoTN established (November 1994) the Tamil Nadu Construction Workers' Welfare Board (Board) and formulated and notified (1994) the Tamil Nadu Manual Workers' (Construction Workers) Welfare Scheme, 1994 (Scheme). Details of welfare schemes implemented by the Board and the quantum of assistance under each scheme are given in **Appendix 2.1**.

### **2.1.2 Organisational set up**

The Principal Secretary to Government, Labour and Employment Department heads the Department at Government level and the Commissioner of Labour (CoL) is the administrative head of the Department. Governing Body (GB) of the Board, consisting of 23 members nominated by the Government, representing employers (nine members), workers (nine members) and the Government (five members), is responsible for administration of welfare fund constituted under the Act. Chairman is nominated by the Government from among members appointed to represent the Government. The Act provides for constitution of a State Advisory Committee to advise the Government on matters arising out of the administration of the Act and implementation of welfare schemes. The Secretary of the Board is the Chief Executive Officer. Labour Officer (Social Security Scheme) (LO (SSS)) in each district is responsible for implementing the provisions of the Act.

### **2.1.3 Audit Objectives**

The objectives of audit were to assess whether:

- planning and implementation of social security schemes for construction workers were effective;
- the Board had effectively and efficiently exercised its powers to discharge its functions and duties according to the Act and Rules;
- fund management was effective, efficient and economical; and
- monitoring and internal control mechanism were in place and effective.

### **2.1.4 Audit criteria**

The performance of the Board was benchmarked against criteria derived from the following sources:

- The Tamil Nadu Manual Workers' (Regulation of Employment and Conditions of Work) Act, 1982.
- The Tamil Nadu Manual Workers' (Regulation of Employment and Conditions of Work) Rules, 1986.
- The Tamil Nadu Manual Workers' (Construction Workers) Welfare Scheme, 1994.

- Relevant orders and instructions issued by the Government, the Commissioner of Labour and minutes of meetings of the GB of the Board.

### 2.1.5 Scope and Methodology

The audit objectives, criteria and scope of audit were discussed in an Entry Conference held (May 2013) with the Principal Secretary, Labour and Employment Department. Performance audit covering the period 2008-13 was conducted during May to September 2013 in the Labour and Employment Department, Commissionerate of Labour (CoL), Tamil Nadu Construction Workers' Welfare Board and offices of LOs (SSS) in eight<sup>1</sup> out of 32 districts selected using random sampling method without replacement method. Further, records of seven<sup>2</sup> Government agencies and local bodies which collected/deducted the contribution at source and remitted it into Board's account were examined in audit. Information relating to implementation of schemes and other related information obtained from the Government, CoL and Board and replies furnished by them were analysed to arrive at audit conclusions. The Audit findings were communicated to Government in October 2013. Exit Conference with the Principal Secretary to Government, Labour and Employment Department was held in November 2013 to discuss the audit findings. Government endorsed (January 2014) Board's reply to Audit findings. The Principal Secretary's views and Board's reply were considered while finalising the audit findings. The important audit findings are discussed in the following paragraphs:

### Audit findings

#### 2.1.6 Planning

##### 2.1.6.1 *Non-identification of beneficiaries*

Section 3(1) of the Act provides that the Government may, by means of a Scheme, provide for registration of employers and workers in any scheduled employment. As per Clause 5 read with Clause 2(c) of the Scheme, construction workers who have completed 18 years of age but not completed 60 years of age, are eligible for availing the scheme benefits. It was noticed that the Board had no mechanism to estimate or assess the number of construction workers engaged in the State in the employments mentioned in the schedule to the Act. Further, the Board did not conduct any survey to identify the total number of workers and migrant workers in the State and failed to keep data for proper planning and implementation of various welfare schemes.

As the Board had no data on number of construction workers employed in the construction industry in the State as well as in each District, the schemes implemented covered only those workers who had already registered with the Board and renewed their memberships.

---

<sup>1</sup> Cuddalore, Dindigul, Krishnagiri, Madurai, Salem, Tiruchirapalli, Vellore and Villupuram

<sup>2</sup> Chennai Metro Rail Limited; Southern Railway Division/Offices at Tiruchirapalli, Madurai and Chennai; Tiruchirapalli and Vellore Municipal Corporations and Cuddalore Municipality

Board replied (January 2014) that it was difficult to estimate the number of workers engaged in construction sector at any point of time and it was taking every possible step to register all eligible construction workers by conducting awareness/special camps. The reply should be viewed in the light of the fact that the Act provides for registration of employers as well as the manual workers for extending scheme benefits. As the Board failed to register the employers engaged in construction activities, it could not identify the construction workers employed by them.

#### **2.1.6.2 Non-preparation of Budget**

Clause 4(9)(b) of the Scheme provides that the Board may prepare and sanction an annual budget providing for the estimated receipts and expenditure during a particular year. Scrutiny of records revealed that the Secretary of the Board did not prepare any budget estimate since inception of the Board.

Board replied (January 2014) that the suggestion of audit to prepare annual budget of the Board would be considered and carried out.

#### **2.1.6.3 State Advisory Committee**

According to Section 15 of the Act, the Government may constitute a State Advisory Committee (SAC) to advise the Government upon such matters arising out of the administration of the Act or any scheme under the Act. As per Rule 4, the official members of SAC representing the Government and the Chairman shall hold office during the pleasure of the Government and the non-official members for a period of three years. GoTN reconstituted the SAC in March 2007 and then again in August 2010 and its term expired in August 2013. As against the minimum requirement of four meetings in a year as contemplated in the Rules, the committee met only twice during the period 2008-13. The Committee met last in January 2011. The Board replied (January 2014) that the proposal for reconstitution of the SAC is under active consideration of the Government. Reasons for shortfall in convening the meetings were not stated.

#### **2.1.6.4 Meetings of the Governing Body of the Board**

As per Rule 20, GB meeting of the Board is to be held at least once in three months. As per Section 8 of the Act and Clause 4(3) of the scheme GB is empowered to take such measures as it may deem fit for administering the scheme and incurring expenditure out of Welfare fund. Against the minimum requirement of 13 meetings, during 2008-11, only five meetings were held. Board stated that as the post of Chairman and members were vacant from April 2011, no GB meeting was held thereafter. Board replied (January 2014) that the proposal for reconstitution of GB was under active consideration of the Government and the routine activities of the Board and District level offices were not affected due to the absence of GB. However, the fact remains that the Act and the Scheme empower only the GB to sanction expenditure out of Board's funds on schemes. From April 2011 the Chief Executive Officer (CEO) of the Board discharged functions of GB.

#### **2.1.6.5 Administration of the Board**

Financial power of the CEO is limited and he can sanction only administrative expenditure up to ₹ one lakh per month. The GB of the Board alone has powers to sanction scheme expenditure and to invest its surplus funds. From April 2011, the CEO exercised powers of GB and incurred expenditure on

schemes and invested surplus funds without delegation of powers by Government.

The Secretary of the Board stated (June 2013) that the expenditure incurred or action taken by him from April 2011 would be got ratified by the GB when reconstituted.

## 2.1.7. Financial management

### 2.1.7.1 Financial resources of the Board

As per Section 8A of the Act, every person who makes an application for building permit to a local body and every person who undertakes or is in charge of any construction shall be liable to pay a sum not exceeding one *per cent* of the total estimated cost of the building or construction work as contribution to the fund constituted for the benefit of construction workers. Government fixed (July 1997) 0.3 *per cent* of total estimated cost of the building or construction work as contribution to the fund. The contribution and the interest receipts are resources of the Board.

GB of the Board resolved (December 2010) to revise the contribution to one *per cent*. State Advisory Committee also endorsed (January 2011) the GB's resolution to revise the rate of contribution to one *per cent* from the existing 0.3 *per cent*. CoL sent (December 2012) a proposal to Government to revise the contribution from 0.3 *per cent* to one *per cent* on the estimated cost of construction, which it did after a delay of one year in December 2013.

### 2.1.7.2 Income and Expenditure

Details of income and expenditure of the Board for the period 2008-13 are given in **Table 2.1**.

**Table 2.1: Statement showing the details of income and expenditure during 2008-13**

(₹ in crore)

Year	Opening balance	Contributions collected	Interest receipts	Receipts during the year (3)+(4)	Total (2)+(5)	Expenditure on welfare schemes	Administrative expenses*	Capital expenditure and advances	Total expenditure (7)+(8)+(9)	Closing balance (6)-(10)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2008-09	185.12	49.53	21.82	71.35	256.47	13.86	6.23 (29)	1.25	21.34	235.13
2009-10	235.13	58.11	13.47	71.58	306.71	27.35	12.60 (23)	15.56	55.51	251.20
2010-11	251.20	68.30	25.90	94.20	345.40	30.70	15.75 (27)	12.15	58.60	286.80
2011-12	286.80	92.66	32.57	125.23	412.03	29.53	13.50 (30)	1.65	44.68	367.35
2012-13	367.35	125.43	14.17	139.60	506.95	45.87	15.07 (25)	0.11	61.05	445.90
<b>Total</b>		<b>394.03</b>	<b>107.93</b>	<b>501.96</b>		<b>147.31</b>	<b>63.15 (26)</b>	<b>30.72</b>	<b>241.18</b>	

\* Percentage of expenditure to total expenditure is given in brackets

(Source: Annual Accounts of the Board for the years 2008-09 to 2012-13)

As seen from the table, only ₹ 147.31 crore (21 *per cent*) was spent by the Board during 2008-13 on provision of welfare measures to the construction workers out of the available fund of ₹ 687.08 crore<sup>3</sup>. Out of the closing balance of ₹ 445.90 crore as on 31 March 2013, the Board invested ₹ 423.02 crore in term deposits.

<sup>3</sup> Opening balance: ₹ 185.12 crore + Contribution and Other Receipts: ₹ 501.96 crore

### **2.1.7.3 Administrative expenditure**

The Central Act<sup>4</sup> provides that salaries, allowances and other administrative expenses should not exceed five *per cent* of the Board's total expenses in a year. However, there is no similar provision for administrative expenses in the State Act.

As seen from the **Table 2.1** during the period 2008-13, the Board incurred ₹ 63.15 crore as administrative expenditure which was 26 *per cent* of the total expenditure. Engagement of more staff on daily wage basis than the number of vacant posts in the District offices and operation of excess posts in the Board Office at Chennai as discussed in paragraphs 2.1.10.1 and 2.1.10.3, were main reasons for excess administrative expenditure.

In reply, Board stated (January 2014) that increase in administrative expenditure of the Board was mainly due to establishment of District offices (October 2008) covering all the 16 other welfare boards functioning under the Labour and Employment Department and added that engaging of large number of daily wage staff against the regular staff was cheaper. However, Board was constituted under the Act as a separate entity and the contribution amount was to be spent on welfare schemes for construction workers and for management of this welfare board only.

### **2.1.7.4 Absence of mechanism to monitor collection and remittance of contribution**

The Board receives contributions to the fund from local bodies, Government departments and other agencies by demand drafts (DDs) drawn in favour of the Secretary of the Board. However, the Board did not ensure that the contribution payable to the Board by the agencies was correctly assessed, collected and promptly remitted to the Board as discussed below.

(i) The Chennai Metro Rail Limited (CMRL) undertook (from February 2009) construction works costing ₹ 10,302 crore. Before making contribution, the CMRL sought (October 2010) clarification from the Board on the manner of collection and payment of contribution. The Secretary of the Board, instead of stating that 0.3 *per cent* of the estimated cost of the sanctioned works was payable as contribution to the Board within 30 days from the date of commencement of construction work, clarified that 0.3 *per cent* contribution is to be deducted from the contractors' bills as and when payments were made and remitted to the Board. Accordingly, CMRL deducted the contribution from the running account bills of the contractors and paid ₹ 7.44 crore on the value of work done and paid, instead of remitting ₹ 30.91 crore at 0.3 *per cent* on the estimated cost of works sanctioned. Audit noted that this resulted in short payment of ₹ 23.47 crore by CMRL as of March 2013.

Board stated (January 2014) that the deposit of contribution at lesser rate by CMRL was not as a result of clarification by the Secretary of the Board but due to internal decision of CMRL. However, entire amount should have been paid within 30 days from the date of commencement of construction work as

---

<sup>4</sup> Section 24(3) of the Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996

provided in the Act. Further, incorrect clarification given by the Board resulted in postponement of recovery and extending unintended financial benefit to CMRL.

(ii) The Act provides that contribution should be collected at estimated cost of the proposed construction. However, audit noticed that while Cuddalore Municipality, at the time of issuing building permits, calculated estimated cost by adopting the Public Works Department rates, Vellore Corporation did not follow the correct procedure and adopted different rates for arriving at the estimated cost of the building and levy of contribution. Board replied (January 2014) that a proposal for creation of control mechanism at District level to watch prompt collection of contribution to the Board by appointing officers from Labour Department would be submitted to Government.

(iii) It was further noticed in audit that the Neyveli Lignite Corporation (NLC), a GoI Undertaking which carried out construction works in their township, did not remit any contribution to the Board. The Secretary of the Board stated (January 2014) that the NLC was addressed for remittance of the contribution amount.

#### **2.1.7.5 Receipt of time-barred demand drafts**

Rule 20A specifies that the contribution payable under the Act shall be remitted to the Board by means of DD by the Local Authority on or before 15<sup>th</sup> of the month succeeding the month in which such collection of contribution was made and in respect of person who undertakes or is in-charge of the construction work within 30 days from the date of commencement of such construction work along with returns mentioning the particulars of construction works.

Scrutiny of records revealed that the contributing agencies including Government agencies and local bodies sent the DDs received from the applicants for building permits/contributions late. During the period 2007-13, Board returned 11,002 time-barred DDs received by it to contributing agencies for revalidation. However, agencies did not send back revalidated DDs to the Board which resulted in non-realisation of ₹ four crore as of 31 March 2013. Out of this, 1,871 DDs for a total value of ₹ 1.71 crore were to be revalidated by 43 local bodies/Government agencies. This showed further that the Board had no mechanism to monitor prompt remittance of contributions by the agencies. Board accepted the audit observation and decided (January 2014) to create an appropriate mechanism for the purpose.

#### **2.1.7.6 Non-contribution by Village Panchayats**

There were 12,524 Village Panchayats (VPs) in the State as of March 2013. Though the Act provides that LBs should collect contribution from individuals and builders at the time of granting building permits for construction works, only 6,455 VPs remitted the contribution. The Board failed to ascertain from remaining VPs whether they collected the contributions or not and reasons for non-remittance. Board stated (January 2014) that the matter would be pursued and appropriate orders issued.

#### **2.1.8. Registration of workers and Renewal of membership**

The Scheme provides that any construction worker who has completed 18 years of age but not completed 60 years shall be eligible for registration to avail scheme benefits. Scheme guidelines further stipulate that registration



shall be valid for two years from the date of registration and the registered worker shall renew his registration before expiry of two years. A construction worker ceases to be a registered member of the Board on attaining the age of 60 years. Registration of members and renewal of memberships are done free of cost by the Board on submission of applications.

#### **2.1.8.1 Registered workers**

Year-wise details of registration of members and renewal of memberships in the Board are given in **Table 2.2**.

**Table 2.2: Year-wise details of registered workers and workers who renewed their memberships**

Year	No. of workers registered	Memberships renewed	Total No. of registered workers in the Board	Percentage of memberships renewed
Up to March 2008	-	-	16,54,107	-
2008-09	2,84,358	82,295	19,38,465	-
2009-10	50,417	1,81,155	19,88,882	10.95
2010-11	1,05,879	2,05,566	20,94,761	10.60
2011-12	1,09,828	2,43,331	22,04,589	12.23
2012-13	79,750	2,14,674	22,84,339	10.25
<b>Total</b>	<b>6,30,232</b>			

(Source: Policy Notes of the Labour and Employment Department and data furnished by the Board)

The Board had a cumulative figure of 22,84,339 registered members as on 31 March 2013 which included 6,30,232 members registered during 2008-13. As per the information provided by the Board, there were only 5,91,411 (26 per cent) live members with them as on 31 March 2013. Live members are members registered during 2011-13 along with the previous members who renewed their memberships during 2011-13 as the renewal was to be done once in two years. Audit analysis revealed that only 10 to 12 per cent of the previously registered workers renewed their memberships during each year.

It was noticed in audit that the benefits available under other similar welfare schemes implemented by other departments of the Government were more than those provided by the Board to the workers. For instance, the assistance provided by the Board under Marriage and Maternity assistance schemes is ₹ 5,000 and ₹ 6,000 respectively whereas the other departments of the Government provide ₹ 25,000<sup>5</sup> and ₹ 12,000<sup>6</sup> respectively. Thus, it was not attractive to the construction workers. Cumulative number of registered workers was also overstated due to non-deletion of the registrations on account of deaths/members attaining the age of 60 years and non-renewal of memberships.

Board stated (January 2014) that it maintained the number of registered workers since inception of the board on cumulative basis and efforts were taken to arrive at the number of live members in the Board which included those workers newly registered and renewed in the last two years at any given

---

<sup>5</sup> Marriage assistance extended by Social Welfare Department

<sup>6</sup> Maternity assistance extended by Health and Family Welfare Department

point of time. Board added that LOs (SSS) were instructed to remove those who did not renew their memberships from the registers and that the enhancement of quantum of assistance provided by the Board would be considered.

#### **2.1.8.2 Non-registration of migrant workers**

At present, migrant workers from other States are employed in large-scale by construction agencies in Chennai city and in other areas in the State. Even though Board received contribution towards welfare fund for all such construction works, migrant workers were not registered under the Board. Government stated (January 2013) that registration of migrant workers could not be done as they did not possess documentary evidence to prove their identity and residence which are essential for registration.

Contention of the Government should be viewed in the light of the fact that the GB, in its 19<sup>th</sup> meeting (October 2008), requested CoL to direct Inspectors of Labour to inspect construction sites where migrant workers were employed and to take action to register them. GB also resolved (21<sup>st</sup> meeting - May 2010) that migrant workers be registered subject to fulfilling conditions such as production of temporary residential proof, nativity certificate, age proof, employer certificate and their eligibility to receive benefits for the period of their employment in the State. Board stated (January 2014) that a proposal for registration of inter-state migrant workers was under active consideration of the Government and it required amendment to the Scheme.

#### **2.1.8.3 Improper maintenance of Registration records**

As per Clause 8 of the Scheme, Board and each LO (SSS) in the districts have to maintain a register containing names and addresses of construction workers registered under the scheme and other particulars of members and the register is to be reviewed by the Secretary of the Board during inspection of District Labour Offices.

Test check of Membership Register for the period 1 June 2007 to 18 September 2008 maintained by LO (SSS), Vellore revealed that 2,909 registration numbers were allotted and entered in the register without mentioning the names and addresses of the workers. It was noticed that against 16 registration numbers already allotted, names and addresses of construction workers were filled up later on and natural death assistance was granted in all the cases and time gap between the date of registration and date of death ranged between one day and 33 days. Review of Membership Register maintained by LO (SSS), Tiruchirapalli revealed that in 22 cases, the registration was made after death of worker.

This indicated that no proper mechanism was in place for preventing irregular registrations and for strict adherence to scheme guidelines, which resulted in irregular payment of death assistance of ₹ 6.46 lakh<sup>7</sup> to 38 persons in Vellore and Tiruchirappalli districts.

Board stated (January 2014) that registration and renewal of membership were computerised from November 2008 and that departmental action was initiated by the two LOs (SSS) and first information report filed against the

---

<sup>7</sup> 38 persons x ₹ 17,000 (Natural Death Assistance: ₹ 15,000 + Funeral assistance: ₹ 2,000)

beneficiaries/Trade unions. Board further stated that disciplinary action would be taken against those officials responsible for payments.

### **2.1.9. Implementation of Welfare Schemes**

A registered worker would be eligible to avail benefits under the welfare schemes of the Board only if he/she has not availed similar benefits under any other schemes of the Government/other Boards. Out of total expenditure of ₹ 241.18 crore incurred by the Board during 2008-13, ₹ 147.31 crore (61 *per cent*) was spent on providing various kinds of assistance to the construction workers.

Details of schemes implemented, number of beneficiaries and the financial assistance provided during 2008-13 in test-checked districts are given in **Table 2.3**.

**Table 2.3: Details of schemes implemented by the Board**

Sl.No.	Name of Scheme	No of beneficiaries	Amount disbursed (₹ in lakh)
1.	Personal Accident Relief	670	412.46
2.	Natural Death Assistance	13,594	2,275.67
3.	Pension	14,403	486.52
4.	Family Pension	2	0.15
5.	Marriage Assistance	18,517	770.61
6.	Maternity Assistance	5,563	336.61
7.	Educational Assistance	1,76,330	2,508.62
8.	Spectacles Assistance	3,327	17.47
	<b>Total</b>	<b>2,32,406</b>	<b>6,808.11</b>

(Source : Information furnished by the Board and Labour Offices (SSS) of test-checked districts)

Deficiencies noticed in the implementation of various schemes in the test-checked districts are discussed in the following paragraphs:

#### **2.1.9.1 Personal Accident relief**

The Scheme provides that all registered construction workers who meet with accidents are eligible for Personal Accident Relief (PAR) and where the accident results in death, their nominees are eligible for PAR of ₹ one lakh. If the accident results in partial/total disablement, the registered worker is eligible for PAR up to ₹ one lakh based on the severity of the disablement. According to the scheme, ‘accident’ means any bodily injury or death of worker solely and directly from accidents arising out of and in the course of employment.

The Scheme provides that immediately after occurrence of accident while in pursuit of his employment resulting in death or loss of limbs or loss of sight, the employer should send a report to the LO (SSS) of the respective district and to the Police within three days of such occurrence of the accident. The LO (SSS) of the respective district should investigate the accident that had occurred in the work place either on report of the accident received from the employer or the injured worker or the nominee of the deceased worker or a representative of a trade union of the employment concerned. From February 2011, assistance was provided even in cases of death of registered workers due to accidents not arising out of employment.

Test check of 263 cases in three<sup>8</sup> out of eight test-checked districts pertaining to the period from April 2008 to January 2011 disclosed that PAR of ₹ 30.60 lakh was sanctioned and allowed in 30 cases where death/incapacity was due to accidents not arising out of and in the course of employment.

Board stated (January 2014) that it would verify all claim applications for relief in respect of accidental deaths that took place during April 2008 to January 2011 in all districts and would take appropriate action.

### 2.1.9.2 *Natural death assistance*

The Scheme provides that if a registered construction worker dies naturally, the LO (SSS) of the respective district, after due verification, shall pay a sum of ₹ 15,000 to the nominee of the deceased registered worker. The application for claiming the amount should be accompanied by death certificate and original identity card of the deceased registered worker. SAC recommended (December 2009) that those who did not renew their memberships were not eligible for natural death assistance.

CoL instructed (April 2010) that all claims of natural death assistance should be verified and certified by Assistant Inspectors of Labour and if the applications are submitted by the trade unions in bulk, the Village Administrative Officers (VAO's) signatures in the death certificates should be verified before sanction. CoL further brought (December 2010) to the notice of Regional Joint Commissioners of Labour and Zonal Additional Commissioners that one LO (SSS) received applications for natural death assistance and funeral assistance with forged death certificates purported to have been issued by the Revenue authorities and instructed them to verify all applications/death certificates.

Out of 13,594 cases of natural death assistance sanctioned in the test-checked districts during 2008-13, Audit test-checked 5,131 cases.

Audit verified the records available with the LO(SSS) such as copies of ration cards, death certificates, voter identity cards produced by the claimants at the time of submitting applications for death assistance and noticed that in 34 cases the documents produced were tampered and in 29 cases the payments were made to ineligible nominees. In 157 cases, age of the deceased registered worker was beyond 60 years and in eight cases, payments were stated to be made to nominees who pre-deceased the deceased worker. This resulted in irregular payment of ₹ 38.76 lakh.

Further, with a view to verify the genuineness of the claims made by nominees of the deceased registered workers, Audit conducted joint verification along with LOs (SSS) of the districts<sup>9</sup> concerned and visited Salem, Tiruchirappalli, and Vellore Municipal Corporations, Athur and Thanjavur Municipalities, a few Taluk Offices and Village Administrative Offices. On verification, Audit noticed that death certificates produced by 554 nominees were forged and were not issued by authorities concerned which resulted in irregular payment of ₹ 94.18 lakh.

As payments were made in open cheques which could be endorsed to some third parties for encashment, availing of scheme benefits by persons other than

---

<sup>8</sup> Madurai, Salem and Vellore

<sup>9</sup> Cuddalore, Salem, Tiruchirappalli, Vellore and Villupuram

eligible beneficiaries cannot be ruled out. A detailed investigation on the matter is required to be done by the Government.

Board accepted (January 2014) that some of the trade unions indulged in forging death claims and payments were made in some fraudulent cases by LOs (SSS) concerned. Board further stated that action to ban activities of such trade unions and disciplinary action against officials responsible for sanction of the assistance have been initiated.

### **2.1.9.3 Pension assistance**

The Scheme provides that every registered worker who completed 60 years of age and had minimum five years of continuous membership was eligible for pension assistance. SAC, which recommended (December 2009) reduction of continuous membership from five to four years, subsequently recommended (January 2011) sanction of pension for all registered workers who attained age of 60 years. Rate of pension fixed as ₹ 200 per month from September 2006 was periodically enhanced and the present rate of pension is ₹ 1,000 per month with effect from December 2011.

Test check of records relating to payment of pension in 619 cases in four<sup>10</sup> out of the eight test-checked districts disclosed that the LOs (SSS) sanctioned pension to 92 ineligible workers who were registered after completion of the age of 60 years or did not attain the age of 60 years and who furnished tampered Identity (ID) cards and other related records viz., nomination, proof of age etc., resulting in incorrect payment of ₹ 22.84 lakh.

Board stated (January 2014) that it would verify all the pension claims admitted since November 2008 and take appropriate action.

### **2.1.9.4 Family pension assistance**

The Scheme provides for payment of family pension of ₹ 400 per month to the spouse of deceased pensioner who was in receipt of pension from the Board with effect from January 2012. Though LO (SSS) Tiruchirapalli sanctioned family pension in two cases, in the other four test-checked districts<sup>11</sup> even though 74 pensioners died during the period up to 31 March 2013, no applications were received from their dependents. This underscores the need to popularise newly introduced family pension scheme by Board. Regarding the issue of providing family pension to spouse in case of death of worker irrespective of his/her age, SAC resolved (December 2009) to leave decision on this issue to Government by sending a proposal. However, the Board did not submit (December 2013) any such proposal to Government for approval. Board stated (January 2014) that it would issue instructions to all the District LO (SSS) offices in the state to address the spouses of the deceased pensioners in this regard.

### **2.1.9.5 Marriage assistance**

The Scheme provides that LOs (SSS) shall sanction a sum of ₹ 5,000 in respect of women and ₹ 3,000 for men as assistance to meet the marriage expenses of the registered worker or of the son or daughter of the registered worker as the case may be. Previously (up to February 2011), the assistance was ₹ 2,000 for both men and women. Test check revealed that the LOs (SSS)

---

<sup>10</sup> Cuddalore, Madurai, Salem and Vellore

<sup>11</sup> Cuddalore, Madurai, Salem and Vellore

of Vellore and Dindigul districts sanctioned marriage assistance to ineligible workers as detailed below:

(i) In 11 out of 287 cases test-checked in Vellore District, the membership of the construction worker was not live on the date of marriage for which assistance was claimed as the worker had already crossed the age of 60 years on the date of marriage and ₹ 22,000 was disbursed to ineligible workers.

(ii) In six out of 489 cases test-checked in Dindigul District, the LO (SSS) sanctioned marriage assistance of ₹ 24,000 (four cases x ₹ 5,000 and two cases x ₹ 2,000) to workers who already availed similar benefit under Moovalur Ramamirtham Ammaiya Marriage Assistance scheme implemented by the Social Welfare Department, even though scheme guidelines prohibited availing double benefits by workers.

GB of the Board, in the 21<sup>st</sup> meeting (May 2010) resolved to increase the Marriage assistance to ₹ 15,000 citing the assistance of ₹ 25,000 which is available in the Government Scheme. Quantum of assistance is not yet revised.

Board stated (January 2014) that it would take necessary action through LOs (SSS) against erring trade unions/workers including recovery of assistance and that the proposal to increase quantum of assistance would be placed before Advisory Committee for consideration.

#### **2.1.9.6 Non-provision of safety equipment to the registered workers**

The Scheme provides that the Board shall provide health and safety measures to workers such as masks and helmets in places where the registered construction workers were employed. Government announced in November 2009 that construction workers engaged in high risk employment viz., masonry work, painting work, bar bending, plastering and electrical work be provided with helmets in order to protect their life, as these workers often met with accidents in their work spots. Audit scrutiny revealed that even though Board assured Government (February 2010) that helmets would be provided to at least 10,000 registered workers every year, the scheme was implemented in 2010-11 only. It was noticed that helmets were not procured in the subsequent years. Audit noticed that 701 registered construction workers met with fatal accidents in work spots during 2008-11 in the State.

Board replied (January 2014) that it would examine the issue and send a suitable proposal to the Government.

#### **2.1.9.7 Non-constitution of Provident Fund**

According to Section 3(2) (i) of the Act, the Board shall constitute any fund including the Provident Fund (PF) for benefit of registered workers. The scheme provides for formulation of appropriate schemes for providing PF and Employees State Insurance (ESI) benefits for registered workers in consultation with authorities concerned and with prior approval of Government and that the Board may administer the PF. It was noticed that the PF scheme was not formulated by the Board (December 2013).

Board stated (January 2014) that it would examine and place before the GB and Advisory Committee a proposal for framing and implementing a separate PF and ESI scheme by the Board.

**2.1.9.8 Delay in sanction and payment of scheme assistance**

**Pending claims**

CoL instructed (November 2009) the Secretary of the Board that eligible applications seeking assistance under all schemes should be processed in the manner prescribed in the schemes and that the LO (SSS) should release the scheme assistance within two months from the date of receipt of the applications. In four<sup>12</sup> out of eight test-checked districts, 1,784 claims under various schemes were pending for periods ranging from 3 to 12 months as of March 2013 as detailed in **Table 2.4**.

**Table 2.4: Details of pending cases under various schemes**

Sl. No.	Name of scheme	No. of pending cases	Pending for more than three months and up to six months	Pending for more than six months and up to 12 months
1.	Pension	441	295	146
2.	Accident death relief	65	52	13
3.	Natural death assistance	814	498	316
4.	Marriage assistance	205	205	Nil
5.	Maternity assistance	259	117	142
	<b>Total</b>	<b>1784</b>	<b>1167</b>	<b>617</b>

(Source : Information furnished by the Labour Offices (SSS) of test-checked districts)

Board stated (January 2014) that Government issued instructions that all claim applications should be sanctioned only after cross checking with the other line departments to avoid dual payment to the same beneficiary and this process caused delay. Board added that it issued suitable instructions during review meetings for speedy sanction of pending claims.

**Non-disbursement of assistance**

Audit further noticed that cheques drawn during March 2009 to December 2009 by the LO (SSS), Tiruchirappalli towards scheme assistance in 56 cases for an amount of ₹ 8.39 lakh were not handed over to the beneficiaries as of March 2013 as disciplinary proceedings against the sanctioning authority were pending. This resulted in non-payment of scheme benefits to eligible registered workers for more than three years.

Board replied (January 2014) that it would take appropriate action to disburse assistance to eligible beneficiaries after receipt of orders from the Government.

**Delay in payments**

Audit also noticed delays ranging from six months to three years in sanction and payment of natural death assistance in respect of 295 out of 3,418 test-checked cases in three<sup>13</sup> out of eight test-checked districts.

<sup>12</sup> Dindigul, Salem, Tiruchirappalli and Vellore

<sup>13</sup> Madurai (75), Salem (99), and Vellore (121)

Board replied that LOs (SSS) were instructed to avoid delay in providing the assistance and clear all applications for assistance pending for more than two months.

### 2.1.10. Human Resource management

The Scheme provides that GB of the Board may create such number of posts of officers including the Secretary and other employees as are necessary and appoint persons to such posts with such terms and conditions of service as it may deem fit. It further provides that no post equivalent to a post in Group A or Group B in the GoTN service shall be created and no appointment to such post shall be made by the Board except with the prior approval of the Government.

#### 2.1.10.1 Sanctioned strength and persons-in-position

Out of 41 posts under various categories sanctioned for the Board office, 23 posts were filled by appointing staff on daily wage basis. In the District offices, out of 437 sanctioned posts, 175 posts remained vacant as of March 2013 as given in **Table 2.5**:

**Table 2.5: Persons-in-position in the District offices**

Sl.No.	Name of the post	Sanctioned	Filled up	Vacant
1.	LO(SSS)	32	20	12
2.	Assistant Accounts Officer	32	25	7
3.	Superintendent	43	37	6
4.	Assistant	107	23	84
5.	Junior Assistant	62	49	13
6.	Computer Operator	118	81	37
7.	Office Assistant	43	27	16
	<b>Total</b>	<b>437</b>	<b>262</b>	<b>175</b>

(Source: Information furnished by the Board)

From the information furnished by the Board, Audit noticed that the Board engaged 459 staff on daily wage basis as of June 2013.

Government sanctioned posts of data entry operators (DEOs) in October 2008. Due to delay in appointment of regular DEOs, CoL instructed (September 2009) the Board to engage DEOs on daily wage basis at the rates fixed by the District Collectors to facilitate the computerisation with effect from 15 September 2009 till the appointment of regular DEOs. Accordingly, the Board engaged computer operators on daily wage basis. Based on the Government sanction, the Board appointed 114 computer operators during 2009-10. Audit noticed that even though their appointment on daily wage basis was permitted till the appointment of regular computer operators only, the Board and the District offices continued to engage the DEOs on daily wage basis (August 2013) even after regular appointments made in 2009-10 which resulted in additional expenditure of ₹ 3.94 crore during the years 2010-11 and 2011-12.

Board replied (January 2014) that the work of District level offices increased manifold after decentralisation and required additional staff to handle it. Hence, the number of daily staff could not be restricted to number of vacancies existed against the sanctioned posts. Board added that engaging of large number of daily wage staff as against the regular staff was cheaper compared to salary and allowances payable to regular staff. But CoL had instructed the Board to engage computer operators on daily wage basis till



regular computer operators were appointed. The Board, however, continued to engage all 459 staff on daily wages as of June 2013 even after regular appointments were made.

#### **2.1.10.2 Non-framing of Service Rules**

The draft Service Rules for the Board's staff were prepared as decided in the Board meeting (August 2010) and submitted (September 2010) to Government for approval and notification. Government orders of approval are awaited (January 2014). Due to non-framing of Service and Recruitment Rules, the staff appointed in September 2009 were denied annual increments, leave and other benefits.

#### **2.1.10.3 Operation of excess posts**

Group A and B officers of the Board were appointed from the staff of the Labour Department and the Treasuries and Accounts Department on deputation. Audit noticed that the GoTN sanctioned (March 1995) only two posts of Superintendent for the Board office at Chennai. As against these the Board operated up to eight posts of superintendents during the period 2008-13 which was irregular. This resulted in additional expenditure of ₹ 87.68 lakh.

Board replied (January 2014) that due to increase in receipt of DDs towards contribution from the local authorities and the work load connected therewith, six superintendent posts were sanctioned and filled by the Board by personnel drawn from the Labour Department on deputation basis. Board added that a proposal in this matter seeking approval of the Government for creation of additional superintendent posts would be sent.

#### **2.1.10.4 Non-appointment of Inspectors**

Section 16 of the Act provides for appointment of Inspectors for the purpose of the Act or any scheme implemented by the Board. The Act provides that the Inspector shall make such examination of establishments of scheduled employments to which the Act applies as may appear to him to be necessary for the purpose of satisfying himself that the provisions of the Act, Rules and the schemes framed in relation to such establishments are duly observed.

The Board did not appoint Inspectors since its inception. Due to this, assessment, collection and the remittance of contribution by contributing agencies could not be checked and verification of claims relating to various schemes could not be done resulting in loss of revenue to the Board and irregular/ineligible payments out of Board's funds as pointed out in sub paragraphs under paragraphs 2.1.7 and 2.1.9.

Board stated (January 2014) that the Act did not explicitly provide for collection of contribution by inspectors and that this would be examined and placed before the Board and Advisory Committee for consideration and appropriate action.

#### **2.1.11 e-Governance**

With a view to provide speedy and efficient services to the registered workers, GoTN formulated an e-Governance scheme, named Project LEAD<sup>14</sup>, to be implemented in the Board and District offices. The Project was

---

<sup>14</sup> Labour e-Governance based Administration

implemented in November 2009 at a total cost of ₹ 5.10 crore by installing required hardware and software for the purpose.

The planned areas of computerisation were (i) Registration of workers and renewal of memberships; (ii) On-line reconciliation of cash book balances between the Board and District offices; (iii) Providing details of all claims sanctioned to each worker in one touch; (iv) Maintenance of data on trade unions, banks and schemes; (v) Issuing computer based ID cards to registered workers and printed pass books indicating scheme benefits availed by them; (vi) Digitisation of records relating to registered workers such as registration forms, age proof, residence proof, family members and nomination proofs; (vii) Processing of pension applications; (viii) Computerised salary/wage bills and (ix) Maintenance of accounting records on e-mode.

Test check revealed that only one sub module on registration of members and renewal of memberships was put into use in test-checked districts. Non-utilisation/underutilisation of the modules and sub modules was attributed by the LO (SSS) of all test-checked districts to non-availability of trained staff in the District offices. Thus, the project completed at a cost of ₹ 5.10 crore was not put into effective use defeating the objective of computerisation of the Boards' activities.

Board replied (January 2014) that the slow adoption of computerisation was due to non-availability of qualified staff, poor data connectivity and non-availability of continuous power supply etc. Board added that modification of existing software and purchase of hardware have been undertaken and the e-Governance would be implemented in full soon.

### **2.1.12 Monitoring and internal control**

#### **2.1.12.1 Internal Control**

For efficient management of any organisation, an effective internal control mechanism must be in place to avoid/minimise errors, misappropriation, fraudulent payment, etc. The Board had no effective internal control mechanism. In LO (SSS) Villupuram, safe custody of valuables was not ensured and seven blank cheques were stolen and four of them for ₹ 4.31 lakh were filled in and encashed unauthorisedly during August-October 2011.

There was also no internal audit arrangement in the Labour and Employment Department for auditing the records of LOs (SSS).

Board stated (January 2014) that internal audit teams have been formed to check whether the guidelines of the scheme were followed by LOs (SSS) while sanctioning various kinds of assistance.

#### **2.1.12.2 Non-maintenance of records**

Section 9 of the Act specifies that the Board shall maintain proper accounts and other records as prescribed. Audit, however, noticed that the Board did not maintain Cash Book since inception. The Board had assets worth ₹ 4.62 crore (other than buildings) as of March 2012 and it was noticed that it had not maintained Asset register.

Board replied (January 2014) that Cash Book and Asset Register are presently maintained in the form prescribed. However, the Board did not maintain Cash Book during the period covered in Audit and consequently reconciliation of fund balances with the bank balances could not be done.

### **2.1.12.3 Inspections**

Consequent on the establishment of District Offices (October 2008) each headed by a LO (SSS), the CoL instructed (December 2008) that the Secretary of the Board should visit two District offices every month and conduct a detailed inspection on their functioning and submit a report thereon to the CoL. The circular contained detailed guidelines to be followed during the inspection. The Secretary of the Board was to check whether instructions of Government/CoL were strictly followed in the offices of LO (SSS) in respect of receipt of applications for registration and renewal, issue of duplicate ID cards, change in nominations, scrutiny of applications seeking scheme assistance, maintenance of accounts, maintenance of registers and furnishing of periodical returns.

Audit noticed that the Secretary of the Board did not conduct periodical inspections during 2009-13 and no reports as directed by the CoL were submitted by the Secretary of the Board. The CoL also failed to ensure that its instructions were complied with.

In reply, the Board stated (January 2014) that the Secretary inspected District offices. However, the Board did not furnish to CoL copies of such inspection reports as directed by the CoL and details of action taken on such inspections by CoL/ Government.

### **2.1.13 Conclusion**

Board had no mechanism for identifying and registering all eligible workers and migrant workers from other States were not registered by the Board. The Board did not have a duly constituted Governing Body from April 2011 and the CEO of the Board exercised the powers, functions and duties of the Governing Body of the Board without authorisation by Government. Out of funds of ₹ 687.08 crore available with the Board during 2008-13, it spent only ₹ 147.31 crore on provision of welfare measures to the construction workers. The Board's administrative expenditure was high (26 *per cent* of the total expenditure) which was due to engagement of more staff on daily wage basis and operation of posts in excess of sanction. The Board had no mechanism in place to monitor collection/deduction of contribution and its remittance to the Board by local bodies, Government departments and others agencies. Only 10 to 12 *per cent* of the registered workers renewed their memberships. The schemes implemented by the Board and the quantum of assistance under each scheme were not attractive to registered workers compared to similar schemes implemented by other departments of the Government. In test check, cases of irregular and ineligible payments were noticed in providing various kinds of assistance to the workers. Monitoring was ineffective and there was no internal audit system in the Board.

### **2.1.14 Recommendations**

- Board may take effective steps to assess total number of construction workers and migrant workers in the State and maintain proper database of the registered workers, including registration of employers as envisaged in the Act.

- To encourage more registrations and continuous memberships through renewals, Board may consider introduction of new schemes or rationalisation of quantum of assistance under existing welfare schemes on par with those available under similar schemes implemented by other departments.
- A proper system may be put in place for monitoring prompt remittance of contributions by local bodies and other agencies involved in construction works.
- Administrative expenditure of the Board needs to be curtailed.
- Internal control and monitoring mechanism are to be strengthened to prevent irregular and ineligible payments by Labour Officers.

## HIGHER EDUCATION DEPARTMENT

### 2.2 Imparting Technical Education through Polytechnic Colleges

#### *Executive Summary*

*Polytechnic colleges offer three-year diploma courses in various branches of studies in engineering and technology. Students who passed X or XII standards and certificate holders from industrial training institutes are eligible for admission to polytechnic colleges. Directorate of Technical Education coordinates development of technical education in the State. Performance Audit on Imparting Technical Education through Polytechnic Colleges was conducted during April to September 2013 covering the period 2008-13 and significant audit findings are given below:*

*Out of ₹241.60 crore provided for technical education during the Eleventh Plan period, only ₹14.78 crore (six per cent) was allotted for development of polytechnic colleges.*

*The State Board of Technical Education and Training, set up to advise the Government on the general programme as well as specific individual schemes necessary for bringing about co-ordinated development of technical education and training in the State, was not reconstituted after November 2008.*

*Grants released in excess to Government-aided polytechnic colleges were recovered after periods ranging between two and nine years from their release. Delays in release of GoI funds by GoTN were also noticed.*

*Shortfall in admission of students in the Government polytechnic colleges ranged from 5 to 11 per cent and in the Government-aided polytechnic colleges from 6 to 15 per cent.*

*There were shortages in infrastructure such as classrooms and laboratories in the test-checked Government polytechnic colleges. Students were admitted in excess (74 per cent in boys' hostels and 94 per cent in girls' hostels) of capacity of hostels.*

*Vacancies in teaching staff and non-teaching technical staff were noticed.*

*Pass percentage of students in respect of Government polytechnic colleges decreased from 72 in 2008-11 batch to 47 in 2010-13 batch.*

#### **2.2.1 Introduction**

Polytechnic colleges (PTCs) offer three-year diploma courses in various branches of studies in engineering and technology<sup>15</sup>. Students who passed X or XII standards and certificate holders from industrial training institutes (ITIs) are eligible for admission to PTCs. GoTN established (October 1957)

<sup>15</sup> Civil / mechanical engineering, computer software / hardware, electrical engineering, accounting, apparels, leather technology, printing technology, textile technology, etc.

Directorate of Technical Education<sup>16</sup> (DoTE) with the objective of co-ordinating development of technical education in the State, both in degree and diploma levels. Diploma level education is imparted through PTCs to produce middle level technical cadre who would support the degree holders. Objective of the Government, as per Eleventh Five Year Plan Document (2007-12) was to make higher education more accessible to economically weaker sections. There were 459 PTCs in the State as of March 2013 comprising 30 Government PTCs, 34 Government-aided<sup>17</sup> PTCs and 395 self-financing PTCs with annual student intake of 1.31 lakh students.

### 2.2.2 Organisational structure

Principal Secretary to Government, Higher Education Department heads the department at Government level. The Commissioner of Technical Education (CTE) is responsible for co-ordinating development of technical education and monitoring activities of PTCs in the State. The CTE is the *ex-officio* Member-Secretary of the State Board of Technical Education and Training (SBTET), which is the affiliating body for all PTCs in the State. Admission of students to the courses is monitored and grants are released to Government-aided PTCs by CTE. Construction and maintenance of Government PTC buildings are carried out by the Construction Wing of the department headed by a Chief Engineer.

### 2.2.3 Audit objectives

The objectives of performance audit were to assess whether-

- proper planning was done to provide required facilities, to promote quality in technical education and to devise and implement a programme of education that is relevant to the current needs of the society;
- funds were allotted to PTCs in time and utilisation of funds was effective, efficient and economical;
- the norms/regulations of All India Council for Technical Education (AICTE)/Government relating to approval, affiliation, admission and examinations were adhered to by the CTE and the PTCs;
- adequate infrastructure and qualified human resources as per the norms of AICTE/Government were available in the PTCs; and
- effective monitoring was in place to ensure efficient functioning of the PTCs.

### 2.2.4 Audit criteria

The performance audit was benchmarked against the criteria derived from the following sources:

- Norms / Regulations of All India Council for Technical Education (AICTE).
- Policy Notes of the Government on Higher Education and plan documents.

---

<sup>16</sup> Also called Commissionerate of Technical Education

<sup>17</sup> Aid for staff salary and maintenance

- Codes, Manuals and Government orders, instructions and circulars issued by the Government.
- Guidelines on implementation of specific schemes.

### 2.2.5 Audit coverage and methodology

Performance Audit covering the period 2008-13 was conducted during April to September 2013. Audit objectives and criteria were discussed with the Principal Secretary, Higher Education Department and CTE in an Entry Conference held in July 2013. Records of the Higher Education Department in the Secretariat, CTE, 10 out of 30 Government PTCs and nine out of 34 Government-aided PTCs selected through simple random sampling method were test-checked in audit. The list of sample PTCs is given in **Appendix 2.2**. An Exit Conference with the CTE was held in January 2014 wherein audit findings were discussed. Replies/responses of the department were taken into consideration while finalising the audit findings. Important audit findings are discussed in the following paragraphs.

### Audit findings

#### 2.2.6 Policy and Planning

##### 2.2.6.1 Status of polytechnics in the State

Details of number of Government, Government-aided and self-financing PTCs along with their respective students' strength during the period 2008-13 are given in **Table 2.6**.

**Table 2.6 : Polytechnic Colleges (C) and student strength (S)**

Type of college/ Year	Government		Government-aided		Self-financing		Total	
	C	S	C	S	C	S	C	S
2008-09	22	5,747	34	12,614	258	82,477	314	1,00,838
2009-10	22	5,792	34	12,025	307	85,582	363	1,03,399
2010-11	30	10,496	34	12,113	365	94,078	429	1,16,687
2011-12	30	11,035	34	11,831	380	98,658	444	1,21,524
2012-13	30	10,662	34	12,173	395	1,07,879	459	1,30,714

(Source: Policy Notes of Higher Education Department)

During 2008-13 eight Government PTCs (seven with GoI funds and one with State funds) were opened and there was no change in the number of Government-aided PTCs.

The student intake (2012-13) of Government PTCs (10,662) worked out to only eight *per cent* of the total intake (1,30,714) in the State. Further, only one PTC was established out of State funds during the Eleventh plan period (2007-12). During the Exit Conference (January 2014) the CTE stated that new PTCs would be opened based on backwardness of areas concerned and industries' needs for diploma holders.

##### 2.2.6.2 Establishment of new Government PTCs

It was noticed that out of the 32 districts in the State, only 19 districts had Government PTCs as of March 2013. Further, Government approved

(January 2013) opening of 10 more PTCs in the State out of which two were sanctioned in the districts where there were no Government PTCs (in Ariyalur and Erode districts) and eight PTCs were started in the districts which already had Government PTCs. The CTE stated (March 2013) that Government PTCs were started in the State based on policy decision and announcement of Government. Thus, as of March 2013, 11 districts did not have Government PTCs.

Further, it was noticed that the CTE, in the Twelfth Five Year Plan proposals stated (January 2012) that 722 PTCs are required in the State based on the norm of one PTC per one lakh population. As there were only 447 PTCs in the State at that time, it was proposed to establish 275 new PTCs in the State by 2020 (each year 35 during 2012-19 and 30 during 2019-20). However, only 10 Government PTCs were sanctioned and 15 self-financing PTCs were established during the year 2012-13 as against 35 PTCs to be established in the year.

#### **2.2.6.3 Poor allocation of funds**

As against the approved State plan outlay of ₹ 3,149 crore for Education for the Eleventh Five Year Plan period (2007-12), allocation of ₹ 241.60 crore only (7.67 per cent) was made for Technical Education out of which only an amount of ₹ 14.78 crore (six per cent) was allocated for PTCs.

#### **2.2.6.4 Non-reconstitution of State Board for Technical Education and Training**

Government constituted (July 1957) the State Board for Technical Education and Training (SBTET) to advise the Government on general programme as well as specific individual schemes necessary for bringing about co-ordinated development of technical education and training in the State. Tenure of SBTET was for three years.

Audit observed that the SBTET was not reconstituted after the expiry of its term in November 2008. It was further noticed that during the period 2008-12, no major schemes to expand and improve PTCs under Public sector were formulated with State funds as could be seen from the allocation made in the Eleventh Five Year Plan.

CTE stated (January 2014) that proposal for renewal of SBTET was not submitted to the Government owing to administrative reasons like shortage of staff.

#### **2.2.7. Financial management**

Details of funds provided in the State budget for Government PTCs (including block grants<sup>18</sup> provided to three PTCs<sup>19</sup> covered under Phase I (2004-09) of the World Bank-aided Technical Education Quality Improvement Programme), grants released to Government-aided PTCs,

---

<sup>18</sup> Block Grants are drawn by the three PTCs from Treasury and kept in savings bank accounts for incurring expenditure

<sup>19</sup> Government Central Polytechnic College (CPTC) in Chennai, Dharmambal Women's Polytechnic College in Chennai and Tamil Nadu Polytechnic College (TNPTC) in Madurai



examinations and capital works during 2008-13 and expenditure incurred are given in **Table 2.7**.

**Table 2.7: Budget Provision and Expenditure**

(₹ in crore)

	2008-09		2009-10		2010-11		2011-12		2012-13	
	P	E	P	E	P	E	P	E	P	E
Government PTCs	39.31	38.79	45.34	45.28	62.05	60.10	73.04	69.47	71.30	67.00
Grants to Government-aided PTCs	55.35	53.40	49.50	49.50	92.35	92.35	99.71	99.71	95.57	95.57
Examinations	13.38	13.36	19.99	19.01	18.73	18.66	21.04	20.84	22.61	22.51
Capital Works	1.76	1.76	2.00	2.00	7.09	6.76*	2.21	2.04	2.37	1.96
<b>Total</b>	<b>109.80</b>	<b>107.31</b>	<b>116.83</b>	<b>115.79</b>	<b>180.22</b>	<b>177.87</b>	<b>196.00</b>	<b>192.06</b>	<b>191.85</b>	<b>187.04</b>

P – Provision E – Expenditure

\* Increase in capital expenditure in 2010-11 was due to establishment of eight new Government PTCs

(Source: Information obtained from the CTE)

Analysis of expenditure of Government PTCs showed that expenditure on equipment, books, furniture and computers ranged between 0.80 per cent and 3.05 per cent only as detailed in **Table 2.8**.

**Table 2.8: Categories of expenditure in Government PTCs**

(₹ in lakh)

Nature of Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
Equipment, books, furniture and computers	90.48 (2.31)	131.42 (3.05)	85.53 (1.43)	52.85 (0.80)	107.39 (1.69)
Maintenance	5.36 (0.14)	6.98 (0.16)	5.43 (0.09)	6.10 (0.09)	7.55 (0.12)
Establishment	3,823.03 (97.55)	4,173.66 (96.79)	5,892.60 (98.48)	6,615.53 (99.11)	6,247.55 (98.19)
<b>Total Expenditure*</b>	<b>3,918.87</b>	<b>4,312.06</b>	<b>5,983.56</b>	<b>6,674.48</b>	<b>6,362.49</b>

Figures in brackets represent percentage to the total expenditure

\* Differs from expenditure of Government PTCs as given in Table 2.7, which included block grant released to three Government PTCs by Government

(Source: Details furnished by CTE)

Audit observed that equipment available in Government PTCs were not adequate as discussed in paragraph 2.2.11.3.

### **2.2.7.1 Non-transfer of savings in block grants to special funds**

As instructed by the National Project Implementation Unit for Technical Education Quality Improvement Programme (TEQIP), CTE has been releasing funds as block grant to the three PTCs covered under Phase I from 2009-10 based on budget proposals submitted by PTCs. Details of block grant received and utilised by them during 2009-13 are given in **Appendix 2.3**.

It was noticed that out of total funds of ₹ 63.50 crore made available to them during 2009-13, expenditure of ₹ 53.20 crore was incurred leaving a balance of ₹ 10.30 crore with the three PTCs.

In order to ensure sustainability of reforms implemented under TEQIP beyond project period, GoTN ordered (May 2007) creation of four funds *viz.*, Corpus Fund (CF), Staff Development Fund (SDF), Depreciation Fund (DF) and Maintenance Fund (MF) in the three PTCs. It was provided that savings from Block Grant were to be credited to DF and MF. Review of the fund accounts revealed that no amount was transferred (December 2013) by two PTCs (Government Central PTC, Chennai and Dharmambal Women's PTC, Chennai) from the savings in the Block Grant to the DF and MF. Balances in fund accounts as of March 2013 are shown in **Table 2.9**.

**Table 2.9: Balances in the Special funds**

College	Month of opening Account	Amount (in ₹)			
		CF	SDF	DF	MF
Government Central PTC, Chennai*	November 2007	60,352	1,20,703	30,176	60,352
Dharmambal Women's PTC, Chennai*	April / October 2006	1,42,857	2,17,962	1,05,729	2,17,965
TNPT, Madurai	June 2007	99,52,461	1,47,948	24,99,919	25,12,239

\* The funds in the two institutions included only interest received on the initial deposits made (Source: Information obtained from the CTE)

Further, no expenditure was incurred out of any fund by all three institutions. Principal, Dharmambal Women's PTC, Chennai attributed (August 2013) non-incurrence of expenditure out of the funds to shortage of staff and teaching faculty.

### 2.2.7.2 Grant-in-aid to Government-aided polytechnic colleges

Government releases salary grant and maintenance grant to 34 Government-aided PTCs on advance basis to the extent of 90 *per cent* of the requirement and remaining 10 *per cent* is borne by PTC management. Salary grant is given in four instalments based on number of posts filled up and maintenance grant is given in two instalments based on number of students enrolled. On completion of audit of the accounts of the PTCs, Assistant Directors of Internal Audit<sup>20</sup> were to determine the eligible amount of grant and CTE was to process the findings of the Audit Reports and pass assessment orders indicating excess / short release of grant for the purpose of recovering excess from PTCs or releasing the balance grant to them.

It was noticed that audit of accounts of two PTCs was not completed from 2008-09; four PTCs from 2009-10; eight PTCs from 2010-11; 12 PTCs from 2011-12 and eight PTCs for 2012-13. On this being pointed out, CTE replied (September 2013) that Principals of PTCs concerned and the

<sup>20</sup> Functioning under the GoTN's Chief Internal Auditor and Auditor of Statutory Boards. The Assistant Directors are headquartered at various towns in the State, with jurisdiction over districts allotted to them

Assistant Directors of Internal Audit were instructed to take action for preparation of accounts and completion of audit.

Further, CTE did not pass assessment orders on 121 Audit Reports of Assistant Directors of Internal Audit received from 2006-07 onwards, wherein recoveries of excess grants amounting to ₹ 17.68 crore were pointed out. Audit analysis of 208 cases of recoveries through which ₹ 20.48 crore was recovered during 2004-05 to 2013-14 (up to July 2013) showed that recoveries were made after periods ranging from two to nine years from the year of release of grants. Amount recovered in 73 cases was more than ₹ 10 lakh in each case. In one case<sup>21</sup>, excess grant of ₹ 71.67 lakh relating to 2002-03 was recovered only in 2010.

CTE attributed (September 2013) delay in passing orders to belated settlement of internal audit objections by the Principals of the PTCs and added that action would be taken in consultation with the Principals and the Assistant Directors of Internal Audit for timely passing of assessment order and recovery of excess grants. During the Exit Conference (January 2014) the CTE agreed to devise steps for prompt recovery of excess grants and also to restrict advance grant to the extent required.

#### **2.2.7.3 Underutilisation of Special Fee and Development Fee**

Government/Government-aided PTCs collect every year Special Fee and Development Fee of ₹ 1,000 each from students. According to CTE's instructions (July 2002) special fees were to be used for purposes like sports, library facilities, placement of students etc., and the development fees for purposes like purchase of capital equipment, stores and consumables, maintenance of equipment and for staff development and training. Funds available and expenditure incurred out of the special fee and development fee in respect of the 10 test-checked Government PTCs for the period 2008-13 are furnished in **Appendix 2.4**.

In test-checked Government PTCs, utilisation of special fees during 2008-13 ranged between 12 *per cent* in the case of Villupuram PTC and 65 *per cent* in Karur PTC and the utilisation of development fees ranged between five *per cent* (Institute of Chemical Technology (ICT), Chennai) and 86 *per cent* (Government Women's PTC, Madurai).

CTE replied (January 2014) that necessary steps were being taken to utilise the fees in future without accumulation and that instructions were issued to Principals of PTCs in this regard.

#### **2.2.7.4 Non-release of GoI funds**

GoI released funds directly to PTCs for construction of women's hostels and for upgradation of facilities in existing polytechnics under the scheme 'Sub Mission for Polytechnics' up to 2010-11. From 2011-12, GoI released funds through GoTN. It was noticed in two test-checked PTCs that GoI funds were not released or released belatedly to PTCs by GoTN as discussed below:

(i) GoI released (September 2011) ₹ 20 lakh to the State for upgradation of equipment in the ICT, Chennai. CTE requested (July 2013) GoTN to sanction funds only after GoI brought (March 2013) to the notice of State

---

<sup>21</sup> Nachimuthu Polytechnic College, Pollachi

non-release of GoI funds to the institution. The funds are yet to be released to the institution (December 2013).

(ii) GoI released (March 2012) ₹ 20 lakh to the State for construction of women's hostel in Dharmambal Women's PTC and the amount was not released by GoTN to the PTC (December 2013).

(iii) GoI released (February 2013) ₹ 40 lakh for construction of women's hostel at ICT, Chennai. It was noticed that the amount was transferred to ICT, Chennai only in October 2013 by GoTN.

Non-release/ delayed release of funds by GoTN to the PTCs led to delay in completion of works and purchase of equipment as discussed in paragraphs 2.2.11.2 (i) and 2.2.11.3 (ii).

### 2.2.7.5 Surrender of funds

It was noticed that Government PTCs at Villupuram, Karur and Melur surrendered funds allocated to them for procurement of equipment, furniture, books and computers during 2011-12 and 2012-13 due to delayed sanction/allocation of funds to them by the Government and the CTE as given in **Table 2.10**.

**Table 2.10: Surrender of funds provided for equipment**

(₹ in lakh)

Name of the PTC	Year	Date of sanction by the Government	Date of allocation by the CTE	Amount allocated	Amount surrendered by the PTC
Villupuram	2011-12	25/10/2011	17/11/2011 and 09/01/2012	217.26	21.07
	2012-13	12/10/2012	07/12/2012 and 28/01/2013	195.23	53.07
Karur	2011-12	25/10/2011	17/11/2011 and 09/01/2012	217.26	3.09
	2012-13	12/10/2012	07/12/2012 and 28/01/2013	195.23	93.29
Melur	2012-13	September 2012	October 2012	192.41	125.52

(Source: Government Orders, CTE allocation letters and surrenders statement of the PTCs)

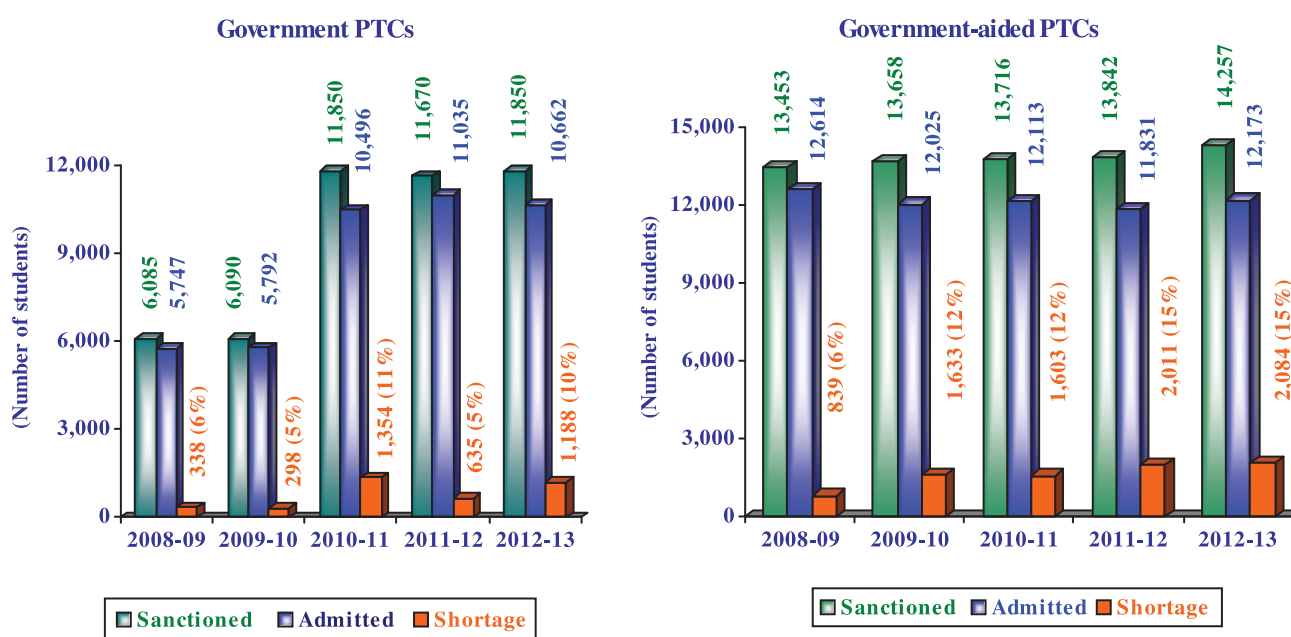
Allocations had been made by CTE to PTCs only in the last quarter of the financial year. Process for procurement of equipment, furniture, books and computers could not be completed within the year by the PTCs and hence they surrendered the allocations. Shortfall in conducting practical classes due to non-availability of equipment in Villupuram and Karur PTCs is commented upon in paragraph 2.2.11.3 (ii).

## 2.2.8 Enrolment of students

### 2.2.8.1 Trend of admission in polytechnics

Sanctioned student intake and number of students admitted during 2008-13 in the Government and Government-aided PTCs are given in **Chart 2.1**.

Chart 2.1: Trend of admission in Government and Government-aided PTCs



(Source: Policy Notes of the Higher Education Department)

There were shortfalls in admission of students with reference to sanctioned intake in respect of Government PTCs and Government-aided PTCs which ranged from 5 to 11 per cent and 6 to 15 per cent during the period 2008-13 respectively.

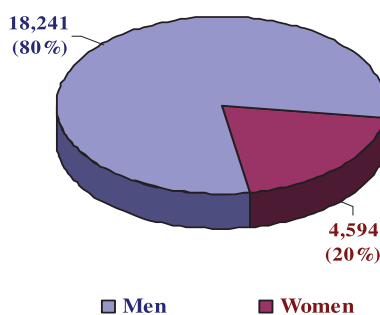
CTE attributed (February 2013) vacant seats to less demand among students for certain courses. The reply should be viewed in the light of the fact that the Board of Examinations, which was to review and consider relevance of the courses, was not reconstituted after expiry of its term in November 2011.

### 2.2.8.2 Enrolment of girls in polytechnic colleges

Increasing the gross enrolment ratio and elimination of gender inequalities in higher education including technical education by bridging the gap between boys and girls in access to higher education were emphasised in the XII Five Year Plan.

Details of enrolment of girl students in Government and Government-aided PTCs, in 2012-13 is given in **Chart 2.2**.

Chart 2.2: Enrolment of Girl students in Government and Government-aided PTCs in 2012-13



(Source: Policy notes of Higher Education Department)

As seen from the Chart, enrolment of girl students in Government and Government-aided PTCs was only 20 *per cent* in 2012-13.

### 2.2.9 Recommendation for Extension of Approval

As per Approval Process Hand Book (2007-08) of AICTE, a new technical institution of Government, Government-aided or self-financing shall be started and new courses or programmes in technical education shall be introduced and increase or variation of student intake shall be given effect to with prior approval of the AICTE. It further provides that a State Level Committee (SLC)<sup>22</sup> shall recommend applications received for establishment of new PTCs, Extension of Approval (EOA), and Revision in student intake and for introducing new courses to the AICTE. With effect from 2011-12, the institutions were to apply online to AICTE for approval.

Scrutiny of the minutes of 26 SLC meetings<sup>23</sup> (2008-11) revealed that 832 cases (Government: 51, Government-aided: 93 and Self-financing: 688) of proposals for EOA/Revised student intake / introduction of new courses were submitted to CTE. Out of these, 233 cases (Government: 16, Government-aided: 44 and Self-financing: 173), as detailed in **Table 2.11** were recommended by the SLC subject to rectification of certain deficiencies in infrastructure, staffing etc., and furnishing of compliance report within three months. In these cases, the PTCs failed to furnish compliance reports to the CTE and continued to function with deficiencies during the respective academic years.

**Table 2.11: Recommendation of PTC's proposals despite deficiencies**

Year	Number Of SLC meetings	Number of cases taken by SLC for recommendation for EOA/RI/ADC				Number of Institutions recommended subject to rectification of deficiencies			
		Government	Government-aided	Self-Financing	Total	Government	Government-aided	Self-Financing	Total
2008-09	8	13	33	202	248	--	22	86	108
2009-10	9	12	27	215	254	5	18	81	104
2010-11	9	26	33	271	330	11	4	6	21
<b>Total</b>	<b>26</b>	<b>51</b>	<b>93</b>	<b>688</b>	<b>832</b>	<b>16</b>	<b>44</b>	<b>173</b>	<b>233</b>

RI: Revision in Intake; ADC: Additional Diploma Courses

(Source: Minutes of SLC meetings)

CTE replied (January 2014) that SLC's recommendations were made taking into consideration welfare of students already admitted.

The reply is not appropriate as the deficiencies such as shortage of staff, classrooms, laboratory facilities, computers and library books would have an impact on the quality of education provided to students.

### 2.2.10 Affiliation of Polytechnic Colleges

The SBTET was to give affiliation to PTCs based on letter of approval issued by AICTE and application of the PTC.

The GoTN delegated (December 1997 and September 2011) powers of affiliation of PTCs to SBTET. SBTET was to be reconstituted every three

<sup>22</sup> Committee comprising the Secretary, Higher Education, the Regional Officer of the AICTE and two subject experts to be nominated by the Government

<sup>23</sup> Out of total 29 meetings conducted (18<sup>th</sup> to 46<sup>th</sup> meetings except 26<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> meetings)

years from the date of its constitution. However, SBTET, whose term expired in November 2008, was not reconstituted thereafter and affiliation of PTCs was being given by the CTE from December 2008 in his capacity as Member Secretary of the non-existent SBTET without delegation of powers by the Government.

### **2.2.11 Infrastructure**

Provision of infrastructure such as classrooms, laboratories and equipment plays a vital role in improving quality of technical education imparted in PTCs. Deficiencies in infrastructure in Government PTCs are discussed in the succeeding paragraphs.

#### **2.2.11.1 Buildings**

##### **(i) Classrooms and laboratories**

According to AICTE norms, one classroom is required for each division containing 60 students in a PTC and six laboratories are required for each course offered in a PTC. As against the AICTE norms, classrooms were deficient in two test-checked PTCs and laboratories were deficient in seven test-checked PTCs as detailed in **Table 2.12**.

**Table 2.12: Shortages of classroom and laboratories**

Sl.No.	Name of the PTC	Requirement as per AICTE norms	Available class rooms and laboratories	Shortage
<b>Classrooms</b>				
1.	Tamil Nadu PTC, Madurai	21	18	3
2.	Melur PTC	12	10	2
	<b>Total</b>	<b>33</b>	<b>28</b>	<b>5</b>
<b>Laboratories</b>				
1.	Dharmambal Women's PTC, Chennai	24	15	9
2.	Madurai Women PTC	23	13	10
3.	Tamil Nadu PTC, Madurai	24	20	4
4.	Aranthangi PTC	18	13	5
5.	Karur PTC	22	14	8
6.	Villupuram PTC	22	17	5
7.	Melur PTC	20	12	8
	<b>Total</b>	<b>153</b>	<b>104</b>	<b>49</b>

(Source : Information furnished by CTE)

It was noticed that five class rooms and 49 laboratories were deficient in the above PTCs. In Madurai Women's PTC and Dharmambal Women's PTC, shortages of laboratories were high at 10 and 9 respectively.

##### **(ii) Utilisation of Polytechnic college building for other purposes**

One block of buildings (ground floor + two floors) constructed to accommodate computer laboratory, three classrooms, Principal room and toilets of the Government PTC, Aranthangi to make good shortage of space was, on completion (September 2010), handed over to Bharathidasan University, Tiruchirapalli as directed by Secretary to Government, Higher

Education Department and the PTC continued to function in the existing inadequate space.

### 2.2.11.2 Hostels

As of March 2013, there were 41 hostels (22 for boys and 19 for girls) attached to the Government PTCs.

#### (i) Excess occupancy in hostels

In 17 out of 41 hostels, students were admitted in excess of their capacity as detailed in **Table 2.13**.

**Table 2.13: Excess occupancy in hostels**

Hostels	No. of hostels	Total number of inmates for hostels with excess occupancy		
		Capacity	Occupancy	Excess occupancy (percentage)
Boys	8	1,297	2,260	963 (74)
Girls	9	999	1,936	937 (94)
<b>Total</b>	<b>17</b>	<b>2,296</b>	<b>4,196</b>	<b>1,900 (83)</b>

(Source : Information furnished by CTE)

Students were admitted in excess (74 per cent in boys' hostel and 94 per cent in girls' hostel) of capacity of hostels. Out of GoI funds of ₹ 13.90 crore released for construction of 19 girls' hostels under 'Sub Mission for Polytechnics' during 2009-13, GoTN spent ₹ 11.86 crore as of December 2013. Seven<sup>24</sup> out of nineteen hostels were handed over to the PTCs. One hostel (SICE, Chennai), though completed (November 2013) was not handed over (December 2013) due to non-formation of approach road. Construction works in the remaining 11 hostels were in progress and their status as of December 2013 is given in **Appendix 2.5**.

From progress reports on construction of hostels and information furnished by CTE, audit observed that even after construction of 19 girls' hostels the issue of excess occupancy would remain unresolved in respect of three out of nine girls' hostels mentioned in **Table 2.13**. No provision was made to address excess occupancy in boys' hostels and GoTN had not sanctioned any funds for this purpose.

#### (ii) Hostel not put to use due to non-provision of water supply

Hostel block in the PTC, Karur with 21 rooms (to accommodate 100 students) and other amenities viz., kitchen and bathrooms/toilets, constructed (June 2012) at a cost of ₹ 1.40 crore and handed over (November 2012) to the PTC was not put to use due to non-provision of water supply (December 2013).

### 2.2.11.3 Equipment

#### (i) Upgradation of equipment with GoI grant

Under the scheme of 'Sub Mission on Polytechnics', GoI sanctioned (July 2009) financial assistance of ₹ two crore per polytechnic for

<sup>24</sup> Government PTCs at Ettayapuram, Karaikudi, Krishnagiri, Madurai Women, Sirkali, TNPTC Madurai and Vellore (Electrical work in progress)



upgradation of equipment and released ₹ 19.20 crore during March 2010 – May 2013 for 21 PTCs. First instalment of ₹ 3.20 crore was released by GoI during 2009-12. CTE requested GoI only in January 2013 for release of the balance amount and GoI released ₹ 16 crore in March and May 2013 which was not yet released by the GoTN to the PTCs (December 2013). Hence they were constrained to conduct practical classes with available equipment.

CTE replied (January 2014) that equipment to be purchased were identified by Principals of PTCs and the list of equipment was furnished to National Institute of Technical Teachers' Training and Research (NITTTR), Chennai. He further stated that on approval from NITTTR equipment would be purchased.

#### **(ii) Shortfall in conducting practical classes**

While approving syllabus for PTCs for academic year 2011-12, CTE stipulated that all experiments prescribed in the syllabus should be conducted without fail and that questions for practical examinations were to be framed based on experiments conducted.

During test check of records in Government PTCs at Villupuram and Karur and in ICT, Chennai, Audit noticed that the institutions did not conduct all the experiments prescribed by CTE. Shortfall in conducting practical classes by PTCs ranged from 10 to 70 *per cent*, as detailed in **Appendix 2.6**. Principals of three Government PTCs stated (August to December 2013) that experiments could not be conducted due to lack of infrastructure such as equipment, laboratory facilities and power supply.

#### **(iii) Non-purchase of CNC equipment for newly started polytechnics**

For purchase of seven Computer Numerically Controlled (CNC) Milling with Indexing Head and seven CNC Lathes (estimated cost per unit ₹ 10 lakh and ₹ 9 lakh respectively) required for the third year (2012-13) Mechanical Engineering course for the seven new Government PTCs, CTE invited (September 2012) tenders and four were received. To a specific clarification sought for by CTE on applicability of price preference claimed by one of the bidders, Government clarified (May 2013) that the bidder was not eligible for price preference. In the meantime validity period of the bid expired. Equipment required for the academic year 2012-13 was not purchased till December 2013.

#### **2.2.11.4 Libraries**

Deficiencies noticed in libraries of five of the test-checked Government PTCs are as follows:

(i) **Dharmambal Women's PTC, Chennai:** Even though student strength in the PTC was 1,200, PTC did not have adequate space for library. Available space was about 210 sq.m. against requirement of 975 sq.m., as per AICTE norms. Principal stated (September 2013) that proposal for a new library building was sent to CTE in 2009 and 2012. However, the CTE stated (December 2013) that no such proposal was received from the PTC.

(ii) **Institute of Chemical Technology, Chennai:** Though PTC was established in 1963 and its library housed nearly 7,000 books, it was noticed in audit that there was no sanctioned post of librarian. Books were not catalogued and the catalogue cabinets were not in use. Consequently, no books were issued to the students. The library was non-functional as shown in **Pictures 2.1 and 2.2.**



**Picture 2.1: Non-functional Library at ICT, Chennai**



**Picture 2.2: Poorly maintained library books at ICT, Chennai**

(iii) **Institute of Leather Technology, Chennai:** Though library of the Institute housed 3,300 books, it was not put to use as the librarian post was vacant for six years.

(iv) **Villupuram and Karur PTCs:** Villupuram PTC purchased 9,362 books at a cost of ₹ 22.62 lakh during 2011-13 and Karur PTC purchased 10,694 books at a cost of ₹ 24.74 lakh during 2011-13. Since these libraries were non-functional the books were not put to use.

During the Exit Conference (January 2014), the CTE agreed to take necessary action for revitalisation of libraries in Government PTCs.

### **2.2.12 Human Resource Management**

Teaching staff consisting of heads of departments, lecturers and instructors play the important role in imparting technical education in the PTCs. Non-teaching technical staff such as laboratory assistants, who assist the lecturers in conducting practicals etc., are also vital for training students effectively. Requirement of human resource under these categories and vacancies are discussed in the succeeding paragraphs.

#### **2.2.12.1 Vacancies in teaching staff**

Details of sanctioned posts of teaching staff, posts filled up and posts remaining vacant in Government PTCs during 2009-13 are given in **Appendix 2.7.**

It was noticed that the vacancies in the teaching staff category rose from 54 per cent (August 2009) to 72 per cent (August 2012) and declined marginally by four per cent to 68 per cent in August 2013. Improvement in vacancy position from August 2012 to August 2013 was due to appointment of 129 lecturers in April and May 2013 for which selection process started as early as April 2010.

CTE replied (January 2014) that steps were taken to fill up 606 teaching posts through Teachers Recruitment Board and that the process was in progress.

#### **2.2.12.2 Teacher-student ratio**

AICTE, while granting approval for each PTC, clearly stipulated that full time faculty members as per AICTE norms were to be recruited before making admission of students. AICTE stipulated in its Approval Process Handbook for Diploma Institutions (2007-08) that the diploma level institutions should provide faculty in the teacher-student ratio of 1:20.

It was noticed that the teacher student ratio norm prescribed by AICTE was not adhered to by all the 10 test-checked Government PTCs and the shortfall in faculties ranged between 59 *per cent* in Dharmambal Women's PTC, Chennai and 74 *per cent* in TNPT, Madurai.

#### **2.2.12.3 Non-teaching technical staff**

Non-teaching technical staff (NTTS) comprised (i) Draughting Officer, Foreman, Workshop Instructor, Foreman Instructor etc., for whom Additional Director of Technical Education (Polytechnics) is the appointing authority and (ii) Artisan, Skilled Assistant, Unskilled Assistant, Laboratory Assistant, etc., for whom the Principal of the PTC concerned is the appointing authority. As against 814 posts of NTTS to be filled in the 30 Government PTCs, only 315 posts were filled up and 499 posts (61 *per cent*) remained vacant as of June 2013. Though Government permitted (April 2007) CTE to fill up 279 vacancies by the Additional Director / the Principals of the PTCs, the vacant posts were not filled up by the appointing authorities (December 2013).

Vacancies to be filled up by the Additional Director were high in the cadres of Workshop Instructor (35 *per cent*), Foreman (75 *per cent*) and Junior Draughting Officer (42 *per cent*).

In respect of posts of NTTS to be appointed by Principals by direct recruitment / transfer / promotion, after prolonged correspondence between the Government and CTE, Government permitted (October 2012) filling up of 146 vacancies. CTE instructed (December 2012 and February 2013) the Principals of 18 PTCs to fill up vacancies by recruiting suitable persons from the list of persons deployed for 1991 Census and subsequently retrenched and the rest through employment exchanges. In case of non-availability of suitable persons from retrenched employees, vacancies were to be filled up by promoting suitable persons, if available, in respective PTC itself. In test-checked PTCs, it was noticed that the District Collectors (other than the Villupuram District Collectorate) did not respond to the Principals' requests (May/September 2013) by furnishing list of suitable candidates or a certificate of non-availability of suitable candidates.

CTE replied (January 2014) that suitable instructions were already given to Principals of all the PTCs to fill up NTTS posts.

#### **2.2.12.4 Librarian posts**

In 25 Government PTCs for which librarian posts were sanctioned, only eight posts were filled up as of August 2013. In five PTCs (Institute of Chemical Technology, Institute of Printing Technology, Institute of Leather Technology, Institute of Textile Technology and State Institute of Commerce Education) there were no librarian posts sanctioned. As the post of librarian was to be brought under the Tamil Nadu Education Service from subordinate service with effect from May 2010, CTE submitted (September 2012) draft revised rules for recruitment of librarians which were pending with Government (December 2013).

### 2.2.12.5 Vacancies in teaching staff in Government-aided PTCs

As per AICTE norms, one teacher is required for every 20 students. However, it was noticed that as against 2,139 posts<sup>25</sup> of teaching staff required (worked out by audit based on norms) the Government sanctioned only 1,249 posts (Senior Lecturer, Lecturer and Instructor) for the Government-aided PTCs during 2012-13. Thus, there was shortfall of 42 per cent in sanction of posts of teaching staff in the Government-aided PTCs.

It was further noticed that even out of the sanctioned posts, 43 per cent of the sanctioned posts were not filled up as given in **Table 2.14**.

**Table 2.14: Vacancies in teaching staff in Government-aided colleges**

Cadre	No. of posts sanctioned	No. of posts filled	No. of posts vacant	Vacancy (In per cent)
Principal	32	14	18	56
Head of Department	123	70	53	43
Senior Lecturer	274	176	98	36
Lecturer	421	284	137	33
Instructor	554	252	302	55
<b>Total</b>	<b>1,404</b>	<b>796</b>	<b>608</b>	<b>43</b>

(Source : Information obtained from CTE)

Shortages in staff were managed by engaging part-time staff by paying them on hourly basis as was done in Government PTCs.

CTE replied (June 2013) that managements of the Government-aided colleges were to fill vacancies through employment exchanges with CTE's approval and the posts of Senior Lecturer could not be filled as it was abolished on introduction of revised pay scales in May 2010. The reply is not complete as posts of lecturers were also not fully filled up by Government-aided PTCs.

## 2.2.13 Examinations

### 2.2.13.1 Non-reconstitution of Board of Examination

The Board of Examination (BoE) was constituted (February 1988) by Government to frame syllabi, identify new courses to be started in PTCs and review the performance of the students in the examinations. The BoE was reconstituted previously in August 2008 for a period of three years which ended in August 2011 and not reconstituted thereafter. It was noticed that revision of syllabi during 2011-12 for the second and third years and declaration of semester results subsequent to August 2011 were carried out without the approval of BoE. CTE stated (December 2013) that a proposal has been sent to Government in September 2013 for reconstitution of BoE and its orders were awaited.

<sup>25</sup> Sanctioned strength of students for 2012-13 : 14,257. For three years 14,257×3=42,771. Required teacher strength 42,771÷20=2,138.55 say 2,139

### 2.2.13.2 Examination Results

Audit noticed that out of 51,350 students admitted and who appeared during 2008-09, 2009-10 and 2010-11 examination batches in Government/ Government-aided PTCs, only 29,428 students (57 per cent) passed out and got diplomas as shown in the **Table 2.15**.

**Table 2.15: Examination Results**

Batch	No. of students admitted and appeared*			No. of students obtained diploma after three years course – per cent in bracket		
	Government-aided	Government	Total	Government-aided	Government	Total
2008-11	9,762	6,204	<b>15,966</b>	5,748 (59)	4,476 (72)	<b>10,224 (64)</b>
2009-12	9,253	7,831	<b>17,084</b>	5,272 (57)	4,771 (61)	<b>10,043 (59)</b>
2010-13	8,920	9,380	<b>18,300</b>	4,780 (54)	4,381 (47)	<b>9,161 (50)</b>
<b>Total</b>	<b>27,935</b>	<b>23,415</b>	<b>51,350</b>	<b>15,800</b>	<b>13,628</b>	<b>29,428 (57)</b>

\* Students who appeared in the I semester examination of the relevant batch and lateral entry students admitted in the subsequent year

(Source : Information obtained from CTE)

Pass percentage in the case of Government PTCs was on decreasing trend, from 72 in 2008-11 batch to 47 in 2010-13 batch. In the case of Government-aided PTCs also, the pass percentage fell from 59 for the 2008-11 batch to 54 for the 2010-13 batch.

During the Exit Conference (January 2014), the CTE attributed the poor pass percentage to high vacancies in teaching posts.

### 2.2.14 Monitoring

AICTE norms (2007-08) provided for random visits of the PTCs organised by the CTE through an expert committee for verification of status of maintenance of norms and standards based on the compliance reports submitted to CTE for obtaining Extension of Approval (EOA). Further AICTE regulations (2011) provided that laboratories of the PTCs shall have equipment as appropriate for experiments as stated/suitable for the requirements of the affiliating University/Board's curriculum. However, it was noticed in the test-checked PTCs that no such inspections/random visits were carried out by the CTE during the period 2008-13.

CTE stated (January 2014) that a system of random sample checking would be instituted to ensure adherence to AICTE norms.

### 2.2.15 Conclusion

Out of ₹ 241.60 crore provided for technical education during the Eleventh Plan period, only ₹ 14.78 crore (six per cent) was allotted for development of PTCs. The State Board of Technical Education and Training, constituted to advise the Government on the general programme as well as specific individual schemes necessary for bringing about co-ordinated development of technical education and training in the State, was not reconstituted after November 2008. Grants released in excess to Government-aided polytechnic colleges were recovered after periods ranging between two to nine years from

their release. Delays in release of GoI funds by GoTN were also noticed. Shortfall in admission of students in the Government polytechnic colleges ranged from 5 to 11 *per cent* and in the Government-aided colleges from 6 to 15 *per cent*. There were shortages of infrastructure in classrooms and laboratories in the test-checked Government polytechnic colleges. Students were admitted in excess (74 *per cent* in boys' hostels and 94 *per cent* in girls' hostels) of the capacity of hostels. Vacancies in the teaching staff and non-teaching technical staff were noticed. The Board of Examination was not reconstituted after August 2011. Pass percentage of students in respect of Government polytechnic colleges decreased from 72 *per cent* in 2008-11 batch to 47 *per cent* in 2010-13 batch.

### **2.2.16 Recommendations**

- Government of India funds should be released timely to PTCs.
- State Board of Technical Education and Training may be reconstituted for State level planning on development of technical education.
- Steps may be taken to provide necessary infrastructural facilities like classrooms and laboratories and human resource to all Government polytechnic colleges.

The above points were referred to Government in November 2013; reply has not been received (December 2013).

## HIGHER EDUCATION DEPARTMENT

### 2.3 Functioning of Bharathiar University

#### *Executive Summary*

*Government of Tamil Nadu established (1982) the Bharathiar University (University) at Coimbatore under the Bharathiar University Act, 1981 with area of jurisdiction covering Coimbatore, Erode, the Nilgiris and Tiruppur districts. Main objectives of the University are to impart quality higher education to the youth, to provide for research and dissemination of knowledge and to institute and confer degrees, titles, diplomas and other academic distinctions. Performance Audit on functioning of the University during 2008-13 was conducted and significant audit findings are given below:*

*Popular under graduate/post-graduate courses, which are relevant to the needs of the society, offered in self-financing colleges were not offered by the University's constituent and affiliated Government colleges.*

*In the School of Distance Education, academic staff for preparation of self instructional material was inadequate.*

*Out of 135 research projects, 33 projects were in progress even after stipulated date of completion with delays ranging from 5 to 36 months.*

*An amount of ₹ 55.25 crore out of surplus in the School of Distance Education fund account was diverted to the General Fund in excess of prescribed norms.*

*Bank balances in fund accounts were not reviewed periodically to assess surplus funds for investment.*

*In 17 out of 43 endowment accounts, interest earned was not utilised for giving awards or scholarships to students.*

*As against capacity to accommodate 619 boys and 602 girls in the University hostels, the number of boys and girls admitted annually during 2008-13 in these hostels were 868 and 1,020 respectively.*

*The University failed to obtain audited accounts from its affiliated colleges and did not conduct its mandatory inspections.*

#### **2.3.1 Introduction**

Bharathiar University, Coimbatore (University) was established (February 1982) under the Bharathiar University Act 1981 (Act) with area of jurisdiction covering Coimbatore, Erode, the Nilgiris and Tiruppur districts. Main objectives of the University are to impart necessary knowledge and skills to the youth so as to enable them to contribute effectively towards the establishment of an egalitarian society, to provide for research, advancement and dissemination of knowledge and to institute and confer degrees, titles, diplomas and other academic distinctions. The University has a School of

Distance Education (SDE) and 108 affiliated arts and science colleges<sup>26</sup> as of 2013.

The University offers 42 Post Graduate (PG) level courses in 13 disciplines through 31 departments. It also offers 381 Under Graduate (UG) and PG level courses<sup>27</sup> in arts and science disciplines through its affiliated colleges and SDE.

### 2.3.2 Organisational setup

The Governor of Tamil Nadu is the Chancellor and Head of the University and the Minister-in-Charge of the portfolio of Education in the State is the Pro-Chancellor. Vice-Chancellor (VC) of the University is the academic head and the Principal Executive Officer who exercises control over the affairs of the University. VC is assisted by the Registrar, heads of departments, a Finance Officer and a Controller of Examinations. The Senate<sup>28</sup> and the Syndicate formulate and approve policies and programmes of the University.

### 2.3.3 Audit Objectives

Audit objectives were to assess whether:

- the University had a well defined plan for academic activities, research and advancement/ dissemination of knowledge;
- academic activities/ programmes including projects undertaken on behalf of funding agencies were efficiently managed in accordance with the prescribed norms/terms and conditions of Memorandum of Understanding;
- the University had a robust financial management including assessment of funds based on income/receipts and grants, its mobilisation and utilisation;
- human resources and infrastructure were adequate and as per norms to improve quality of education;
- estate management and support services were adequate, efficient and effective; and
- an effective monitoring mechanism was in place.

### 2.3.4 Audit Criteria

Performance of the University was benchmarked against criteria derived from the following sources:

- The Bharathiar University Act, 1981, (Act) as amended from time to time.
- The University Grants Commission Act, 1956 and regulations and Distance Education Council guidelines.
- Provisions of codes and manuals and instructions issued by GoI, GoTN and the University.

---

<sup>26</sup> Government colleges: 7; Government-aided colleges: 16; Self-financing colleges: 82 and Constituent / University colleges: 3

<sup>27</sup> Affiliated Colleges: 301 UG/PG courses and SDE: 80 PG/UG/ PG Diploma courses

<sup>28</sup> Comprising academicians and officials of the GoTN



- Guidelines for schemes and rules/guidelines framed by the Syndicate and other bodies of the university.

### **2.3.5 Audit scope and Methodology**

Performance Audit of the University was conducted during April to October 2013 under section 14 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 covering the period 2008-13. Apart from scrutiny of records of the University, two<sup>29</sup> out of seven affiliated Government colleges, one<sup>30</sup> out of three constituent colleges and four<sup>31</sup> out of 16 Government-aided colleges were selected for detailed study based on simple random sampling method. Audit objectives, criteria and scope were discussed with the Principal Secretary to the GoTN, Higher Education Department, Director of Collegiate Education and the VC and the Registrar of the University in an Entry Conference held in July 2013. An Exit Conference with the Principal Secretary and VC was held in February 2014 wherein the audit findings were discussed. Important audit findings are discussed in the following paragraphs.

### **Audit Findings**

#### **2.3.6 Planning**

##### **2.3.6.1 Non-formulation of comprehensive plans**

The Act envisaged constitution of a Planning Board to advise the University on its planning and development for keeping the standard of education and research under review and also to advise the Syndicate and the Standing Committee on Academic Affairs (SCAA) comprising the VC as its Chairman and academicians of high standing as members<sup>32</sup>. The Planning Board which was last reconstituted in August 2009 for a period of three years up to August 2012 was not yet reconstituted (December 2013). Audit noticed that the Planning Board met only once (December 2009) during its last tenure. As a result, perspective/annual plans were not prepared by the University.

Similarly, even though Distance Education Council (DEC) guidelines issued in 2006 envisaged constitution of an 'Advisory Committee' for SDE by the parent institution to manage the academic and administrative matters of the SDE, the committee was not constituted (January 2014).

During the Exit Conference, VC stated (February 2014) that Planning Board was reconstituted recently and that long term plans would be formulated in the near future. VC further stated that as Distance Education Bureau (DEB) was established recently under UGC, action would be taken as per DEB's guidelines in respect of constitution of Advisory Committee and posting of academic staff.

---

<sup>29</sup> (i) Government Arts College, Coimbatore and (ii) Chikkanna Government Arts College, Tiruppur

<sup>30</sup> Bharathiar University Constituent College, Modakkurichi

<sup>31</sup> (i) PSG Arts and Science College, Coimbatore, (ii) SMRV Arts and Science College, Coimbatore, (iii) Vellalar College for Women, Erode and (iv) Sri Vasavi College, Erode

<sup>32</sup> 64 members (2008), 59 members (2009), 80 members (2010), 80 members (2011) and 85 members (2012)

### 2.3.6.2 Introduction of new courses

One of the objectives of the University was to devise and conduct courses that are relevant to the needs of the society. Audit scrutiny revealed that 17 popular UG/PG courses<sup>33</sup> offered in the self-financing colleges (in 11 to 85 colleges) were not offered by the University's constituent and Government colleges. The University replied (January 2014) that action would be taken to introduce popular courses in its affiliated, constituent and Government colleges with the approval of the Government.

During the Exit Conference the Principal Secretary directed the VC to take up this issue to the Planning Board for necessary recommendation.

### 2.3.7 Admissions

Details of students enrolled during 2008-13 in the University departments and affiliated colleges are given in **Table 2.16**.

**Table 2.16: Details of students enrolled during 2008-13**

Year	Sanctioned Strength	Enrolled						Percentage enrolled to sanctioned strength
		SC	ST	BC	MBC	OC	Total	
2008-09	79,026	6,233	120	29,057	7,157	8,644	<b>51,211</b>	<b>64.8</b>
2009-10	80,578	7,330	160	30,076	8,306	7,054	<b>52,926</b>	<b>65.7</b>
2010-11	85,235	8,370	249	30,516	8,823	7,448	<b>55,406</b>	<b>65.0</b>
2011-12	89,676	9,125	1,019	32,098	10,235	7,012	<b>59,489</b>	<b>66.3</b>
2012-13	96,040	9,150	1,831	33,970	10,596	7,324	<b>62,871</b>	<b>65.5</b>

SC: Scheduled Castes, ST: Scheduled Tribes, BC: Backward Classes, MBC: Most Backward Classes and OC: Other Castes

(Source: Information furnished by the University)

Though enrolment of students during 2008-13 in terms of numbers was on increasing trend, it remained almost at same level in terms of percentage to sanctioned strength.

### *Excess collection of application and registration fee*

For admission to UG courses in the Government/Government-aided/unaided arts and science colleges, cost of application fixed by Government (for each year during 2008-13) was ₹ 27 (₹ 25 for application and ₹ two for registration). Test check revealed that in three Government-aided<sup>34</sup> and four

<sup>33</sup> (i) BBA with Computer Applications, (ii) Bachelor of Computer Application, (iii) B. Com with Corporate Secretaryship, (iv) B.Com with Information Technology, (v) B. Com Professional Accounting, (vi) BSc Maths with Computer Applications, (vii) BSc Bio-technology, (viii) BSc Bio-Chemistry, (ix) BSc Electronics and Communication Systems, (x) BSc Catering Science and Hotel Management, (xi) BSc Costume Design and Fashion, (xii) BSc Micro Biology, (xiii) BSc Computer Technology, (xiv) MBA, (xv) M.Com with Computer Applications, (xvi) MSc Software Systems and (xvii) MSc Bio-technology

<sup>34</sup> (i) PSG Arts and Science College, Coimbatore, (ii) SMRV Arts and Science College, Coimbatore and (iii) Sri Vasavi College, Erode

self-financing<sup>35</sup> colleges, there was excess collection of application and registration fees from students<sup>36</sup>, ranging from ₹ 23 to ₹ 123, amounting to ₹ 60.93 lakh. In reply, the University stated (January 2014) that due to insufficient manpower it was unable to frequently inspect the affiliated colleges and that the excess collection of application and registration fees would be examined and suitable action taken.

### **2.3.8 School of Distance Education**

The DEC is the apex body established by GoI under the Indira Gandhi National Open University Act, 1985 for the purpose of promotion of open universities and the distance education system in the country. The SDE of the University had 274 study-cum-spot admission centres<sup>37</sup> in India and abroad. Total students enrolled in SDE during 2008-13 was 1,20,251 under academic year pattern (June to May) and 6,184 under calendar year pattern (January to December).

#### **2.3.8.1 Non-appointment of academic staff**

As per DEC guidelines, each programme offered under distance education required at least one academic staff. These positions were to be filled on permanent basis failing which they were to be filled on deputation or contract basis. The University appointed academic staff on permanent basis for only one programme *viz.*, Bachelor of Education as against 80 programmes offered by SDE. The University replied (September 2013) that 12 faculty members were deputed as co-ordinators for the courses offered in seven wings of the SDE. However, this was not as per requirement envisaged in DEC guidelines and shortfall affected the preparation and supply of self instructional material as brought out in succeeding paragraph.

#### **2.3.8.2 Study Material**

As per DEC guidelines, the parent institution shall give an undertaking that it will prepare self instructional material in the form of print, audio and video or in any other form and launch the programme after seeking prior approval of DEC. For the courses offered under calendar year pattern and academic year pattern by SDE, students were to be supplied with study material for all subjects.

Test check of records showed that in one SDE degree course *viz.*, MA (Journalism and Mass Communication) under academic year pattern, the University decided (December 2012) to purchase the recommended book for the subject 'Film Studies and Photography', from the market and placed orders (December 2012) for 70 copies of the book. The books were received and distributed (July 2013) to 63 students after completion of the examinations held in May 2013. The University attributed (January 2014) delay in supply of study material to non-appointment of academic staff who were to prepare study material.

---

<sup>35</sup> (i) Nandha Arts College, Erode, (ii) Thirukumaran College for Women, Tiruppur, (iii) Sri Krishna Arts and Science College, Coimbatore and (iv) Sree Saraswathi Thyagaraja College, Coimbatore

<sup>36</sup> Application fee from 77,422 students and Registration fee from 65,926 students

<sup>37</sup> 13 overseas centres, 137 centres all over India other than Tamil Nadu and 124 centres in Tamil Nadu

### 2.3.9 Affiliation

As per the Act and Statutes, University can grant either permanent or provisional affiliation/approval. Affiliation or approval is in no case to be granted with retrospective effect. Application by colleges seeking affiliation/approval should be submitted between 1 July and 31 October preceding the academic year in which the courses are proposed to be started and should be considered by the Syndicate not later than November. During 2008-13, 14 new colleges (one constituent college and 13 self-financing colleges) and 429 courses were granted affiliation/approval by the University. Audit scrutiny in this regard revealed the following:

(i) When one of its affiliated self-financing college<sup>38</sup> applied (October 2007) for grant of provisional affiliation to increase intake of students from 60 to 120 for Master of Business Administration (MBA) course for the academic year 2008-09, the University granted (April 2009) it retrospectively (2008-09 batch) after imposing a fine of ₹ 10 lakh. The University replied (January 2014) that as the college had already admitted (September 2008) students for the MBA course, it granted the affiliation keeping in mind the interests of the students. The grant of provisional affiliation retrospectively with imposition of fine was against the statute.

(ii) When a constituent college<sup>39</sup> sought continuance of provisional affiliation for the first and second year B.Sc. (Mathematics) and B.Sc. (Computer Science) courses for the academic year 2013-14, the University's inspection commission recommended (May 2013) affiliation on the condition that additional faculties were appointed and computers/books were purchased. However, without providing this, the college admitted students in five courses in 2013-14 in excess of sanctioned strength as shown in **Table 2.17**.

**Table 2.17: Details of admission made and sanctioned strength in the constituent college**

Sl. No.	Course	Sanctioned strength for 2013-14	Students admitted in 2013-14
1.	B.A. English Literature	60	126
2.	B.B.A. with CA	60	70
3.	B.Com. with CA	60	125
4.	B.Sc. Mathematics	60	69
5.	B.Sc. Computer Science	60	128

(Source: Information furnished by the University)

In reply, University stated (January 2014) that in absence of a Government College in that area there was a huge demand for admission when the constituent college was established (May 2012) which resulted in additional intake of students with the approval of the University's Syndicate and it further stated that required additional teaching staff and infrastructure would also be provided. However, the fact remains that the University's approval to the Institution for additional intake of students was contrary to the rules.

(iii) During 2008-13, 429 additional courses introduced in various colleges were granted provisional affiliation/approval by the University. Audit scrutiny revealed that in 100 instances applications submitted belatedly by colleges for affiliation/approval were accepted and affiliation granted by the University. In 329 instances though the applications were submitted in time,

<sup>38</sup> Cheran's Arts and Science College, Kangeyam

<sup>39</sup> Bharathiar University College of Arts and Science in Modakuruchi, Erode District

affiliation/approval was granted by the University after expiry of the prescribed time of November of respective year. The University attributed (January 2014) delay in granting approval/affiliation to insufficient manpower and consequent delay in conducting inspection.

During the Exit Conference, VC stated (February 2014) that steps were being taken to streamline the process of granting affiliation to avoid delays.

### **2.3.10 Research Activities**

Research and development activities constitute critical components of an academic institution as they help in dissemination of knowledge to students by way of exposure to latest developments. The projects undertaken in the University were funded by various funding agencies and Government organisations<sup>40</sup>. During 2008-12<sup>41</sup>, the University received ₹ 24.23 crore for various projects and utilised ₹ 16.18 crore (60.25 per cent) leaving an unspent balance of ₹ 10.67 crore<sup>42</sup> as of March 2012.

(i) Audit scrutiny revealed that out of 135 projects with an outlay of ₹ 14.88 crore undertaken during 2008-13, 33 projects costing ₹ 2.44 crore remained incomplete even after the scheduled date of completion and the delays ranged from 5 to 36 months (January 2014). University's reply in this regard is awaited.

(ii) As per Rule 117 of Finance and Accounting (F&A) Rules of the University, separate subsidiary accounts should be maintained for each project account. As per norms of the funding agency, interest earned on the grants shall be treated as additional grant and shown in the utilisation certificate/statement of expenditure to be furnished by the grantee institution. In the event of non-utilisation/part utilisation, simple interest at the rate of six per cent per annum on the unutilised amount from the date of drawal to the date of refund was to be charged by the funding agency. The University, which did not maintain separate subsidiary accounts for funds received from UGC and other funding agencies, failed to monitor the utilisation of funds and remit the unspent balances in time. A review of project accounts by audit revealed the following:

(a) The University was not aware of the projects for which funds from UGC to the tune of ₹ 3.06 crore<sup>43</sup> received during 2008-12 were to be utilised and it retained them without incurring any expenditure. The University replied (January 2014) that in the absence of details regarding the purpose of sanction, the amount was kept without incurring any expenditure and that action was being taken to obtain details from UGC to utilise funds.

(b) In 29 UGC grants, unspent grants of ₹ 2.73 crore were available as on 31 March 2012 in the General Fund (GF) account. Similarly, in respect of 101 grants funded by non-UGC agencies there were unspent grants of ₹ 3.77 crore as on 31 March 2012. These grants remained unspent for periods ranging from one year to four years.

---

<sup>40</sup> University Grants Commission, Council of Scientific and Industrial Research, Defence Research and Development Organisation, Department of Science and Technology, etc.

<sup>41</sup> Accounts for the year 2012-13 not yet prepared

<sup>42</sup> Includes opening balance of ₹ 2.62 crore

<sup>43</sup> ₹ 0.30 crore (2008-09); ₹ 1.05 crore (2009-10); ₹ 1.55 crore (2010-11) and ₹ 0.16 crore (2011-12)

Besides, in 138 projects funded by UGC (51 projects) and other agencies (87 projects), accounts had negative closing balances ranging from ₹ 0.78 crore to ₹ 6.11 crore in the years 2008-12. It was noticed in audit that the University did not maintain separate subsidiary cash books for each account and all grants received from funding agencies were deposited in the GF account and expenditure on the projects incurred from the GF account. Reasons for the negative balances could, therefore, not be ascertained by Audit.

(c) As per UGC guidelines for General Development Assistance (GDA) to Central, Deemed and State Universities, only equipment (excluding furniture, fixtures and Computers) for laboratories, special office equipment and modern teaching aids like multimedia projectors, overhead projectors, etc., were to be procured. UGC sanctioned (July 2009) ₹ 8.25 crore under GDA grant to the University. Scrutiny of records revealed that the University, in violation of the guidelines, procured (between November 2008 and May 2012) computers, laptops and servers incurring expenditure of ₹ one crore from the GDA grant. In reply, the University stated (January 2014) that the purchases were made with the approval of the Syndicate. The fact, however, remains that the purchases were in contravention of GDA guidelines.

(iii) GoI sanctioned (June 2005) the project of establishment of a centre of excellence viz., “Defence Research and Development Organisation (DRDO) – Bharathiar University (BU) Centre for Life Sciences” in the University at a cost of ₹ 18 crore (GoI share ₹ 14 crore and University share ₹ four crore) with a project period of five years (i.e. 2005-10). As per the Memorandum of Understanding (MoU) (July 2005), DRDO agreed to bear ₹ 14 lakh as overhead charges. On completion of the project, the University remitted (July 2013) the unspent balance of ₹ 10.88 lakh. In the meanwhile, DRDO sanctioned (July 2012) ₹ 21.90 crore towards its share for Phase II of the project from the year 2012-13.

Audit scrutiny revealed that the University booked ₹ 44 lakh as against ₹ 14 lakh allowed for overheads and failed to disclose the interest earned on DRDO’s share and to refund the proportionate amount of ₹ 78.69 lakh<sup>44</sup> on the total interest of ₹ 1.02 crore earned during the project period. Moreover, the delay of two years in completing Phase I postponed the activities of the Phase II which was yet to commence (December 2013). In reply the University stated (January 2014) that ratification/approval of the excess expenditure booked on the overhead charges over and above the allocation was sought for from the Ministry of Defence, GoI. In respect of apportioning of interest earned it stated that the same would be examined.

(iv) UGC released grant-in-aid of ₹ 27.25 lakh for implementing a project over a five year period (i.e. 2002-07) under Special Assistance Programme (SAP) in the University’s Department of Computer Science and Engineering. On completion of the programme (March 2007) there was a balance of ₹ 2.72 lakh (Utilisation Certificate for ₹ 24.53 lakh sent in July 2008) which together with interest of ₹ 6.19 lakh was not returned to UGC (December 2013).

<sup>44</sup> ₹ 78.69 lakh was arrived at by proportioning ₹ 1.02 crore earned as interest in the ratio of 13.5:4 which are the respective shares of DRDO and University

During the Exit Conference the Principal Secretary assured that the University would take necessary action to refund the unspent amount.

### **2.3.11 Financial Management**

Major sources of revenue of the university were grants received from the GoTN, UGC and other Central Government organisations like Council for Scientific and Industrial Research, DRDO, Indian Council for Agricultural Research, Indian Space Research Organisation, Department of Science and Technology for research and other specific purposes. The University also generated its own income by way of fees from its students and affiliated colleges, sale of publications and forms, rent from buildings, processing fee, etc. Salaries, capital and maintenance expenditure and staff pension were the major categories of expenditure.

As per the provisions of F&A Rules of the University, a classified abstract of receipt and charges was to be prepared annually. Finances of the university and SDE were managed separately and 36 accounts comprising General Fund (Plan and Non-plan), Examination Fund, Endowment Fund, UGC-Special Assistance Programme Fund, Pension Fund, Contributory Pension Fund, School of Distance Education fund and other funds were maintained.

#### **2.3.11.1 Budget estimate and expenditure**

Details of Budget Estimates (BE), Revised Estimates (RE) and actuals of receipts and expenditure of the University during 2008-12 are given in **Table 2.18**.

**Table 2.18: Budget Estimates and expenditure**

(₹ in crore)

Year	Receipts			Expenditure		
	BE	RE	Actuals	BE	RE	Actuals
2008-09	67.65	94.70 (39.99)	107.36 (13.37)	75.31	66.26 (-12.02)	85.06 (28.37)
2009-10	109.59	138.60 (26.47)	142.89 (3.10)	97.49	112.34 (15.23)	139.60 (24.27)
2010-11	152.66	165.27 (8.26)	159.04 (-3.77)	147.39	154.35 (4.72)	123.87 (-19.75)
2011-12	193.60	202.15 (4.42)	204.87 (1.35)	192.42	202.22 (5.09)	149.89 (-25.88)

Accounts for the year 2012-13 not yet prepared

Figures in brackets represent variation as a percentage

(Source: University's Financial Estimates and Annual Accounts)

From the above data, it may be noticed that there were variations in receipts ranging from 4.42 to 39.99 *per cent* and (-) 3.77 to 13.37 *per cent* between BE and RE, and RE and actuals respectively. Similarly, the variations under expenditure ranged from (-) 12.02 to 15.23 *per cent* and (-) 25.88 to 28.37 *per cent* between BE and RE, and RE and actuals respectively. The estimates of receipts and expenditure were thus, unrealistic.

#### **2.3.11.2 General Fund account**

Details of receipts and expenditure of the university under General Fund account for the period 2008-12 are given in **Table 2.19**.

Table 2.19 : General Fund Account

(₹ in crore)

Year	Opening Balance	Receipt including GoTN, UGC & other grants	Investment Realised	Total	Expenditure	Investment made	Closing Balance
2008-09	42.65	76.86	1.48	120.99	68.31	31.23	21.45
2009-10	21.45	100.55	8.18	130.18	79.47	19.46	31.25
2010-11	31.25	110.83	17.24	159.32	94.71	36.91	27.70
2011-12	27.70	135.65	22.19	185.54	106.56	33.36	45.62

Accounts for the year 2012-13 not yet prepared

(Source: University's Annual Accounts)

As per the Act, the Finance Officer is responsible for preparation of annual accounts and publishing audited accounts for submission to the Senate at its next meeting and to Government within three months of such publication. As per Government order, stipulated date for submission of accounts to Local Fund Audit is 30 June every year. Audit scrutiny revealed that the University submitted its annual accounts with delays ranging from 13 to 15 months during 2008-12. It was noticed from the Local Fund Audit reports that University was entitled to block grants aggregating to ₹ 25.81 crore for the years 2009-10 and 2010-11. Similar reimbursements for 2011-12 and 2012-13 for the expenditure incurred towards salary and allowances of its staff were not calculated and claimed from Government due to delayed preparation/non-preparation of accounts. In reply, the University stated (September 2013) that the belated submission was due to shortage of manpower and general administrative reasons. During the Exit Conference, VC further stated (February 2014) that computerisation of accounts was under process and efforts would be taken to finalise the accounts early.

### 2.3.11.3 SDE Fund account

Details of the receipt and expenditure of the university under SDE Fund account for the period 2008-12 are given in **Table 2.20**.

Table 2.20 : School of Distance Education Fund Account

(₹ in crore)

Year	Opening Balance	Receipt	Investment realised	Total	Expenditure	Investment made	Closing Balance
2008-09	12.61	30.50	0.00	43.11	16.75	16.22	10.14
2009-10	10.14	42.34	0.30	52.78	30.53	10.13	12.12
2010-11	12.12	48.21	4.46	64.79	29.17	8.41	27.21
2011-12	27.21	69.23	14.61	111.05	43.33	23.31	44.41

Accounts for the year 2012-13 not yet prepared

(Source: University's Annual Accounts)

An amount of ₹ 0.20 crore was fixed<sup>45</sup> by the GoTN (May 1998) as contribution from SDE to be made to the University's General Fund (GF) account every year irrespective of the increase/decrease in the receipts of the SDE in the subsequent years. Scrutiny of records revealed that the University diverted funds of ₹ 55.25 crore from the SDE Fund account to GF over and above this limit during 2008-13 as detailed in **Table 2.21**.

<sup>45</sup> 15 per cent of ₹ 134.82 lakh, the gross receipts of 1996-97



**Table 2.21: Amount transferred to University from SDE**

(₹ in crore)

Year	Amount to be transferred as fixed by Government	Amount transferred to University from SDE	Excess transfer
2008-09	0.20	2.00	1.80
2009-10	0.20	9.00	8.80
2010-11	0.20	14.35	14.15
2011-12	0.20	19.70	19.50
2012-13	0.20 <sup>@</sup>	11.20	11.00
<b>Total</b>	<b>1.00</b>	<b>56.25</b>	<b>55.25</b>

<sup>@</sup> Unaudited Accounts

(Source: Information furnished by the University)

In reply, the University stated (January 2014) that the funds were transferred from SDE to GF Account with the approval of the VC to meet the shortfall. The fact however remains that the excess amount transferred to the GF of the University was not yet recouped (December 2013) to the SDE Fund.

#### **2.3.11.4 Non-reconciliation of Provident Fund account**

As per extant instructions, 75 per cent of Provident Fund (PF) contributions collected in a year was to be kept in a Personal Deposit (PD) account and the balance 25 per cent in an SB account for day-to-day disbursements of PF advances/ withdrawals. Scrutiny of the PF ledgers and cash books revealed that the total balance available in the PD account and SB account put together was more than the balance as per ledger for 2008-12 as worked out in **Table 2.22** and the discrepancy was due to non-reconciliation of the PF ledgers with the cash book.

**Table 2.22 : Details of balances as per PD and SB Accounts and PF Ledger**

(In ₹)

Year	Closing Balance as per PF ledger including interest	Interest credited (book adjustment)	Closing Balance as per PF ledger excluding interest (col. 2 – col. 3)	CB in PD and SB Account	Difference (col. 5 – col. 4)
(1)	(2)	(3)	(4)	(5)	(6)
2008-09	6,09,45,566	43,27,183	5,66,18,383	6,61,46,659	95,28,276
2009-10	7,09,24,035	50,37,041	6,58,86,994	7,39,65,381	80,78,387
2010-11	8,60,19,214	60,86,656	7,99,32,558	8,58,36,015	59,03,457
2011-12	9,77,57,432	72,50,216	9,05,07,216	9,75,67,572	70,60,356

(Source: Information furnished by the University)

In reply, the University stated (January 2014) that action would be taken to reconcile the difference between PF ledger, PD and SB accounts and the cash book.

#### **2.3.11.5 Tuition fee due from Government**

As per Rule 92 of the Tamil Nadu Education Rules, tuition fee for Scheduled Castes and Scheduled Tribes students is reimbursed by the Government. The fee exemption allowed is claimed by the University as reimbursement from Government based on the list of students and amount certified by Local Fund Audit. It was noticed in audit that the University was yet to receive reimbursement of ₹ 94.55 lakh towards tuition fee concession already allowed for 2007-11 (as detailed in **Table 2.23**), as necessary proposals were not submitted by the University to the Government.

**Table 2.23 : Reimbursement towards tuition fee due from Government**

Sl. No.	Year	No of students	Claim due from Government (₹ in lakh)
1.	2007-08	214	22.61
2.	2008-09	247	23.25
3.	2009-10	278	24.36
4.	2010-11	303	24.33
<b>Total</b>		<b>1042</b>	<b>94.55</b>

(Source: As per information furnished by the University)

In reply, the University stated (September 2013) that the claim relating to 2007-08 was submitted and that proposal for claim towards SC/ST fee concession for the period 2008-11 was under preparation for submission to Local Fund Audit.

### 2.3.11.6 Non-refund of undisbursed scholarship amount

Scholarship in respect of tuition fees for SC/ST/BC/MBC students of the University is given by the Government every year. Scholarship amounts are released to the University by District Welfare Officers concerned based on proposals sent by University. Amount so released by the Government should be disbursed to the students and the undisbursed scholarship amounts should be remitted into Government account. Scrutiny of records revealed the following:

Out of ₹ 3.81 crore received from the Government during 2008-13 towards scholarship for 6,846 students, ₹ 28.64 lakh was not disbursed to 826 students. Reasons for non-disbursement of scholarship was called for in audit and reply is awaited (December 2013).

Similarly, in SDE out of ₹ 3.28 lakh received towards scholarship for 149 students during 2007-08 to 2011-12, ₹ 0.73 lakh in respect of 32 students remained undisbursed. In reply, the University stated (January 2014) that necessary action would be taken to refund the undisbursed amount of scholarship to Government after sending final reminder to students concerned.

### 2.3.11.7 Outstanding advances

As per F&A Rules, tour and miscellaneous advances paid to officers and staff of the University were recoverable or adjustable within three months. The University sanctioned advances to Principals of Colleges to conduct examinations and to various departmental officers for execution of petty works and to contractors for construction of buildings. Scrutiny of records revealed that ₹ 10.45 crore advanced to various officers remained unadjusted (December 2013) from 1982-83 in the books of the University. Age-wise pendency of unadjusted advances is detailed in **Table 2.24**.

**Table 2.24: Age-wise pendency of unadjusted advances**

Pendency	Number of advances	Amount (₹ in crore)
More than 10 years	352	0.46
More than five years up to 10 years	576	0.69
More than one year but less than five years	855	7.54
Less than one year	297	1.76
<b>Total</b>	<b>2,080</b>	<b>10.45</b>

(Source: Information furnished by the University)

Failure to monitor settlement of outstanding advances reflected poor internal controls. Reasons for non-settlement of long pending advances were called for in audit and reply is awaited (December 2013).

#### **2.3.11.8 Non-investment of surplus funds**

As per F&A Rules, accumulated and surplus cash balance under any account of the University which was not required for immediate expenditure was to be invested by the Syndicate in any of the securities authorised or in fixed deposits with nationalised banks and to facilitate this the Finance Officer was to submit a statement every quarter to the Syndicate indicating surplus cash under each account that would not be required for immediate expenditure. F&A Rules also stipulate maintenance of an investment register.

Of the 36 savings bank accounts maintained by the University, the bank accounts pertaining to the General Fund, Examination Fund and School of Distance Education Fund had substantial cash flows. Scrutiny of records revealed that the three savings bank accounts had surplus quarterly balances during 2008-12 ranging from ₹ 33.71 lakh to ₹ 37.23 crore in 26 quarterly periods. The University did not follow the procedure envisaged in the F&A Rules to suitably invest the surplus funds not required for immediate expenditure. The bank balances in the fund accounts were not reviewed periodically to assess the surplus funds for investment, resulting in loss of interest. The University replied (September 2013) that after ascertaining the tentative expenditure for the next quarter, balance amount would be invested. Moreover, University did not maintain an investment register and consequently audit was not able to verify whether the investments were renewed periodically and the interest receipts properly accounted for.

#### **2.3.11.9 Endowment Funds**

Endowments were created using funds donated by philanthropists, business houses, Government bodies, etc. Interest earned on the endowments, for which the University maintained three accounts, was to be utilised for specific purposes such as giving awards and prizes to students in recognition of their academic performance. As on 31 March 2011, 43 endowments with a corpus of ₹ 98.51 lakh were maintained by University. Corpus of these endowments varied from ₹ 15,000 to ₹ 25 lakh. Scrutiny of annual accounts for the years 2008-09 to 2010-11 revealed that endowments were not utilised effectively and out of 43 endowments as on 31 March 2011, 17 were inoperative as they had only interest receipts (₹ 5.20 lakh) without any expenditure during 2008-11. Percentage of utilisation during 2008-11 ranged from 4.1 to 19.5 *per cent* of the balance (including interest receipts) available in the funds. Details regarding the purpose for which the endowment is created were called for in audit and reply in this regard is awaited (December 2013).

### **2.3.12 Human resource and Infrastructure**

#### **2.3.12.1 Vacancies in Faculty positions**

Details of sanctioned strength and number of existing faculty members during the period 2009-13 in the University are given in the **Table 2.25**.

Table 2.25: Vacancy position during 2009-13

Cadre	As on 01/04/2009			As on 01/04/2010			As on 01/04/2011			As on 01/04/2012			As on 01/04/2013		
	SS	PIP	V	SS	PIP	V	SS	PIP	V	SS	PIP	V	SS	PIP	V
Professor	26	21	5	26	20	6	24	19	5	27	20	7	27	18	9
Reader / Associate Professor	40	35	5	41	35	6	37	35	2	41	34	7	41	33	8
Lecturer /Asst. Professor	128	108	20	127	106	21	133	105	28	141	103	38	141	100	41
<b>Total</b>	<b>194</b>	<b>164</b>	<b>30</b>	<b>194</b>	<b>161</b>	<b>33</b>	<b>194</b>	<b>159</b>	<b>35</b>	<b>209</b>	<b>157</b>	<b>52</b>	<b>209</b>	<b>151</b>	<b>58</b>
<i>Vacancy in per cent</i>	<i>15.46</i>			<i>17.01</i>			<i>18.04</i>			<i>24.88</i>			<i>27.75</i>		

SS: Sanctioned Strength, PIP: Persons-in-Position, V: Vacant

(Source: Information furnished by the University)

The vacancy position of faculty members during 2009-10 to 2012-13 was increasing and ranged between 15 and 28 *per cent*.

### 2.3.12.2 Inadequate hostel facilities.

University provides accommodation to its students through eight hostels (four hostels each for boys and girls) located within its campus. Details of intake capacity of the hostels and the annual occupancy for the period 2008-13 are given in **Table 2.26**.

Table 2.26: Hostel occupancy details during 2008-13

Name of the Hostel	Intake capacity	Annual occupancy during 2008-13
Kambar (Boys)	97	111 (14)
Elango (Boys)	200	313 (56)
Thiruvalluvar (Boys)	130	216 (66)
Sekhizhar (Boys)	192	228 (18)
<b>Total</b>	<b>619</b>	<b>868 (40)</b>
Kannamma (Girls)	234	443 (89)
Chellammal (Girls)	192	283 (47)
Kasturibai (Girls)	44	44 (Nil)
Periyar (Girls)	132	250 (89)
<b>Total</b>	<b>602</b>	<b>1,020 (69)</b>

Figures in brackets denotes the excess occupancy as a percentage to intake capacity

(Source: Information furnished by the University)

While these hostels had capacity to accommodate 619 boys and 602 girls only, the numbers of boys and girls admitted each year in these hostels during 2008-13 were 868 and 1,020 respectively. Excess occupancy in the boys' and girls' hostels was 40 *per cent* and 69 *per cent* respectively. While no hostel building for boys was constructed during 2008-13, construction of one hostel building for girls with intake capacity of 123 students was in progress. The University replied (January 2014) that construction of new girls' hostel was

nearing completion. It further stated that a proposal for construction of new hostels for boys and girls to reduce the excess occupancy in the existing hostels was under consideration.

### **2.3.12.3 Non-availability of separate library facilities.**

DEC guidelines stipulate suitable and adequate facilities such as buildings, library, computer facility and laboratories for imparting instruction through distance education mode and for conducting relevant research.

Scrutiny of records revealed that though students ranging from 21,000 to 31,000 were enrolled in various courses during 2008-13 under distance education, the SDE, which had a library for the B.Ed. course, had no such facility for its other courses. In reply, the University stated (January 2014) that as SDE was situated within the university campus, a separate library for SDE was not established. However, DEC guidelines should have been satisfied.

### **2.3.13 Other points**

#### **2.3.13.1 Cost overrun due to delay**

GoTN sanctioned and released (February 2006) ₹ five crore as special grant for Silver Jubilee Commemorative Celebrations of the University for construction of (i) Indoor Stadium at a cost of ₹ 1.50 crore, (ii) Nano-Technology Department at a cost of ₹ 1.50 crore and (iii) International Faculty and Students Centre at a cost of ₹ two crore. As sanction of estimates for the three works from Technical Education Division (TED) of Public Works Department (PWD) was delayed (detailed estimates submitted in June 2006 and revised estimates in May 2008) the University decided (September 2008) to execute these works through its Engineering Wing. The works, commenced in January 2009, were completed between December 2009 and August 2012. Due to delay of more than two years by the PWD and the University in finalising the design and in deciding the agency for executing the work, there was avoidable extra expenditure of ₹ 1.59 crore due to cost escalation as detailed in **Table 2.27**.

**Table 2.27: Details of cost escalation**

(₹ in lakh)

Sl. No.	Description of work	Amount sanctioned	Estimated value put to tender	Agreement value	Expenditure	Cost escalation*
1	Indoor Stadium	150	207.25	247.14	297.82	61.20
2	Nano-Technology Department	150	201.95	240.38	299.00	53.94
3	International Faculty and students Centre	200	163.97	197.68	239.34	43.45
<b>Total</b>		<b>500</b>				<b>158.59</b>

\* Difference between schedule of rates for 2006-07 and 2008-09  
(Source: Information furnished by the University)

In reply, the University stated (January 2014) that the delay was due to finalisation of plans keeping in mind the objective of providing maximum usage for academic activities. Extra expenditure due to cost escalation was avoidable.

### 2.3.13.2 Unfruitful expenditure on construction of Women's hostel due to poor planning

Based on the proposal (September 2004) of Principal, Chikkana Government Arts College, Tiruppur (one of the test-checked colleges) UGC sanctioned ₹ 15 lakh for construction of women's hostel as its share with the condition that ₹ 10 lakh was to be borne by the college from its own sources. UGC released ₹ 13.50 lakh (₹ 5.92 lakh in October 2004 and ₹ 7.58 lakh in March 2007). PWD with whom ₹ 13.50 lakh was deposited (Between January 2005 and March 2007) commenced the work and executed it up to roof level incurring expenditure of ₹ 6.70 lakh (June 2005) and there was no further progress. Meanwhile, due to increase in material cost, revised cost of the work rose to ₹ 46.99 lakh. Work scheduled for completion in September 2005 remained incomplete (December 2013) as shown in **Picture 2.3**. Thus, despite availability of UGC funds of ₹ 13.50 lakh, poor planning on the part of college in arranging its share of funds before commencing the work resulted in wasteful expenditure of ₹ 6.70 lakh incurred on partial construction of the hostel besides locking up of UGC funds to the tune of ₹ 6.80 lakh with PWD and non-achievement of the objective to provide hostel facility to its women students. During the Exit Conference the Principal Secretary stated (February 2014) that the issue would be reviewed and appropriate action taken.

**Picture 2.3: Women's Hostel at Government Arts College at Tiruppur remained incomplete since June 2005**



### 2.3.13.3 Extra expenditure on printing of study material

The SDE had two types of agreements with printers viz., (i) for developing and printing the course materials with copyright of the developed material resting with the University (with Main printer) and (ii) for printing the course material developed by the SDE (with Other Printers).

University, which entered into agreements as detailed in **Table 2.28** placed orders for reprint of MBA course material with Main printer as well as with other printers.

**Table 2.28 : Details of agreements for printing distance education course material**

(In ₹)

Agreement Period	Printer	Rate per page for number of pages		
		Up to 500	501 to 1,000	>1,000
18/09/07 to 17/09/10	Main printer (developing and Printing)	0.29		0.25
10/02/11 to 09/02/14	Main printer (developing and Printing)	0.38		
03/11 to 02/12	Other printers (Printing only)	0.25	0.22	0.19

(Source: Information furnished by the University)

Scrutiny of records revealed that reprint orders, which did not have an element of development of material, were placed (February 2012) with Main printer as per the agreement which was valid up to February 2014 at twice

the rate (i.e. ₹ 0.38 per page) of other printers. Non-finalisation of contracts separately for developing (a one-time process) and for printing resulted in extra expenditure of ₹ 80.50 lakh<sup>46</sup>. The University replied (January 2014) that it would have separate agreements for development and for printing in future.

#### **2.3.13.4 Annual stock verification**

As per F&A Rules, all stock of furniture, electrical fittings, material, book, stationery, apparatus and chemicals in laboratories, etc., shall be verified once a year before the close of financial year. Scrutiny of records revealed that University did not conduct annual physical verification of its library books since 1982 and during the first and the only stock verification exercise (December 2012-January 2013) it was reported that loss of books over a period of 32 years accumulated to 14,216 numbers<sup>47</sup> valued at ₹ 27.35 lakh. Further, the Syndicate Sub-Committee on Library in its meeting (June 2013) resolved to recommend the write-off of the loss as it could not fix responsibility for the loss of books.

### **2.3.14 Internal control, inspection and monitoring**

#### **2.3.14.1 Internal control**

For efficient management of any organisation, an effective internal control mechanism must be in place to avoid/minimise errors, misappropriation, fraudulent payment, etc. As a part of internal control, an effective internal audit arrangement should be in place in the University to ensure compliance with the provisions of the Act, Rules and regulations. Audit observed that there was no internal audit wing set up by the University. Finance Officer stated (September 2013) that concurrent audit is being conducted by Local Fund Audit and hence there was no internal audit wing.

#### **2.3.14.2 Non-submission of returns by self-financing colleges.**

According to provisions of the Act, every affiliated college had to furnish (i) a return of staff as on the 1 August and 1 January before the 15 August and 15 January of each year and a return of change of staff as soon as any change takes place, (ii) a statement showing the strength of students class-wise and subject-wise and (iii) annual report and audited statement of account. The accounts of self-financing colleges should be audited by the end of each year by a Chartered Accountant out of a panel approved by the University and a copy of its annual accounts with the audit report should be made available to the University and the GoTN for inspection within six months from the close of the financial year failing which any further applications for affiliation for new courses, additional strength would not be considered.

Audit scrutiny revealed that though 82 affiliated self-financing colleges did not submit their audited annual accounts and other prescribed returns during 2008-13, the University as a matter of routine, processed their applications for affiliation of new courses in violation of the provisions of the Act. In reply, the University stated (September 2013) that all self-financing colleges were instructed to submit their annual accounts and that action would be taken to get their accounts.

---

<sup>46</sup> ₹ 0.19 ÷ ₹ 0.38 × 1.61 crore (Total value of reprint orders)

<sup>47</sup> Total number of books in the library: 1,47,350

### 2.3.14.3 Periodical inspection of affiliated colleges

The Act stipulates that every college shall be subject to inspection by the University from time to time (at least once in three years) by one or more persons appointed by the Syndicate and a report made to the Syndicate. Audit scrutiny revealed that in 108 colleges affiliated to University, other than initial inspection carried out at the time of initial grant of affiliation no periodical inspection was carried out by the University. As a result, the University did not monitor the state of affairs in its affiliated colleges with regard to application fees collected and adequacy of infrastructure facilities (like laboratories, equipment, amenities, etc.) consequent on introduction of new courses, change in syllabus and increased sanctioned strength.

Similarly, in the case of study centres of the SDE, DEC guidelines stipulate their inspection at least once every two years by an expert Committee appointed by the VC. In reply, the University stated (September 2013) that no periodical inspection was carried out in any of the 274 study centres of the SDE during 2008-13.

### 2.3.14.4 Delay in settlement of local fund audit paragraphs

Director of Local Fund Audit (LFA) is the statutory auditor of the University. The audit objections of LFA pending settlement at the end of each year for the period 2008-11 are summarised in **Table 2.29**.

**Table 2.29: Year-wise pending audit objections**

Year	No of objections
2008-09	56
2009-10	42
2010-11	83
<b>Total</b>	<b>181</b>

(Source: Local Fund Audit Reports of the respective years)

Apart from the above 181 objections, 593 objections pertaining to the period 1983-84 to 2007-08 were also pending for settlement. The long pendency of audit objections is a matter of concern and needs to be addressed.

Among the pending objections from 1996-97, there were objections amounting to ₹ 15.49 crore as of 2010-11 on account of wrong fixation/career advancement for its staff. The University, instead of re-fixing the pay of the staff concerned and recovering the excess, adjusted the excess while claiming the block grants from Government each year and suffered a reduction in its yearly receipts of grants. In reply, the University stated (December 2013) that instructions of the Government (September 2013) to recover excess payment made due to incorrect career advancement/incorrect fixation and to fix responsibility on concerned personnel were under consideration.

### 2.3.15 Conclusion

Popular UG/PG courses, which are relevant to the needs of the society, offered in the self-financing colleges were not offered by the University's constituent and affiliated Government colleges. In the School of Distance Education, academic staff for preparation of self instructional material was inadequate. Out of 135 research projects, 33 projects were in progress even after the stipulated date of completion with delays ranging from 5 to 36 months. An amount of ₹ 55.25 crore out of the surplus in the School of Distance Education fund account was diverted to the General Fund in excess of prescribed norms. Bank balances in the fund accounts were not reviewed periodically to assess the surplus funds for investment. In 17 out of 43



endowment accounts the interest earned was not utilised for giving awards or scholarships to the students. As against the capacity to accommodate 619 boys and 602 girls in the University hostels, the numbers of boys and girls admitted in these hostels during 2008-13 were 868 and 1,020 respectively. The University failed to obtain audited accounts from its affiliated colleges and did not conduct its mandatory inspections.

### **2.3.16 Recommendations**

- Progress in sponsored research projects needs to be closely monitored.
- Surplus funds with the University may be reviewed periodically and appropriate investment decision taken.
- Adequate hostel facilities need to be provided to the students.
- The University should reinforce inspections of its affiliated colleges and the procedure for granting affiliation.

The above points were referred to Government in November 2013; reply has not been received (December 2013).

**HOUSING AND URBAN DEVELOPMENT DEPARTMENT  
CHENNAI METROPOLITAN DEVELOPMENT AUTHORITY**

**2.4 Implementation of e-Governance Initiatives in Chennai Metropolitan Development Authority**

*Executive Summary*

*Government of Tamil Nadu introduced (2006) e-Governance system for the regulatory functions of Chennai Metropolitan Development Authority (CMDA). The objectives of this e-Governance application were to reduce time taken for according approval to Planning Permission Application (PPA), improve transparency in their day-to-day functions, better monitoring of the system and web-enabled interaction. The Government also carried out Business Process Re-engineering to facilitate the computerisation, by introducing an improved electronic work flow including automating the key component of checking Building Plans electronically. Performance Audit of implementation of e-Governance initiatives in CMDA revealed following audit findings:*

*There was no improvement in time taken for processing the PPA after introduction of e-Governance system and the time frame set in Citizen Charter was not adhered to. Breaks in the work flow led to adoption of batch process, which deprived public of the facility to verify status of their applications online. This defeated the objective of improving transparency in CMDA's day-to-day functions.*

*Due to incomplete/partial implementation of e-Governance system, Automated Planning Permission Application Software (APPAS), the core software for online building plan scrutiny which was originally planned to be integrated with e-Governance system, was not integrated. The APPAS database also had deficiencies in its design.*

*Even after spending ₹ 1.01 crore and six years after introduction of e-Governance system, CMDA could not achieve any of the planned objectives.*

**2.4.1. Introduction**

Chennai Metropolitan Development Authority (CMDA), a statutory body constituted under the Tamil Nadu Town and Country Planning Act, 1971 is responsible for issuing building plan, layout and sub-division approvals for the public and builders to take up construction works within the jurisdiction of Chennai Metropolitan Area (CMA). CMDA is headed by a Member Secretary (MS) who is the administrative head and assisted by a Special Planner, a Chief Planner, Deputy Planners, and Assistant Planners etc. CMDA issues planning permission (PP) to ordinary, special buildings, group developments and multi-storeyed buildings.

**2.4.2 Computerisation and its objectives**

GoTN introduced (2006) e-Governance system in the regulatory functions of CMDA mainly to streamline management of applications and its flow across sections with the objectives of reducing time taken for according approval to Planning Permission Application (PPA), improving transparency in their day-

to-day functions, better monitoring of the system and web-enabled interaction. A Core Group<sup>48</sup> (CG) was formed to suggest Business Process Re-engineering activity to simplify application process, reduce time taken for approval and to avoid multiple visits to CMDA by public. CG submitted its report in July 2006. National Informatics Centre (NIC), the software developer, after considering the report of CG submitted (September 2006) a Detailed Project Report (DPR) to CMDA for ₹ 240 lakh<sup>49</sup> indicating hardware requirements, time schedule and cost involved for implementation of e-Governance initiatives and the DPR was approved (September 2006) by CMDA. Citizen Charter of CMDA which came into force in the year 2005 prescribed time-limit of 45 days and 75 days for disposal of PPAs in respect of ordinary/special buildings and multi-storeyed buildings<sup>50</sup> respectively. However, the CG in their report did not consider this specific time frame and generally defined one of the objectives as "reducing the time taken for according approval to PPA".

The entire e-Governance activities were proposed to be implemented in three phases in a 'work flow based system' and using intranet technology with a time frame of January 2007 for Phase I and June 2007 for Phase II. No time frame was fixed for Phase III. Functions of CMDA in according building plan approval i.e. from receipt of applications to issue of permission were covered under Phase I. Other related functions such as verification of building constructions with reference to planning permission accorded, legal disputes, appeals, regularisation etc., were planned in Phase II. Phase III contemplates computerisation of administrative functions of CMDA. NIC handed over full-fledged e-Governance work flow automation software to CMDA containing 18 modules<sup>51</sup> for Phase I with relevant documentations like data dictionary, user manual and project proposal (User Requirement Specification (URS) & System Requirement Specification (SRS)). Back end of database was developed in PostgreSQL<sup>52</sup>. The e-Governance initiative was launched in CMDA on 1 October 2007. During 2006-13, an expenditure of ₹ 101.33 lakh was incurred on procurement of hardware and software and payment to data entry operators.

---

<sup>48</sup> Consisting of CMDA, National Informatics Centre and other Stake holders such as builders associations, architects association and licenced surveyors

<sup>49</sup> Phase I – ₹ 115 lakh (Ordinary building, Special building, Multi storeyed Building, Institutions/ Industries, Layouts and Reclassification); Phase II – ₹ 75 lakh (Enforcement, Legal disputes, Appeal and Regularisation); Phase III – ₹ 36 lakh (Administration, Accounts, Projects and Other sections) and ₹ 14 lakh (Site preparation & Furniture)

<sup>50</sup> (i) Ordinary buildings - floor area not exceeding 300 square metres and Ground +1 floor in height; (ii) Special buildings - residential or commercial buildings with more than two floors or residential buildings with more than six dwelling units or a commercial buildings exceeding a floor area of 300 square metres; (iii) Multi-Storeyed buildings - buildings exceeding four floors and 15.25 metres in height

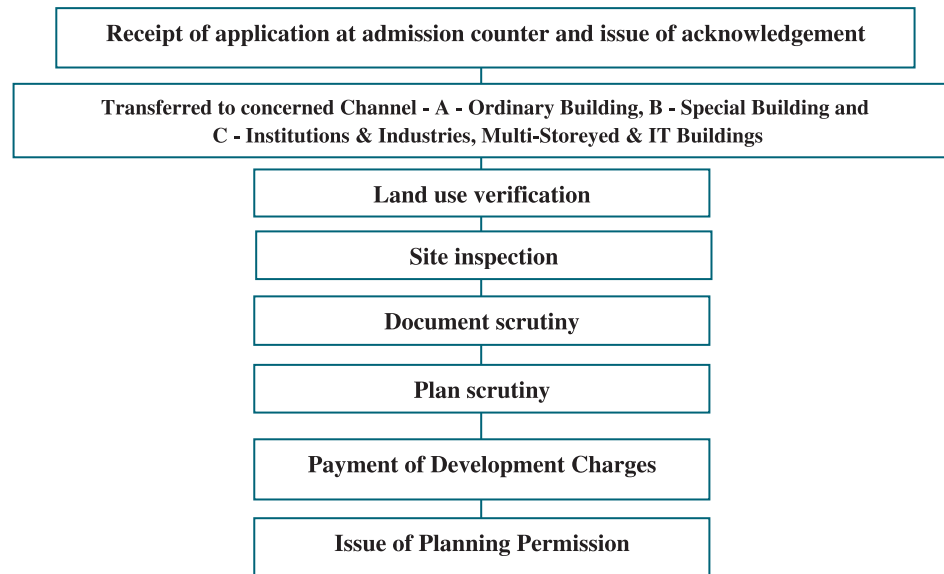
<sup>51</sup> Login & Menus, Counter, Land Use Entry, Initial Scrutiny, Concerned Channel (SB), Inspection, Form –B entry, Document scrutiny, Document scrutiny review, Plan scrutiny, plan scrutiny review, MS approval, Open Space Reservation, Coastal Regulation Zone, Development Charges, Approval, Return and Refusal.

<sup>52</sup> PostgreSQL is an open source object-relational database management system (ORDBMS) with free/open source software license

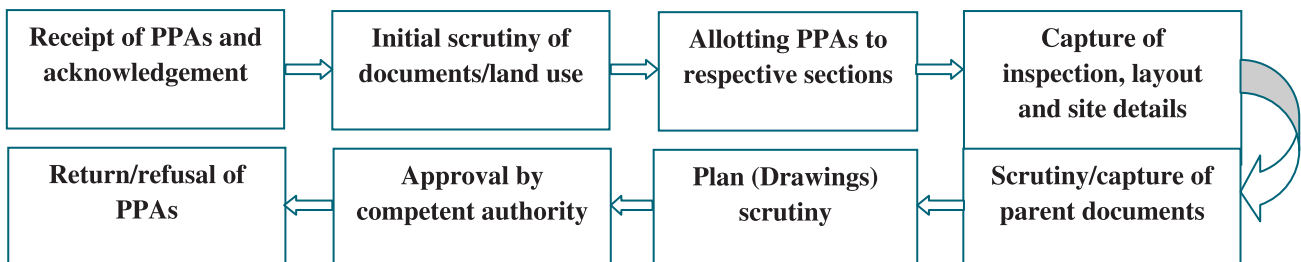
### Manual system and e-Governance work flow

The procedure followed in the manual system earlier and work flow automation process which was envisaged after re-engineering are depicted in **Flow Diagrams 2.1 and 2.2.**

**Flow Diagram 2.1: Manual system**



**Flow Diagram 2.2: Computerised workflow envisaged originally**



### 2.4.3 Scope and Audit Objectives

Scope of audit was limited to Phase I only since the remaining two Phases were not taken up by CMDA. Audit was undertaken to assess the extent to which CMDA could achieve the objectives of computerisation under Phase I and reasons for shortfalls, if any.

Audit objectives were

- (i) to assess whether e-Governance system as implemented met its programme objectives of
  - reducing the time taken for giving Planning Permission to the applicants and adhering to the period stipulated in the Citizen Charter;
  - improving transparency of operations of CMDA; and
  - introducing work flow based system.
- (ii) to assess whether all the requirements/rules were mapped into the Information Technology system with requisite controls; and

(iii) to analyse reasons for lacunae, if any, in meeting the objectives.

#### **2.4.4 Audit Criteria**

Criteria relied upon in audit were –

- Development Control Rules of CMDA under Second Master Plan, 2008.
- Best Practices of Systems Development.

#### **2.4.5 Audit Methodology**

Audit at CMDA, Chennai was conducted in February and March 2013. Files relating to implementation of e-Governance initiatives and Automated Planning Permission Application software (APPAS) were scrutinised. Database maintained in PostgreSQL for e-Governance and MS-Access for APPAS were downloaded and examined using CAATs<sup>53</sup>. Though computerisation under e-Governance was introduced in October 2007, the back data relating to earlier period were captured in the system. Hence, the period of audit covered under e-Governance system was from April 2005 to March 2013. Provisions and controls available in the application software were ascertained through examination of the database and through exception reporting. Audit commenced with an Entry Conference with the Member Secretary, CMDA in February 2013 wherein objectives and scope of audit were discussed. Exit Conference was held with representatives of Government in Housing and Urban Development Department in January 2014 wherein audit findings were discussed. Replies furnished by CMDA to audit observations were duly incorporated in the report.

#### **2.4.6 Audit Findings**

##### **2.4.6.1 *Non reduction in time taken in processing Planning Permission Applications***

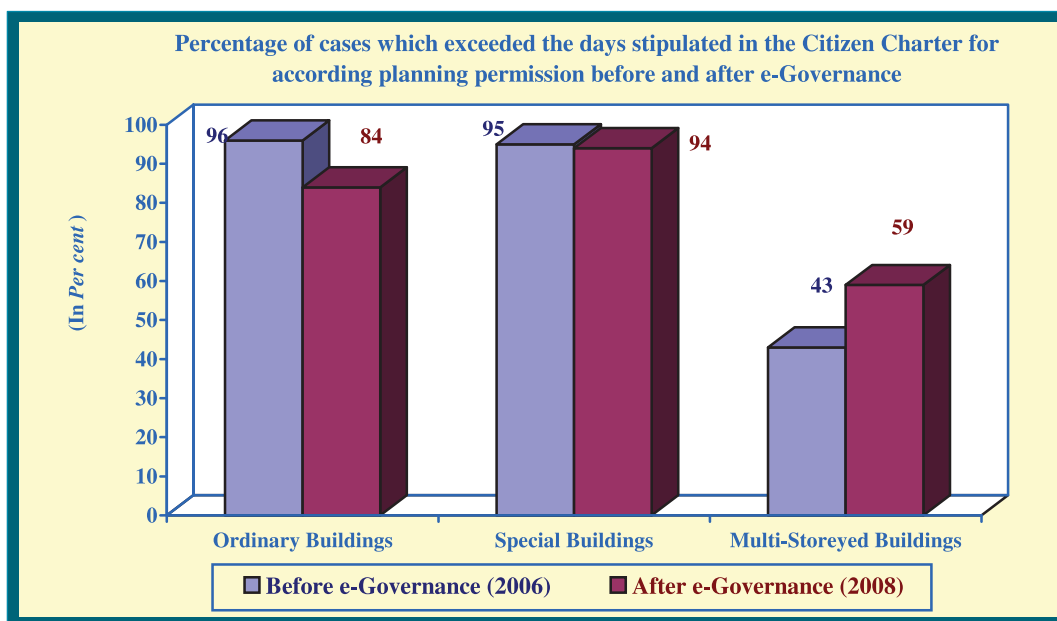
One of the foremost objectives of introduction of e-Governance system in 2007 by CMDA in their regulatory functions was to reduce the time taken in according planning permission. Also, a PPA was to be processed within 45 working days in the cases of ordinary building and special building and 75 working days in the case of a multi-storeyed building according to CMDA's "Citizen Charter".

To examine the performance of CMDA with reference to Citizen Charter in issuing planning permission to different types of buildings before and after implementation of e-Governance, one year prior to e-Governance and one year after e-Governance were selected by audit. For this purpose, the planning permissions accorded during the year 2006 through manual process and the year 2008 i.e. after the introduction of e-Governance system were examined in audit by comparing data available in the system with related manual records. Performance in time taken before and after introduction of e-Governance in respect of PPAs is depicted in the **Chart 2.3** and **Appendix 2.8**.

---

<sup>53</sup> Computer Assisted Audit Techniques

Chart 2.3: Performance in time taken before and after e-Governance



It was observed that though marginal improvement in time taken after e-Governance was noticed in case of ordinary buildings, 84 *per cent* of cases took more than 45 days. In case of special buildings there was no improvement in time taken since 94 *per cent* of the cases took more than 45 days. Similarly, in the case of multi-storeyed buildings 59 *per cent* of the cases took more than 75 days.

Further, to analyse present trend in time taken for according PPAs in the year 2013, 20 cases (10 special buildings and 10 multi-storeyed buildings) were randomly selected from 335 special buildings and 49 multi-storeyed buildings and examined. The results are furnished in **Appendix 2.9**. It was observed in audit that in multi-storeyed buildings, the delay was also attributable to applicant or to external departments. However, in the case of special buildings, the delay was attributable to CMDA in various stages of processing and in none of the test-checked cases was the planning permission accorded within the stipulated time. Therefore, the time frame set in the “Citizen Charter” for disposal of cases i.e. 45 days for special buildings and 75 days for multi-storeyed buildings were not met by CMDA and one of the objectives of introduction of e-Governance *viz.*, “speedy clearance of PPAs” was not achieved.

#### 2.4.6.2 Failure to achieve transparency and web-enabled interaction

In the Project Proposal prepared and agreed to between CMDA and NIC, it was committed that the Work Flow Based System would enable effective monitoring of the status of the file as it passed through each level of scrutiny. Further it was envisaged in the Project Proposal that the status of the file at any stage could be viewed through queries within CMDA and also by the applicants through website to ensure “Transparency in operation”.

Out of 18 modules developed by NIC in consultation with CMDA for e-Governance Work Flow Automation System, one of the modules *viz.*, “Document Scrutiny” was developed for capturing details of ownership.

However, during execution stage, CMDA failed to capture such details in the Document Scrutiny module and the subsequent stages in the workflow system. Instead, CMDA resorted to capturing these vital details after according Planning Permission to eligible PPAs by adopting batch process method.

Break in the work flow, contrary to its own objectives and adoption of batch process method to capture vital details after according Planning Permission deprived the public of the facility to view the status of their application online defeating the objective of improving transparency in CMDA's day-to-day functions.

On the overall implementation of e-Governance, CMDA replied (April 2013) that since the process was not a straight forward one, the problems faced were being rectified and the system would be made operational in future. Business Process Re-engineering Activity should have addressed this issue.

#### **2.4.6.3 Failure of e-Governance Work Flow Automation Process**

Provision was made in the software developed by NIC to capture all data pertaining to a PPA through the system i.e. from "Acknowledgement" to granting "Planning Permission" as depicted in **Flow Diagram 2.2**. However, CMDA processed all PPAs through system up to 'Site Inspection' stage only. To audit queries raised on this issue, it was replied (April 2013 and October 2013) by CMDA that initially issue of capturing "voluminous data" was discussed by CMDA with NIC and it was planned by CMDA to execute the same to ensure paperless office, even though it was a time consuming process. After introduction of Second Master Plan, certain modifications were required to be carried out in software and there was slackness in the process. Moreover, Planning Assistants found it difficult to make voluminous data entries at this screen and hence the process was stopped at this level.

Due to above reason reported by CMDA, software was not used from the stage of 'Document Scrutiny' and the e-Governance implementation came to a halt. As CMDA was aware of the fact that "voluminous" data entry was required to be made at this stage it could have sorted it out with NIC during system design. It could have been flagged at least at the time of testing of the software and consequent simplification done in the data entry process. Instead, CMDA developed another module through NIC to capture backlog entries in respect of "Approved Planning Permission Applications" in the e-Governance system to record transactions in database through a batch process. CMDA employed two data entry operators to key in the backlog data, while no reason was offered for not utilising them to key in data at the bottleneck stage. Registration and Land Revenue departments of the State had data in digitised form on ownership of land, survey number, scanned copy of sale deed and document number. CMDA failed to approach these departments to explore the feasibility of obtaining the data from their online database. CMDA stated that other departments did not have the data required. However, the fact remains that these departments completed digitisation of data in 2001 and 2003.

The following observations are made in this regard –

- When information relating to ownership of land in the Planning Permission file of an applicant is recorded in the manual system and the transaction is completed, the need to enter data electronically

cannot be perceived. Therefore, decision to discontinue the work flow on that basis lacked justification.

- Further, instead of taking any step to resolve the issue and move ahead with the work flow automation process, CMDA decided to continue with a manual approval process, where the critical check of compliance of the building plan with the developmental regulations was done through a standalone computer system (APPAS). This resulted in delays and lack of transparency defeating the stated purposes of computerisation.

CMDA failed to take any action to resolve the issue with NIC and implement the e-Governance work flow automation process in full. Due to failure of CMDA to initiate concrete action, the e-Governance system remained largely incomplete.

During the Exit Conference (January 2014), the Chief Planner, CMDA stated that steps were being taken to put the work flow based system back on track in consultation with NIC.

#### **2.4.6.4 Mapping of rules and input controls**

##### **(i) Non-integration of Automated Planning Permission Application Software with e-Governance system**

In the e-Governance Project Proposal submitted (September 2006) by NIC to CMDA, development of an application software for plan scrutiny was already envisaged. Though scrutiny of plan forms an integral part of the e-Governance work flow automation process, CMDA decided (January 2009) to automate the same only after three years. Development of application software was entrusted (February 2010) at a cost of ₹ six lakh to a private firm selected through tendering process. The firm developed tailor-made software called APPAS, after duly incorporating all parameters as contemplated in the Second Master Plan 2008. Applicants were required to submit the drawings in Compact Discs (AutoCAD format) from 1 June 2012, which would undergo pre-check and detailed scrutiny of plan. The software after several test runs was put to use from November 2012.

Examination of the working of the APPAS software revealed that rules were mapped and outputs generated through the software complying with Development Control Regulations. However, the APPAS software was functioning independently (September 2013) and was not integrated with e-Governance system as originally envisaged in the e-Governance initiatives due to partial implementation of e-Governance system.

CMDA replied (September 2013) that since certain modifications to the existing e-Governance software were to be carried out, integration of APPAS with e-Governance could not be done at this stage.

##### **(ii) Deficiencies in e-Governance database due to lack of validation controls**

As mentioned in paragraph 2.4.6.3, all PPAs were processed by CMDA in the work flow automation process up to 'Site Inspection' stage only rendering the e-Governance database incomplete. To alleviate the situation to certain extent, CMDA appointed (October 2009) two data entry operators to update the e-Governance database by capturing certain critical data in the system in respect of "Approved Planning Permission applications" so as to generate reports from it.



Assistance of NIC was sought for developing a separate module to capture backlog entries in the front-end screen with the same e-Governance database. The ‘Public\_Approved\_Applications’ and ‘Public\_Approved\_Payments’ are two important tables in which the backlog data captured gets stored and form the basis for generating various Management Information System reports by CMDA. Examination of these two tables disclosed the following deficiencies -

- In 66 out of 1,729 approved applications, the approval date was before the date of submission,
- In 112 approved applications, the details about payment of “Development Charges” were not captured in the system and
- Space for vital information was left blank as given in **Table 2.30**.

**Table 2.30: Details of vital information left blank in two important database tables**

Approved Applications (Total No. of records 27,437)		Approved Payments (Total No. of records 70,771)	
Information	No. of records left blank	Information	No. of records left Blank
Approval data	579	SBC Number	33,036
SBC Number	13,072	Type_Charge code	3
Submission date	10,758	Amount paid	15
PP Register Number	2,406	Mode of payment	57,239
Channel	247	Remittance date	11,224
Applicant name	569	-	-
Applicant address	20,845	-	-
Site address	316	-	-
Proposal brief	31	-	-
Floor Space Index(FSI)/ Non-FSI /Open Space Reservation Area	27,148	-	-

Application software should have proper input controls to ensure that information captured is valid, accurate and complete. These deficiencies in the database showed that software lacked adequate input controls. In all these cases, reports generated from the system would be incomplete.

**(iii) Deficiencies in APPAS database**

The System Requirement Specifications (SRS) prepared by the software developer and approved by CMDA provide for the following –

- Provision of a client-server technology along with work flow model
- Creation of a proven Relational Database Management System (RDBMS) for APPAS
- Creation of master tables simultaneously while developing the software

- Provision of secured encrypted passwords to the users
- Creation of log files
- Trusted backup policy

However, APPAS database suffered from following deficiencies due to failure of CMDA to ensure the implementation of commitments made by the developer in the SRS:

- The database is created in MS-Access (a semi RDBMS) which do not provide sufficient controls and ensure security of data. Folders containing the MS-Access database can be deleted by the user easily.
- APPAS software is run on three individual machines (instead of adopting a client-server technology) and the data is stored separately in the above three systems, which are vulnerable to unauthorised access.
- Instead of creating Master tables, the developer incorporated all parameters in coding of the application software itself. Any change in the parameter can be made only by the developer and CMDA is dependent on the software developer for changing the parameters.
- No “unique field” representing file name has been created for each applicant. More than one file number was assigned for an applicant. The file numbers do not have any naming convention. Due to the absence of a unique field, integration of e-Governance database with APPAS database is difficult.
- No “date” was captured in any of the important tables to know the date of processing of the AutoCAD CD.
- No encrypted passwords were assigned by the Administrator to the users. Audit found that “passwords” in readable format were stored in one of the table itself. No logs were created in the tables. Due to the above security lapses, the database is vulnerable to unauthorised access at any stage of operation.
- No systematic and proper backup procedure is followed for APPAS database.

During the Exit Conference (January 2014), the Chief Planner, CMDA stated that efforts were being made to rectify the deficiencies in the APPAS software and to effectively integrate the same with e-Governance software in the near future.

#### **2.4.7 Conclusion**

There was no improvement in time taken for processing the PPA after introduction of e-Governance system and the time frame set in Citizen Charter was not adhered to. Breaks in the work flow led to adoption of batch process, which deprived the public of the facility to verify status of their applications online. This defeated the objective of improving transparency in CMDA’s day-to-day functions. Due to incomplete/partial implementation of e-Governance system, APPAS, the core software for online building plan scrutiny which was originally planned to be integrated with e-Governance system was not integrated. The APPAS database also had deficiencies in its

design. Even after spending ₹ 1.01 crore and six years after the introduction of e-Governance system, CMDA could not achieve planned objectives.

#### **2.4.8 Recommendations**

CMDA may initiate the following actions to make the e-Governance system fully operational:

- Reintroduction of the work flow process by integrating manual check of history of ownership and APPAS.
- Addressing the control weaknesses identified and incorporating the required validations in e-Governance software.
- Conversion of APPAS software from the existing MS-Access database into a complete RDBMS to improve security and provide assurance on integrated working.
- Creation of Master tables for all the parameters set forth in Second Master Plan, 2008.

**CHAPTER III**  
**COMPLIANCE AUDIT**

## CHAPTER III

### COMPLIANCE AUDIT

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

#### *SCHOOL EDUCATION DEPARTMENT*

### 3.1 Functioning of Public Libraries

#### 3.1.1 Introduction

Public libraries play a pivotal role in dissemination of knowledge. The Tamil Nadu Public Libraries Act, 1948 (Act) provides for establishment of public libraries in the State and organisation of comprehensive rural and urban library services. Under the Act and the Tamil Nadu Public Libraries Rules, 1950 (Rules) framed thereunder, 4,093 public libraries<sup>1</sup> were established (as of March 2013) in the State with the objective of inculcating habit of reading among people by providing necessary infrastructure and good reading material both in urban and rural areas. The Act provides for constitution of a State Library Committee for the purpose of advising the Government on matters relating to libraries and a Local Library Authority (LLA) in each district and one in the city of Chennai for the purpose of organising and administering public libraries.

#### 3.1.2 Organisational structure

Public libraries in the State function under the control of the Director of Public Libraries (DPL), who is under the administrative control of Secretary to Government, School Education Department. At district level, District Library Officers (DLOs) carry out functions of LLAs.

#### 3.1.3 Scope of Audit and Audit objectives

Audit of functioning of Public Libraries was conducted in the Directorate of Public Libraries, Chennai and offices of DLOs in four<sup>2</sup> out of 32 districts selected through simple random sampling method between May and August 2013 by test check of records relating to the period 2010-13. Besides the four District Central Libraries, 45 other Libraries<sup>3</sup> in test-checked districts and

<sup>1</sup> State Central Libraries: two, District Central Libraries: 32, Branch Libraries: 1,765, Mobile Libraries: 10, Village Libraries: 1,885 and Part-time Libraries: 399.

<sup>2</sup> Chennai, Cuddalore, Madurai and Namakkal.

<sup>3</sup> Branch Libraries: 35, Village Libraries: eight and Part-time Libraries: two

Connemara Library, Chennai (a State Central Library) were also test-checked. Audit objectives were to assess whether statutory authorities were constituted to administer the libraries, library cess due to be remitted by Local Bodies (LBs) was collected and utilised efficiently, required infrastructure and facilities to readers were made available and adequate human resource was available. Audit findings are discussed in the succeeding paragraphs.

### **3.1.4 Finance and expenditure**

Recurring and non-recurring expenditure on maintenance and administration of public libraries are met from Government funds as well as library cess fund. Library cess leviable under the Act is to be collected by LBs along with property tax/house tax collections and transferred to DLOs.

#### **3.1.4.1 Budget provision and expenditure**

Prior to April 1982, expenditure on staff cost was met out of cess fund collections and matching grant provided by Government. From April 1982, employees of LLAs became Government servants and Government stopped releasing matching grants. Amounts paid by the Government towards salaries, allowances, pensions and other remuneration of the persons employed in the posts specified in the Act were to be repaid to Government by LLAs. Out of 2,325 employees in the Library Department as of August 2013, salaries of 1,305 employees were met from State funds and salaries of 1,020 employees (1,004 of them were Librarians – Grade III) were met from Library fund.

Details of budget provision and expenditure out of Government funds on administration and other functions of the Directorate of Public Libraries, State Central Libraries and other libraries during the period 2010-13 are given in **Table 3.1**.

**Table 3.1: Budget provision and Expenditure**

(₹ in crore)

Year	Budget provision	Expenditure
2010-11	85.50	97.02*
2011-12	49.74	51.35
2012-13	49.63	56.21

\* Includes loan of ₹ 50 crore released to DPL for establishment of Anna Centenary Library

(Source: Appropriation Accounts for the respective years)

#### **3.1.4.2 Mobilisation of revenue**

The Act provides for maintenance of a 'Library Fund' by each LLA to which library cess levied in the form of surcharge on the property tax or house tax levied by LBs is to be paid. With effect from 1 April 1992, cess is collected at 10 paise for every whole rupee in the property tax or house tax collected. Apart from cess, public contributions, gifts and income from endowment funds made for the benefit of the public libraries, specific purpose grants, fees, fines and other amounts collected by LLA under any rules or regulations made

under the Act are to be credited into the Library Fund. Cess fund collected in the State during 2010-13 was ₹ 190.02 crore. Out of Library Fund, 3.88 lakh<sup>4</sup> titles<sup>5</sup> of books were procured at a cost of ₹ 127.45 crore during the period 2010-13.

Details of receipts and expenditure during 2010-13 in test-checked districts are given in **Table 3.2**.

**Table 3.2: Details of Library Fund receipts and expenditure**

(₹ in crore)

Name of the District	Opening Balance	Receipts	Total	Expenditure	Closing Balance
Chennai	0.67	213.58	214.25	212.44	1.81
Cuddalore	0.21	8.41	8.62	8.13	0.49
Namakkal	0.23	9.09	9.32	8.97	0.35
Madurai	1.02	11.47	12.49	12.25	0.24
<b>Total</b>	<b>2.13</b>	<b>242.55</b>	<b>244.68</b>	<b>241.79</b>	<b>2.89</b>

(Source: Accounts Statements of the DLOs)

Of the receipts of ₹ 242.55 crore during 2010-13, library cess received was ₹ 50.48 crore.

The department, in their Policy documents, stated that improving financial resources of public libraries was one of the objectives of the department to provide improved library services to the public. Library cess to be transferred to LLAs by LBs is certified by the Director of Local Fund Audit (DLFA) after completion of audit of accounts of LBs. As the exact amount of library cess to be transferred to them by the LBs is not known to LLAs, they raise demand for library cess by increasing the previous year's demand by 10 *per cent*. It was noticed in audit that LBs failed to transfer cess as and when collected and remittance of library cess was in arrears. DPL stated that cess amounting to ₹ 146.64 crore was due to be remitted by LBs as of March 2013.

Further, DPL submitted (December 2010) a proposal to Government to enhance the rate of cess from 10 paise to 15 paise per every whole rupee of property tax or house tax collected and to instruct LBs to open a remittance account for prompt transfer of cess, which was pending for approval.

Due to non-remittance of cess collected in full by LBs and non-revision of rate of cess by Government, the LLAs could not repay to Government the salary and other expenditure initially incurred out of Government fund as discussed in paragraph 3.1.4.4.

<sup>4</sup> This includes 3.79 lakh titles of books purchased for Anna Centenary Library, Chennai (a newly established Library) at a cost of ₹ 89.61 crore during 2010-11

<sup>5</sup> Each title may contain one or more number of copies

Government replied (October 2013) that instructions were issued to all the DLOs to call for audited accounts of LBs to ascertain details of cess collection for reconciliation and ensuring correctness of library cess received with reference to the property tax collected.

#### **3.1.4.3**            *Short collection of library cess*

Though Government enhanced (April 1992) the library cess to 10 paise for every whole rupee of tax levied, Corporation of Chennai continued to levy cess only at the rate of five paise. Corporation's request to continue collection of cess at five paise citing administrative reasons was rejected by the Government in 2000. The Government, on this being pointed out by DPL, ordered (April 2008) that Corporation of Chennai should enhance the rate of library cess from five paise to 10 paise during the general revision of property tax due from 1 April 2008. However, no revision of property tax was carried out in respect of properties assessed prior to April 2008 and library cess was continued to be levied at five paise for old assessments and at 10 paise in respect of assessment of new properties done from April 2008. Amount of cess collected at five paise during 2008-09 to 2012-13 (up to November 2012) was ₹ 53.43 crore. Thus, cess amounting to ₹ 53.43 crore was not collected by Corporation of Chennai during the above period and remitted to DLO, Chennai.

Government replied (October 2013) that special thrust would be given for collection of cess at enhanced rate by the Corporation.

#### **3.1.4.4**            *Non-repayment of salary and other expenditure to Government*

Government ordered (May 1982) that all persons employed in every LLA in the posts specified in Schedule thereto shall become whole-time Government servants with effect from 1 April 1982. Act was suitably amended (2001) making way for repayment of amounts initially paid by Government towards salaries, allowances, pensions and other remuneration of persons employed in the posts specified in Schedule to the amendment. The Act further provides that Government may, by order, exempt a LLA from repayment of the whole or part of such amounts to be repaid, if it is satisfied that the LLA is not in a position to repay the amounts. It was noticed from information furnished (September 2013) by DPL that nine LLAs did not repay the amounts and 22 LLAs repaid partially an amount of ₹ 14.35 crore out of ₹ 431.76 crore of salaries and allowances due from 31 LLAs<sup>6</sup> relating to period from April 1982 to June 2013. An amount of ₹ 417.41 crore was to be repaid to Government by the 31 LLAs.

The position of amount of pay and allowances met by Government and repaid by the LLAs to Government in four test-checked districts is given in **Table 3.3**.

---

<sup>6</sup> All districts in the State except Salem, which did not furnish the details



Table 3.3: Repayment of pay and allowances by test-checked LLAs

(₹ in crore)

Name of the District	Pay and Allowances drawn from Government Fund	Repayment by the DLO to the Government	Balance to be repaid
Chennai	36.71	Nil	36.71
Cuddalore	18.97	0.33	18.64
Namakkal	10.46	0.54	9.92
Madurai	22.65	0.32	22.33
<b>Total</b>	<b>88.79</b>	<b>1.19</b>	<b>87.60</b>

(Source: Details furnished by DPL)

Government replied (October 2013) that with library cess, the only source of income for LLAs, expenditure had to be met on construction/maintenance of library buildings, purchase of books and periodicals, payment to LLA staff etc. It further stated that sanction of matching grant to the LLAs was also dispensed with after employees of LLAs became Government servants. Hence, LLAs were not in a position to repay pay and allowances to Government. Government further stated that DPL sent a proposal to Government for exempting 13 LLAs from repayment of pay and allowances to the tune of ₹ 42.22 crore which was under its consideration.

#### 3.1.4.5 Non-repayment of loan

DPL, anticipating a grant from Ministry of Art and Culture, Government of India (GoI), requested (July 2010) GoTN to sanction loan for purchase of books for Anna Centenary Library. Accordingly, GoTN sanctioned (September 2010) ₹ 50 crore which was to be repaid within six months along with interest at the rate of 12 *per cent* per annum and failure to repay the principal and interest on due dates attracted levy of penal interest at the rate of 2.5 *per cent* per annum. It was noticed that the anticipated grant from GoI was not received and the DPL did not repay the loan to GoTN as of October 2013. Government stated (October 2013) that DPL was not in a position to repay loan and interest and that action was being taken to speed up process of collection of library cess arrears from LBs for repaying the loan to Government.

### 3.1.5 Statutory Committee and Authorities

The Act and the Rules framed thereunder provide for constitution of a State Library Committee (SLC) for the purpose of advising Government on various matters relating to functioning of public libraries with tenure of three years. Out of 18 members, one member should be nominated from members of Chennai city LLA and four members from district LLAs. However, it was seen that SLC was not reconstituted by the Government for the periods October 2001 to December 2003 and from February 2007 onwards.

The Act further provides for constitution of LLA in each district and in the city of Chennai comprising 10 members nominated from office bearers of libraries, headmasters/principals of schools/colleges and elected representatives of local bodies. However, it was noticed that LLA for Chennai

was not reconstituted for the periods August 2001 to December 2006 and from June 2011 onwards. In respect of other districts, LLAs were not constituted since 1974.

National Knowledge Commission, in its report (March 2009), emphasised involvement of different stakeholders and user groups in the managerial decision-making process for libraries and recommended that they must be run by local self-governments through committees representing users and local community. School Education Department in their policy documents also stated that library movement would be popularised as a people's movement.

Audit noticed that in absence of LLAs, libraries were managed by DLOs as district level units of the DPL without involving the elected representatives of LBs, user groups and headmasters of schools /principals of colleges. Sanctions or approvals regarding opening of new libraries/upgrading the existing libraries, construction of buildings for libraries, provision of infrastructure, purchase of books and staffing were given and all decisions taken at the State level by the DPL and the Government. The deficiencies in infrastructure noticed in the test-checked libraries are brought out in Paragraph 3.1.8.

Government, in reply, stated (October 2013) that action was being initiated to reconstitute LLA for City of Chennai and to amend the provisions in the Act relating to formation of LLAs in other districts.

### **3.1.6 Enrolment of members and readership**

Each library collects a membership fee (ranging from ₹ 30 to ₹ 60 depending on number of books permitted to be taken) which includes a caution deposit from the members and allows them to borrow books from the library. General readers come to the library and read books there itself. The trend in number of members enrolled in the State and average number of readers per day for the period 2010-13 is given in **Table 3.4**.

**Table 3.4: Trend in membership and readership – State**

Year	Number of Libraries	Books	Members	Readers	Average number of readers per day (Number of Readers ÷ 300*)
					Numbers in lakh
2010-11	4,041	535	52	650	2.17
2011-12	4,056	553	53	669	2.23
2012-13	4,093	575	55	649	2.16

\* Average number of readers worked out based on 300 working days in a year

(Source: Annual Reports of DPL)

It was noticed that the average number of readers per day remained almost static during 2010-13.

A comparison of district-wise members of libraries with the number of literates in the district showed that the total members enrolled in libraries in districts, as a percentage to total literates in the districts, varied between 5 and 24. The percentage was less than 10 in Ariyalur, Cuddalore, Kancheepuram, Kanyakumari, Madurai, Pudukottai, Thiruvallur, Tiruvannamalai, Vellore and Villupuram districts as detailed in **Appendix 3.1**.

The trend in number of library members and average number of readers per day for the period 2010-13 in the four test-checked districts are given in **Table 3.5**.

**Table 3.5 : Membership and Readership in the test-checked districts**

Year	Number of Libraries	Books	Members	Readers	Average number of readers per day (Number of Readers ÷ 300)
					Numbers in lakh
2010-11	563	119	8	96	0.32
2011-12	554	122	8	101	0.34
2012-13	567	124	8	101	0.34

(Source: Annual Reports of DPL)

It was noticed that there was no significant increase in the number of libraries, books, members and the average number of readers per day in the test-checked districts.

Government replied (October 2013) that awareness programmes were organised in all districts so as to enrol new members. However, there was no substantial increase in the number of members during 2010-13.

### 3.1.7 Non-functioning of mobile libraries

Mobile libraries operate at designated areas for lending books to members. Out of 10 mobile libraries in the State, six libraries were not functioning. Of them, five<sup>7</sup> were not functioning for want of new vehicles as existing vehicles were not in running condition. For the mobile library in Thanjavur (Rural), the vacant post of driver was not filled up from February 2011.

In Madurai district, though the Madurai (Rural) mobile library was not functioning from August 2000, it was noticed that 2,548 books were supplied to it during the period March 2001 to February 2008. Books belonging to the mobile library (28,280) were kept in the District Central Library.

Government, in reply, stated (October 2013) that mobile library service would be revived from the year 2014-15 and that books distributed to Mobile library in Madurai District were utilised in the District Central Library, Madurai as a temporary measure.

### 3.1.8 Infrastructure

#### 3.1.8.1 Libraries functioning in damaged buildings

In three<sup>8</sup> out of 35 test-checked branch libraries, it was noticed that library buildings were in dilapidated condition posing risks to their staff and visitors as shown in **Pictures 3.1 to 3.3**.

<sup>7</sup> (i) Coimbatore I: vehicle condemned in May 1994, (ii) Coimbatore II: vehicle condemned in January 1994, (iii) Madurai (Rural): Vehicle not working from August 2000, (iv) Kancheepuram (Rural): Vehicle not working from June 2010 and (v) Tiruppur (Rural)

<sup>8</sup> Elachipalayam (Namakkal District) and Melur and Thirumangalam (Madurai District)



**Picture 3.1: Branch Library, Elachipalayam (Namakkal District)**



**Picture 3.2: Branch Library, Thirumangalam (Madurai District)**



**Picture 3.3: Branch Library, Melur (Madurai District)**

Librarian of Elachipalayam Branch Library requested (September 2013) Block Development Officer of the Elachipalayam Panchayat Union for sanction of funds from General fund of Panchayat union or any other funds for repair of library building. However, required funds were not provided (December 2013) by the Block Development Officer.

#### **3.1.8.2** *Insufficient space*

In reply to audit questionnaire, Librarians of 32 out of 50 test-checked libraries stated that racks available in libraries were not sufficient to keep books and as a result the books were kept in bundles on lofts or floor of buildings. Sample photographs are given in **Pictures 3.4** and **3.5**.



**Picture 3.4: Branch Library, Subramaniyapuram (Madurai District)**



**Picture 3.5: Branch Library, Tiruchengode (Namakkal District)**

#### **3.1.8.3** *Toilet facilities*

From the information furnished by Librarians of 23 out of 50 test-checked libraries, it was noticed that toilet facilities for visitors and staff were not provided in library buildings.

#### **3.1.9** *Inadequate staff*

(i) Post of Director of Public Libraries which was vacant from May 2012 was not filled up (December 2013) by Government. Details of posts sanctioned, filled up and those remaining vacant in respect of important posts at the State level are furnished in **Table 3.6**.

Table 3.6: Details of posts sanctioned and filled up - State

Name of the post	Sanctioned	Men-in-position	Vacant posts
District Library Officer	32	16	16
Librarian – Grade I	41	24	17
Librarian – Grade II	197	162	35
Librarian – Grade III	1,889	1,717	172
Inspector of Libraries	17	6	11
Stock Verification Officer	16	16	Nil
Record Clerk	292	149	143
Watchman	142	9	133

(Source: Details obtained from DPL)

Sixteen posts of DLOs were vacant in districts and administration of libraries in those districts was looked after by DLOs of neighbouring districts. There were huge vacancies in the posts of librarian, record clerk and watchman.

Government stated (October 2013) that action was being taken to fill up post of DPL. It further stated that some posts could not be filled up due to cases pending with courts and that action was initiated to fill up vacancies under other posts.

(ii) Details of vacant posts in the test-checked districts are furnished in **Table 3.7**.

Table 3.7: Details of posts sanctioned and filled up - Test-checked districts

Name of the post	Sanctioned	Men-in-position	Vacant posts
District Library Officer	4	2	2
Librarian – Grade I	10	4	6
Librarian – Grade II	38	36	2
Librarian – Grade III	316	274	42
Inspector of Libraries	4	2	2
Stock Verification Officer	3	3	Nil
Record Clerk	73	38	35
Watchman	19	4	15

(Source: Details obtained from DPL)

It was noticed that the post of DLO, Cuddalore District remained vacant for three years and the DLO of Ariyalur District was holding additional charge. Further, the posts of Inspector of Libraries were vacant in Cuddalore and Namakkal districts.

### 3.1.10 Conclusion

Local Library Authorities (LLAs) consisting of user groups and representatives of Local Bodies in the districts were not constituted by the Government. In absence of LLAs, District Library Officers discharged functions relating to planning and decision making. Collection of library cess, which is the main source of income for proper maintenance of libraries, was in arrears. The LLAs could not repay staff cost to Government incurred initially from State funds. In 10 out of 32 districts in the State not even 10 per cent of

literate in the districts have become members in the libraries. In the test-checked districts, library buildings were in dilapidated condition and infrastructural facilities like racks for stacking books and toilet facilities for readers and the staff were lacking. Huge vacancies in the posts of District Library Officer, Librarian, Record Clerk and Watchman were noticed.

## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **3.2 Procurement and utilisation of Medical Equipment**

#### **3.2.1 Introduction**

Medical equipment is an integral part of physical infrastructure of a health setup and an important means of providing various diagnostic and therapeutic services to the people. Availability and optimal utilisation of medical equipment is important for improving quality of health services by facilitating timely diagnosis and treatment and avoiding unnecessary referrals. The Tamil Nadu Health System Project (TNHSP), a World Bank (WB) funded project aimed at addressing existing constraints in accessing and utilising quality health services in Tamil Nadu. TNHSP was implemented in the State from January 2005 and though it came to an end by September 2010, the project was continued as Tamil Nadu Health Additional Financing Project<sup>9</sup> (Project) with the WB assistance from 1 July 2010. The project, which was to close on 30 September 2013, was extended up to September 2014. Total funding for the Project was ₹ 627.72 crore of which WB's assistance was ₹ 564.95 crore and the State share ₹ 62.77 crore.

#### **3.2.2 Organisational structure**

The Project Director (PD), TNHSP is responsible for implementing the project at State level and reports to Principal Secretary to Government, Health and Family Welfare Department. PD, TNHSP prepared procurement plan and on approval by State Empowered Committee and WB, obtained administrative and expenditure sanction from the GoTN. The funds sanctioned for procurement of medical equipment by GoTN were released to the Tamil Nadu Medical Services Corporation (TNMSC). TNMSC was responsible for procuring, supplying, inspecting, installing and commissioning the equipment at the Government Health Institutions (GHIs).

#### **3.2.3 Scope of Audit and Audit objectives**

The Project proposal included procurement of machinery, equipment and consumables at a cost of ₹ 238.97 crore. Records pertaining to sanctions for procurement of medical equipment under the project during 2010-11 to 2012-13 for a total value of ₹ 134.28 crore were examined in audit during July to November 2013 in the offices of PD of TNHSP, TNMSC and 20<sup>10</sup> out

---

<sup>9</sup> Additional Financing would support (i) the continuation of ongoing successful activities under the project and (ii) the scaling up of several activities state-wide

<sup>10</sup> Four Government Medical College Hospitals and 16 Government General Hospitals

of 285 hospitals<sup>11</sup> in the State in four districts<sup>12</sup> selected through simple random sampling method. Audit objectives were to assess whether (i) the funds provided were utilised efficiently, (ii) procurements of equipment were need-based and as per approved procurement plans, (iii) the prescribed tender procedures were followed and (iv) the equipment installed/commissioned in the Government health institutions were put to effective use. Audit findings are discussed in the succeeding paragraphs.

## Audit findings

### 3.2.4 Release and Utilisation of funds

Details of funds sanctioned by GoTN and released to TNMSC by PD, TNHSP under the project and their utilisation up to June 2013 are given in **Appendix 3.2**. It was noticed in audit that out of ₹ 129.06 crore released to TNMSC between April 2010 and March 2013 for procurement of medical equipment, ₹ 55.60 crore (43.08 *per cent*) remained unutilised as on 30 June 2013 of which ₹ 46.26 crore remained unutilised with TNMSC even after more than three years from date of transfer of funds. Audit scrutiny revealed that partial utilisation of funds by TNMSC was mainly due to defective planning by TNHSP, deficiencies in the procurement process of TNMSC and lack of convergence of schemes as some of the equipment planned for procurement were dropped after sanction or procurement remained incomplete due to delay in various stages of the procurement process as detailed in **Appendix 3.3**.

### 3.2.5 Delay in various stages of procurement

Scrutiny of records relating to procurement of equipment revealed the following lapses:

#### 3.2.5.1 Delay in processing/finalising of tenders and award of contract

With a view to reduce delays, time frame for each stage of procurement was prescribed by WB. As per WB approved procurement plan, procurement process was to be completed within a period ranging from six to nine months. However, in test-checked packages as detailed in **Appendix 3.4** this was not completed within the envisaged time frame and in five packages delay was more than two years.

It was noticed in Audit that in one package *viz.*, procurement of VIA/VILI<sup>13</sup> kits a clause for comprehensive annual maintenance contract was included in the tender document erroneously by TNMSC though it was not required as these goods were surgical instruments made of stainless steel as stated by TNMSC. As the error was noticed after opening of bids, retender had to be resorted to by TNMSC as per WB procurement procedure which resulted in delay of more than 16 months from the date of deposit of funds with TNMSC.

<sup>11</sup> 18 Government Medical College Hospitals and 267 Government General Hospitals

<sup>12</sup> Kancheepuram, Kanyakumari, Tiruvannamalai and Vellore

<sup>13</sup> Visual Inspection with Acetic acid (VIA) and Visual Inspection with Lugol's Iodine (VILI) is used for screening of cervical cancer

In reply, PD, TNHSP stated (December 2013) that such occurrences would be avoided in future.

### **3.2.5.2 Incorrect assessment of requirement**

Test check revealed incorrect assessment of requirement of equipment by TNHSP in the following cases:

(i) In order to strengthen and extend existing '108 - emergency ambulance services' for benefit of socially and economically poor, tribal and the urban poor, PD, TNHSP proposed (August 2010) to procure 200 normal size ambulance vans at a cost of ₹ 31.01 crore. Audit scrutiny revealed that after finalisation of tenders, requirement was modified (August 2011) to 170 normal size ambulances and 30 small size ambulances and purchase order was placed at a cost of ₹ 16.13 crore for 170 normal size ambulances. In reply, PD, TNHSP stated (December 2013) that for procurement of small sized ambulances NOC was obtained (October 2012) from WB, bids were re-invited (November 2012) and orders placed (June 2013) for ₹ 1.99 crore. Thus, failure of TNHSP to decide in advance the size of vehicle required for operation in ghat and inaccessible areas led to delay in procurement of ambulances which is still pending (January 2014).

(ii) Sanction (January 2011) accorded by GoTN to establish 32 Mammography units at a cost of ₹ 4.80 crore was not implemented as it was planned (2010) initially to link it with Government Health Insurance Scheme. PD, TNHSP stated (December 2013) that after a series of discussions it was found that mammography unit with conventional X-ray was more useful than the basic model and that tenders floated subsequently were under process. Thus, the envisaged diagnostic facility using mammography units was not available to women patients (January 2014).

(iii) GoTN sanctioned and released (December 2010 and January 2011) ₹ 2.38 crore to TNMSC for supply of 298 Manual Colposcopes to secondary care hospitals and Corporation health facilities in Chennai. Purchase order for supply of 283 units at a cost of ₹ 3.68 crore was placed (April 2012) with a condition to complete supply by August 2012. Subsequently, in the intervening period of October 2012 and March 2013, PD, TNHSP reduced the ordered quantity by 54 units (i.e. to 229 units) citing lack of Gynaecologists/female medical officers in the indenting health facilities and later fixed final requirement at 255 units. In the meantime, the supplier delivered 270 units. The supplier was asked to take back 15 units and not to supply remaining 13 units. Accordingly the supplier took back 15 units.

Incorrect assessment of requirement resulted in excess purchase of 26 units and diversion of excess units to hospitals not covered under the project.

(iv) Five out of 30 Digital X-ray units sanctioned for secondary care hospitals were subsequently diverted to five Medical College Hospitals (MCHs) resulting in non-availability of this sophisticated equipment in five of the 30 targeted hospitals. In reply, PD, TNHSP stated (December 2013) that five Digital X-ray units were diverted considering non-availability of this equipment in the MCHs. The action of TNHSP in diverting five units to



MCHs defeated the scheme objective of strengthening services in secondary care hospitals.

### 3.2.5.3 Avoidable expenditure

As per tender conditions, bid validity period was 90 days and if the award was delayed by a period exceeding 56 days beyond the expiry of initial bid validity, contract price would be increased by three *per cent* of the foreign currency component per annum (5.5 *per cent* per annum in case of local currency component) and payable for each week that elapsed from the expiry of the initial bid validity period to the date of purchase order.

Scrutiny of records revealed that purchase orders in four packages were placed belatedly due to delays in processing of tenders and there was avoidable expenditure of ₹ 48.35 lakh as detailed in **Table 3.8**.

**Table 3.8: Details of delayed purchase orders placed**

Sl. No.	Description of equipment	Delay exceeding bid validity period + 56 days	Amount paid for the delay (In ₹)
1	Ambulance base vehicle	104 days	15,38,180
2	Ring lens	84 days	1,68,942
3	Cryotherapy unit	112 days	1,13,054
4	Digital X-ray, Picture Archiving and Communication System, Cables, Modules, etc.	89 days	30,14,758
	<b>Total</b>		<b>48,34,934</b>

No specific reply was furnished by TNMSC (September 2013).

### 3.2.5.4 Procurement without sanction

Audit scrutiny revealed that though GoTN sanctioned (September 2010) ₹ 21 crore for purchase of 30 Digital X-ray units, TNHSP procured 30 Picture Archiving and Communication System (PACS) along with the X-ray units (January 2012) at an additional cost of ₹ 7.68 crore utilising the unspent provision from other sanctions. In reply (September 2013), TNHSP stated that as the Digital X-ray unit had the capability of sending images via electronic transfer, PACS was included so that networking with Hospital Management Information System (HMIS) could be done. The fact, however, remains that the purchase of PACS was done without GoTN sanction and the procurement was also not ratified by Government (December 2013).

### 3.2.5.5 Delay in supply/installation/commissioning

(i) Scrutiny of records revealed that supply of 34 Dialysis machines with Reverse Osmosis Plants (DROP) to 17 hospitals was not done even after 18 months from placing of purchase order (April 2012) due to non-availability of sites and non-commencement of civil work required for installing them (September 2013) and belated finalisation of electrical contracts for the wiring work. In reply, PD, TNHSP stated (December 2013) that the units would be supplied to all consignees by end of January 2014. However, no justification for delay was given.

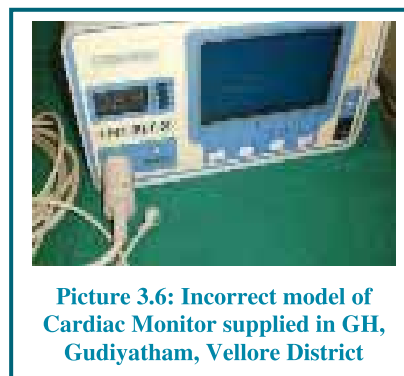
(ii) Though purchase orders for 30 Digital X-ray units with PACS were placed in January 2012 and supply was made between July 2012 and February 2013, it was noticed in Audit that there was delay in installation and commissioning of the units by the supplier as sites were made available only from March 2013. Even after 17 months, two units remained to be installed (December 2013).

(iii) Based on GoTN sanctions (September 2010 and January 2011) for supply of 3,818 Blood Pressure Apparatus (BPA) at a cost of ₹ 30.54 lakh to secondary care hospitals and Corporation health facilities in Chennai, TNMSC placed orders (January 2012) for 2,009 BPAs on successful bidder in the third call. The supplier, however, failed to sign the contract document (by 7 February 2012) and furnish the performance guarantee for the stipulated validity period i.e. up to 30 April 2013. The agreement was signed on 16 May 2012, after expiry of scheduled delivery date (6 May 2012) and performance guarantee was furnished with validity only up to 18 October 2012. In the meantime, manufacturer of the equipment informed (March 2012) TNMSC that supplier was not taking any supply from them against the tender and requested cancellation of purchase order. Only 460 BPAs were delivered by the supplier. Even after more than two years from date of placing of purchase order, penal provisions in the agreement were not invoked against defaulting supplier. TNMSC stated (January 2014) that a final notice was issued (January 2014) to complete delivery of remaining BPAs. The hospitals were, thus, not provided with diagnostic medical equipment envisaged under the project.

#### **3.2.5.6 Inspection of equipment**

As per the Governance and Accountability Plan of the WB Project Paper, TNMSC and TNHSP were responsible for ensuring post despatch and field level inspection for goods and equipment procured under the project. Audit scrutiny revealed that there were instances of lapses in the inspection of equipment received as brought out below:

(i) In the case of procurement of equipment for 32 Poison Care Centres, purchase order was placed (April 2011) for 64 Cardiac Monitors of model 'L& T planet 10' at a cost of ₹ 19.20 lakh whereas the contractor supplied a different make "LNT PLT X". Though units supplied were not as per tender specifications, they were accepted without proper verification. Later, the supplier refunded the cost of the units based on the report of the Bio-Medical Engineer (BME). In reply, PD, TNHSP stated (September 2013) that no penal action against the vendor was contemplated by the department. During visits to two hospitals by Audit along with hospital staff, it was seen that these machines were still fitted in the poison care centres (**Picture 3.6**).



**Picture 3.6: Incorrect model of Cardiac Monitor supplied in GH, Gudiyatham, Vellore District**

(ii) In respect of Digital X-ray machines with PACS, software to connect the system to HMIS was not supplied/installed by vendor and six client personal computers agreed to be provided by TNHSP were not provided. It was noticed in Audit that even in the hospitals where they were installed,

sophisticated radiography machines were being used sub-optimally and the aim of connecting Digital X-ray machines with HMIS was also not achieved. Field visits (July and November 2013) by audit along with hospital staff in two hospitals<sup>14</sup> revealed that the machine supplied to Vellore MCH was not commissioned and put to use (**Picture 3.7**) from the date of supply (26 September 2012). In both hospitals, PACS were not connected with HMIS due to non-compatibility of operating system software. In reply, it was stated that installation of software would be completed by January 2014.



**Picture 3.7: Laptops for PACS kept unpacked – Vellore GMCH**

During test check, it was noticed that inspection of equipment supplied was not carried out by qualified personnel and in several instances the verification/installation certificate was incomplete. In reply, the PD, TNHSP, without giving reasons for the omission, stated (September 2013) that BMEs were instructed to verify the equipment supplied to the hospitals.

### 3.2.5.7 Non-utilisation of equipment

It was noticed in audit that the equipment procured were not installed due to non-availability of three phase power connection and trained staff as discussed below:

(i) Test check revealed that in Vellore and Tiruvannamalai MCHs Hospitals the Digital X-ray units with PACS (costing ₹ 2.20 crore) were not commissioned (**Picture 3.8**) for more than one year due to lack of required power supply, though testing was completed.



**Picture 3.8: Digital X-ray not commissioned at MCH, Vellore.**

(ii) In 17 test-checked Government Hospitals Cryotherapy Units procured (13 received between February 2012 and June 2012 and 4 units received in June 2013) at a cost of ₹ 3.93 lakh were not utilised (**Picture 3.9**) for want of trained doctor.



**Picture 3.9: Cryotherapy Unit not utilised for want of trained doctor in GH, Chengam, Tiruvannamalai.**

As a result, costly equipment procured at a cost of ₹ 2.24 crore were not put to use and the public was deprived of the intended diagnostic services.

### 3.2.6 Conclusion

Deficiencies such as delays in processing and finalisation of tenders and award of contracts, avoidable expenditure due to delays, diversion of equipment procured, non-procurement of equipment included in the approved

<sup>14</sup> Government MCH at Vellore and District Headquarters Hospital at Kancheepuram

procurement plan etc., were noticed. Further, delays in installation due to non-availability of sites and non-utilisation of installed equipment delayed achievement of intended objectives of the WB aided Additional Financing Project in full.

The above points were referred to Government in October 2013; reply has not been received (December 2013).

## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **3.3 Dr. Muthulakshmi Reddy Maternity Benefit Scheme**

#### **3.3.1 Introduction**

Dr. Muthulakshmi Reddy Maternity Benefit Scheme (DMRMBS) was launched (September 2006) by GoTN for welfare of pregnant women of below poverty line (BPL) families. Under the scheme, financial assistance of ₹ 6,000 was given to poor pregnant women to compensate wage loss during pregnancy and to get nutritional food to avoid low birth weight babies. GoTN enhanced the assistance from ₹ 6,000 to ₹ 12,000 to pregnant women who delivered in Government health institutions (GHIs) from 1 June 2011. Cash assistance is given in three instalments on conditional basis<sup>15</sup> and restricted for two deliveries only.

#### **3.3.2 Organisational structure**

At the State level, the scheme is implemented by the Director of Public Health and Preventive Medicine (DPH&PM). At district level, Deputy Directors of Health Services (DDHS's) are the coordinators for implementation of the scheme. Funds allocated under the scheme to districts are distributed to Block Medical Officers (BMOs) by DDHS. BMOs of Block Primary Health Centres (BPHCs) and Zonal Medical Officers (ZMOs) of Corporation of Chennai are authorised to sanction assistance to beneficiaries.

#### **3.3.3 Scope of Audit and Audit objectives**

Records relating to implementation of the scheme during 2011-12 and 2012-13 in three<sup>16</sup> out of 43 Health Unit Districts (HUD) selected through simple random sampling method were test-checked in audit. Further, records of eight out of 27 BPHCs in Erode and Madurai HUDs and two out of seven Zones in the Corporation of Chennai and the Directorate of Public Health and Preventive Medicine (DPH&PM) were test-checked during May to August 2013.

Audit objectives were to assess whether realistic annual targets under the scheme were fixed, identification of targeted beneficiaries was done properly, funds provided were utilised effectively and assistance was provided to beneficiaries in time and monitoring of the implementation of the scheme was effective. Audit findings are given in the succeeding paragraphs.

---

<sup>15</sup> At the seventh month of pregnancy, after delivery and on completion of three doses of vaccination to the child

<sup>16</sup> Chennai, Erode and Madurai

## Audit Findings

### 3.3.4 Financial performance

(i) Details of budget provision and expenditure under DMRMBS for the State during 2011-13 are given in **Table 3.9**.

**Table 3.9 : Details of funds provided in the budget and expenditure**

(₹ in crore)

Year	Budget provisions			Expenditure	Savings in total provision	Savings in the original provisions
	Original	Supplementary	Total			
(1)	(2)	(3)	(4)	(5)	(6) (4-5)	(7) (2 - 5)
2011-12	595.72	61.05	656.77	531.64	125.13 (19)	64.08
2012-13	720.00	11.00	731.00	642.57	88.43 (12)	77.43
<b>Total</b>	<b>1,315.72</b>	<b>72.05</b>	<b>1,387.77</b>	<b>1,174.21</b>	<b>213.56</b>	<b>141.51</b>

Figures in bracket indicate percentage of savings to total provision

(Source: Appropriation Accounts)

It was noticed that entire supplementary provisions of ₹ 61.05 crore and ₹ 11 crore made for the years 2011-12 and 2012-13 respectively, proved unnecessary as there were savings of ₹ 64.08 crore and ₹ 77.43 crore respectively during the years even in the original provisions. Huge savings in both years (₹ 125.13 crore and ₹ 88.43 crore) were due to fixing of unrealistic targets by DPH&PM and non-availing of second and third instalments of assistance by considerable number of beneficiaries as discussed in paragraph 3.3.5.

(ii) Details of funds provided and expenditure in respect of test-checked HUDs during 2011-13 are given in **Table 3.10**.

**Table 3.10 : Details of funds provided to test-checked HUDs and expenditure**

(₹ in crore)

Year	Funds distributed to the districts	Expenditure	Unutilised amount/savings
2011-12	79.77	63.85	15.92
2012-13	85.96	76.99	8.97
<b>Total</b>	<b>165.73</b>	<b>140.84</b>	<b>24.89</b>

(Source: Information furnished by the Corporation of Chennai, DDHS Erode and Madurai districts)

In the test-checked HUDs, funds provided were not fully utilised during 2011-13.

(iii) According to Article 94 of the Tamil Nadu Financial Code, funds should not be drawn in advance of requirement. BMOs were instructed (November 2011) to present bills for actual amounts based on computer generated beneficiaries lists, draw the amount and transfer to banks for credit to beneficiaries' savings bank accounts. DPH&PM reiterated (April 2012) that after generation of beneficiary list from Pregnancy Infant Cohort

Monitoring Evaluation (PICME)<sup>17</sup> system, bills should be presented to treasury for transfer of funds to beneficiaries' accounts through Electronic Clearance Service and that no advances should be drawn.

It was, however, noticed that DDHS, Madurai drew an advance of ₹ 2.56 crore from the bank account out of funds allocated for Madurai district for the year 2011-12 and released (3 April 2012) the amount to the Commissioner, Madurai Corporation for providing assistance to poor pregnant women. The amount was not utilised by the Corporation due to delay in allotting PICME numbers and opening of bank accounts by applicants. As instructed by DPH&PM, Commissioner remitted (20 April 2012) the entire amount to the Government. Thus, funds earmarked for disbursements to poor pregnant women in Madurai HUD for the year 2011-12 were not utilised.

### 3.3.5 Physical performance

(i) Details of targets fixed by DPH&PM for covering poor pregnant women under the scheme and achievements thereagainst in the State are given in **Tables 3.11**.

**Table 3.11 : Details of targets and achievements (State)**

Year	Estimated pregnant women (ANC* target)	Targeted number of beneficiaries (60 per cent ANC target)	Achievement	First instalment	Second instalment	Third instalment
2011-12	11,97,960	7,18,776	6,73,093(94)	NA	NA	NA
2012-13	11,88,878	7,13,325	6,64,469(93)	6,64,469	4,22,577(64)	2,90,621(44)
<b>Total</b>	<b>23,86,838</b>	<b>14,32,101</b>	<b>13,37,562</b>			

\* Ante-natal care NA: Not available  
(Figures in brackets indicates percentage of achievement)  
(Source: Information furnished by the DPH&PM)

Each year, out of targeted pregnant women for ante-natal care in the State which included pregnant women from above poverty line families also, 60 per cent was taken as poor pregnant women for availing health care services in Government health institutions and coverage under DMRMBS.

DPH&PM clarified that targets were fixed for subordinate officers to cover more pregnant women under the scheme.

As seen from **Table 3.11**, 36 per cent of the beneficiaries who availed the first instalment of DMRMBS opted for deliveries in hospitals other than Government hospitals and hence did not avail subsequent instalments of assistance.

(ii) Details of targets and achievements thereagainst in respect of test-checked HUDs are given in **Table 3.12**.

<sup>17</sup> A software used by the department to keep tabs on mothers and children throughout their ante-natal period and on newborns until the age of one year

Table 3.12 : Details of targets and achievements (Test-checked HUDs)

Year	Target	Achievement		
		First Instalment	Second Instalment	Third Instalment
<b>Chennai</b>				
2011-12	48,000	23,895 (50)	18,946 (79)	15,646 (65)
2012-13	43,800	27,957 (64)	22,074 (79)	19,883 (71)
<b>Total</b>	<b>91,800</b>	<b>51,852 (56)</b>	<b>41,020 (79)</b>	<b>35,529 (69)</b>
<b>Erode</b>				
2011-12	19,554	11,216 (57)	7,184 (64)	4,755 (42)
2012-13	19,200	14,921 (78)	10,516 (70)	9,775 (66)
<b>Total</b>	<b>38,754</b>	<b>26,137 (67)</b>	<b>17,700 (68)</b>	<b>14,530 (56)</b>
<b>Madurai</b>				
2011-12	33,330	18,462 (55)	14,363 (78)	5,809 (31)
2012-13	33,300	17,630 (53)	16,130 (91)	14,647 (83)
<b>Total</b>	<b>66,630</b>	<b>36,092 (54)</b>	<b>30,493 (84)</b>	<b>20,456 (57)</b>

(Figures in brackets indicates percentage of achievement)

(Source: Information furnished by the Corporation of Chennai, DDHS Erode and Madurai districts)

In the test-checked districts, achievements in respect of the first instalment was 54 to 67 *per cent* of the targets fixed. Only 68 to 84 *per cent* of the beneficiaries, who availed the first instalment, availed the second instalment and 56 to 69 *per cent* availed the third instalment. DDHS's of the test-checked districts stated that the number of cases under the second and third instalment disbursement was less as some of the pregnant women opted for deliveries in hospitals other than Government hospitals.

### 3.3.6 Delay in providing financial assistance

Main objective of the scheme was to improve nutritional and health status of poor pregnant woman and child and to ensure that the cash assistance reaches all eligible beneficiaries in time. The first instalment of ₹ 4,000 was to be given at the seventh month of pregnancy to every pregnant woman who avails all required ante-natal health services. Second instalment of ₹ 4,000 was to be given after delivery to the mother who delivers at the Government Health Institutions and the third instalment of ₹ 4,000 was to be given on completion of third dose of vaccine for the child.

In 8,368 cases test-checked by audit (cases of delivery occurred during the month of September to November of 2011 and 2012) delays ranging from 1 to 26 months were noticed in disbursement of first instalment of assistance. Though first instalment was to be paid in the seventh month of pregnancy it was paid to 7,965 beneficiaries only after delivery. Similarly, in 7,949 cases delays ranging from 1 to 23 months were noticed in payment of second instalment after delivery, though it was to be paid immediately after delivery as detailed in **Table 3.13**.

Table 3.13: Details of delays in disbursement of assistance

District	First instalment		Second instalment	
	No of cases	Delay in months	No of cases	Delay in months
Chennai	4,364	1 to 25	4,227	1 to 22
Erode	1,739	1 to 26	1,580	1 to 20
Madurai	2,265	1 to 26	2,142	1 to 23
<b>Total</b>	<b>8,368</b>		<b>7,949</b>	

(Source: Details from PICME)

When reasons for delay in payment of assistance were called for from BMOs/ZMOs in audit, they replied that funds for the year 2011-12 were made available to them only in November 2011 and January 2012. However, delays were noticed in the year 2012-13 also and the delay exceeded two years in some cases. Due to abnormal delays in payment of assistance, objectives of compensating poor women's wage loss during pregnancy and enabling them to get nutritional food to avoid low birth weight babies were defeated.

### **3.3.7 Pending applications**

It was noticed in audit that in two test-checked HUDs<sup>18</sup>, though 1,276 applications pertaining to 2010-11 were pending, BMOs/ZMOs surrendered entire unutilised amount of ₹ 25.83 lakh. Due to non-provision of additional funds subsequently, applications remained pending as of December 2013.

### **3.3.8 Delay in crediting assistance to beneficiaries' accounts**

From scrutiny of bank statements and information received (October 2013) from the Nodal Bank, it was noticed that out of ₹ 4.39 crore released during 2012-13 to bank by Teynampet Zone of Corporation of Chennai for crediting assistance to 10,968 beneficiaries' accounts through Electronic Clearance Service, ₹ 47.32 lakh pertaining to 1,183 beneficiaries was not credited to the beneficiaries' accounts and remained with bank as of September 2013. It was stated that non-credit was due to mismatch of details furnished by the Zone with that of the nodal bank. Thus, 1,183 beneficiaries could not get maternity assistance under the scheme in time.

It was further noticed that the bank made excess transfer of ₹ 26.40 lakh (due to double credit) to 660 beneficiaries' accounts and recovered only ₹ 14.69 lakh from those beneficiaries and ₹ 11.71 lakh was not yet recovered and credited to the bank account maintained for the scheme by the Zone.

### **3.3.9 Monitoring**

As per scheme guidelines, the Sector Health Nurse /Community Health Nurse has to verify all details of beneficiaries and BMO/ZMOs concerned should conduct random checks. However, no such records to verify whether any such checks were conducted by BMOs/ZMOs concerned were made available to audit.

To ensure that benefit of the scheme reaches the entitled beneficiaries, Government ordered (September 2006) the District Collectors and the DDHS to undertake audit and inspection. Further, DPH&PM, while sanctioning funds, reiterated that District Audit parties were to verify all BPHCs accounting system once a fortnight thoroughly. However, it was noticed in Audit that no audit team was formed in the test-checked districts.

### **3.3.10 Conclusion**

During the period 2011-13, an amount of ₹ 1,174.21 crore was spent by Government on providing cash assistance to poor pregnant women under the

---

<sup>18</sup> Chennai and Erode



scheme. There were savings in budget provisions as physical targets were not fixed realistically. Thirty six *per cent* of the beneficiaries who availed the first instalment opted for deliveries other than in Government Hospitals and hence had not availed subsequent instalments. Audit noticed delays ranging from 1 to 26 months in disbursement of cash assistance.

The above points were referred to Government in November 2013; reply has not been received (December 2013).

### 3.4 Excess payment/wasteful and infructuous expenditure

#### REVENUE AND HOUSING AND URBAN DEVELOPMENT DEPARTMENTS TAMIL NADU SLUM CLEARANCE BOARD

##### 3.4.1 Wasteful expenditure on construction of temporary shelters

**Temporary shelters constructed at a cost of ₹ 1.83 crore to accommodate slum families remained unoccupied for more than three years and were dismantled subsequently rendering the expenditure wasteful.**

Government sanctioned (December 2006) ₹ 128.10 crore under the World Bank-aided Emergency Tsunami Reconstruction Project (ETRP) for construction of multi-storeyed tenements in Marina, Chennai by demolishing existing 2,862 slum tenements which were structurally weak and in dilapidated condition. Government also sanctioned (December 2006 and February 2008) ₹ 12.84 crore for construction of 3,636 temporary shelters to accommodate slum families during the period of reconstruction. Chief Engineer of Tamil Nadu Slum Clearance Board (TNSCB) technically sanctioned (March 2008) an estimate for construction of temporary shelters at a cost of ₹ 12.98 crore.

Construction of 2,159 shelters (Package I) in four different sites<sup>19</sup> was awarded (November 2008) to a contractor for ₹ 12.46 crore<sup>20</sup> and 1,532 shelters were completed (March 2010) at a cost of ₹ 9.78 crore. Of 1,532 shelters, 300 remained vacant from March 2010 as occupants of old tenements did not accept the housing scheme and refused to move to the temporary shelters.

Scrutiny of records (April 2013) of TNSCB revealed that the World Bank (WB) insisted (February and September 2007) that the Project Director, ETRP and TNSCB identify number of families required to be shifted to temporary shelters after obtaining their options in writing and to incorporate actual number of shelters in the bid documents. WB also requested TNSCB to send complete list of beneficiaries prior to bid evaluation. However, options in writing could not be obtained by TNSCB due to non-cooperation of beneficiaries in accepting the reconstruction project. List of beneficiaries alone was finalised and published in August 2009 and even at that time and afterwards, occupants of

<sup>19</sup> Nochikuppam and Nochi Nagar (258 and 1126 Numbers), Selvarajapuram and Dommingkuppam (490 and 285 Numbers)

<sup>20</sup> Based on 2008-09 Schedule of Rates with tender excess of 29.35 *per cent*

Dommingkuppam and Selvarajapuram tenements refused to vacate old tenements. Hence, construction of permanent tenements for these two areas was deleted (December 2010) from ETRP. Unoccupied temporary shelters were dismantled (April 2013) by TNSCB.

Thus, TNSCB's advance action to construct temporary shelters before finalisation of the reconstruction project for occupants of Dommingkuppam and Selvarajapuram tenements was injudicious as the occupants did not furnish their options in writing for accepting the project. Temporary shelters constructed at a cost of ₹ 1.83 crore<sup>21</sup> remained unoccupied for more than three years and the subsequent dismantlement of the shelters rendered expenditure wasteful.

When the matter was referred to Government, Secretary, Housing and Urban Development Department stated (November 2013) that temporary shelters were proposed in the initial stage to convince people of the area and to make them opt for permanent shelter programme and that most of the people of the project area gave their oral consent at the initial stage. However, shelters with temporary structures could be constructed within a short period of time and TNSCB could have waited till finalisation of the permanent shelter programme.

### **3.5 Avoidable expenditure/Extra expenditure**

#### **HEALTH AND FAMILY WELFARE DEPARTMENT**

##### **3.5.1 Avoidable expenditure**

**Failure of State Illness Assistance Society to furnish required documents to GoI in time resulted in non-availing of GoI assistance of ₹ 12 crore and avoidable additional expenditure of ₹ 9.50 crore from State fund.**

GoI, Ministry of Health and Family Welfare introduced (December 1996) a scheme for providing financial assistance to poor<sup>22</sup> to enable them to get specialised treatment in cases of serious illness by establishing a fund at the state level. GoI was to release grant-in-aid to States to the extent of 50 per cent of the State's contribution in a year subject to a maximum of ₹ five crore. Accordingly, GoTN constituted (March 1997) Tamil Nadu State Illness Assistance Fund (Fund) and formed (March 1998) State Illness Assistance Society (Society). Release of matching contribution by GoI was subject to submission of (i) performance report, (ii) Utilisation Certificates (UCs), (iii) audit certificates and (iv) documentary proof for having published list of beneficiaries in a leading state level newspaper and for credit of State's contribution to fund account.

Scrutiny of records (November 2012) revealed that during the period 1998-2012 GoTN received only ₹ 12 crore as GoI contribution as against ₹ 24 crore (50 per cent of State's contribution of ₹ 48 crore during

---

<sup>21</sup> Proportionate expenditure for 300 shelters (₹ 9.78 crore x 300/1532 = ₹ 1.92 crore minus ₹ 0.09 crore being receipts from disposal of dismantled materials)

<sup>22</sup> Members of BPL families

1998-2012) due from GoI. Out of balance ₹ 12 crore due from GoI, ₹ 9.50 crore<sup>23</sup> pertained to its share due for the period 2006-09.

When GoTN requested (March 2007) GoI to release further matching share against the State's contributions, GoI stated that any further demand for grant-in-aid would be considered only on submission of documents as required in scheme guidelines. Director of Medical and Rural Health Services (DMRHS) informed (February 2010) GoI that funds were released to Government Medical Institutions (GMIs) as revolving funds were not fully utilised by GMIs and that list of beneficiaries could be furnished only on utilisation of the entire amount. Besides, UC for ₹ 6.02 crore of Society's funds transferred (March 2005) to the Chief Minister's Public Relief Fund operated by the Finance Department was also not obtained. As required documents for release of GoI matching contribution pertaining to the period 2006-09 were not furnished, no contribution was released by GoI. GoI categorically stated (January 2012) that release of funds on GoTN's earlier contributions could not be considered.

Thus, failure on the part of the Society and department to watch timely utilisation of revolving fund, publication of beneficiary details in the newspapers and receipt of UCs from GMIs and District Collectors for compiling them and sending to GoI in complete shape in time for claiming its contribution resulted in non-availing of GoI assistance of ₹ 12 crore. As a result, there was avoidable additional expenditure of ₹ 9.50 crore (50 per cent of State's contribution of ₹ 19 crore during 2006-09) from the State fund.

On this being pointed out in audit, Secretary, H&FW Department, stated (January 2013) that GoI had been addressed (September and December 2012) to release contribution due to the State. However, the fact remains that GoI had already expressed its inability (January and August 2012) to release matching grants on GoTN's earlier contributions.

### HIGHER EDUCATION DEPARTMENT

#### 3.5.2 Extra expenditure due to defective preparation of estimates

**Failure of Executive Engineer, Technical Education Division, Madurai to prepare and adopt observed data for special item of work in the estimates inflated estimated cost of works and resulted in extra expenditure of ₹ 1.36 crore.**

Public Works Department (PWD) prepares detailed estimates of works by arriving at rates of various items of work included in the estimates based on the data<sup>24</sup> from the Standard Data Book of PWD and Schedule of Rates (SoRs). For any special item of work for which there is no data in the Data Book, Executive Engineer (EE) concerned should prepare observed data and get it approved by Superintending Engineer (SE) concerned for adopting it for arriving at the rate for that special item of work.

<sup>23</sup> 50 per cent of ₹ 19 crore of GoTN share released during 2006-07 (₹ nine crore), 2007-08 (₹ five crore) and 2008-09 (₹ five crore)

<sup>24</sup> Materials and their quantities and the category of skilled/unskilled labour and their numbers required for one unit of finished work (Square metre/cubic metre/running meter, etc.)

District Collector, Madurai accorded administrative sanctions to 86 works for 'providing cement concrete designed paver block flooring' in roads, parks, schools, colleges, etc., at a total cost of ₹ 5.65 crore during 2007-11 for execution through EE, Technical Education Division, Madurai. EE technically sanctioned estimates of works and executed them through contractors at a cost of ₹ 5.59 crore during 2007-11.

Scrutiny of records (December 2011) revealed that EE adopted (July 2007) in the estimates rates of ₹ 1,000 per sq.m. for 60 mm thick concrete paver block flooring and ₹ 1,200 per sq.m. for 80 mm concrete paver thick flooring by obtaining quotations from the market instead of preparing observed data for the special item of work and adopting the approved data for arriving at the rates. EE adopted the rates of ₹ 1,000 / ₹ 1,200 per sq.m. respectively in all estimates prepared and sanctioned by him during 2007-11. Audit noticed that the State Highways Department had approved observed data for this special item of work. EE failed to obtain data from the Highways Department for the item of providing 100 mm thick concrete paver block flooring. The rate for the item of work adopted by Highways Division, Madurai during 2011-12 was ₹ 874.50 per sq.m. Rates for 60 mm and 80 mm thick paver block flooring, worked out applying Highways data and adopting SoRs for the years 2007-08 to 2010-11 were far less (₹ 664 to ₹ 690 per sq.m. for 60 mm thick paver block flooring and ₹ 735 to ₹ 770 per sq.m. for 80 mm). The adoption of market rates by EE inflated the estimated cost by ₹ 1.31 crore as given in **Appendix 3.5**.

EE was empowered to accept tenders for value of work not exceeding ₹ 10 lakh with tender excess up to five *per cent* of departmental value. Audit noticed that estimated value of each of 86 works was ₹ 10 lakh or less. The tender excess in respect of all the works was within five *per cent* and all the tenders were accepted by EE and work orders issued. The contractors were paid ₹ 4.06 crore for a total quantity of 37,281 sq.m. of paver block flooring. The estimated value of the item of work in the 86 works adopting the rates arrived at based on Highways data was ₹ 2.57 crore only. The agreed rates at which the contractors were paid were in excess of the rates arrived at by 51 to 71 *per cent* and the percentage of tender excess was beyond the EE's power of acceptance.

Applying maximum percentage of tender excess (five *per cent*), up to which EE was empowered to accept tenders, on the estimated value of ₹ 2.57 crore (86 works) the total value of work would come to ₹ 2.70 crore only. Thus, defective preparation of estimates by EE adopting the market rate for concrete paver block flooring resulted in extra expenditure of ₹ 1.36 crore (₹ 4.06 crore - ₹ 2.70 crore).

The matter was referred to Government in July 2013; reply has not been received (December 2013).

### 3.6 Regularity issues and others

#### HEALTH AND FAMILY WELFARE DEPARTMENT

##### 3.6.1 Non-maintenance of telemedicine facilities

**Failure of the Department to operate and maintain telemedicine facilities created at a cost of ₹ 2.29 crore resulted in idling of the equipment and instruments for more than three years**

GoI approved (October 2006) “Setting up of telemedicine<sup>25</sup> facilities in Tamil Nadu” at a cost of ₹ 2.72 crore<sup>26</sup>. The project envisaged linking Government Royapettah Hospital (GRH), Chennai with six district headquarters hospitals<sup>27</sup> for teleconsultation services. GoI entrusted setting up and running the project including provision of software and technical support to the Centre for Development of Advanced Computing (C-DAC), Pune and DCL Software Limited (DCLSL), Chennai up to November 2009. As per conditions of approval by GoI, GoTN was to provide support to operate and maintain facilities for a period of five years after the completion of project period.

GoI released (October 2006 to June 2009) grants-in-aid of ₹ 2.23 crore to C-DAC and DCLSL who incurred expenditure of ₹ 2.29 crore on the project. During project period, 650 teleconsultation sessions were conducted. On completion, equipment and instruments were handed over (December 2009 and May 2010) to respective hospitals by DCLSL.

Scrutiny of records (August 2012) revealed that GoTN directed (November 2009) the Electronics Corporation of Tamil Nadu (ELCOT) to send proposal to Government for maintenance of telemedicine centres. ELCOT submitted (January 2010) an estimate for ₹ 43.50 lakh per annum for maintenance of the project. GoTN, however, instructed (May 2010) Director of Medical Education (DME) to carry out cost-benefit analysis on ELCOT’s proposal. Even though GoTN insisted (October 2011) ELCOT to submit a detailed report to DME, no such report was received (January 2013).

It was noticed in audit that telemedicine centres were manned by staff of DCLSL during project period and staff required to operate and maintain project after the project period were not trained. Thus, failure of the department to identify suitable personnel and train them resulted in discontinuance (from December 2009) of the project which was completed at a cost ₹ 2.29 crore.

When this was pointed out in audit, the Superintendent of GRH stated (August 2012) that maintenance of the project could not be done due to non-receipt of report from ELCOT and for want of Government sanction and provision of funds. It was further stated that trained personnel to run the project were not available in hospitals. DME stated (December 2012) that restoration of the

<sup>25</sup> Telemedicine is the use of medical information exchanged from one site to another via electronic communications to improve, maintain, or assist patient’s health status

<sup>26</sup> Government contribution of ₹ 2.28 crore and State contribution of ₹ 43.70 lakh

<sup>27</sup> Kancheepuram, Krishnagiri, Rameswaram, Thiruvallur, Tiruvannamalai and Udhamandalam

project was time-consuming and action would be taken to continue the project on receipt of Government order. However, the fact remains that the Department was aware that project period was to expire in November 2009 and continuance of the project depended on availability of trained personnel.

The matter was referred to the Government in May 2013; reply has not been received (December 2013).

### **HIGHER EDUCATION DEPARTMENT**

#### **ANNA UNIVERSITY - REGIONAL CENTRE, COIMBATORE**

#### **3.6.2 Injudicious procurement of machinery and their non-installation**

**Procurement of machinery at a cost of ₹ 5.47 crore for setting up a laboratory by Anna University of Technology, Coimbatore without ensuring availability of space for their installation resulted in non-installation for more than three years.**

Anna University of Technology<sup>28</sup>, Coimbatore (University) invited (November 2008) tenders for supply, installation and maintenance of used precision machinery for setting up of Mechanical/Manufacturing workshop with Computer Numerically Controlled (CNC) machinery for conducting practical classes to students. Firm to whom purchase orders were placed (November 2008) to supply 12 items of machinery costing 13.30 lakh Singapore dollars (₹ 4.44 crore approximately) supplied 11 out of 12 items of machinery ordered between June 2009 and May 2010 and University paid ₹ 4.42 crore to the firm. One machine for a value of ₹ 0.13 crore was not supplied by it. Further, the University incurred an expenditure of ₹ 1.05 crore on customs duty, bank charges, etc. All 11 items of machinery received were not installed (December 2013).

Scrutiny of records (November 2010 and March 2013) revealed that proposal (8 November 2008) to procure machinery was approved (9 November 2008) by Vice-Chancellor (VC) of the University and tenders were invited on 12 November 2008. Though three firms obtained tender schedules from University, only one firm quoted for supply of the machinery and its offer was accepted (29 November 2008) by VC and supply order placed same day. It was noticed in audit that full payment was made for 10 items of machinery and 95 *per cent* of cost for two items of machinery, even though agreement provided for payment of only 70 *per cent* of cost on delivery of the machinery. It was also noticed that availability of space for installing the machinery was not ensured by the University before placing supply order. Consequently, machinery supplied was kept in sealed condition in the University (December 2013).

As the CNC laboratory was not established, University revised its curriculum for third year B.E. programme in Mechanical Engineering based on the laboratory facilities available in the nearby institutions and conducted practical

---

<sup>28</sup> The University was merged with the Anna University, Chennai and is functioning as Anna University – Regional Centre (AU-RC) with effect from 1 August 2012

classes for the 2007 and 2008 batch students in those institutions incurring an expenditure of ₹ 2.56 lakh. The course was discontinued in 2009. In response to notices served (between July 2010 and July 2012) by the University, the firm stated that remaining one machine would be supplied and requested (January and June 2011 and July 2012) the University to arrange for space, power supply and other facilities for installation of the machinery already supplied. The University, however, could not provide them for installing the machinery (December 2013).

Thus, injudicious procurement of machinery by the University without ensuring availability of space for installing them resulted in their non-installation for more than three years.

In reply, Government stated (December 2013) that most of the machinery were under the category of heavy duty production machinery which required proper foundation for erection in the presence of experts in CNC field and that the process would take a few months. Government further stated that a vigilance enquiry in this regard was pending and further action taken in this regard would be intimated to audit.

### HOME DEPARTMENT

#### 3.6.3 Delay in implementation of centrally sponsored scheme

**Despite release of ₹ 10.45 crore by GoI for Strengthening of Fire and Emergency Services, financial sanctions were accorded by GoTN for ₹ 4.26 crore only as against the approved outlay of ₹ 13.06 crore resulting in non-achievement of objective of the scheme.**

GoI introduced (November 2009) a centrally sponsored scheme “Strengthening of Fire and Emergency Services in the country” with funding by GoI and the State in the ratio of 75:25. The scheme, planned to be implemented during 2009-12, aimed at strengthening fire and emergency services in the country and to transform fire services into multi-hazard response force to meet emergency situations and filling existing gaps in fire fighting and rescue capability of States through introduction of modern technology such as Advanced Water Tenders (AWTs), Quick Response Vehicles (QRVs), and High Pressure Pumps (HPPs).

GoI approved (November 2009) ₹ 13.06 crore<sup>29</sup> for Tamil Nadu for procurement of 19 AWTs, 30 QRVs, 60 HPPs and 60 sets of self-contained combination tools and prohibited any deviation from the number and technical specifications laid down. GoI released (between January 2010 and May 2011) its share of ₹ 10.45 crore and GoTN released (between April 2010 and September 2011) ₹ 0.85 crore only against its share of ₹ 2.61 crore (25 per cent of central share). Though GoTN accorded (April 2010) administrative sanction for scheme for ₹ 13.06 crore, it accorded financial sanctions for ₹ 4.26 crore only as of July 2013 for procurement of 9 out of 19 AWTs, 8 out of 30 QRVs, 8 out of 60 HPPs and 22 out of 60 sets of self-contained combination tools. Director of Fire and Rescue Services (DFRS) procured (between April 2010 and March 2013) sanctioned items incurring an

<sup>29</sup>

GoI share: ₹ 10.45 crore and GoTN share: ₹ 2.61 crore

expenditure of ₹ 3.95 crore and allotted (April 2013) procured items to some of the targeted fire stations/ districts.

Scrutiny of records (April and July 2013) revealed that though chassis for nine AWTs were procured (April 2010) and sent (July 2010) to Tamil Nadu State Transport Corporation (TNSTC), Coimbatore for fabrication work, TNSTC could complete and deliver nine AWTs only in March 2013 due to belated release of payment to TNSTC by DFRS (October 2011) on receipt of financial sanction from GoTN (September 2011). In order to keep expenditure within sanctioned amount, DFRS instructed TNSTC not to provide telescopic masts with lamps in the AWTs. Further, a mandatory set of standard accessories (65 items) for nine AWTs already acquired were also not procured by DFRS (July 2013). Thus, due to non-release of adequate funds by GoTN, despite release of funds by GoI, nine AWTs<sup>30</sup> now deployed are deficient due to non-provision of telescopic masts with lamps and standard accessories which are minimum technical requirements.

GoI released (May 2011) third instalment of ₹ 7.04 crore to GoTN for purchase of remaining 10 AWTs, 22 QRVs, 52 HPPs and 38 sets of self-contained combination tools. It was noticed in audit that DFRS was not informed of the credit of third instalment of central share by Secretary to Government, Finance or Home Department. On receipt of information from GoI that the central share was released in May 2011 itself, DFRS submitted (October 2012) a proposal to GoTN for procurement of the remaining items at a cost of ₹ 9.93 crore and Government sought (April 2013) certain clarifications and detailed report from DFRS. Revised proposal submitted (July 2013) to GoTN for ₹ 9.45 crore was under consideration (September 2013) of GoTN.

The scheme, scheduled to be implemented during 2009-12, was not yet completed (September 2013) and even though GoTN received central share fully it accorded financial sanction for ₹ 4.26 crore only as against the approved outlay of ₹ 13.06 crore resulting in non-procurement of remaining equipment and tools. Thus, objective of transforming the fire services into a multi-hazard rescue force was not fully achieved even after 18 months from end of the scheme period.

The matter was referred to the Government in September 2013; reply has not been received (December 2013)

## ***LABOUR AND EMPLOYMENT DEPARTMENT***

### **3.6.4 Idle mobile weighbridge testing units**

**Non-sanction of posts of driver and helper and maintenance expenditure to operate mobile weighbridge testing units supplied free of cost by GoI resulted in idling of three units costing ₹ 1.78 crore for two to three years.**

As per Tamil Nadu Legal Metrology (Enforcement) Rules, 2011 notified under the Legal Metrology Act, 2009 (Act), weighbridges are to be verified at

---

<sup>30</sup> (i) Chennai (North), (ii) Coimbatore (South), (iii) Cuddalore, (iv) Erode, (v) Madurai, (vi) Salem, (vii) Tiruchirappalli, (viii) Tirunelveli and (ix) Vellore



least once within a period of 12 months to ensure accuracy of readings and stamped. There are 2,875 weighbridges in the State with a capacity of up to 40 metric tonnes (MTs).

In order to strengthen weights and measures infrastructure and to reduce time taken for verification and stamping of weighbridges, GoI supplied (August 2008) two mobile weighbridge testing units<sup>31</sup> costing ₹ 1.08 crore to Tamil Nadu. GoTN was responsible for upkeep and maintenance of units. Testing units, distributed (August 2008) to Inspectors of Labour, Tiruvallur and Coimbatore, were put to use from June 2009 after posting of drivers. In July 2010, GoI supplied two more units with lesser capacity<sup>32</sup> costing ₹ 1.24 crore and the units were distributed to Inspectors of Labour, Tiruchirapalli and Thoothukudi. GoI also released (December 2010 and May 2011) ₹ 12 lakh to GoTN towards operational cost of two units for the years 2010-11 and 2011-12.

Scrutiny (August 2012) of records revealed that GoI suggested (October 2008) operation of the units by hiring drivers and helpers on daily wage basis till creation of the posts. Drivers were posted (June 2009) to the two units and no post of helper was created. Vacancy that arose (June 2011) in the post of driver of the unit at Tiruvallur was not filled up and the unit remained idle from June 2011.

In respect of the two units supplied in July 2010, even though Commissioner of Labour (COL) requested (August 2010) GoTN to sanction two posts each of driver and helper and maintenance expenditure, no sanction was accorded. As a result, the two units at Tiruchirapalli and Thoothukudi remained idle from July 2010 onwards. Moreover, GoI assistance of ₹ 12 lakh towards operational cost of two units was also not utilised. Audit observed that estimated annual expenditure of ₹ 21.37 lakh on salaries/wages to drivers and helpers, fuel cost and maintenance could have been met by the department out of proposed annual user fee collection of ₹ 57.50 lakh<sup>33</sup> without any additional financial burden to GoTN.

Thus, GoTN's failure to sanction posts of drivers and helpers and maintenance expenditure resulted in idling of three mobile testing units costing ₹ 1.78 crore for two to three years defeating objective of ensuring accuracy of weighbridges and minimising time taken to verify them.

When the matter was referred to Government, the Principal Secretary, Labour and Employment Department stated (November 2013) that the COL's proposal for sanction of drivers and helpers for the units and for fuel and maintenance charges was under active consideration of Government and that orders on the subject would be issued shortly.

---

<sup>31</sup> Total capacity of each unit is 35 MTs including test weights for 12.1 MTs

<sup>32</sup> Total capacity of each unit is 16 MTs including test weights for five MTs.

<sup>33</sup> For 2875 weighbridges at the rate of annual user fee of ₹ 2000 per weighbridge

**PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES  
DEPARTMENT**

**3.6.5 Unutilised funds and incorrect reporting of expenditure**

**Hill Area Development Programme funds of ₹ 68.40 crore remained unutilised and kept outside Government account besides incorrect reporting of expenditure.**

GoI provided Special Central Assistance (SCA) to the State under the Hill Area Development Programme (HADP) for development of the Nilgiris. SCA was released to GoTN in two instalments and unspent assistance in a financial year was to be deducted by GoI from the second instalment of the following year. The District Collector (DC), Udthagamandalam<sup>34</sup> assisted by Project Director/HADP (PD) was responsible for implementation of HADP through various Implementing Agencies (IAs<sup>35</sup>). During Eleventh Plan period (2007-12), out of ₹ 211.48 crore released to district for implementation of HADP, PD utilised ₹ 183.01 crore including the amount released to IAs.

Scrutiny of records (June 2013) revealed that PD furnished UCs to GoI for entire amount of ₹ 211.48 crore released during 2007-12 without ascertaining the utilisation of funds from IAs and taking into account the unspent grants available. It was noticed in audit that PD and IAs (41 agencies) had a balance of ₹ 68.40 crore<sup>36</sup> as on 31 May 2013 including interest receipt of ₹ 5.26 crore. This balance included accumulated unspent balances relating to the period prior to 2007-08 and the interest earned thereon. However, this was not reported in the UCs furnished to GoI for the period 2007-12. The huge unspent balance was attributed (June 2013) by the PD to dropping of works sanctioned in the past due to non-availability of sites, disputes in sites, etc.

Based on UCs furnished by the PD, GoI released full SCA as per approved plans in all years. Planning, Development and Special Initiatives Department (PDSID), which released HADP funds to the district and was responsible for watching utilisation of funds also failed to monitor the fund utilisation. Thus, incorrect reporting by PD resulted in full release of SCA by GoI without any deduction on account of unspent amount and interest receipts and the accumulated unutilised amount of ₹ 68.40 crore was kept outside Government account by PD and IAs.

On this being pointed out in audit, the Principal Secretary to Government, PDSID stated (October 2013) that UCs were sent to GoI based on the progress of the project works and oral assurances given by the IAs. He further stated that schemes had been sanctioned and proposals were under preparation for utilising unspent amount. Reply is not acceptable as responsibility for monitoring the projects and obtaining UCs from the IAs for the expenditure rests with PD and that of ensuring the same with the Government.

---

<sup>34</sup> Headquarters of the Nilgiris District

<sup>35</sup> 48 Implementing Agencies under 28 Sectors

<sup>36</sup> ₹ 54.39 crore with the PD and ₹ 14.01 crore with the IAs

### 3.6.6 Non-implementation of Hill Area Resource Information System

**Despite release of ₹ 1.45 crore to Bharathidasan University, Tiruchirapalli for development of Hill Area Resource Information System for the Nilgiris District, the system was not utilised due to lack of co-ordination between the Project Director, Hill Area Development Programme and the University and proper monitoring.**

Government of India (GoI) approved (February 2008) the Project 'Hill Area Resource Information System' (HILARIS) for the Nilgiris District at an estimated cost of ₹ 1.46 crore to be shared between the GoI and the Project Director/HADP, Udthagamandalam (PD). Objective of the project was to provide web-based Spatial Decision Support System in Geographic Information System<sup>37</sup> (GIS) environment for use by district authorities in their planning activities. The project was scheduled to be completed by August 2009.

Though the funds sanctioned for the project were released both by the GoI (₹ 75.04 lakh in February and December 2008) and the PD (₹ 70 lakh between July 2008 and April 2011) to the Bharathidasan University, the implementing agency selected by GoI, the University did not deliver the end product to the PD (August 2013). The University furnished (July 2013) only utilisation certificates to GoI and the PD for the total expenditure of ₹ 1.45 crore.

Scrutiny of records (July and August 2013) of the PD and the University revealed that though the key point of the project was to ensure ownership of project by the end user, so as to ensure sustainability of the project, the University, citing general condition of the sanction of the grant-in-aid by GoI, claimed that assets (valuing at ₹ 40.62 lakh) purchased as part of the project could not be transferred to PD as most of them were procured out of GoI contribution and approval of GoI was necessary for transfer of those assets.

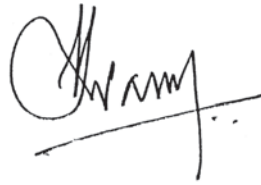
As directed by GoTN, the University handed over (April 2013) a compact disc containing 65 GIS layers to the PD, though University was aware that utilisation of the project would be possible only through availability of relevant software hosted in the web. Further, relevant software for opening GIS applications was not provided by the University. PD informed (May 2013) the University that the whole project would be accepted only on transfer of data along with hardware and equipment and its web- hosting as mentioned in the project report.

Thus, ownership of product was not transferred by the University to PD even after four years from stipulated date of completion of the project due to lack of co-ordination between PD and the University and proper monitoring. As a

<sup>37</sup> GIS is a computer- based tool for mapping and analysing geographic phenomenon that exists and event that occurs on earth

result, the HILARIS was not implemented in the district defeating objective of utilising GIS applications by end users for planning purposes.

When this was pointed out in audit, Government stated (October 2013) that continuous steps were being taken to make the project successful and get assets of the project transferred to the PD after getting approval from the Department of Information Technology, GoI. However, the fact remains that the software application developed was not utilised for planning purposes for more than four years.



**(K. SRINIVASAN)**

Principal Accountant General  
(General and Social Sector Audit),  
Tamil Nadu and Puducherry

Chennai  
The 23 April 2014

Countersigned



**(SHASHI KANT SHARMA)**

Comptroller and Auditor General of India

New Delhi  
The 30 April 2014

# APPENDICES

**Appendix 1.1**  
**(Reference: Paragraph 1.5.2; Page 4)**

**Department-wise details of Inspection Reports and Paragraphs pending**

Sl. No.	Name of the Department	Number of Outstanding	
		Inspection Reports	Audit Observations
1	Adi Dravidar and Tribal Welfare	150	811
2	Backward Classes, Most Backward Classes and Minorities Welfare	69	327
3	Co-operation, Food and Consumer Protection	109	249
4	Finance	15	31
5	Health and Family Welfare	749	3,410
6	Higher Education	384	1,481
7	Home	401	1,141
8	Housing and Urban Development	94	309
9	Labour and Employment	70	177
10	Law	11	30
11	Municipal Administration and Water Supply	229	549
12	Personnel and Administrative Reforms	6	14
13	Public	27	89
14	Revenue	1,182	3,523
15	Rural Development and Panchayat Raj	51	223
16	School Education	614	1,838
17	Social Welfare and Nutritious Meal Programme	272	834
18	Special Programme Implementation	19	92
19	Tamil Development, Stationery and Printing and Information	45	147
20	Tourism, Art and Culture, Hindu Religious and Charitable Endowments	33	75
21	Youth Welfare and Sports Development	9	20
	<b>Total</b>	<b>4,539</b>	<b>15,370</b>

**Appendix 2.1**

**(Reference: Paragraph 2.1.1; Page 12)**

**Welfare Schemes implemented by the Tamil Nadu Construction Workers' Welfare Board**

Sl. No.	Name of the assistance	Quantum of Assistance
1	Personal accident relief to registered workers on account of death/irrecoverable loss of limb, sight, etc.,	Up to ₹ 1,00,000
2	(i) Grant of pension to registered worker on completion of 60 years or disabled due to sickness and incapacitated from normal work.	₹ 1,000 p.m.
	(ii) Family pension to the spouse of the registered worker on account of death	₹ 400 p.m.
3	Funeral assistance	₹ 2,000
4	Natural death assistance	₹ 15,000
5	Assistance for education of the son or daughter of a registered worker	From ₹ 1,000 to ₹ 8,000 (Depending upon the course)
6	Assistance for marriage of self and family members of registered worker	Up to ₹ 5,000
7	Assistance for delivery of child or for miscarriage of pregnancy or for termination of pregnancy by the registered female worker	Up to ₹ 6,000
8	Assistance for purchase of spectacles	Up to ₹ 500

## Appendix 2.2

(Reference: Paragraph 2.2,5; Page 32)

## List of sample Government and Government-aided Polytechnic Colleges

## (i) Government PTCs

Sl.No.	Name of the college	
1	Dharmambal Women's PTC	Chennai
2	Tamil Nadu PTC	Madurai
3	GPTC	Aranthangi
4	GPTC (Women)	Madurai
5	GPTC (Women)	Coimbatore
6	GPTC (Kaniyalampatti)	Karur
7	GPTC (Arakandanallur)	Villupuram
8	GPTC (Ambalakaranpatti)	Melur
9	Institute of Chemical Technology	Chennai
10	Institute of Leather Technology	Chennai

GPTC: Government polytechnic college

## (ii) Government-aided PTCs

Sl.No.	Name of the college	
1	Nachimuthu PTC	Pollachi
2	PSG PTC	Coimbatore
3	Thiagaraja PTC	Salem
4	GRG PTC	Coimbatore
5	Kamaraj PTC	Kanyakumari
6	Ayya Nadar Janakiammal PTC	Virudhunagar
7	Muthiah PTC	Chidambaram
8	NPA Centenary PTC	Kotagiri
9	Pattukottai PTC	Pattukottai

PTC: Polytechnic college



**Appendix 2.3**

(Reference: Paragraph 2.2.7.1; Page 34)

**Details of block grant received and utilised**

(₹ in lakh)

Year	Opening Balance	Grant received	Other receipts*	Total fund available	Expenditure	Closing Balance
<b>CPTC, Chennai</b>						
2009-10	<b>41.52</b>	612.91	4.21	658.64	481.80	176.84
2010-11	176.84	622.56	67.99	867.39	667.32	200.07
2011-12	200.07	810.20	0.00	1,010.27	644.14	366.13
2012-13	366.13	767.02	0.00	1,133.15	583.27	549.88
<b>Total</b>		<b>2,812.69</b>	<b>72.20</b>		<b>2,376.53</b>	
<b>Dharmambal Women's Polytechnic College, Chennai</b>						
2009-10	<b>55.61</b>	368.97	3.65	428.23	330.67	97.56
2010-11	97.56	412.55	6.23	516.34	400.66	115.68
2011-12	115.68	431.11	7.80	554.59	428.83	125.76
2012-13	125.76	478.13	9.01	612.90	340.85	272.05
<b>Total</b>		<b>1,690.76</b>	<b>26.69</b>		<b>1,501.01</b>	
<b>TNPTC, Madurai</b>						
2009-10	<b>26.95</b>	313.55	35.86	376.36	254.53	121.83
2010-11	121.83	393.70	28.69	544.22	365.79	178.43
2011-12	178.43	446.97	10.38	635.78	384.37	251.41
2012-13	251.41	310.94	83.44	645.79	437.98	207.81
<b>Total</b>		<b>1,465.16</b>	<b>158.37</b>		<b>1,442.67</b>	
<b>Grand Total</b>		<b>5,968.61</b>	<b>257.26</b>	<b>6,349.95<sup>#</sup></b>	<b>5,320.21</b>	

\* Interest earned in savings bank accounts for block grant

# OB of 2009-10 (+) Total of Grant received (+) Total of other receipts

## Appendix 2.4

(Reference: Paragraph 2.2.7.3; Page 36)

## Utilisation of Special Fees and Development Fees in Government Polytechnic Colleges

(₹ in lakh)

Name of the PTC	Fund	Funds available	Expenditure 2008-13	Closing Balance 31.3.2013	Utilisation percentage
Dharmambal Women's PTC, Chennai	SF	112.25	71.30	40.95	64
	DF	75.12	46.92	28.20	62
Institute of Chemical Technology, Chennai	SF	37.81	6.63	31.18	18
	DF	32.31	1.55	30.76	5
Tamil Nadu PTC, Madurai	SF	162.09	71.75	90.34	44
	DF	445.07	373.35	71.72	84
GPTC, Madurai (Women)	SF	129.32	61.04	68.28	47
	DF	134.56	115.70	18.86	86
GPTC, Coimbatore (Women)	SF	75.69	42.17	33.52	56
	DF	70.91	39.82	31.09	56
GPTC, Aranthangi	SF	70.88	23.02	47.86	32
	DF	87.72	56.05	31.67	64
GPTC, Villupuram	SF	15.31	1.78	13.53	12
	DF	16.12	3.11	13.01	19
GPTC, Karur	SF	18.61	12.02	6.59	65
	DF	19.85	16.05	3.80	81
GPTC, Melur	SF	23.85	13.32	10.53	56
	DF	21.12	7.65	13.47	36
Institute of Leather Technology, Chennai	SF	26.52	4.23	22.29	16
	DF	19.80	6.22	13.58	31

SF: Special Fee and DF: Development FEE

(Source: Information obtained from the PTCs)

**Appendix 2.5**

**(Reference: Paragraph 2.2.11.2(i); Page 41)**

**Status of construction of hostels**

Sl. No.	Name of the polytechnic	Scheduled month of completion	Remarks
1.	GPTC, Aranthangi	February 2013	Finishing works in progress. Works held up for want of funds
2.	GPTC, Tiruchirappalli	October 2011	
3.	Dharmambal Women's PTC, Chennai	April 2011	
4.	GPTC, Nagarcoil	January 2012	Main work completed. Sub work to be taken up.
5.	GPTC, Coimbatore (Women)	NA	
6.	Central Polytechnic College, Chennai	July 2011	
7.	GPTC, Thoothukudi	January 2012	Building raised up to lintel level
8.	GPTC, Coimbatore	NA	Roof laying work in progress
9.	Institute of Chemical Technology, Chennai	September 2012	Plastering work in progress
10.	GPTC, Purasavakkam	NA	Pile foundation work under progress
11.	GPTC, Udhamandalam	NA	Tender under process

**Appendix 2.6**  
**(Reference: Paragraph 2.2.11.3(ii); Page 42)**  
**Non-conduct of practicals prescribed in Syllabi**

Sl. No.	Name of the Institution	Scheme/ Course	Semester	Subject	No. of experiments to be conducted	No. of experiments not conducted	Percentage of experiments not conducted
1.	GPTC, Villupuram	L-Scheme/Diploma in Civil Engineering	V	Material Testing Laboratory-II	14	5	36
			IV	Surveying Practical – II	12	4	33
		L-Scheme/Diploma in Mechanical Engineering	IV	Metrology and Measurement and Machine tool Practical	18	3	17
			IV	Electrical Drives and Control Practical	17	5	29
		III	Fluid Power Practical	17	2	12	
		2.	GPTC, Karur	L-Scheme/Diploma in Computer Engineering	III	Electrical and Electronics Practical	17
III	Material Testing Laboratory – I				17	4	24
Diploma in Civil Engineering	III			Fluid Power Practical	17	2	12
	III			Mechanical Engineering practical	10	3	30
L-Scheme / Diploma in Chemical Technology	IV			Mechanical operations	10	1	10
	IV			Fluid Mechanics	10	1	10
3.	Institute of Chemical Technology, Chennai	K-Scheme / Chemical Technology	IV	Chemical process – Measurement and Control	10	7	70
			IV	Heat and Mass transfer laboratory	12	3	25
		L-Scheme / Diploma in Polymer Technology	IV	Polymer Science Laboratory	9	3	33
			V	Polymer Processing laboratory	15	7	47
		K-Scheme / Diploma in Polymer Technology	VI	Testing of Polymer	12	6	50
			VI	Testing of Latex	5	2	40
VI	Testing of Rubber	3	2	67			

**Appendix 2.7**

**(Reference: Paragraph 2.2.12.1; Page 43)**

**Vacancy in teaching staff – Government Polytechnic Colleges**

As of*		Name of the post and number of posts					
		Principal	HOD	Senior Lecturer**	Lecturer	Instructor	Total
August 2009	S	Details Not Available	81	191	272	430	974
	F		24	75	159	189	447
	V		57	116	113	241	527
	V(per cent)		70	61	42	56	54
August 2010	S	22	82	158	393	282	937
	F	3	19	69	184	86	361
	V	19	63	89	209	196	576
	V(per cent)	86	77	56	53	70	61
August 2011	S	30	82	194	443	266	1,015
	F	8	10	74	185	75	352
	V	22	72	120	258	191	663
	V(per cent)	73	88	62	58	72	65
August 2012	S	30	119	187	595	325	1,256
	F	8	27	78	155	78	346
	V	22	92	109	440	247	910
	V(per cent)	73	77	58	74	76	72
August 2013	S	30	126		1,085	120	1,361
	F	24	8		394	11	437
	V	6	118		691	109	924
	V(per cent)	20	94		64	91	68

S – Sanctioned F – Filled V – Vacant V (per cent) - Vacancy percentage

HOD – Head of Department

\* CTE collects data on manpower position in the colleges every August and the same cut-off date has been adopted here.

\*\* The cadre of Senior Lecturer was merged with cadre of Lecturer in April 2013 as part of a re-organisation of cadres.

## Appendix 2.8

(Reference: Paragraph 2.4.6.1; Page 70)

## Performance before and after introduction of e-Governance in according planning permission

Type	Range in days	Before e-Governance (2006)		After e-Governance (2008)		Remarks
		No. of buildings for which approval was given	Percentage of achievement in giving approval	No. of buildings for which approval was given	Percentage of achievement in giving approval	
Ordinary Building	0 to 45	11	4	13	16	Marginal improvement in processing after e-Governance. But 84 per cent of the cases took more than 45 days.
	45 to 90	45	14	25	31	
	90 to 180	150	47	30	37	
	More than 180	110	35	13	16	
<b>Total</b>		<b>*316</b>		<b>*81</b>		
Special Building	0 to 45	25	5	18	6	No improvement in time taken. 94 per cent of the cases took more than 45 days after introduction of e-Governance
	45 to 90	82	16	30	11	
	90 to 180	198	39	59	21	
	More than 180	199	40	179	62	
<b>Total</b>		<b>**504</b>		<b>**286</b>		
Multi-storeyed Building	0 to 75	32	57	12	41	No improvement in time taken. 59 per cent of the cases took more than 75 days after introduction of e-Governance
	75 to 150	14	25	6	21	
	150 to 225	4	7	3	10	
	More than 225	6	11	8	28	
<b>Total</b>		<b>***56</b>		<b>***29</b>		

\* Total Ordinary Buildings approved in 2006 and 2008 were 661 and 209 respectively, out of which, only 316 and 81 cases have "Date of Submission" information in the computer system.

\*\* Total Special Buildings approved in 2006 and 2008 were 519 and 290 respectively, out of which, 504 and 286 cases have "Date of Submission" information in the computer system.

\*\*\* Total Multi Storeyed Buildings approved in 2006 and 2008 were 65 and 42 respectively, out of which, 56 and 29 cases have "Remittance date of scrutiny fee being the date of submission" information.

## Appendix 2.9

(Reference: Paragraph 2.4.6.1; Page 71)

### Trend analysis in time taken for according planning permission approval during the year 2013 in test-checked cases

Event	Delay by whom	No.of cases	Time taken in days
<b>Special buildings (out of 10 cases selected through random sampling, one relate to renewal of PP and other was not produced to audit)</b>			
Acknowledgement to letter for Developmental Charges (DC)	CMDA	8	31 to 490
Letter for DC to Remittance	Applicant	8	0 to 124
Remittance of DC to Revised Plan	CMDA	8	36 to 258
Revised plan seeking to Revised plan submission	Applicant	3	10 to 17
Revised plan submission to Planning Permission (PP)	CMDA	3	10 to 145
Remittance of DC to PP	CMDA	8	3 to 39
<b>Multi-storeyed building (10 cases)</b>			
No Objection Certificate from Assistant Commissioner, Traffic	External	10	40 to 192
Submission of Revised Plan	Internal	10	3 to 187
Approval from Government	External	10	23 to 56
Letter seeking guideline value from Sub-Registrar	External	10	1 to 61
Payment of DC	Internal	10	2 to 273
Final PP	Internal	10	3 to 145

## Appendix 3.1

(Reference: Paragraph 3.1.6; Page 82)

## District-wise literates and library members

Sl.No.	Name of district	Literates in the District	No. of Libraries	No. of Members	Percentage of Members to Literates
1.	Chennai	38,50,472	160	3,80,491	10
2.	Ariyalur	4,86,446	39	43,197	9
3.	Coimbatore	26,78,637	232	3,95,907	15
4.	Cuddalore	18,49,805	135	1,50,446	8
5.	Dharmapuri	8,67,631	121	1,20,422	14
6.	Dindigul	15,07,310	152	1,74,967	12
7.	Erode	15,16,380	197	2,71,967	18
8.	Kancheepuram	30,65,799	154	2,15,937	7
9.	Kanniyakumari	15,67,580	131	85,098	5
10.	Karur	7,41,610	88	1,00,298	14
11.	Krishnagiri	12,16,436	116	1,23,099	10
12.	Madurai	22,48,749	132	2,05,704	9
13.	Nagapattinam	12,27,311	98	1,26,565	10
14.	Namakkal	11,84,344	142	1,91,282	16
15.	Perambalur	3,79,797	51	52,357	14
16.	Pudukkottai	11,26,580	75	86,433	8
17.	Ramanathapuram	9,86,038	83	1,06,693	11
18.	Salem	23,11,715	160	2,94,402	13
19.	Sivaganga	9,76,384	118	1,16,291	12
20.	Thanjavur	18,02,291	107	1,90,120	11
21.	The Nigiris	5,76,799	80	1,38,508	24
22.	Theni	8,79,259	132	1,28,384	15
23.	Tiruchirappalli	20,55,742	129	2,50,645	12
24.	Thiruvallur	28,12,839	130	2,01,806	7
25.	Thiruvarur	9,60,036	86	1,10,518	12
26.	Tiruppur	17,79,379	138	2,11,986	12
27.	Tiruvannamalai	16,53,284	139	1,33,836	8
28.	Tirunelveli	22,98,262	188	2,66,449	12
29.	Thoothukkudi	13,56,564	123	1,29,422	10
30.	Vellore	28,04,762	148	1,99,638	7
31.	Virudhunagar	14,21,270	157	1,90,467	13
32.	Villupuram	22,23,605	152	1,30,426	6
	<b>Total</b>	<b>5,24,13,116</b>		<b>55,23,761</b>	<b>11</b>

(Source: Census 2011 and Annual Report of the Director of Public Libraries)



**Appendix 3.2**

(Reference: Paragraph 3.2.4; Page 87)

**Funds sanctioned by GoTN and released to TNMSC under Tamil Nadu Health Additional Financing Project**

Sl. No.	Particulars of equipment	Government Order No. and Date	Amount (₹ in crore)			
			Sanctioned	Deposited with TNMSC	Utilised (June 2013)	Unutilised
1.	Equipment to Poison treatment centres in 32 Secondary Care Hospitals (Component IV – Sub component A)	(2D) 92 17/8/2010	3.86*	3.86	3.61	0.25
2.	Mobile Outreach Vans (Component I – Sub component B)	(2D) 93 17/8/2010	0.68	0.68	0.50	0.18
3.	Enhancement of facilities at TNMSC (Component IV – Sub component A)	(2D) 103 20/9/2010	8.87	8.87	..	8.87
4.	Ambulance - Base vehicle - ₹ 14 crore (Component I – Sub component C)	(2D) 104 17/9/2010	31.02*	31.00	18.65	12.35
5.	Ambulance – Fabrication - ₹ 7 crore (Component I – Sub component C)					
6.	Ambulance – Kit - ₹ 10 crore (Component I – Sub component C)					
7.	Equipment for Strengthening of Secondary Care Hospitals - ₹ 45.90 crore (Component IV – Sub component A)	(2D) 105 20/9/2010	70.71	70.31	48.55	21.76
8.	Equipment for Cardio Vascular Diseases Programme – ₹ 13.89 crore					
9.	Equipment for treatment of Cervical cancer – ₹ 10.92 crore					
10.	Centralised Oxygen Supply System in 38 Secondary Care Hospitals (Component IV – Sub component A)	(2D) 112 5/10/2010	2.85	2.85	..	2.85
11.	Cryotherapy units (Component II – Sub components A and B)	(2D) 4 3/1/2011	0.72	0.72	0.57	0.15
12.	Equipment for Municipalities and Corporations (Component II – Sub components A and B)	(2D) 5 3/1/2011	1.77	1.77	0.37	1.40
13.	Centrifuge machines (Component II – Sub components A and B)	(2D) 6 3/1/2011	0.90	0.90	0.89	0.01
14.	Equipment for establishment of Mammography units (Component II – Sub component B)	(2D) 8 4/1/2011	4.80	..	..	..
15.	Equipment for Comprehensive Emergency Obstetric and New Born Care Services in eight GMCHs (Component I – Sub component A)	(2D) 17 24/1/2012	8.10*	8.10	0.32	7.78
<b>Total</b>			<b>134.28</b>	<b>129.06</b>	<b>73.46</b>	<b>55.60</b>

\* Includes advertisement charges: ₹ 0.135 crore

**Appendix 3.3**  
**(Reference: Paragraph 3.2.4; Page 87)**  
**Details of dropped and incomplete procurements**

SLN 0.	Name of the equipment	Sanction particulars					Present stage
		Government Order No.	Date	Quantity (nos.)	Amount (₹ in crore)	Reasons for dropping/ incomplete procurement	
	<b>Equipment for which procurement was dropped</b>						
1.	ABG Analyser	(2D) 105	20/9/2010	30	0.60	Sub-optimal utilisation of equipment in Medical College Hospitals.	Procurement of this equipment was now (September 2013) planned under another scheme viz., 'Strengthening of Laboratory Services'.
2.	Replacement of old/unsafe X-rays	(2D) 105	20/9/2010	45	4.50	41 mobile X-ray units purchased (November 2011) by another agency (National Rural Health Mission) was supplied to secondary and tertiary care hospitals.	Supplied units identified as excess was planned to be utilised in hospitals for which procurement was planned under AF Project.
3.	Centralised Oxygen Supply System	(2D) 112	5/10/2010	38	2.85	Purchase of similar systems by the DMRHS. However eight hospitals planned under the AF Project did not come under the ambit of the DMRHS procurement/ supply.	No specific reply from the department.
	<b>Total</b>				<b>7.95</b>		
	<b>Equipment for which procurement was not completed</b>						
4.	Ambulance (Base, Fabrication and Kit)	(2D) 104	17/9/2010	30	4.65	Model revised after finalisation of tenders and it was decided to go for small sized vehicles for operation in Ghat and inaccessible areas.	Re-tender was floated and orders placed (June 2013). Supply was in progress.
5.	Multi Para Monitors	(2D) 105	20/9/2010	30	3.65	Finalising of a defective bid by TNMSC resulted in re-tender as per World Bank instructions and delay of two years.	Issue of purchase orders was pending.
6.	Mammography Units	(2D) 8	4/1/2011	32	4.80	Planned to link these services with Government Health Insurance scheme.	Procurement of this equipment was now (September 2013) planned, tender floated and under process by TNMSC.
7.	Equipment for CEmONC services in eight GMCHs	(2D) 17	24/1/2012	8	8.10	Time taken to assess the requirement and to finalise technical specifications delayed the procurement.	Orders placed for 16 out of 29 packages and supply was in progress.
	<b>Total</b>				<b>21.20</b>		

### Appendix 3.4

(Reference: Paragraph 3.2.5.1; Page 87)

#### Details of delay in procurements

Sl. No.	Name of the Equipment	Opening of bids			Signing of contracts			Completion of procurement		
		As per plan	Actual	Delay (days)	As per plan	Actual	Delay (days)	As per plan	Actual	Delay (days)
1.	Digital X-Ray with PACS	24/12/10	14/6/11	172	24/3/11	11/1/12	293	22/7/11	Not completed	801
2.	Echo Cardiogram	27/1/11	20/4/11	83	27/4/11	12/8/11	107	25/8/11	10/12/11	107
3.	Ambulance – Base	23/12/10	28/1/11	36	23/3/11	10/8/11	140	21/7/11	8/12/11	140
4.	Ambulance – Fabrication	29/9/11	29/9/11	..	17/11/11	28/12/11	41	16/3/12	16/3/12	..
5.	Dialysis machine with Reverse Osmosis Plant	29/3/11	23/1/12	300	28/4/11	12/4/12	350	26/8/11	Not completed	766
6.	Blood Pressure Apparatus	27/1/11	23/11/11	300	23/3/11	18/1/12	201	21/6/11	Not completed	832
7.	Manual Colposcope	26/1/11	11/11/11	289	22/3/11	5/10/12	563	20/6/11	Not completed	833
8.	AED Defibrillator	27/1/11	11/11/11	287	27/4/11	12/3/12	320	25/8/11	Completed	767
9.	Ring Lens	28/1/11	29/4/11	91	28/4/11	19/10/11	172	26/8/11	19/2/12	177
10.	Cardiac Monitor	19/10/10	19/10/10	..	13/12/10	25/4/11	133	13/3/11	25/7/11	134

Appendix 3.5

(Reference : Paragraph 3.5.2 ; Page 100)

Inflated estimated cost

Year	No. of works	Estimated cost (₹)	Expenditure (₹)	Concrete Paver block Flooring							
				Thickness of flooring (mm)	Estimated Quantity (sq.m.)	Rate per sq.m. adopted in the estimates (₹)	Estimated value of the item of work (₹)	Agreed amount (₹)	Rate per Sq.m arrived at based on Highways data (₹)	Estimated value adopting the arrived at rates (₹)	Inflated value (₹)
2007-08	21	1,10,80,000	1,09,51,195	60	8,793.00	1,000	87,93,000	92,03,038	664	58,38,552	29,54,448
	5	24,00,000	23,97,056	80	1,243.00	1,200	14,91,600	15,57,707	735	9,13,605	5,77,995
2008-09	22	1,12,00,000	1,10,09,277	60	7,277.00	1,000	72,77,000	75,69,273	674	49,04,698	23,72,302
2009-10	13	1,07,00,000	1,06,06,977	60	8,869.21	1,000	88,69,210	92,77,933	674	59,77,848	28,91,362
	9	80,00,000	79,25,875	80	4,411.00	1,200	52,93,200	55,32,149	748	32,99,428	19,93,772
2010-11	13	1,02,00,000	99,87,638	60	4,466.83	1,000	44,66,830	46,83,243	690	30,82,113	13,84,717
	3	30,00,000	29,89,056	80	2,221.10	1,200	26,65,320	27,95,921	770	17,10,247	9,55,073
<b>Total</b>	<b>86</b>	<b>5,65,80,000</b>	<b>5,58,67,074</b>		<b>37,281.14</b>		<b>3,88,56,160</b>	<b>4,06,19,264</b>		<b>2,57,26,491</b>	<b>1,31,29,669</b>

### **Glossary of abbreviations**

<b>Abbreviation</b>	<b>Full form</b>
AICTE	All India Council for Technical Education
AWTs	Advanced water tenders
BE	Budget Estimate
BME	Bio-Medical Engineer
BMOs	Block Medical Officers
BoE	Board of Examination
BPA	Blood Pressure Apparatus
BPHCs	Block Primary Health Centres
BPL	Below Poverty Line
C-DAC	Centre for Development of Advanced Computing
CEO	Chief Executive Officer
CF	Corpus Fund
CHNs	Community Health Nurses
CMRL	Chennai Metro Rail Limited
CNC	Computer Numerically Controlled
CoE	Controller of Examinations
CoL	Commissioner of Labour
CPTC	Central Polytechnic College
CTE	Commissioner of Technical Education
DC	District Collector
DCLSL	DCL Software Limited
DDHS	Deputy Director of Health Services
DDs	Demand Drafts
DEC	Distance Education Council
DEOs	Data Entry Operators
DF	Development Fee
DFRS	Director of Fire and Rescue Services
DLFA	Director of Local Fund Audit
DLO	District Library Officer
DME	Director of Medical Education
DMRHS	Director of Medical and Rural Health Services
DMRMBS	Dr. Muthulakshmi Reddy Maternity Benefit Scheme

Abbreviation	Full form
DoTE	Directorate of Technical Education
DPH&PM	Director of Public Health and Preventive Medicine
DPL	Director of Public Libraries
DRDO	Defence Research and Development Organisation
DROP	Dialysis Machine with Reverse Osmosis Plant
EE	Executive Engineer
ELCOT	Electronics Corporation of Tamil Nadu
EOA	Extension of Approval
ESI	Employees' State Insurance
ETRP	Emergency Tsunami Reconstruction Project
F&A	Finance and Accounting
GB	Governing Body
GDA	General Development Assistance
GF	General Fund
GHIs	Government Health Institutions
GIS	Geographic Information System
GMI	Government Medical Institutions
GoI	Government of India
GoTN	Government of Tamil Nadu
GPTC	Government Polytechnic college
GRH	Government Royapettah Hospital
H&FW	Health and Family Welfare
HADP	Hill Area Development Programme
HILARIS	Hill Area Resource Information System
HMIS	Hospital Management Information System
HMT	Hindustan Machine Tools
HPPs	High Pressure Pumps
HUD	Health Unit District
IAs	Implementing Agencies
ICT	Institute of Chemical Technology
ITIs	Industrial Training Institutes
LBs	Local Bodies
LEAD	Labour e-Governance based Administration

<b>Abbreviation</b>	<b>Full form</b>
LLA	Local Library Authority
LO (SSS)	Labour Officer (Social Security Scheme)
MBA	Master of Business Administration
MF	Maintenance Fund
MCHs	Medical College Hospitals
MoU	Memorandum of Understanding
MTs	Metric Tonnes
NAAC	National Assessment and Accreditation Council
NLC	Neyveli Lignite Corporation
NTTS	Non-teaching technical staff
PACS	Picture Archiving and Communication System
PAR	Personal Accident Relief
PD Account	Personal Deposit Account
PD	Project Director
PDSID	Planning, Development and Special Initiatives Department
PF	Provident Fund
PG	Post-Graduate
PGDBM	Post Graduate Diploma in Business Management
PICME	Pregnancy Infant COHORT Monitoring Evaluation
PTCs	Polytechnic colleges
PWD	Public Works Department
QRVs	Quick Response Vehicles
RDBMS	Relational Database Management System
RE	Revised Estimate
SAC	State Advisory Committee
SAP	Special Assistance Programme
SBTET	State Board of Technical Education and Training
SCA	Special Central Assistance
SCAA	Standing Committee on Academic Affairs
SDE	School of Distance Education
SDF	Staff Development Fund
SE	Superintending Engineer
SF	Special Fee

Abbreviation	Full form
SHNs	Sector Health Nurses
SLC	State Level Committee
SLC	State Library Committee
SoRs	Schedule of Rates
SVO	Stock Verification Officer
TED	Technical Education Division
TEQIP	Technical Education Quality Improvement Programme
TNCWWB	Tamil Nadu Construction Workers' Welfare Board
TNHSP	Tamil Nadu Health System Project
TNMSC	Tamil Nadu Medical Services Corporation
TNPTC	Tamil Nadu Polytechnic College
TNSCB	Tamil Nadu Slum Clearance Board
TNSTC	Tamil Nadu State Transport Corporation
UCs	Utilisation Certificates
UG	Under Graduate
UGC	University Grants Commission
UHN	Urban Health Nurse
VAO	Village Administrative Officer
VC	Vice-Chancellor
VHN	Village Health Nurse
VPs	Village Panchayats
WB	World Bank
ZMOs	Zonal Medical Officers