

Chapter III

Compliance Audit Observations

Department for Women, Children, Disabled and Senior Citizens

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

3.1.1 Introduction

The Directorate of Juvenile Welfare, Correctional Services and Welfare of Street Children (under the Department for Women, Children, Disabled and Senior Citizens) is responsible for the development and rehabilitation of children in need of care and protection (orphans, destitute and neglected children, street children, victims, etc.) and juveniles in conflict with law (children who are alleged to have committed offences) up to the age of 18 years under the Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act) (as amended in 2006 and 2011). This responsibility is discharged through the child care institutions (Observation Homes, Special Homes and Children's Homes). As of March 2015, there were 14¹ child care institutions in the State with 70 juveniles² in conflict with law and 567 children³ in need of care and protection.

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

3.1.2 Audit Framework

Audit of all the 14 child care institutions in the State was carried out between April - June 2015 covering the period 2012-15 to assess the extent of (i) coverage of children in need of care and protection and juveniles in conflict with law, (ii) provision of infrastructure, manpower, training, diet, counselling and other facilities in the child care institutions as per the standards prescribed in the Rules, (iii) rehabilitation measures to facilitate reintegration of juveniles in conflict with law and (iv) monitoring mechanism for effective functioning of various institutions, Boards, Committees, etc.

Audit scrutiny involved examination of records at the Directorate, four (out of five) Regional Inspectors of Probation⁴ and eight (out of 29) District Probation Officers⁵. Physical verification of all the 14 child care institutions was carried out along with the officials of the Directorate. Audit findings were benchmarked against the criteria sourced from Juvenile Justice (Care and Protection of Children) Act 2000 (as amended in 2006 and 2011), Juvenile Justice (Care and Protection of Children) Rules 2007 and guidelines of Integrated Child Protection Scheme (ICPS). Replies of the Government (January 2016) to the audit observations have been suitably incorporated in the report.

¹ Children's Home for Boys (4) at Eluru, Kadapa, Tirupati and Visakhapatnam; Girls Home (2) at Tirupati and Visakhapatnam; Observation Homes for Boys (6) at Ananthapuramu, Kurnool, Rajahmundry, Tirupati, Vijayawada and Visakhapatnam; Special Homes for Boys (2) at Tirupati and Visakhapatnam

² Observation Homes: 57 (Boys: 54; Girls: 3); Special Homes: 13 (Boys: 13, Girls: Nil)

³ Children's Homes for Boys: 368; Children's Homes for Girls: 199

⁴ RIPs at Ananthapuramu, Tirupati, Vijayawada and Visakhapatnam

⁵ DPOs at Ananthapuramu, Eluru, Kadapa, Kurnool, Rajahmundry, Tirupati, Vijayawada, and Visakhapatnam

3.1.3 Procedure for Child Care Services

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

- (i) Children in need of care and protection (Children) are produced before **Child Welfare Committee** (CWC) by any Police Officer, any public servant, any voluntary organisation, social workers, public spirited citizens and by the children on their own and are kept in the Reception Unit pending inquiry by CWC. After inquiry the child is either reintegrated with the family or is sent to a **Children's Home** for rehabilitation.
- (ii) Children in conflict with law (Juveniles) are produced before the **Juvenile Justice Board** (JJB) by Police and are kept in **Observation Homes** or released on bail pending inquiry. After inquiry, the child is either acquitted or placed in a **Special Home** for rehabilitation.

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

Audit findings

3.1.4 Juvenile Justice Boards

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

Rule 13 (6) of the Rules ibid stipulates that every inquiry by the Board should be completed within a period of four months after the first summary inquiry and only in exceptional cases⁶ the period may be extended by two months on recording of reasons by the Board.

As required under Rules, Juvenile Justice Boards (JJBs) were constituted in all the 13 districts of the State. Audit scrutiny of records of eight JJBs⁷ revealed that there were delays in finalising the cases by the Boards against the stipulated period of four months as detailed in Table-3.1.

⁶ involving trans-national criminality, large number of accused, inordinate delay in production of witnesses, etc.

⁷ JJBs at Ananthapuramu (Ananthapuramu district), Eluru (West Godavari district), Kadapa (YSR district), Kurnool (Kurnool district), Rajahmundry (East Godavari district), Tirupati (Chittoor district), Vijayawada (Krishna district), and Visakhapatnam (Visakhapatnam district)

Table-3.1

JJB at	2012-13		2013-14		2014-15	
	Total no. of cases disposed	Cases pending more than one year	Total no. of cases disposed	Cases pending more than one year	Total no. of cases disposed	Cases pending more than one year
Visakhapatnam	94	177	50	255	72	306
Eluru	53	126	45	181	155	169
Rajahmundry	201	37	48	28	139	2
Kurnool	63	32	30	29	72	18
Ananthapuramu	48	3	32	12	123	57
Kadapa	68	0	38	2	28	2
Vijayawada	158	118	85	262	123	308
Tirupati	72	41	55	46	10	51
Total	757	534	383	815	722	913

Source: Data furnished by the JJBs

Government attributed (January 2016) the delay in disposal of cases to frequent transfer of investigating police officers, migration of witnesses to other places and non-attending of juveniles at the proceedings from time to time and inadequate number of Board sittings.

Delay in finalising the pending cases resulted in depriving the juveniles of post-discharge rehabilitation benefits in fit cases. Further, chances of juveniles crossing the stipulated age of 18 years by the time of finalising the cases cannot also be ruled out.

3.1.5 Child Welfare Committees

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

- (i) Rule 24 (4) and (5) of JJ Rules stipulated that the CWC should meet a minimum of three days a week which may be extended by the State Government depending on case and pendency of work and a minimum of three-fourth attendance of the Chairperson and Members of the Committee is necessary in a year.

Audit scrutiny revealed that while the State Government constituted CWCs, there was shortfall in conducting meetings (except in CWC, Kurnool) during the period 2012-15. Against 144 meetings to be conducted per year, the shortfall⁸ ranged from 16 (CWC, Kadapa) to 108 (CWC, Eluru) during 2014-15.

Government replied (January 2016) that members of all CWCs were requested to conduct minimum number of sittings as stipulated in the norms.

⁸ Ananthapuramu: 56 to 87; Kadapa: 16 to 65; Vijayawada: 17 to 35; Tirupati: 88 to 102; Visakhapatnam: 46 to 76; and Eluru: 23 to 108

- (ii) *As per Rule 25 (t) of JJ Rules a suggestion box is to be maintained to encourage inputs from children and adults alike for taking necessary action.*

Suggestion box was however, not maintained in five⁹ (out of seven) children's homes where CWCs are functioning.

Government in the reply (January 2016) stated that instructions were issued to setup and maintain suggestion box.

- (iii) *Rule 26 of JJ Rules envisaged procedure in relation to working of the committee. As per the Rule quorum for the meeting should be three members attending, which may include the Chairperson. For final disposal of a case, the order of the Committee should be signed by at least two members, including the Chairperson.*

Rule 33 of JJ Rules stipulated a detailed procedure to be followed in the case of adoption duly applying the guidelines issued by the Central Adoption Resource Agency¹⁰ (CARA). Before proceeding for adoption under CARA guidelines, the child is to be declared as legally free for adoption by CWC after duly observing the procedure of filing FIR¹¹ in police station, inquiry by Probation Officer, declaration by specialised adoption agency stating that there was no claimant for the child despite notification in print and electronic media, cross checking with missing persons data, etc. It was observed that, a child (baby girl) abandoned by biological parents has been reportedly handed over (October 2014) to a person by the Chairperson of CWC, Kurnool without observing the due procedure i.e., filing of FIR, conducting inquiry, notifying in media, cross checking with missing persons data, etc.

Government in the reply (January 2016) stated that an enquiry has been conducted and action would be taken against the Chairperson based on the enquiry report.

3.1.6 Infrastructure facilities to JJBs and CWCs

Rules 82 (1) and 83 (a) of JJ Rules stipulated creation of necessary infrastructure facilities to CWCs and JJBs for smooth running.

GoI sanctioned (2010-11) construction of two rooms each for 13 CWCs and 13 JJBs at ₹ 3.60 lakh each under Integrated Child Protection Scheme (ICPS).

Due to non-transfer of land by Jails Department the work was not commenced in Rajahmundry even as of September 2015.

Government in the reply (January 2016) stated that construction work at Rajahmundry would be taken up soon after completion of land transfer process.

Further, GoI sanctioned (2011-12) and released (September 2012) an amount of ₹ 72 lakh for construction of rooms for JJBs and CWCs in 10 districts of the composite State (four¹² in Andhra Pradesh). These works were not taken up (June 2015) even after

⁹ OHB, Ananthapuramu; CHBs at Eluru, Tirupati and Visakhapatnam; GH, Tirupati

¹⁰ Adoption Coordinating Agency (ACA) in the State under the control of Women Development and Child Welfare Department is responsible to promote Indian adoption and for generating awareness on adoption

¹¹ First Information Report

¹² Guntur, Prakasam, SPS Nellore and Vizianagaram

the lapse of about three years for want of revalidation orders from Government to take up the works.

Department stated (September 2015) that proposals were sent to Government for revalidation and orders were awaited.

3.1.7 Functioning of Child Care Institutions

Child care institutions (Children’s Homes, Observation Homes and Special Homes) should provide proper care, protection and treatment to the children and juveniles as per the individual care plans. During the period 2012-15, 3123¹³ juveniles were received in six Observation Homes for Boys; 73 juveniles were sent to Special Home for Boys at Tirupati (35) and Visakhapatnam (38); 2,016¹⁴ children were received in four Children’s Homes; and 969¹⁵ girls were received in two Girls Homes in the State.

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

3.1.8 Home Management Committees

Rule 55 of JJ Rules stipulates that every institution should have a Management Committee¹⁶ for the management of the institution and monitoring the progress of every juvenile and child. This Rule also required the Management Committee to meet every month to consider and review the matters relating to custodial care or minimum standards of care in the institution, housing, infrastructure, services available, medical facilities and treatment, food, water, sanitation and hygiene conditions, education, vocational training, grievance redressal, provision of legal aid services, release or restoration, etc.

Audit scrutiny revealed that the Management Committees were not constituted in any of the child care institutions (except Girls Home, Tirupati and Children’s Home for Boys, Visakhapatnam and Eluru) in the State. Consequently, functioning of the institutions, provision of required infrastructure and other amenities, as well as progress of every juvenile/child was not being reviewed and therefore not addressed at the prescribed intervals as per the norms to enable corrective action, where necessary.

3.1.9 Segregation of juveniles in conflict with law and Children in need of care and protection

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

In violation of the above Rule, Observation Home for girls, Special Home for girls in conflict with law and Children’s Home for girls in need of care and protection were all set-up as a single establishment viz., ‘Government Special-cum-Children’s

¹³ Ananthapuramu: 120; Kurnool:341; Rajahmundry: 399; Tirupati: 623; Vijayawada: 1,002; and Visakhapatnam: 638

¹⁴ Eluru: 626; Kadapa: 298; Visakhapatnam: 607; and Tirupati: 485

¹⁵ Tirupati: 314; Visakhapatnam: 655

¹⁶ Consisting of District Child Protection Officer (Chairperson), Officer-in-charge of Home, Probation Officer or Child Welfare Officer or Case Worker, Medical Officer, Psychologist or Counsellor, Teacher, Workshop Supervisor and Social Worker Member of Juvenile Justice Board or Child Welfare Committee

Home and Observation Home for Girls' at Tirupati and Visakhapatnam. As of March 2015, all 202 girls (Observation Homes: 3, Special Homes: NIL and Children's Home: 199) were accommodated in two homes.

The Superintendents admitted (June 2015) that as the homes are running in Municipal Elementary School/rented building, the children were being segregated only as per age; and at night times only due to space constraint.

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

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

Audit scrutiny and physical verification of institutions revealed that juveniles/children were not segregated based on age, nature of offence or kind of care required, physical and mental health, etc., in any of the 13 child care institutions (except Children's Home for Boys, Eluru) in the State.

The Superintendents of child care institutions stated (May/June 2015) that segregation of juveniles or children based on their age, physical and mental status, etc., could not be done due to non-availability of space in the homes.

Non-segregation of children based on age, physical and mental health is fraught with the risk of exploitation/ill-treatment of feeble children.

Government in its reply (January 2016) stated that instruction had been issued to all Homes to maintain age-wise and nature of offence-wise segregation of juveniles/children.

3.1.10 Infrastructure facilities

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

Integrated Child Protection Scheme (ICPS) norms also stipulate that minimum standards of accommodation should be provided to child care institutions established under Juvenile Justice Act.

Physical verification of all the 14 child care institutions in the State revealed that the institutions were not provided with accommodation and infrastructure as per the norms as discussed in the succeeding paragraphs.

3.1.10.1 Buildings

The JJ Rules 2007 stipulated the specifications such as size and number of dormitories and other infrastructure to be provided in the institutions. It was observed that four¹⁷ out of 14 institutions were functioning in the buildings which were originally not intended for child care institutions. Observation Home for Boys and Special Home for Boys at Visakhapatnam were functioning from one donated building. Two institutions at Visakhapatnam (Girls Home) and Kurnool (Observation Home) were functioning from rented buildings. As these were not constructed for the purpose of child care institutions these buildings did not conform to the specifications stipulated in the Rules. Even in the case of other institutions having own buildings, physical verification revealed inadequate amenities/facilities against norms. Further, buildings constructed for two child care institutions were not put to use as detailed below.

(i) **Building for Observation Home for Boys, Kurnool** was constructed in May 2006 at Thandrapadu (V) at a cost of ₹ 23.96 lakh. Balance works including compound wall, approach road, power connection, etc., were not completed due to non-release of funds by the Government and the building was not put to use as of June 2015.

(ii) **Children's Home for Boys, Kadapa:** The Director, JW, CS&WSC, AP, Hyderabad released (February 2006) an amount of ₹ 50 lakh for construction of Children's Home for Boys, Kadapa and dormitories were constructed with the available funds. Basic amenities like compound wall, kitchen, electricity, water, class/office rooms, etc., were not provided. Although, the estimates for construction of compound wall (₹ 18 lakh) and administrative block (₹ 35 lakh) were submitted in March 2009, funds were not provided to date. As a result, the building was not completed in all respects and put to use. Leaving the newly constructed building without compound wall and security arrangements is fraught with the risk of encroachment.

3.1.10.2 Dormitories

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

In the 14 institutions, there were only 28 (44 per cent) dormitories available against the requirement of 64. Details are given below.

Table-3.2

Institution	C	R	E	S	Institution	C	R	E	S
OHB, Visakhapatnam	50	2	1	1	CHB, Visakhapatnam	300	12	3	9
OHB, Rajahmundry	50	2	1	1	CHB, Eluru	300	12	4	8
OHB, Kurnool	50	2	2	0	CHB, Kadapa	300	12	2	10
OHB, Ananthapuramu	50	2	1	1	CHB, Tirupati	100	4	1	3
OHB, Vijayawada	50	2	1	1	GH, Visakhapatnam	100	4	4	0
OHB, Tirupati	50	2	1	1	GH, Tirupati	100	4	5	0
SHB, Visakhapatnam	50	2	1	1	Total		48	19	30
SHB, Tirupati	50	2	1	1					
Total		16	9	7					

Source: JJ Rules 2007 and Records of child care institutions

C: Capacity; R: Requirement; E: Existing; S: Shortage

¹⁷ CHB, Visakhapatnam; CHB, Kadapa; OHB, Rajahmundry; Girls Home, Tirupati

The shortage was high in the Children's Homes at Kadapa (83 per cent) followed by Visakhapatnam, Tirupati (75 per cent) and Eluru (67 per cent).

3.1.10.3 Provision of Toilets

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

In the 14 institutions, there were only 70 toilets available against the requirement of 256 toilets. Details are given below.

Table-3.3

Institution	C	R	E	S	Institution	C	R	E	S
OHB, Visakhapatnam	50	8	1	7	CHB, Visakhapatnam	300	48	9	39
OHB, Rajahmundry	50	8	1	7	CHB, Eluru	300	48	20	28
OHB, Kurnool	50	8	2	6	CHB, Kadapa	300	48	10	38
OHB, Ananthapuramu	50	8	3	5	CHB, Tirupati	100	16	3	13
OHB, Vijayawada	50	8	4	4	GH, Visakhapatnam	100	16	6	10
OHB, Tirupati	50	8	3	5	GH, Tirupati	100	16	5	11
SHB, Visakhapatnam	50	8	1	7	Total		192	53	139
SHB, Tirupati	50	8	2	6					
Total		64	17	47					

Source: JJ Rules 2007 and Records of child care institutions

C: Capacity; R: Requirement; E: Existing; S: Shortage

The shortage was high in Special Home for Boys, Visakhapatnam (1 out of 8), Observation Homes for Boys, Visakhapatnam and Rajahmundry (1 out of 8), Kurnool (2 out of 8) and Children's Home for Boys, Visakhapatnam (9 out of 48) and Kadapa (10 out of 48). Shortage in both Children's Homes as well as in Observation/Special Homes, was about 73 per cent against the requirement.

3.1.10.4 Classrooms

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

In the six children's homes, classroom facility was not available in three institutions¹⁸. In the other three institutions, the shortage was 13 against the requirement of 28 rooms.

Table-3.4

Institution	C	R	E	S
GH, Visakhapatnam	100	4	2	2
CHB, Eluru	300	12	10	2
CHB, Kadapa	300	12	3	9
Total		28	15	13

Source: JJ Rules 2007 and Records of child care institutions

C: Capacity; R: Requirement; E: Existing; S: Shortage

Government in the reply (January 2016) did not offer specific remarks regarding shortfall in infrastructure facilities in Children's Homes.

¹⁸ CHB, Visakhapatnam; CHB, Tirupati and Girls Home, Tirupati

3.1.10.5 Other basic infrastructure

Audit scrutiny of records/physical verification of 14 child care institutions revealed that many institutions did not have basic infrastructure such as workshop, dining hall, kitchen, playground, etc., as prescribed in the norms as detailed in the table.

Table-3.5

Infrastructure/amenities	Institutions not having facilities
Workshop	CHB, SHB and GH at Tirupati; OHB at Kurnool, Ananthapuramu, Vijayawada and Tirupati
Playground	OHB at Kurnool; GH at Visakhapatnam and Tirupati
Sickroom/First Aid Room	CHB at Tirupati; SHB at Visakhapatnam and Tirupati; GH at Tirupati and Visakhapatnam; OHB at Visakhapatnam, Rajahmundry, Vijayawada and Tirupati
Kitchen	OHB at Tirupati; SHB at Tirupati
Dining Hall	OHB at Rajahmundry, Kurnool, Vijayawada and Tirupati; SHB at Tirupati; GH at Tirupati
Recreation room	CHB at Visakhapatnam, Eluru and Tirupati; GH at Tirupati
Library	CHB at Visakhapatnam, Eluru and Tirupati; GH at Tirupati
Office room and Superintendent room	Superintendent Room: SHB at Visakhapatnam
Counselling and Guidance room	CHB at Visakhapatnam, Eluru, Kadapa and Tirupati; SHB at Tirupati; OHB at Rajahmundry, Kurnool, Vijayawada and Tirupati; GH at Tirupati

Source: JJ Rules 2007 and physical verification of/information furnished by child care institutions

CHB: Children's Home for Boys, **SHB:** Special Home for Boys, **OHB:** Observation Home for Boys, **GH:** Girls Home (Government Special-cum-Children's and Observation Home for Girls)

The Superintendents of Observation/Special Homes stated that library and recreation facilities were being provided. However, separate rooms were not available as stipulated in norms.

Incidentally, it was observed that 26 children¹⁹ in three out of 14 institutions, escaped from the child care institutions during 2012-15. Of these 20 children were traced and the remaining six children have not been traced as of date (June 2015). Of the total 26 children, 22 were from Observation Home for Boys (OHB), Tirupati. During physical verification of the institution it was observed that there was no compound wall on two sides of the premises.

The Superintendent of OHB, Tirupati replied (June 2015) that the building was not constructed as per the norms and residential quarters were not available within the premises.

¹⁹ CHB, Eluru – 3; GH, Visakhapatnam – 1; OHB, Tirupati – 22

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

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

3.1.11 Vocational training

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

Vocational training was not provided in two child care institutions (Children's Home and Special Home for Boys) at Tirupati. During the period 2012-15, total 524²⁰ children were stated to have been trained in various courses in six child care institutions²¹. Although vocational training was being provided, there was no linkage or networking arrangement (except in Kadapa) with any welfare institution, placement agency, industrial and production units to enable value addition in the vocational training imparted and to create employment opportunities for rehabilitation of the juveniles/children.

3.1.12 Manpower in Child Care Institutions

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

Audit scrutiny of staff position in the child care institutions revealed that as of March 2015, against 275 posts sanctioned, 132 posts (48 per cent) were vacant²² in the institutions. Status of vacancies in vital posts is given in the table.

Table-3.6

Name of the post	Sanctioned	In position	Vacant
Superintendent	14	12	2
Dist. Probation Officer	10	1	9
Case Worker	8	5	3
Supervisors	96	48	48
Pharmacist	3	nil	3
Teacher	14	2	12
Instructor	17	5	12

Source: Records of the Directorate

²⁰ 2012-13: 182; 2013-14: 174; and 2014-15:168 (details of GH, Tirupati not available)

²¹ CHB, Visakhapatnam – Tailoring, Photography, Computer Training, House wiring & Motor driving; CHB, Eluru – Motor re-winding, Carpentry, Computer & Electrical wiring; SHB, Visakhapatnam – House wiring; GH, Visakhapatnam and Tirupati – Tailoring; CHB, Kadapa: Tailoring, Carpentry and Cane weaving

²² Observation Homes: Sanctioned – 86, Vacant – 41; Special Homes: Sanctioned – 14, Vacant – 6; Girls Home: Sanctioned – 14, Vacant – 8 and Children's Home: Sanctioned – 161, Vacant – 77

3.1.13 After Care Organisation

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

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

There was only one After Care Home for juveniles in the erstwhile composite State of Andhra Pradesh i.e., in Hyderabad. No rehabilitation and After Care Home has been established in the State after bifurcation. As per the rules, on attaining the age of 18 years, the persons are to be sent to After Care Homes for rehabilitation. However, in Audit it was observed that four girls (of 18 years of age) in Girls Home, Tirupati were transferred to 'Short Stay Home' for rehabilitation and two girls of 18 years of age were retained in the Girls Home, Visakhapatnam due to non-availability of after care facility in the State.

The Superintendent replied (June 2015) that parents were not interested to take back the children and the matter was pending with CWC, Visakhapatnam.

Government replied (January 2016) that proposal for setting up of new After Care Home is under consideration.

3.1.14 Monitoring

3.1.14.1 Inspection Committee

Rule 63 of JJ Rules stipulates that the State Government should constitute State, District or City level Inspection Committee consisting of five members²³ for overseeing the matters inter alia the conditions in the institutions, standards of care and protection being followed and functioning of the Management Committee and Children's Committee and make suitable suggestions for improvement and development of the institution. The inspection should be carried out at least once in every three months with not less than three members.

Audit scrutiny revealed that State level Inspection Committee was not established in the State. As a result, functioning of the child care institutions was not being reviewed periodically at State level to ensure their improvement.

²³ from the State Government, the Board or Committee, the State Commission for the Protection of Child Rights or the State Human Rights Commission, medical and other experts, voluntary organizations and reputed social workers

3.1.14.2 Advisory Boards

Rule 93 of JJ Rules stipulates that the State Government should constitute the State level, District level and City level Advisory Boards²⁴ for a period of three years. The Board should inspect the various institutional or non-institutional services in their respective jurisdictions and the recommendations made by them should be acted upon by the State Government. The Advisory Boards should hold at least two meetings in a year.

Audit scrutiny revealed that at State level, Advisory Board was not constituted by the Government as of June 2015.

Department replied (July 2015) that only District Level Advisory Board Committees were formed; proposals were submitted (April 2015) to Government for constitution of State Level Advisory Board and Government approval is awaited.

3.1.14.3 Departmental Inspections of child care institutions

Government emphasised in its order²⁵ on the need for conducting of inspections of Government Offices by the Head of the Department periodically.

Audit scrutiny revealed that no departmental inspections were conducted by the Directorate during the period 2012-15 in respect of seven²⁶ (out of 14) institutions.

3.1.15 Fund allocation and utilisation under ICPS

The Centrally Sponsored 'Integrated Child Protection Scheme' (ICPS) in partnership with the State, has been providing financial support under various components for the implementation of the JJ Act, 2000. During 2012-14, State Government received ₹13.51 crore of ICPS funds from GoI and incurred expenditure of ₹11.94 crore. Including unspent balances of previous years, funds amounting to ₹7.91 crore was available with the Directorate. Of this, the Directorate of Andhra Pradesh received ₹3.98 crore as its share after bifurcation of the State out of which incurred expenditure of ₹3.42 crore during 2014-15.

Audit scrutiny of records at Directorates²⁷ revealed that an amount of ₹15.35 lakh is still to be distributed (January 2016) between the two States.

3.1.16 Juvenile Justice Fund

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

²⁴ consists of representatives of the State Government, members of the competent authority, academic institutions, locally respectable and spirited citizens and representatives of Non-Government Organisations

²⁵ G.O. (Cir) No. 42050/AR-III/97-7 of GAD dated 26 July 1997

²⁶ Observation Homes at Vijayawada, Tirupati and Ananthapuramu; Special Home at Tirupati; Children's Homes at Tirupati, Kadapa; and Girls Home at Tirupati

²⁷ in both the States of Andhra Pradesh and Telangana

Audit scrutiny revealed that the State Government did not create Juvenile Justice Fund as per Section 61 of the JJ Act. In contrary, Department, in its reply (December 2015) stated that Juvenile Welfare Fund was created in June 2003. However, details like balance available in the fund, utilisation particulars, bank statements, etc., were not furnished though called for.

3.1.17 Conclusion

The overall findings of the compliance audit on the functioning of the child care institutions have brought out a number of shortcomings. There were delays in the disposal of cases by the Juvenile Justice Boards. There were shortfalls in holding of meetings by the respective Child Welfare Committees. There were inadequacies in infrastructural arrangements and provisions relating to dormitories, classrooms, toilets, etc., coupled with shortfalls in manpower availability with almost 50 per cent vacant posts noticed at the time of audit.

Vital components to the rehabilitation of the juveniles to facilitate their re-entry into mainstream society like the After Care home were conspicuously missing. Lastly with practically no mechanism in place for monitoring and effective inspections, there was much that left to be desired in the functioning of these institutions in the State.

Government in the reply (January 2016) enumerated various measures taken to strengthen the functional structure of both JJBs and CWCs in the State and issued instructions for constitution of Home Management Committees in the Homes. Regarding pending works, it was stated that budget proposals have been made in Budget Estimates 2016-17. Government assured that exclusive monitoring mechanism would be developed to monitor child care institutions and necessary steps would be taken to take care of all issues in implementing juvenile justice system in the best interest of each and every child.

Information Technology, Electronics and Communications Department

3.2 Implementation of Mee-Seva in Andhra Pradesh

3.2.1 Introduction

Mee-Seva is a good governance initiative of the Government of the composite State of Andhra Pradesh. It was set up in November 2011 as an extension of the existing e-Seva facilities in the twin cities of Hyderabad - Secunderabad and Ranga Reddy district. Initially the system catered to the requirements of citizens relating to two Departments with 12 citizen centric services. The system was fully operationalised across all the districts of the State in a phased manner extending to 34 Departments involving 339 services to the citizens.

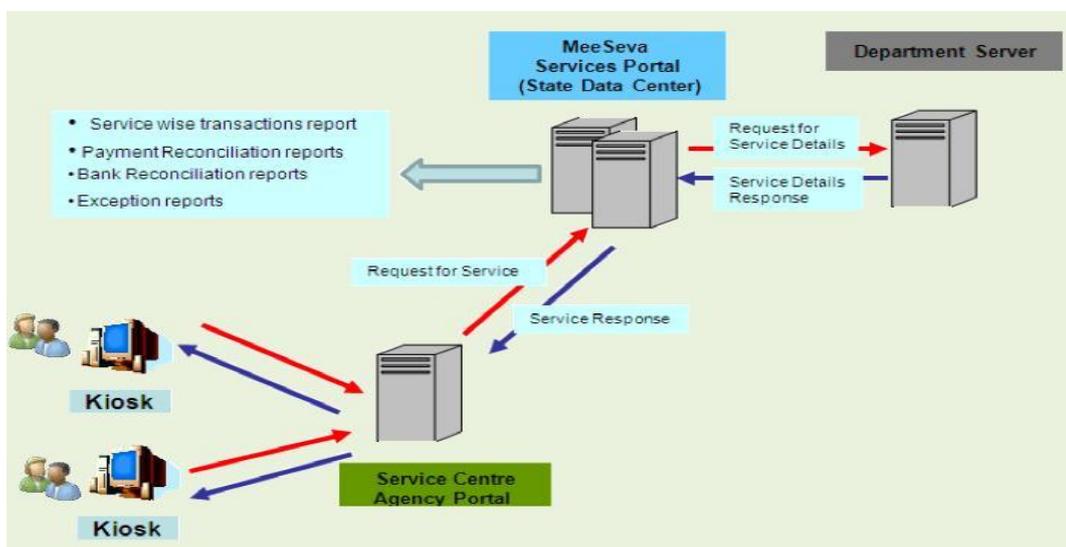
3.2.2 Objectives of Mee-Seva

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

- (i) To provide Government to Citizen (G2C) and Business to Citizen (B2C) services in a convenient and efficient manner through various service centres.
- (ii) To enhance accountability, transparency and responsiveness to citizens' needs.
- (iii) To enable the Departments and agencies to provide cost effective and quality services and real-time Management Information System reports.
- (iv) To enable Government Departments and agencies to focus on their core functions and responsibilities by freeing them from routine operations like collection of revenues and accounting, issuing certificates, etc., and thereby enhance the overall productivity of the administrative machinery.

3.2.3 System Architecture

The Application was developed by AP Online Ltd., (a Joint Venture company between Government of Andhra Pradesh and Tata Consultancy Services Ltd.) in .Net (front end) with MSSQL database on Windows 2008 OS with IIS web server. The system architecture is shown in the picture.



Source: GO MS 1, ITE&C Department, dated 1 January 2014

3.2.4 Salient features of the system

The system operates through multiple service delivery points and builds synergy between the existing Central Government Services like State Services Delivery Gateway (SSDG), e-Districts, RAJiv (Rajiv Internet Village), Citizen Service Centres and State Government Services like AP Online, e-Seva and Rural Services Delivery Point (RSDP). The system works through Public Private Partnership Model wherein seven vendors/Authorised Service Providers were chosen and works through agreed revenue sharing formula with regard to the user charges. Delivery points (Mee-Seva centres) are established by the Authorised Service Providers which are run by Authorised Agents (Kiosk Operator). As of August 2015, there are 4,625 Mee-Seva centres in Andhra Pradesh. The services provided by the Mee-Seva centres comprise two categories.

Category-A: These services are provided across the counter (more than 1/3 of the services are of this nature). With regard to these services (example – Residence Certificates, duplicate copy of Income Certificates, etc.), a digitally signed certificate is issued across the counter on pre-printed stationery.

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

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

Table-3.7

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

Source: As per records of Director (ESD)

3.2.5 Audit Approach

3.2.5.1 Audit Objectives

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

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

- (ii) capacity building is adequate to ensure effective and efficient implementation of the system;
- (iii) general and application controls, network security, disaster recovery and business continuity plans are in place and functioning effectively.

3.2.5.2 Scope and Methodology of Audit

Audit scope involved examination of the processes related to setting up the Mee-Seva system in the composite State of Andhra Pradesh and operationalisation in the State of Andhra Pradesh post bifurcation of the State with effect from 02 June 2014. Audit scope also included evaluation of general controls of the system at sampled Mee-Seva centres. Application controls were evaluated through analysis of transaction data using Computer Assisted Audit Techniques (CAAT). An Exit Conference was held with Government representatives in December 2015 to discuss audit findings and replies of Government have been incorporated at appropriate places in the report.

3.2.5.3 Sample size

The records at the Office of the Director (ESD) were examined and data was collected for audit. Further, extent of implementation of Mee-Seva was verified through a review of the functioning of the system in three districts²⁸ in the State of Andhra Pradesh. These districts were chosen based on the number of service centres and to cover all the operators/categories of centres. Four centres in urban area and four centres in rural area covering all the operators in each district and one centre operated by the Department of Posts (DoP) were taken as sample in each of the three districts (nine centres in each district) covering a total of 27 centres in the State.

3.2.5.4 Audit Criteria

Audit findings were benchmarked against the following sources of criteria:

- (i) Andhra Pradesh Information Technology (ESD) Rules, 2011 of Government of Andhra Pradesh
- (ii) Functional requirements and technical specifications of the system as detailed in Request for Proposals
- (iii) Circulars/Orders issued by the Government from time to time
- (iv) Service Level Agreements (SLA) between the Government and Authorised Service Providers

Audit Findings

3.2.6 Third party audit of Application

As per AP Information Technology (ESD) Rules²⁹ 2011, the Director, ESD shall get the Software application audited by a third party agency, as to its security, reliability, performance and consistency, before it is deployed by the Authorised Agency. The

²⁸ East Godavari, Kurnool and SPS Nellore

²⁹ Rule 14 (d) of Chapter-4

Mee-Seva Application was launched on 04 November 2011 in Chittoor district and subsequently rolled out in all the districts of composite State of Andhra Pradesh in 2012.

During the scrutiny of records, it was noticed that the Director, ESD approached Standardisation Testing and Quality Certification (STQC), Hyderabad (December 2011) regarding security audit of Mee-Seva Portal. STQC submitted (July 2012) the detailed techno-commercial proposal and quoted an amount of ₹ 23.26 lakh (including service tax) and the work was divided into four stages comprising of various activities as listed in Table-3.8.

Table-3.8

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

Source: Techno-Commercial proposals of STQC

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

The work was taken up by STQC (02 August 2012) and the second round of functionality testing (Stage 1) was under progress (July 2015). Thus, the work of security audit of the application was not completed even after a lapse of three years from the date of issuing the work order, exposing the entire application to security risk.

Government replied (December 2015) that security audit of all the applications was taken up through a firm³⁰ and a certificate for hosting the web application was obtained on 26 February 2014. Action would be taken to coordinate with the agencies³¹ to obtain STQC certificate.

³⁰ AKS Information Technology Services Pvt. Ltd., NOIDA, Uttar Pradesh

³¹ M/s. Andhra Pradesh Technology Services, M/s. AP Online and M/s. AKS IT Services

The reply of the Government is not acceptable as the security audit of only the website was conducted and the third party audit of the application is still under progress. Thus, due to non-completion of third party audit even after considerable lapse of time after launching of Mee-Seva, assurance on performance and functionality of the application and security of data could not be obtained.

3.2.7 Extension of Mee-Seva services through post offices

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

The service was launched on 9 October 2013 (i.e., on World Post Day) in 95 Head Post Offices³² across the erstwhile State of Andhra Pradesh. The Assistant Director, Marketing, office of CPMG (AP Circle) proposed (May 2014) to extend the facilities to the remaining eligible computerised Post Offices (2,342) and sought necessary approval from the Department.

However, it was noticed that transactions of Mee-Seva services were meagre in the 60 Post Offices in Andhra Pradesh where the facility was started and only 5,755 transactions were made during the period from June 2014 to August 2015.

Further, it was noticed during physical verification of three DoP Mee-Seva centres in three test checked districts that Mee-Seva counter was not operated except in one centre in SPS Nellore district due to transfer of the person trained in Mee-Seva application, thereby, not being able to login to Mee-Seva application.

Government replied (December 2015) that extension of Mee-Seva services through post offices would be thoroughly reviewed and necessary action would be initiated to make them effective or withdraw the same. It was also intimated that the Government is going to introduce CSC 2.0 wherein every Gram Panchayat would be provided one Mee-Seva centre each.

3.2.8 Conversion of Bhoomi counters to Mee-Seva centres

Bhoomi counters were established by the Government of Andhra Pradesh in eight districts in 416 mandals³³ for issue of land related certificates to the citizens from LRMIS³⁴ data available in mandal computers. After launch of Mee-Seva in 2011,

³² After bifurcation of the State, the services are being offered in 35 Head Post Offices in Telangana and 60 Post Offices in Andhra Pradesh

³³ Adilabad-52, Ananthapuramu-41, Karimnagar-57, Mahabubnagar-64, Medak-46, Nalgonda-59, Nellore-46 and Warangal-51

³⁴ Land Record Management Information System

Government decided³⁵ (June 2012) that the existing 416 Bhoomi counters in the eight districts be converted to Mee-Seva counters providing all Mee-Seva enabled services to the citizens, in addition to the land related services being offered through Bhoomi counters. The District e-Governance Society (DeGS) under the chairmanship of District Collector was to act as the Service Centre Agency (SCA) for these centres.

During scrutiny of records, it was noticed that the Department informed (July 2012) the Joint Collectors and Additional Directors (Mee-Seva) of the eight districts that Mee-Seva services were to be provided through the converted Bhoomi centres by connecting through urban e-Seva data centres of districts concerned. Data access charges were to be paid to the service provider for data centre access. However, it was noticed that 46 centres in SPS Nellore district were converted to Mee-Seva centres and shown as working under DeGS. However, the status of remaining 41 erstwhile Bhoomi counters pertaining to Ananthapuramu district that were to be converted to Mee-Seva counters were not being reflected in the list of Mee-Seva authorised centres.

Thus, the purpose of conversion of Bhoomi centres for offering Mee-Seva services in SPS Nellore and Ananthapuramu districts was not fruitful.

Government replied (December 2015) that Bhoomi counters in two districts were closed so as to discourage the citizens from approaching the Government Departments and instead approach the nearest Mee-Seva centres.

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

Government of India formulated the National e-Governance Plan (NeGP) with the vision of providing Government services in an integrated manner at the doorstep of the citizen at an affordable cost. As part of it, CSCs were envisioned as the front-end delivery points for providing Government, private and social sector services to rural citizens of India. State Designated Agency (SDA - EDS) has identified 4,687 as the total number of CSCs that would be established across the State³⁶ of which 2,770 CSCs relate to residuary State of Andhra Pradesh.

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

³⁵ GO Rt. No. 92, IT&C (Infrastructure) Department, dated 13 June 2012

³⁶ one CSC for every six census villages in six zones (excluding Hyderabad and Secunderabad)

Table-3.9

Name of SCA	Districts	No. of CSCs	No. of CSCs Registered as per CSC Live
CMS Computers Ltd.	Visakhapatnam	213	224
	Vizianagaram	213	169
	Srikakulam	213	195
	East Godavari	214	378
	Guntur	213	237
	Kurnool	213	209
	Prakasam	213	197
	Sreeven Infocom Ltd.	West Godavari	213
	Krishna	213	170
AP Online Ltd.	YSR	213	162
	Ananthapuramu	213	216
	SPS Nellore	213	170
	Chittoor	213	188
Total		2770	2613

Source: Status report from CSC live for the month of June 2015

- A number of CSCs, which were contemplated in the agreement with different SCAs, were not established by some SCAs in some of the districts even after the lapse of more than five years.
- Although 157 CSCs showed as being rolled out in the CSC portal, they were not registered on the CSC live portal which is mandatory as per agreement for monitoring the operation of CSCs by Central Government.

Government replied (December 2015) that the number of CSCs which were contemplated in agreement with different SCAs were established now. It was also stated that efforts are being made to ensure that all CSCs are registered in OMT³⁷ Smart tool.

The contention of the Government is not acceptable as the roll out of CSCs in some districts viz., SPS Nellore and YSR districts etc., were not achieved fully (December 2015).

3.2.10 Non-submission of Utilisation Certificates for CSC funds

Department of Information Technology (DIT), GoI accorded (May 2007) administrative approval for implementation of the CSC project at a total estimated outlay of ₹74.33 crore to be implemented in the composite State of Andhra Pradesh through Electronically Deliverable Services (EDS) over a duration of four years. The contributions of DIT and the State were to be ₹37.17 crore each. An amount of ₹9.29 crore was released³⁸ in August 2007 as Grant-in-Aid (GIA). An amount of

³⁷ Online Monitoring Tool

³⁸ No.3(88)2006-EGPMU dated 6 August 2007

₹9.29 crore was also released (June 2007) by DIT as Additional Central Assistance (ACA)³⁹ for implementation of the above project.

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

It was noticed that:

- a) The GIA and the ACA received by the Department in the year 2007 was not utilised and kept in bank and no UCs were submitted for more than three years.
- b) The DIT stated (July 2011) that the Parliamentary Standing Committee on Information Technology directed the DIT to take urgent steps to recover the money from the implementing agencies which have not spent the allocation effectively. Accordingly, DIT requested (June 2012) the Department to refund the GIA amount lying unutilised since 2007-08.
- c) The Department neither submitted the UCs for the years 2013-14 and 2014-15 nor refunded the amounts lying unutilised as directed by DIT. Non-submission of UCs to DIT may result in stopping of further releases for the project.
- d) The CSC funds got accumulated to ₹25.37 crore over the years and the same were allocated between the States of Andhra Pradesh (₹14.71 crore) and Telangana (₹10.65 crore) due to bifurcation of the State as per the ratio finalised in AP Reorganisation Act, 2014.

Government replied (December 2015) that UCs for 2013-14 and 2014-15 were now submitted by Director (ESD) to the Government for further submission to DIT, New Delhi and the delay was attributed to bifurcation of State.

3.2.11 Non-implementation of Disaster Recovery Centre

Guidelines for development, implementation/operationalisation, sustenance, maintenance and support of all services delivered through Mee-Seva platform of Government of Andhra Pradesh⁴⁰ provided for setting up a Disaster Recovery (DR) Centre for storing and maintaining the databases remotely. As per the DIT norms, the DR site should be geographically located in a different seismic zone i.e., at least 250 km away from the main data centre site.

AP Technology Services (APTS) on behalf of the Department entered into a contract (January 2013) with a Secunderabad based firm for supply, installation and commissioning of IT infrastructure at Mee-Seva DR site at New Delhi. The Department paid an amount of ₹94.38 lakh towards setting up of the DR site to APTS. The DR site was configured and tested but not implanted due to State bifurcation. The Department replied that a DR site is planned at NIC Hyderabad and is under configuration. Thus,

³⁹ No. 3(82)/2006-EGPMU dated 22 June 2007

⁴⁰ GO No.5, ITE&C Department dated 19 February 2014

non-setting up of DR site even after one year of bifurcation of the State exposes the system to disruptions in the event of calamities.

Government replied (December 2015) that the setting up of DR site would be expedited. A DR site for the State (for all IT applications across all the Departments) is planned to be set up at NIC, Hyderabad and at New Delhi, with the main data centre at Vijayawada, Andhra Pradesh.

3.2.12 Non-reconciliation of receipts with Departments

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

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

Government replied (December 2015) that schedule for reconciliation of the receipts are being given to the Departments through online reports available in the application and through letters but the Departments are not reconciling the figures from their side. However, efforts would be made to reconcile the receipts with all the participating Departments.

3.2.13 Grievance monitoring system

A multiple-service-delivery call centre (24x7) called 'Parishkaram' was set up to provide information related to Agriculture, Education, Exam results, etc., to citizens and to register and follow-up grievances related to service delivery across various Government offices. Information/complaints about the Mee-Seva services could also be registered through this call centre by a toll free number⁴¹.

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

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

Government replied (December 2015) that the existing call centre is planned to be strengthened for monitoring the grievance redressal by revamping the existing GMS application by incorporating escalation and feedback mechanism.

⁴¹ 1100 (BSNL users) or 1800-425-1110 (all users)

3.2.14 Capacity building

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

Table-3.10

No. of training sessions	Kiosk Operators			Departmental officials		
	Nominations	Attendance	% trained	Nominations	Attendance	% trained
2778	169971	117621	74	17127	15054	88

Source: Capacity Building report provided by the Department

As seen from the above, only 74 per cent of the kiosks/counter operators and 88 per cent of the departmental officials were imparted training on all modules, even after the completion of more than three years of roll-out of the project.

Government replied (December 2015) that efforts are being made to train all the stakeholders.

3.2.15 Delay in providing services

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

Category-A: As per the timeframe in the Citizen charter of Mee-Seva, services under Category-A (which are to be given across the counter) are to be provided in a maximum of 15 minutes. Analysis of the transaction data of services under Category-A revealed that Mee-Seva could successfully deliver them within time frame in 91 to 99 per cent of cases.

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

Table-3.11

Sl. No.	Service ID	Service description	SLA Days	Total No. of records	Pending beyond SLA	% beyond SLA
1	806	Income Certificate	7	2195621	538674	25
2	815	Encumbrance Certificate	1	866173	248692	29
3	818	Integrated Certificate	30	3338871	339876	10
4	805	Residence Certificate	7	1568385	413641	26
5	845	Birth Certificate	5	885278	293507	33

Source: Data analysis reports

As seen from the above, for the services which were availed by the citizens under Category-B, the pendency beyond the service level agreement (SLA) ranged from 10 per cent to 33 per cent which shows the delay in delivering the services on the part of the concerned Departments.

Further, analysis of some services of SLA monitoring report revealed the following.

Table-3.12

Service name	Total Transactions	Approved within SLA	Rejected	Pending beyond SLA
Ration Card Member Addition (Birth)	4,65,384	2,95,850	13,700	1,53,847
Mutation and E-Passbook	6,86,316	2,64,777	2,00,726	51,332
Ration Card Modifications (EPDS Integration)	3,85,650	3,11,942	21,639	51,049
F-Line Petitions	2,71,313	1,78,262	32,423	31,840
Late Registration of Birth	4,42,041	3,25,426	50,128	29,002

Source: Data analysis of SLA monitoring report

Out of total 5,28,247 records pending beyond the SLA period under all the services, 1,53,847 records (29 per cent) constitutes the pending records for the service 'Ration Card Member Addition (Birth)' which is one of the most availed Mee-Seva service.

Government replied (December 2015) that the issue of delay in providing services is being pursued with the Departments concerned regularly so as to ensure delivery of services to the citizens as per SLA.

3.2.16 Inconsistencies in database

- (i) In the Mee-Seva centres master table (Mee-Seva_centres_compliance⁴²), out of total records of 5,984, details of centre viz., Name of the Operator, SCA Details, Address, Photo-ID, etc., were not available in 2,470 records. Therefore, the records could not be categorised between the States of Andhra Pradesh and Telangana in these cases. Out of the remaining 3,514 records, 2,132 records pertain to Andhra Pradesh. Out of them, no photo of Mee-Seva centre (both front and inside view) was uploaded in 469 records. Same e-mail ID and phone number was noticed in seven cases. Junk entries like '1155', '05', 'AADHAR' were noticed in the column where identity proof number (i.e., Aadhaar, PAN No. etc.) was to be recorded. Thus, it could be construed that important fields like contact numbers, photo of centre, identify proof number were not being filled in properly and verified through the system which shows that there is no proper validation existed for updating the master data.
- (ii) In Portal_User table⁴³, out of 6,987 records, distinct password was being used only in respect of 1,979 cases and in remaining 5,008 cases, same password was being used which shows that the password was not being changed regularly as per

⁴² This table captures details of a centre viz., operator name, centre code, address, centre photo, etc.

⁴³ This table captures details of departmental users like username, password, role id, etc.

password policy. Thus, it shows that same password was being used in the Departments which may affect the security of digital signature for processing of Mee-Seva services by the departmental officials, thereby exposing the system to misuse or vulnerability of frauds.

- (iii) The details of centres were not reflected/updated on the Mee-Seva portal as there were variations between the figures on the number of centres in 'Authorised service centres' and 'Authorised agent performance' reports available on the portal, which needs synchronisation.

The Government replied (December 2015) that the inconsistencies noted in the database would be addressed and rectified.

3.2.17 Performance of Mee-Seva centres

After the launch of the programme in Government of Andhra Pradesh post bifurcation, a total of 2.80 crore transactions till 22 July 2015 have taken place on Mee-Seva portal. An analysis of Authorised Agent-wise performance report available on the Mee-Seva portal revealed the following.

Table-3.13

Sl. No.	Name of the SCA	Total No. of Agents	Agent having Txns more than 1000	Agent having Txns Less than 1000	Agent having zero transaction
1	AP Online	892	778	79	35
2	AP Online CSC	771	643	74	54
3	HCL	401	311	27	63
4	CMS	1776	1111	412	253
5	Sreeven	399	275	75	49
6	Postal Department	60	0	0	60
7	Bhoomi	47	0	0	47
8	DMC	535	341	131	63
Total		4881	3459	798	624

Source: Data analysis of Authorised Agent-wise performance report

Out of the total 4,881 Mee-Seva centres, only 3,459 centres have recorded transactions of more than 1,000 during June 2014 to August 2015 whereas 798 centres have recorded less than 1,000 transactions. Six hundred and twenty four (624) centres have not recorded any transactions during the period; thereby the citizens were deprived of the Mee-Seva services in those areas.

Government replied (December 2015) that the performance of Mee-Seva centres under various SCAs is being reviewed for improving the volume of transactions. It was also stated that new service providers are being identified by calling tenders.

3.2.18 Observations in test checked Centres

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

- In urban centres, even though E-Queue Management System (EQMS) hardware was available, it was not being put to use and manual queue system was being followed.
- UPS/Inverter, though available were not in working condition in urban centres.
- SCA shall maintain or cause to be maintained, Insurance policies against loss due to fire, floods, earthquake, etc. However, no insurance was being taken thereby exposing the Village Level Entrepreneur (VLE) to the financial risk.
- Anti-virus was not being used or is outdated in some centres, exposing the application to unauthorised access to confidential data and virus/malware attacks.
- Presence of more than one Mee-Seva centres of same/different SCAs in same vicinity of a village/town⁴⁴.
- Funds pertaining to the departmental share were being transferred to DeGS account (at District Collectorate) for maintenance of IT infrastructure/computerisation, digitisation, scanning, etc., at district offices. However, cash book reflecting the receipt and expenditure of the funds was not being maintained/submitted to audit in SPS Nellore district.

Government replied (December 2015) that new SCAs were being identified and lapses noticed would be addressed before issuing orders to new SCAs.

3.2.19 Conclusion

The delay in providing services under Category-B (issue of Income Certificate/Caste Certificate, etc.) defeated the purpose of providing services in a timely manner. Non-operationalisation of Disaster Recovery Centre exposed the system to risk of hampering business continuity. Grievance monitoring and capacity building activities were inadequate and need to be strengthened for their effective functioning.

3.2.20 Recommendations

- (i) Coordination between the Department of Information Technology, Electronics and Communications and other participating State Government Departments, needs to be strengthened for timely delivery of services to citizens.
- (ii) Disaster Recovery Centre needs to be setup on priority basis to restore data in case of any contingency.

⁴⁴ Agent IDs: APOPR00134, APOPR03775, APOPR03761 at one of the test checked locations – Diwancheruvu, East Godavari District

Social Welfare, Tribal Welfare, Backward Classes Welfare and Minorities Welfare Departments

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

3.3.1 Introduction

Scholarship schemes represent an important social welfare measure initiated by the Central and State Governments to increase the enrolment and ensure retention of Scheduled Caste (SC), Scheduled Tribe (ST), Backward Classes (BC) and Minority community students in educational institutions. The benefits of these schemes are provided to pre-matric as well as post-matric students based on the parameters specified by the Government from time to time. In the composite State of Andhra Pradesh approximately 25 lakh beneficiaries were being covered each year under post-matric scholarship schemes. Post bifurcation of the State with effect from 2 June 2014, approximately 14 lakh beneficiaries have been covered under post-matric scholarship schemes in residuary State of Andhra Pradesh during 2014-15. Government of Andhra Pradesh has been implementing these schemes through the Departments of Social Welfare (SW), Tribal Welfare (TW), Backward Classes Welfare (BCW) and Minorities Welfare. Under the scheme, students are paid scholarships in the form of Reimbursement of Tuition fee (RTF) comprising Tuition fee, Special fee and other fee; and Maintenance fee (MTF) comprising mess charges, exam fee, etc., subject to fulfilment of certain specific criteria *viz.*, income limit, caste, age, etc. Director, Social Welfare has been designated as nodal officer for implementation of the scheme through ePASS⁴⁵ system. An amount of ₹ 6,910 crore was spent during the three year period 2012-15 on this scheme across the residuary State of Andhra Pradesh.

3.3.2 Objective, scope and methodology of audit

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

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

⁴⁵ electronic Payment and Application System of Scholarships

Audit methodology involved issue of specific structured questionnaire to the four concerned Departments (SW, TW, BCW and Minorities Welfare) for eliciting responses with regard to the action taken by the Government to implement the recommendations, followed by scrutiny of records (June – July 2015) at the Secretariat Departments, Directorates, eight⁴⁶ selected educational institutions and analysis of data in ePASS system using Computer Assisted Audit Techniques (CAAT).

Audit findings

3.3.3 Implementation of audit recommendations

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

A. Insignificant or No progress

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p>About 24 per cent of allocated funds remained unutilised during 2008-12 with regard to post-matric scholarships, due to freezing of budget by the Government.</p> <p>There were delays in sanction/disbursement of scholarship to students. Students were not sanctioned Maintenance fees (MTF) and Reimbursement of Tuition fee (RTF) in the same academic year. 3 to 19 per cent students were not sanctioned MTF and RTF in the same academic year during 2009-11.</p> <p>(Paragraphs 3.4.2 and 3.6.3.5)</p>	<p>Government should ensure allocation and release of adequate funds in a timely manner within the respective academic year, so that scholarships benefit the students in time.</p>	<p>Government has not taken concrete steps to assess requirement of funds for clearing of arrears and payment of scholarships to all eligible beneficiaries in the same year.</p> <p>During 2012-13 to 2014-15, 49 to 67 per cent of funds released in a year were utilised to clear arrears of earlier year scholarships as detailed in Appendix-3.1. During the audit of test checked colleges, delay in release of scholarships was noticed in all the eight colleges test checked. Details of payments in respect of the sampled colleges for the last three years are given in Appendix-3.2.</p>	<p>All the four welfare Departments stated that Government provided funds for release within the financial year.</p>	<p>Contrary to the Departments' reply it was observed in Audit that all the eligible students were not being sanctioned/paid in the same financial year.</p> <p>Due to delayed release of RTF by the Government, college managements were collecting the fee from the students during the year. The Principals of six⁴⁷ out of eight test checked colleges have confirmed that they have collected tuition fees from the students in</p>

⁴⁶ **Chittoor:** PVKN Degree College, Krishnaveni Government Junior College; **Guntur:** Government Degree College for Women (A), Government Junior College for Girls; **SPS Nellore:** DK Government Degree College for Women, DK Government Junior College for Girls; **Visakhapatnam:** Dr. VSK Government Degree College, Visakha Government Junior College for Girls

⁴⁷ **Chittoor:** PVKN Degree College, Krishnaveni Government Junior College; **Guntur:** Government Degree College for Women (A), Government Junior College for Girls; **SPS Nellore:** DK Government Degree College for Women, DK Government Junior College for Girls

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
				advance of receipt from the Government. Government has thus, not implemented this recommendation.
<p><i>Large variations in the tuition fee structure were observed for the same course offered by different colleges of different Universities resulting in payment of different rates for the same course.</i></p> <p>(Paragraph 3.6.5.10)</p>	<p><i>There is an urgent need for the Government to assess the quality of education and infrastructure facilities provided by these institutes and rationalise/standardise the fee structure. Until that happens, Government should at least reimburse a fixed amount to the Universities/institutes for various courses, rather than reimburse the cost quoted by these institutes.</i></p>	<p>There was a proposal within the Social Welfare Department to convene a meeting with all Vice Chancellors (VCs) to sort out the serious anomalies in the fee structure and formulate norms for fixing fee structure for restructured courses, regular courses and self finance courses, etc.</p>	<p>Commissioner, SW stated (June 2015) that Government has been addressed in February 2014 regarding unified fee structure for all courses irrespective of the University.</p>	<p>As of June 2015, nothing concrete has been done in this regard. Thus, the recommendation was not implemented.</p>
<p><i>As per Government orders, Government educational institutions were to remit back the tuition fee component to the Government account and retain the special fee, examination fee and other fee in Non-government account to meet the miscellaneous expenditure incurred on students. Government colleges were however, not complying with these orders and the resultant money remained unremitted in the Principals accounts.</i></p> <p>(Paragraph 3.4.2.5)</p>	<p><i>Government should dispense with releasing RTF to Government educational institutions since this is remitted back in any case.</i></p>	<p>There was no change in the system of releasing RTF money to Government educational institutes and the institutions crediting it back to Government account leading to unnecessary locking up of public funds.</p>	<p>The Director, SW stated (April 2015) that Government has been addressed to issue necessary instructions in this regard.</p>	<p>Audit analysis of ePASS database however revealed that release of RTF to Government colleges continued as of June 2015. Thus, there was no further action in this regard.</p>

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p><i>As per Government orders of September 2010, the Project Monitoring Unit (PMU) should update the fee and course masters, monitor the fee structure, and address technical issues in the ePASS system for all the Welfare Departments.</i></p> <p>(Paragraph 3.6.3.6)</p>	<p><i>Fee structure uploaded in the ePASS system should be verified by an authorised official of the concerned Departments to ensure accuracy of scholarship amount released.</i></p>	<p>Government issued (September 2011) instructions to Registrars of all the universities to update the fee structure every year. They were also to furnish a hard copy as documentary evidence to the Project Monitoring Unit (PMU) for cross verification of the fee structure on the ePASS website. Only on confirmation of the fee structure, the revised rates, if any, would come into force; else, the fee structure of previous year is applicable.</p> <p>However, due to non-confirmation from the PMU, the fee structure pertaining to 2012-13 was adopted even as of 2014-15.</p>	<p>Government stated (February 2013) that the issue of achieving a unified fee structure for all courses irrespective of Universities was under consideration and a final decision would be taken in due course.</p>	<p>Despite this assurance by Government, unified fee structure for all courses irrespective of Universities remains unachieved as guidelines in the matter are yet to be formulated (May 2015). The recommendation was thus, not implemented.</p>

B. Partial implementation

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p><i>Scholarship is provided on saturation basis and the Government is required to identify the eligible students before sanctioning the scholarship amount. While the Departments were not ensuring compliance with the prescribed format with regard to income level of parents, there is no mechanism with the Government to derive assurance about the other details of</i></p>	<p><i>Government should take immediate steps to carry out a survey of all eligible students/colleges, and update the database with valid details, including mail IDs and bank accounts. The income certificate in the form prescribed by the Government should be insisted upon from the beneficiaries.</i></p>	<p>Government introduced (December 2013) Aadhaar linkage for identification and authentication of the eligible students for disbursement of scholarships and mandated issue of income and caste certificates from the Revenue Department through Mee-Seva⁴⁸. Principals of the educational institutions have been authorised by the Government to verify the authenticity of the details provided by the students in their application for scholarship. Where the students do not possess Aadhaar card, scholarship</p>	<p>Director, Social Welfare stated (April 2015) that the implementation of the scheme was carried out effectively through ePASS and that with the introduction of Aadhaar Online Authentication, the student was sanctioned</p>	<p>Although corrective action has been initiated by Government to implement the recommendation and streamline the procedure for verification and authentication of the details provided by the students, it was not being complied with at the ground level by the officials concerned at</p>

⁴⁸ Online citizen utility services portal

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p><i>students like proof of address, etc. This is further reinforced by the fact of inability of the nodal banks in crediting the scholarship amounts to the students' accounts in some cases due to absence of the requisite details.</i></p> <p>(Paragraph 3.3.1)</p>		<p>amount is to be disbursed only after physical verification of the details provided by the applicant, by the concerned District Welfare Officer.</p> <p>Audit analysis of the data in the ePASS database revealed that out of the 36.29 lakh students who have been sanctioned scholarship during 2012-15, scholarships were sanctioned after verification of all the six parameters only in respect of 7.83 lakh students (22 per cent). In case of other students, scholarships were sanctioned without verifying one or more of the six prescribed parameters ⁴⁹ i.e., Income certificate (53,940), Caste certificate (23,53,298), Bank account particulars (18,11,382), 75 per cent of Attendance (53,952), SSC ID (53,995) and Aadhaar card (1,57,722). In 17,361 cases, scholarships were sanctioned without verifying any of these six prescribed parameters. (Details are given in Appendix-3.3).</p> <p>Audit scrutinised 10.01 lakh records of students who were sanctioned scholarships during 2014-15 and observed that, income certificate column was left blank in 6.45 lakh cases; Aadhaar number was not provided in respect of 2,474 cases and SSC ID did not match with SSC database in 3.65 lakh cases. This was despite all these fields being mandatory. Scholarships were sanctioned in these cases though the criteria specified were not satisfied.</p>	<p>MTF first and then RTF after ensuring details such as student's ePASS ID, online authentication after confirmation by biometric reader. It was also stated that Aadhaar card was made mandatory from 2013-14 for availing scholarship; and Income and Caste certificates obtained through Mee-Seva/e-Seva were made mandatory from 2014-15.</p>	<p>the college as well as at the district level.</p>

⁴⁹ Indicated as mandatory fields in ePASS database

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
		<p>During the field visit to sampled colleges, Audit observed that the Principal or his authorised representative has not been verifying the details relating to income, caste and Aadhaar number in several cases. Further, the biometric authentication procedure prescribed for payment of scholarship was not complied with in respect of students in Department Attached Hostels (DAHs).</p>		
<p><i>Government introduced payment of scholarships through Nodal Banks, which were to furnish the drawal particulars of scholarships and the details of inoperative accounts of students college-wise every quarter to the District Welfare Officer. Huge amounts (₹176.83 crore) remained undisbursed with the nodal banks, Corporate Internet Banking (CINB) and PD accounts.</i></p> <p>(Paragraph 3.4.2.4)</p>	<p><i>Government should put in place a proper mechanism to ensure refund of undisbursed scholarship funds available with various agencies (banks, corporations and district officials).</i></p>	<p>Government issued instructions (September 2011) to all District Welfare Officers (DWOs) to refund the amounts lying with Nodal Banks to the relevant Government account. However, it was observed in Audit that there was no improvement in this regard and the funds continue to be retained in the CINB accounts/Nodal banks.</p> <p>In composite State of Andhra Pradesh, an amount of ₹ 176.83 crore pertaining to the period 2008-12 was lying in nodal banks (₹ 20.32 crore), CINB accounts (₹ 99.80 crore) and PD Accounts (₹ 56.71 crore) without utilisation as of April 2012. Of ₹ 20.32 crore pending as of March 2012, ₹ 2.08 crore⁵⁰ was still lying with nodal banks (March 2015) despite specific instructions of Government to remit back the amounts.</p> <p>Besides this, there was an undisbursed amount of ₹ 188.36 crore lying in CINB accounts (₹ 174.42 crore) and PD Accounts (₹13.94 crore)</p>	<p>The Directors, SW and BCW Departments stated that undisbursed amounts are yet to be received from certain JDs/DDs and they were reminded for compliance. The Director, TW stated that all DDs/DTWOs were requested to furnish the details.</p>	<p>Although Government initiated action, its directives have been disregarded by the nodal banks/ Treasuries, which operate the corporate internet banking accounts. State Government has not taken any further action against the Treasuries for non-compliance with its directives or reinforce its intent for ensuring financial discipline among the Treasuries in this regard.</p>

⁵⁰ Amount pertains to composite State of Andhra Pradesh (Tribal Welfare: ₹ 1.43 crore, BC Welfare: ₹ 0.65 crore)

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
		in residuary State of Andhra Pradesh as on 31 March 2015 ⁵¹ .		
<p><i>There were numerous errors in ePASS system. Due to inadequate validation controls, ePASS application permitted processing of several irregular/excess payments/bogus claims involving an amount of ₹64.71 crore.</i></p> <p>(Paragraphs 3.6.3.2 to 3.6.3.4, 3.6.3.7 and 3.6.3.8)</p>	<p><i>Validation controls should be strengthened in the ePASS system to ensure that only eligible students get scholarship at the prescribed rates. Common Entrance Tests (CET) data may be linked with ePASS data/SSC Board data to avoid irregular sanction of PMS to management/spot admission quota students.</i></p>	<p>Audit scrutinised database of 78.29 lakh records of applicants in ePASS system relating to 2012-15. Scrutiny revealed that validation controls which should have prevented duplications, irregular sanctions, etc., at the application level were found inadequate as detailed below:</p> <p><i>i)</i> Government issued (March 2012) instructions for verification of student details with SSC data at the college level for processing the application for scholarship to avoid duplications, as the SSC ID is a unique number for each student. However, Audit analysis of ePASS system revealed that duplicate SSC numbers have been given against 1.38 lakh cases (out of 78.29 lakh) and in the case of 10.69 lakh records the SSC number given in form table did not match with the SSC details in the database.</p> <p><i>ii)</i> Government instructions (November 2011) stipulated the age limits to be eligible for sanction of scholarships to students. No scholarships should be sanctioned to the students below 14 years/above 34 years of age. No corrective action was taken as observed from the analysis of relevant data/tables of ePASS system.</p> <p>During 2012-15 also, scholarships were sanctioned and released to the extent of ₹ 3.85 crore to over age</p>	<p>Government reply is awaited.</p>	<p>Absence of validation controls facilitated release of scholarship to ineligible students. Government is yet to tighten the validation controls to the required extent in the ePASS system. This recommendation is thus, only partially implemented.</p>

⁵¹ March 2013: CINB accounts (₹ 22.79 crore), PD accounts (₹ 8.60 crore); March 2014: CINB accounts (₹ 80.60 crore), PD accounts (₹ 4.36 crore)

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
		<p>(₹ 3.42 crore) and under age (₹ 0.43 crore) students. Further Scholarship of ₹ 0.44 lakh paid to eight students for whom date of birth was not entered.</p> <p><i>iii)</i> Government issued (March 2012) instructions to all the principals to match the student details with Common Entrance Test (CET) data so as to ensure sanction of scholarships only to those students admitted through convener quota. Although the Directors, SW and TW stated (July 2015) that no sanctions were made under Management quota/Spot admissions during the years 2012-15, audit noticed such sanctions.</p> <p>Audit analysis of relevant data/tables of ePASS system revealed that RTF of ₹30.99 lakh was paid to 306 students admitted under Management Quota (₹25.18 lakh) during 2012-13 and 81 students admitted under spot admission (₹5.81 lakh) during the years 2012-13 and 2014-15.</p> <p><i>iv)</i> In response to previous performance audit, Government stated that from latter part of 2011-12, ePASS system does not allow multiple entries of the same e-mail ID/mobile number. However, analysis of relevant data/tables of ePASS system relating to processing of applications of students/colleges revealed that despite such validation controls the ePASS system allowed multiple entries of e-mail ID/mobile numbers as detailed below.</p> <ul style="list-style-type: none"> • Invalid entries in mobile number field were given in 		

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
		<p>the case of seven lakh records.</p> <ul style="list-style-type: none"> • Single mobile number was listed by more than one student in 12.52 lakh records (out of 78.29 lakh). There were 96 mobile numbers each of which was used by 100 to 464 students. • Single e-mail address was used by more than one student in 8.61 lakh records. One e-mail address (invalid) was being used by as high as 761 students. • There are 23.61 lakh records without UID numbers; 2,984 records having less than 12 digit UID numbers. Further, 2,209 UID numbers were given to 0.53 lakh students (each number by two to 481 students) indicating the duplication of UID. 		

C. Full implementation

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p><i>As of March 2012, ₹99.60 crore pertaining to various scholarship schemes funded by GoI and State Government had accumulated with the Minorities Welfare Corporations (APSMFC: ₹80.70 crore, APSCMFC: ₹10.44 crore, UAAP: ₹8.46 crore). Further, funds amounting to ₹45.51 crore (out of ₹99.60 crore) were held in fixed deposits by APSMFC instead of utilising for the purpose for which these were sanctioned.</i></p> <p>(Paragraph 3.4.2.1)</p>	<p><i>In respect of minority welfare, Online Scholarship Management System (OSMS) should be brought into the ambit of ePASS, to ensure effective control. Also, payment of scholarship to minority community students needs to be brought under “treasury control” to avoid diversions and delays.</i></p>	<p>Audit scrutiny revealed that Government had brought the minority welfare scholarships also into the ambit of ePASS and payments were made through treasury from the academic year 2012-13.</p>	-	<p>The recommendation was fully implemented.</p>

3.3.4 Other observations

3.3.4.1 Utilisation Certificates (UCs)

Audit Report for 2011-12 (Para 3.4.2.8) pointed out that in the sampled districts, an amount of ₹ 1,606 crore was released, against which UCs to the extent of ₹ 1,122 crore (70 per cent) were not furnished. Government stated (February 2013) that a service has since been provided in ePASS for UCs to be generated and submitted by the respective colleges and educational institutions for the year 2013-14 and that, with regard to earlier years, instructions had been issued to Officers concerned to obtain UCs from the respective colleges and educational institutions.

It was observed in Audit that although Government introduced the option in ePASS for uploading of UCs by the respective educational institutions, as of July 2015, UCs to an extent of ₹ 3,043.15 crore against ₹ 5,425.22 crore released towards RTF during 2012-15 were yet to be furnished by educational institutions (₹ 2,488.13 crore)/confirmed by DWOs (₹ 555.02 crore). Year-wise details are given below:

Table-3.14

(₹ in crore)

Year	Total amount	Pending at college	Pending at District Officers	Total UCs pending
2012-13	1746.75	659.07	155.22	814.29
2013-14	1723.72	595.03	195.99	791.02
2014-15	1954.75	1234.03	203.81	1437.84
Total	5425.22	2488.13	555.02	3043.15

Source: Report on UCs (Acquittance report) generated by ePASS system

In the test checked districts of Chittoor, SPS Nellore and Visakhapatnam, it was observed that UC for 63 per cent of the funds released (₹ 873.42 crore) during 2012-15 were yet to be furnished by educational institutions/confirmed by DWOs.

It was also pointed out in Audit Report for 2011-12 (Para 3.5.2) that UCs for ₹ 88.80 lakh released for implementation of 'Merit Upgradation scheme' were not submitted to GoI as of March 2012. Audit analysis revealed that UCs for ₹ 50.99 lakh released for the same scheme in the year 2014-15 were not submitted (June 2015) to GoI.

3.3.4.2 Irregular/excess payments

- It was pointed out in the Audit Report for 2011-12 (Para No 3.6.3.8) that tuition fee of ₹ 33.65 crore (2.23 lakh cases) was sanctioned in excess by the Government to the colleges due to mis-calculation of tuition fee by the application in ePASS system during 2008-12. Audit also noticed that original sanctions were not being revised, when the college classification was modified, and consequently excess release had taken place. There was no remedial action in this regard so far.

In the current Audit, the Director, SW accepted the observation and promised compliance. Thus the audit concern was not addressed.

- Mention was made in Audit Report 2011-12 (Para No 3.6.4) that ₹ 38.39 crore was released against the sanctioned amount of ₹ 27.78 crore towards RTF and MTF in respect of 73,878 students during the years 2008-12. Thus there was an excess release of ₹ 10.61 crore.

In the current Audit, the Director, SW assured (July 2015) to take corrective measures.

- It was pointed out in Audit Report for 2011-12 (Para No 3.6.5.4) that MTF amounting to ₹ 5.85 crore was released in excess of admissibility to students of eight colleges in Chittoor district functioning under the administrative control of TTD⁵² during the period 2009-12 and the amount was lying in the wardens' accounts as of February 2012.

While Audit had pointed out excess payment of MTF, it was observed that the Director, BCW instructed (October 2012) the DWO, Chittoor not to sanction scholarships to the students studying in the colleges/hostels run by the TTD. The contention of audit was to restrict the payment of MTF as per norms i.e., to 1/3rd of the rates applicable to students of the college attached hostels (as the students of these college hostels were provided free food by the TTD) and not to dispense with the disbursement of RTF. Instead of restricting payment of MTF, BC Welfare Department stopped both RTF and MTF to 7,513 BC students (1/3rd MTF and RTF) and 2,328 EBC students (RTF) for the years from 2011-12 to 2014-15.

Thus, while the audit finding was misinterpreted by BCW Department, SW and TW had not taken any action. Though Government stated (February 2013) that certain modifications would be made in ePASS in this regard for adopting the guidelines in respect of TTD college hostel students, no such action was noticed.

3.3.5 Conclusion

Thus, the extent of implementation of the accepted audit observations by the Government was 13 per cent for recommendations implemented, 37 per cent for those partially implemented and 50 per cent for those not implemented (July 2015). While the Government had made some progress, steps are required to be taken to expedite matters.

The matter was reported to Government in August 2015; reply has not been received (January 2016).

⁵² Tirumala Tirupati Devasthanams

Consumer Affairs, Food and Civil Supplies Department

3.4 Time barred commodities under 'Amma Hastham' scheme

'Amma Hastham' scheme failed to fully meet the requirement of BPL families due to non-assessment of demand for newly included commodities. APSCSCL had to dispose 217.44 MT of time barred stock through open auction into the market at a loss. Besides, carry bags, customised specifically for the scheme and valuing ₹11.74 lakh were not utilised in two districts which resulted in wasteful expenditure

'Amma Hastham' (AH) scheme launched (April 2013) in the composite State of Andhra Pradesh was aimed at distribution of nine commodities⁵³ in a pre-packaged⁵⁴ format through Public Distribution System (PDS) at subsidised rates⁵⁵ to BPL card holders. The commodities were to be supplied in a customised carry bag issued to the consumer free of cost on the first disbursement. The card holder has the liberty to purchase all or some of the nine commodities of his/her choice. Audit scrutiny of records of District Managers (DMs) of Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL) in four districts⁵⁶ and information obtained from APSCSCL, Hyderabad revealed the following.

(A) Short supply of commodities

There are 1.30 crore BPL cardholders in the State. Analysis of data relating to total quantity of each commodity required to be supplied and actually released (during the period May 2013 to August 2014) in the State revealed that six out of nine commodities (except Redgram dal, Palmolien oil and Sugar) were not supplied so as to cover all BPL card holders; shortages ranged from 77 per cent (Wheat atta) to 94 per cent (Tamarind). The supply made by APSCSCL was thus sufficient to meet requirement of a maximum of only 23 per cent of the BPL card holders in respect of these commodities.

It was also observed that when compared to the releases in May 2013, monthly releases of Turmeric powder came down from 576.822 MT to NIL, Red Chilli powder from 1,040.625 MT to 17.846 MT (1.71 per cent), and Tamarind from 1,523.034 MT to 1.302 MT (0.09 per cent) by August 2014.

APSCSCL replied (August 2015) that no survey was conducted to assess demand of the commodities among the card holders prior to launch of the scheme and only 30 per cent of the commodities were provided to the fair price shops.

⁵³ Redgram dal, palmolien oil, wheat atta, wheat, sugar, iodized salt, chilli powder, tamarind and turmeric powder

⁵⁴ Prior to introduction of the Scheme, commodities viz., redgram dal, palmolien oil, wheat and sugar were being supplied to the BPL card holders without packing

⁵⁵ (i) Redgram dal - ₹ 50 per kilogram (ii) Palmolien oil - ₹ 40 per litre (iii) Wheat atta - ₹ 16.50 per kilogram (iv) Wheat - ₹ 7 per kilogram (v) Sugar - ₹ 6.75 per half kilogram (vi) Iodized salt - ₹ 5 per kilogram (vii) Chilli powder - ₹ 20 per 250 grams (viii) Tamarind - ₹ 30 per half kilogram (ix) Turmeric powder - ₹ 10 per 100 grams (Total effective price for beneficiary is ₹ 185)

⁵⁶ East Godavari, Krishna, SPS Nellore and West Godavari districts

(B) Time barred stock

Scrutiny revealed that time barred⁵⁷ stock of 112.266 MT of Turmeric (26.624 MT) and Chilli powder (85.642 MT) was lying (as of September 2014) with the DMs in four districts of the State. It was noticed from the reports of a vigilance enquiry (September/October 2013) initiated by the Department that commodities supplied to the beneficiaries were of inferior/sub-standard quality. Subsequently, attributing poor demand from BPL card holders, APSCSCL issued (February 2014) instructions to dispose of the leftover stock of three commodities viz., Turmeric, Chilli powder and Tamarind. After re-organisation of the State, 'Amma Hastham' scheme was closed in August 2014; and the stocks (217.44 MT) available were disposed of in open auction.

Launching of the scheme, without assessing demand for commodities and lack of timely action in distribution of stock through PDS, resulted in accumulation of stock getting time barred in respect of these commodities. As a result, APSCSCL had to dispose of the stock sustaining a loss of ₹ 1.43 crore⁵⁸ in the residuary State of Andhra Pradesh.

(C) Carry bags

Carry bags, procured at ₹ 11.40 each were to be supplied on one-time basis to the BPL card holders. Scrutiny of records of DMs revealed that out of 17.78 lakh⁵⁹ bags received in two districts, 1.03 lakh bags⁶⁰, valuing ₹ 11.74 lakh, were not distributed. The undistributed bags cannot be used further, as they were customised⁶¹ for supply at the time of launching of the scheme rendering the expenditure of ₹ 11.74 lakh wasteful. Due to non-availability of district-wise details with APSCSCL, Audit could not assess the total quantity of undistributed bags.

APSCSCL replied (August 2015) that the undistributed bags are of no use and would be destroyed.

The matter was reported to Government in September 2015; reply has not been received (January 2016).

⁵⁷ expiry of best before use period i.e., nine months from the date of manufacturing

⁵⁸ Chilli powder (96.68 MT)/loss sustained: ₹ 77.03 lakh; Turmeric (37.81 MT)/ ₹ 23.91 lakh; Tamarind (82.95 MT)/ ₹ 42.54 lakh

⁵⁹ Krishna district: 10.40 lakh; SPS Nellore district: 7.38 lakh

⁶⁰ Krishna district: 0.31 lakh; SPS Nellore district: 0.72 lakh

⁶¹ customised with photo of the then Chief Minister

Municipal Administration and Urban Development Department (Visakhapatnam Urban Development Authority)

3.5 Planning deficiency

Construction of a housing project in a remote area without public amenities, and the corresponding failure to provide for the envisaged infrastructure resulted in the low demand and marketability of the houses which ultimately resulted in 56 out of 87 houses constructed remaining unsold

Visakhapatnam Urban Development Authority (VUDA) took up construction (December 2006) of a Row Housing (Duplex Type) project with 88 dwelling units⁶² of various categories. The project was proposed as a gated community with high end infrastructure facilities and community amenities like reticulated gas system, underground drainage system, intercom facilities for each unit, underground cabling for power supply, solar fencing, solar heating system, commercial centre, amphitheatre, community centre, landscaping, etc., in an area of 6.78 acres in Rushikonda lay out adjacent to Hill No. 3 of IT SEZ.

It was seen in audit that while the project was scheduled to be completed by December 2007, the basic construction works were completed by December 2010 with a delay of three years. Anticipating demand, VUDA auctioned the houses (August 2007) much before completion of basic construction works but managed to sell only 22 units⁶³.

VUDA informed (December 2012) its Board that all works including infrastructure were completed and the houses were ready for handing over to the allottees. However, auctions conducted thrice⁶⁴ could not attract sufficient number of buyers. VUDA was able to sell only nine more units, making a total of only 31 houses sold, while it retained one house for guest house leaving 56⁶⁵ houses unsold as of September 2015. VUDA's attempt (February 2014) for selling the houses to various companies for using as guest houses (350 companies were approached) also proved futile. VUDA attributed (June 2015) the poor response, especially to B-Type houses, to the units being west facing, global economic recession and downward trend of real estate industry. VUDA also stated that any facelift for improvement of these units was also not possible due to design of the row houses.

However, Audit scrutiny revealed the following.

- (i) The project was taken up in a remote and isolated area, while assuming that developmental activities like upcoming Information Technology and Tourism projects along with demand for high end villas in the vicinity would boost the chances of saleability of units. The project scheduled for completion by December 2007 was completed only by December 2012, with a delay of five years and that with minimum infrastructure, contributing to poor saleability of the houses.

⁶² A-Type: 20, B-Type: 46, C-Type: 8, D-Type: 14

⁶³ A-Type: 9, B-Type: 5, C-Type: 2, D-Type: 6

⁶⁴ October 2013, March 2014, September 2014

⁶⁵ A-Type: 7, B-Type: 40, C-Type: 5 and D-Type: 4

- (ii) Lack of infrastructure facilities like shops, community hall, etc., and the distance involved in commuting from the project area to areas where basic requirements viz., bus stop, hospital, school, etc., were available also contributed to the low demand.

VUDA stated that the basic infrastructure works were delayed due to poor response to tenders owing to remote and isolated nature of the area. It also stated (September 2015) that due to the sloping terrain of the project site and constraints of working space, infrastructural facilities could not be taken up simultaneously with the construction of dwelling units. This had resulted in delay by five years from the schedule date of completion of construction. Further, on an enquiry regarding action plans for disposal of remaining houses, VUDA stated (September 2015) that it was pursuing the matter with private real estate firms and agencies to market the remaining houses.

The matter was reported to Government in October 2015; reply has not been received (January 2016).

Municipal Administration and Urban Development Department (Tirupati Urban Development Authority)

3.6 Idle asset

Tirupati Urban Development Authority constructed a guesthouse in the land allotted to it for public purpose. As a result, the building constructed at a cost of ₹ 1.27 crore has been lying idle even after three years of its construction

With a view to protect land from encroachments, District Collector, Chittoor handed over 2.51 acres of land (February 2009) in Thummalagunta Village to Tirupati Urban Development Authority (TUDA). At the request of TUDA, District Collector permitted (December 2009) TUDA to take up landscaping/recreation and other related facilities for public purpose, without any disturbance to the nature of land.

Audit scrutiny (June 2015) revealed that, contrary to the above directions (December 2009), TUDA decided to construct a guest house on it. The building initially proposed (May 2009) with cellar and ground floor was later extended (May 2010) to cellar plus three floors.

Construction of the guesthouse (8,037 sft.) with cellar and three floors was completed in May 2012 at a cost of ₹ 1.27 crore. TUDA leased out (May 2012) the building to NTPC BHEL Power Project Ltd (NBPPL) on monthly lease of ₹ 1.60 lakh. However, the lease did not materialise reportedly due to agitation by the villagers demanding its utilisation for public purpose. TUDA stated (June 2015) that it had notified (December 2014) for leasing out the building again through public auction but there was no response. TUDA also stated that its attempts for allotment to Government Departments/private organisations too failed to yield any result. Besides construction cost of ₹ 1.27 crore, TUDA incurred an amount of ₹ 8.56 lakh on maintenance of the building up to July 2015. The building had not been put to use as of October 2015.

By construction of a guest house in the land handed over to it for public purpose without disturbance to the nature of land, TUDA violated the conditions of allotment/ classification of land. As a result, the building constructed at a cost of ₹ 1.27 crore has been lying idle even as of October 2015.

The matter was reported to Government in September 2015; reply has not been received (January 2016).

Revenue Department

3.7 Loss on alienation of land

Alienation of land at a nominal price of ₹two lakh in violation of its policy resulted in loss of ₹ 85.12 lakh to Government

As per the 'Government land policy' (September 2012), all vacant Government lands, situated within 2 km peripheral area of Mandal Headquarters, have to be entered in Prohibitive order book (POB). Alienation of such Government lands is banned except in the case of house sites. The policy also stipulated that alienation of land should be made against collection of its market value⁶⁶ (MV) as recommended by the Collector and the AP Land Management Authority (APLMA). Further, the market value should be ascertained by conducting local enquiry and the land value should not be less than basic value.

Audit scrutiny (February 2015) revealed that in violation of its own policy, Government alienated 40 cents (1,936 sq. yd.) of land (October 2013) of market value ₹ 87.12 lakh to a private Trust⁶⁷ on payment of a nominal price of ₹ two lakh.

Scrutiny revealed that the Trust requested (March 2009) the Government for allotment of one acre of land in survey No. 399/2 of Amalapuram Mandal and town in East Godavari District free of cost, for construction of a peace park and meditation hall for the benefit of the public. Based on verification of sale records in the area and local enquiry conducted by the Tahsildar of Amalapuram Mandal, the Revenue Divisional Officer, Amalapuram (RDO) assessed (May 2012) the basic value/market value of the land at ₹4,500 per sq. yd. The Empowered Committee recommended (June 2012) alienating the land at ₹1,700 per sq. yd. proposed by the District Collector on the plea that the land was a low lying area. However, Government alienated (October 2013) the land at a lump sum price of only ₹ two lakh which worked out to ₹103 per sq. yd.

It was also noticed that the alienated land was within limits of 2 km from Mandal Headquarters, which is prohibited from alienation. Further, as seen from records of RDO, Amalapuram, 5 to 10 departmental offices were functioning in private buildings and the land was required for future needs of the Government. It was also noticed from the records of the RDO that the fact was brought to the notice of the District Collector before submission of alienation proposals. However, land was alienated in violation of the prescribed procedures of land valuation and Government policies of prohibition on alienation of land.

⁶⁶ Market value has been defined in the AP Land Acquisition Act as the price obtained by the sale of adjacent lands with similar advantages

⁶⁷ World Renewal Spiritual Trust connected to Prajapita Brahma Kumaris Ishwariya Vishwa Vidyalaya, Amalapuram branch registered under the provision of Bombay Public Trust Act 1950 (Bombay Act, Serial no.29 of 1950)

Thus, alienation of land at a nominal price of ₹ two lakh in violation of its own land allotment policy resulted in a loss of ₹ 85.12 lakh (1,936 sq. yards X ₹ 4,500 per sq. yard – ₹ 2 lakh) to Government. Alienation of Government land within 2 km peripheral area of Mandal Headquarters (even though the land was required for future use of Government offices working in rented buildings) may cost much more to Government if it needs to acquire private land in future for its own purposes.

Government accepted the deviation and stated (November 2015) that it had alienated the land in relaxation to its policy as the organisation is a non-profit charitable organisation, with limited resources to afford the cost computed at market value; and that from the point of view of easy accessibility they required the land near the town for their activities.

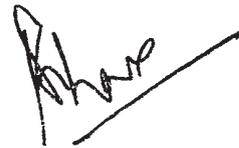


(L. TOCHWANG)

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

**Hyderabad
The**

Countersigned



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

**New Delhi
The**

