

CHAPTER IV SOCIAL JUSTICE DEPARTMENT

Functioning of Kerala Social Security Mission

Executive Summary

The Kerala Social Security Mission (KSSM), a registered society under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955, was set up to formulate and implement social security schemes in the State. A Performance Audit was conducted on the functioning of KSSM covering the period 2012-17. The Performance Audit focused on assessing the effectiveness of various programmes/schemes implemented by KSSM, the efficiency of financial management and the status of internal control mechanism, and brought out the following audit findings.

The accounts of KSSM were audited only upto the financial year 2014-15. Accounts for the years 2015-17 were yet to be finalised. The systemic deficiencies pointed out by the auditors during the years 2012-13 to 2014-15 were persisting.

(Paragraph 4.8)

Order of Government of Kerala to transfer ₹20 crore from the Corpus fund of KSSM to Kudumbashree Mission led to premature closure of a Fixed Deposit and resultant loss of interest income of ₹0.59 crore to KSSM.

(Paragraph 4.8.3.1)

Under the scheme 'Sruthitharangam', 134 children in the Government Medical College, Kozhikode were awaiting (August 2017) mandatory testing and evaluation of hearing threshold, for assessing suitability for cochlear implantation.

(Paragraph 4.9)

Around 10,000 applications received by KSSM for obtaining assistance under Aswasakiranam, a scheme for rendering financial assistance to Caregivers of bed-ridden patients were found bundled and stacked at the office of the Mission, without registration and processing.

(Paragraph 4.10.2)

Failure of KSSM to follow-up and ensure receipt of duly signed and stamped computer generated lists of online applications from the Heads of Institutions resulted in denial of assistance to 57,831 beneficiaries under Snehapoorvam, a scheme for providing financial assistance to children who lost either or both of their parents.

(Paragraph 4.11)

Failure of Vayomithram Coordinators/Child Development Project Officers (CDPOs) to identify tribal unwed mothers resulted in inability to render financial assistance to all potential beneficiaries, as envisaged under Snehasparsham scheme.

(Paragraph 4.12.1)

4.1 Introduction

Kerala Social Security Mission (KSSM) was registered in 2008, under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955, to formulate and implement social security programmes/schemes in the State. KSSM was responsible for extending services and support to the destitute, poor, aged, children, women, the chronically ill cancer patients and other sections of the society who were in need of care and protection. The objectives of the KSSM included conduct of research on various social issues, besides acting as an information hub for the social welfare programmes in the State.

4.2 Organisational set up

A Governing Body consisting of 15 members including the Minister for Health and Social Justice as Chairman, Secretary, Social Justice Department as Vice-Chairman and Executive Director (ED), KSSM as Member Secretary was constituted to oversee the control, administration and management of the Mission while an Executive Committee headed by the Secretary to Government consisting of five members was responsible for the day-to-day administration and implementation of the programmes/schemes. There were three Regional Directors, two at Thiruvananthapuram and one at Kozhikode. Only 12 District Co-ordinators were in place against the sanctioned 14, for the implementation of State Initiative on Disabilities (SID) schemes. While Care Providers were posted in institutions like Old age homes, Children's Homes etc., 40 Junior Public Health Nurses (JPHN) were posted at 38 hospitals across the State. The organisational setup is shown in the organogram given in **Appendix 4.1**.

4.3 Audit Objectives

The Performance Audit was conducted to assess whether:

- the objectives behind setting up the Mission of extending services and support to the destitute, poor, aged, children, women and others were met and programmes/schemes were implemented efficiently and effectively;
- the system of financial management was efficient and effective;
- an internal control mechanism was in place and effective; and
- the programmes/schemes implemented by the Mission could achieve the Sustainable Development Goals of ensuring healthy lives and promoting well-being for all at all ages and achieving gender equality by empowering all women and girls.

4.4 Audit Criteria

The Audit criteria for evaluation of performance of KSSM were derived from the following:

- Memorandum of Association;

- Decisions of the Governing Body and Executive Committee;
- Policy documents of GOI and State including National Policy on Senior Citizens, 2011 and National Policy for Persons with Disabilities, 2006;
- Operational Guidelines of related social security schemes issued by the Central/State Governments and concerned Directorates;
- Rights of persons with Disabilities Act, 2016;
- Persons with Disabilities (Equal Opportunities, Protection of Rights and Full participation) Rules, 1996 and amended Rules for Persons with Disabilities; and
- Kerala Service Rules (KSR), Kerala Financial Code (KFC), Kerala Treasury Code (KTC), Kerala Budget Manual, etc.

4.5 Scope of Audit

The Performance Audit was conducted between May and August 2017 covering the period 2012-17. For test-check, out of the 14 districts in the State, Audit selected five districts viz., Thiruvananthapuram, Palakkad, Malappuram, Kozhikode and Kasaragod by two-tier stratification sampling method using Probability Proportional to Size without Replacement (PPSWOR). The Performance Audit examined the implementation of all the 14 schemes⁷³ by KSSM. Significant audit findings on nine schemes are included in this Report.

4.6 Audit Methodology

An Entry Conference was held with the Special Secretary, Social Justice Department on 17 May 2017 wherein the scope, objectives and methodology were discussed. Relevant records of Social Justice Department, KSSM office at Thiruvananthapuram and Regional Office at Kozhikode were scrutinised during the course of audit. The programme implementation offices in the Corporation/Municipal areas including block level Integrated Child Development Service offices of the Social Justice Department and empanelled hospitals that run the KSSM schemes in the selected districts were also covered during the course of audit. Audit methodology included joint inspection to assess whether the beneficiaries of various schemes for development of education and skill development actually derived the intended benefits. An Exit Conference was conducted on 08 December 2017 with the Special Secretary to Government, Social Justice Department wherein the findings of the Performance Audit were discussed and response of Government obtained. Government replies were obtained and incorporated while finalising the report.

⁷³ Aswasakiranam, Cancer Suraksha, Caregivers, Hunger Free City, Karunya Deposit Scheme, Samaswasam, Snehapoorvam, Snehasparsham, Snehasanthwanam, Sruthitharangam, State Initiative on Disabilities, Thalolam, Vayomithram and We Care.

Audit Findings

4.7 Financial Management

Government of Kerala (GOK) released ₹65 crore⁷⁴ to the Director, Social Welfare for setting up a Social Security Fund as a mechanism to help the poor in times of hardship. As the amount could not be utilised in the absence of specific proposals, GOK proposed (October 2008) setting up of KSSM and transferring the amount of ₹65 crore to KSSM as its Corpus Fund. KSSM deposited (March 2009) the corpus fund of ₹65 crore granted by the GOK in three separate Fixed Deposit (FD) accounts viz. ₹25 crore, ₹25 crore and ₹ eight crore and the balance amount of ₹ seven crore was credited into the Treasury Savings Bank (TSB) account. Besides Government grants, KSSM could raise funds through grants/contributions from national and international agencies, corporate bodies, institutions and individuals in India and abroad.

Details of funds provided in the budget, contributions received from the Local Self Government Institutions (LSGI), other receipts including donations, bank interest, etc., and expenditure on the Social Security Schemes including administrative charges, during the period from 2012-13 to 2016-17, are given in **Table 4.1**.

Table 4.1: Details of receipts and expenditure for period 2012-13 to 2016-17

(₹ in crore)

Year	OB	Budget Allocation	GOK release	Contribution from LSGIs	Other receipts	Total Fund Available	Expenditure	CB
1	2	3	4	5	6	7 = 2+4+5+6	8	9 = 8-7
2012-13	39.74	95.25	66.28	13.74	2.19	121.95	77.16	44.79
2013-14	44.79	110.65	141.06	22.76	0.35	208.96	120.10	88.86
2014-15	88.86	116.45	120.90	14.93	0.55	225.24	117.06	108.18
2015-16	108.18	139.35	130.73	16.24	7.04	262.19	137.78	124.41
2016-17	124.41	136.07	132.66	14.00	16.52	287.59	181.13	106.46
TOTAL		597.77	591.63	81.67	26.65		633.23	

(Source: Data collected from KSSM)

Audit examined the scheme wise receipts and expenditure of GOK funds for the years 2012-17 (**Appendix 4.2**) and observed that while ₹107.37 crore was expended in excess under eight schemes, expenditure fell short of receipts by ₹82.53 crore in five schemes. KSSM stated (December 2017) that the excess expenditure over budget release was met from the Corpus Fund, receipts from LSGI contributions, interest, fund raised from sale of stamps, etc.

Audit also analysed the large quantum of cash balance held by KSSM. It was seen that the unutilised balance of ₹106.46 crore as at the end of March 2017 included ₹45 crore of corpus funds kept as FDs⁷⁵. Besides, ₹36.20 crore received from GOK during 2012-17 for SID out of total receipt of ₹96.21 crore, remained unspent. The unspent amount included ₹11.61 crore received during 2013-16 and ₹24.59 crore received in 2016-17. Having accounted for ₹81.20

⁷⁴ ₹25 crore in March 2003 and ₹40 crore in March 2005.

⁷⁵ ₹25 crore from the original corpus of ₹65 crore and a further ₹20 crore of funds set aside for the State Initiative on Disabilities to provide Special Initiative to Persons with Disabilities.

crore of unutilised balance, the remaining ₹25.26 crore could be accounted by unspent LSGI contribution and other income by way of Interest, etc. Audit observed that the retention in Fixed Deposits (FD) of funds meant for implementation of schemes, was irregular.

The audit findings are given below.

4.8 Non-adherence to financial standards/persistent irregularities

The Memorandum of Association of KSSM stipulated that the Chartered Accountants, appointed for the purpose by the Governing Body, audit the accounts of the Mission every year. Audit noticed that the accounts of the Mission were audited only upto the financial year 2014-15. Thus, audit from the year 2015-16 onwards was due (status as on October 2017). Scrutiny of the accounts for the years 2012-13 to 2014-15 revealed that the Chartered Accountants had qualified their opinion on the financial statements by pointing out significant deficiencies *viz.*, booking of expenditure on the basis of self-certified and unaudited statements given by hospitals, agencies, etc., non-confirmation of closing balances, inability to correctly account the sale of stamps by the KSSM, etc. It was seen that the concerns expressed by the Chartered Accountants as early as in 2012-13, were persisting (October 2017).

Guidelines for implementation of ‘Thalolam’ and ‘Cancer Suraksha’ schemes required empanelled hospitals to furnish to KSSM, monthly statements on utilisation of funds signed by Nodal Officer and yearly Receipts and Payments statements certified by a Chartered Accountant. Of the two Government Medical Colleges⁷⁶ test-checked, records at the Government Medical College Hospital, Thiruvananthapuram revealed that during 2015-16, there was a difference of ₹0.83 lakh between the monthly and yearly statements of expenditure on ‘Thalolam’ scheme. The Hospital admitted that it failed to appoint Chartered Accountants for the Scheme and therefore did not furnish certified Receipt and Payment Statements to KSSM. The Hospital also admitted (June 2017) that the monthly statements of expenditure furnished to KSSM on utilisation of funds were not correct and that the mistakes occurred due to oversight. In the Regional Cancer Centre, Thiruvananthapuram, an empanelled hospital under the Cancer Suraksha Scheme, it was seen that no separate accounts were maintained for the funds released under the scheme.

During the Exit Conference (December 2017), GOK admitted the audit observations and replied that measures were being taken to rectify the systemic deficiencies in the accounts for the years 2012-15.

4.8.1 Non-maintenance of cash book

Rule 92 (a) of Kerala Treasury Code (KTC) laid down the procedure for the maintenance of cash book and the duties of the Head of Office in that regard. It required all Government officers receiving and handling cash to maintain a cash book in Form TR 7A. All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of Office in token of check. The Head of Office was also required to verify the cash book at the end of each

⁷⁶ Government Medical Colleges Thiruvananthapuram and Kozhikode.

month and record a signed and dated certificate to that effect. Article 102 of the Kerala Financial Code (KFC) also referred to the provisions of the KTC.

It was observed that though KSSM maintained two TSB accounts⁷⁷ and nine Savings Bank (SB) accounts with nationalised banks (status as of March 2017), cash book was maintained only in respect of transactions pertaining to TSB Account No. 134. All transactions relating to budgetary receipts, LSGI contributions, scheme and administrative expenditures were entered in TSB Account No. 134 maintained by KSSM in the District Treasury, Thiruvananthapuram. Amounts for expenditure were transferred in lumpsum by issuing cheques from this TSB Account into the SB Accounts of nationalised banks for booking of final expenditure. None of the other transactions dealt with through the other TSB and bank accounts were recorded in the cash book. In the absence of cash book, KSSM was not aware of the funds available on any particular day and instead had to depend on bank statements to reckon the status of balance available with the banks. KSSM could not also follow-up on remittances⁷⁸ due from LSGIs since the bank statements did not contain the names of LSGIs that remitted money into its TSB account. The failure to maintain cash book led to failure to record transactions as and when they occurred and their resultant inability to verify the correctness of transactions and accuracy of accounts.

The records maintained in KSSM revealed that the closing balance as on 31 March 2017 was ₹106.46 crore whereas the actual cash balance lying in nine bank accounts, two TSB Accounts and two FDs was ₹205.96 crore. The difference in amount of ₹99.50 crore was yet to be reconciled (December 2017) by KSSM. In the absence of cash book, Audit examined Cheque Issue Register, Bank statements and statements generated from SULEKHA software maintained by LSGIs. It was observed from the year-wise statement of expenditure on 'Aswasakiranam' scheme furnished by KSSM that against the financial assistance of ₹196.02 crore provided under 'Aswasakiranam' to the beneficiaries during 2012-17, the expenditure booked by KSSM was inflated by ₹10.69 crore. Similarly, against receipts of ₹23.95 crore from LSGIs into bank during 2016-17, KSSM accounted for only ₹14 crore. It was also observed that 125 cheques, valued at ₹57.74 crores, drawn during 29 March 2017 to 31 March 2017 were encashed only in 2017-18. These three items together accounted for ₹78.38 crore of the unreconciled balance of ₹99.50 crore. Violation of provisions contained in KTC/KFC on maintenance of cash book and resultant inability to verify the correctness of transactions was indicative of poor financial management. The inflating of scheme expenditure on Aswasakiranam scheme by ₹10.69 crore was not justifiable and required investigation.

KSSM admitted (October 2017) that there was practical difficulty in maintaining cash book and subsidiary cash books incorporating all transactions of nine SB accounts and two TSB accounts maintained by it. KSSM further stated that it did not have sufficient staff to monitor the bank statements on a daily basis. The reply of KSSM was not acceptable as large volume of transactions should not be a bar for making entries in the cash book, either in

⁷⁷ TSB Account No.103 for operating the accounts of SID office and TSB Account No.134.

⁷⁸ Contributions of ₹10 lakh by Corporations and District Panchayats, ₹5 lakh by Municipalities and Block Panchayats and ₹1 lakh by Grama Panchayats.

physical or in electronic form and there was laxity on the part of KSSM in not complying with the norms prescribed in the KTC. During the Exit Conference (December 2017), GOK assured that measures would be taken to reconcile the difference while finalising the accounts.

4.8.2 Avoidable tax deduction of ₹40.27 lakh

Kerala Social Security Mission is a trust registered under Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 and filed (December 2009) an application as a charitable institution under the Income Tax Act, 1961 for registration under Section 12 A of the Income Tax Act so as to obtain exemption from payment of income tax. Under Section 139 (4A) of Income Tax (IT) Act, KSSM, being a charitable trust, was mandatorily required to file a return of income if its income exceeded the maximum amount not chargeable to income tax. As per Section 237 of IT Act, if any person satisfies the Assessing Officer that the amount of tax paid by him or on his behalf or treated as paid by him or on his behalf for any year exceeds the amount of tax payable by him, he shall be entitled to a refund of the excess tax paid by him. Further, as per Section 239 of IT Act, no such claim shall be allowed, unless it is made within one year from the last day of the assessment year. It was seen that an amount of ₹40.27 lakh⁷⁹ was deducted by the District Treasury as Tax Deducted at Source (TDS) on interest accrued on FD during the period 2009-10 to 2011-12. Audit observed that KSSM did not claim refund of the TDS by filing income tax returns for the relevant years resulting in loss of ₹40.27 lakh to KSSM.

KSSM while admitting (October 2017) that it did not file returns for the period from 2008-09 to 2016-17, stated that it would file income tax returns for those years to get refund of the same. The reply of KSSM was not correct since any claim for refund of TDS made during 2009-10 to 2011-12 would be rejected by the Income Tax Department as KSSM failed to submit income tax returns within one year from the last day of the assessment year. During the Exit Conference (December 2017), Special Secretary to Government admitted that failure of KSSM to submit refund claim within the time limit could lead to rejection of such claim by the IT Department.

4.8.3 Diversion of funds

As mentioned in paragraph 4.7 of this Report, KSSM deposited the corpus fund of ₹65 crore granted by the GOK in three separate FD accounts viz. ₹25 crore, ₹25 crore and ₹ eight crore and the balance amount of ₹ seven crore was credited into the TSB account. Audit noticed instances wherein funds were transferred to other institutions from the corpus fund even when the cash balance of KSSM was very low as discussed below.

4.8.3.1 Loss due to premature closure of Fixed Deposit

GOK ordered KSSM (02 November 2010) to transfer ₹20 crore from its corpus to Kudumbashree Mission for the implementation of ‘Asraya⁸⁰’ scheme, which

⁷⁹ 2009-10: ₹13.41 lakh, 2010-11: ₹13.43 lakh, 2011-12: ₹13.43 lakh.

⁸⁰ A community based initiative by Kudumbashree to identify, rehabilitate and accord social security to the poorest of the poor.

was announced in the Budget Speech 2008-09. The Government Order (GO) also required the Kudumbashree Mission to produce Utilisation Certificate as on 31 March 2011. Consequent to the GO, ED, KSSM informed GOK (November 2010) that ₹58 crore of its Corpus Fund was kept in three separate FDs of ₹25 crore, ₹25 crore and ₹ eight crore with dates of maturity of 23 April 2011, 23 April 2011 and 18 March 2011 respectively. The ED, KSSM further informed that immediate withdrawal of ₹25 crore would cause a loss of interest to the extent of ₹1.07 crore and suggested that it would be judicious to wait for withdrawal of FD at maturity. However, GOK turned down the request of the ED, KSSM and ordered (November 2010) closure of the FD and transfer of the amount to Kudumbashree Mission. Audit observed that in order to comply with the order, KSSM made a premature closure of one of its FDs of ₹25 crore on 16 March 2011 (maturity date 23 April 2011). It transferred ₹20 crore to Kudumbashree Mission (31 March 2011) and credited the balance amount of ₹ five crore into its TSB account.

Audit observed that the direction of GOK to use the Corpus fund of KSSM for the ‘Asraya’ scheme implemented by Kudumbashree Mission was against its own direction issued in October 2008, which required utilisation of Corpus fund for implementation of schemes only with the approval of Governing Body/Executive Committee of KSSM. Audit further noticed that the insistence of GOK to release the amount immediately (22 November 2010) to Kudumbashree forced KSSM to prematurely close its FD account by 39 days, resulting in avoidable loss of interest of ₹0.59 crore to KSSM. It was further observed that the orders of GOK to transfer ₹20 crore immediately to Kudumbashree was injudicious since Kudumbashree had a balance of ₹130 crore in its accounts on the day of transfer and as such was not in any urgent need of money. A scrutiny of the records of the Kudumbashree Mission also revealed that expenditure on ‘Asraya’ scheme during the years 2011-15 was only ₹7.79 crore, ₹1.41 crore, ₹6.40 crore and ₹1.12 crore respectively. Thus, the injudicious decision of GOK to transfer ₹20 crore to Kudumbashree led to premature closing of the FD account by 39 days and consequent avoidable loss of interest of ₹0.59 crore to the KSSM. KSSM confirmed (October 2017) the loss of interest due to premature closure of FD.

Kudumbashree stated (September 2017) that since KSSM released ₹20 crore only on the last day of March 2011, the expenditure of ₹19.77 crore on ‘Asraya’ scheme for the year 2009-10 was met from its plan funds. Kudumbashree also stated that the amount received from KSSM was actually the committed expenditure and that the balance of plan fund of Kudumbashree on the day of receipt of ₹20 crore was only ₹13 crore and not ₹130 crore as stated by Audit.

The reply of Kudumbashree was not correct in view of the fact that the balance of ₹130 crore cited by Audit as available with Kudumbashree was as per the audited statement of accounts of Kudumbashree for the year 2010-11 and its expenditure on ‘Asraya’ scheme during these years was meagre.

4.8.3.2 Diversion of KSSM funds for extending insurance coverage to representatives of LSGIs

GOK instructed KSSM (March 2012), to extend coverage of medical insurance to elected representatives of Local Self Government Institutions (LSGI). GOK

extended (November 2014) the benefits of the scheme to include former elected representatives of LSGIs. KSSM spent ₹82.84 lakh during 2013-16 for providing insurance coverage to 10,955 such LSGI representatives who did not fall under the category of destitute, poor and other weaker sections of population whom KSSM was meant to help. Besides, KSSM had to incur recurring expenditure of ₹29 lakh for annual renewal of the insurance for an average number of 3,904 LSGI representatives.

The ED, KSSM admitted (August 2017) that the representatives of LSGIs did not fall under the category of destitute, poor and other weaker sections and that the issue would be taken up with Government. During the Exit Conference (December 2017), the Special Secretary to Government agreed with the audit observation and informed that the matter was being looked into.

4.8.4 Fund generation through printing of stamps and sales thereof

GOK ordered KSSM (October 2011) to mobilise ₹1,100 lakh through sale of 25 lakh stamps of various denominations⁸¹ for implementation of schemes like Cancer Suraksha, Cochlear Implantation, Heart surgeries, etc. The initial target date set for sale of stamps was 31 December 2011, which was extended three times with the last date fixed as 31 December 2012. The ED, KSSM entrusted the overall responsibility of conducting the sale of stamps to the Administrative cum Accounts Officer of KSSM. The stamps were sold through Vayomithram Coordinators who held road shows targeting school and college students and through Kudumbashree Units.

It was observed that no accounts were maintained by the KSSM on the printing, distribution and collection of proceeds on sale of stamps. Minutes of 38th Executive Committee meeting (May 2016) revealed that ₹263.53 lakh was received through sale of stamps. Joint verification conducted by Audit, at KSSM Headquarters (October 2017) revealed unsold stock of stamps worth ₹828.46 lakh. KSSM, therefore, accounted for stamps worth ₹1091.99 lakh only out of stamps worth ₹1,100 lakh printed. There was thus short receipt on sale of stamps amounting to ₹8.01 lakh.

KSSM admitted (October 2017) that since persons dealing with stamps changed frequently, proper accounts on printing, distribution and collection of net proceeds on sale of stamps could not be maintained. The reply was not acceptable and responsibility for the loss of funds to the extent of ₹8.01 lakh needs to be fixed and recoveries effected. GOK, while accepting the short receipt of ₹8.01 lakh on sale of stamps, agreed (December 2017) to the suggestion of Audit to fix responsibility and effect recovery of loss incurred by KSSM.

Recommendation 4.1: KSSM may ensure that financial discipline is maintained, diversion of funds avoided and internal control mechanism strengthened in order to effectively implement its social security schemes.

⁸¹ Ten lakh stamps each of denominations ₹10 and ₹50; five lakh stamps of denomination of ₹100 each.

4.9 Sruthitharangam

GOK designated KSSM (December, 2011) as the nodal agency to implement “Sruthitharangam”, a scheme conceived to provide cochlear implants free of cost to children below three years and also to provide financial support for Auditory Verbal Habilitation (AVH) to operated children through 11 empanelled hospitals⁸² where the annual family income of the applicant was below ₹ two lakh. The Screening Committee would be empowered to make exception to children beyond 3 years upto 5 years of age on a case-to-case basis. The revised guidelines of GOK (May 2014) required KSSM to provide cochlear implants for surgeries for children above five years of age in empanelled hospitals if the cost of the implant was met by a sponsor/organisation/individual/family.

The guidelines of the scheme required parents/guardians of the child detected by the Audiological Centre with hearing impairment, with a high chance of success after implantation, to apply to KSSM for cochlear implantation in the prescribed format. KSSM would then forward such applications to the respective Regional Technical Screening Committee for sanction of surgery after adequate scrutiny on the basis of preoperative assessments and the protocol laid down by the State Level Technical Committee.

The Health and Family Welfare Department constituted (December 2011) three Regional Technical Committees⁸³ (South, Central and North) to scrutinise the applications for Cochlear implantation. Further, a State Level Monitoring Committee⁸⁴ was to monitor and conduct review of implementation and to function as a grievance redressal forum.

During 2012-13 to 2016-17, an amount of ₹34.18 crore was spent for 733 children out of ₹46 crore received. The year-wise details of total number of applications received for screening, sanctioned, rejected and withheld during the period 2012-13 to 2016-17 were as given in **Table 4.2**.

⁸² Government Medical College Hospital Thiruvananthapuram, Santhwanam Hospital Thiruvananthapuram, KIMS Hospital, Thiruvananthapuram, Government Medical College Hospital Kottayam, Dr. Noushad ENT Hospital, Ernakulam, Medical Trust Hospital, Ernakulam, West Fort Hospital, Thrissur, Ascent ENT Hospital, Perinthalmanna, Government Medical College Hospital, Kozhikode, Dr. Manoj ENT Super Speciality Institute and Research Centre, Kozhikode and Malabar Institute of Medical Sciences Ltd. Hospital, Kozhikode.

⁸³ The District Medical Officers of Thiruvananthapuram, Ernakulam and Kozhikode were the convenors of the Committees.

⁸⁴ Comprising of eight members including four Government Secretaries, Director of Health Services, Director of Medical Education, the Executive Director, NISH and Executive Director, KSSM.

Table 4.2: Details of applications received, sanctioned, rejected and withheld for the period 2012-13 to 2016-17

Year	Number of applications received and scrutinised by screening committee	Total number of applications sanctioned/ selected	Number of implantation surgeries conducted	Number of children not undergone implantation	Total number of applications rejected	Number of withheld applications (Balance)
2012-13	295	180	180	0	85	30
2013-14	253	210	210	0	35	8
2014-15	147	128	125	3	13	6
2015-16	113	105	101	4	3	5
2016-17	121	117	117	0	4	0
Total	929	740	733	7	140	49

(Source: Data collected from KSSM)

Audit noticed that 49 applications were withheld due to reasons such as failure to conduct various mandatory tests like Auditory Study State Response (ASSR), Intelligence Quotient assessment and Speech and Language Evaluation by empanelled hospitals. It was further seen that 134 children in the Government Medical College Kozhikode were awaiting (August 2017) testing and evaluation of their hearing threshold and diagnosis of retro cochlear lesions through ASSR and Brainstem Evoked Responsive Audiometry (BERA) tests, which were mandatory for patients for assessing suitability for cochlear implant. Audit observed that the number of applications for cochlear implantation to be approved by Technical Committees could have been much higher had the tests on these 183 applicants been completed for assessing their suitability for cochlear implantation.

The Government Medical College, Kozhikode cited (August 2017) the fact that the sole BERA/ASSR instrument available at the Hospital was being utilised for multiple purposes apart from cochlear implantation candidacy evaluation, as the reason for delay in candidacy evaluation. The Hospital, further suggested that supply of an additional BERA/ASSR instrument by KSSM for the sole purpose of candidacy evaluation under the Scheme would speed up the process. The ED, KSSM stated during the Exit Conference (December 2017) that supply order would be placed with the Kerala Medical Supplies Corporation Ltd. and the issue would be resolved by the end of this financial year.

4.10 Aswasakiranam

GOK accorded sanction (August 2010) for implementation of the scheme 'Aswasakiranam', which envisages assistance @ ₹250 per month to full time Caregivers of all bed-ridden patients who either belonged to BPL category or whose annual family income was below ₹20,000 in Panchayat areas and below ₹22,375 in cities. The rates of financial assistance were enhanced periodically and the current financial assistance is ₹600 per month (from October 2016). The financial assistance was given to the Caregivers of bedridden patients as compensation for their inability to work and earn their livelihood. The scope of the scheme was further enlarged (October 2012) to include Physically/Mentally challenged (due to Autism, Cerebral Palsy, Mental retardation, Mental illness), 100 per cent blind and patients bed-ridden due to old age, cancer and other diseases and in need of support for day to day activities. There were 3,23,616 beneficiaries under the Scheme during the period 2012-17.

4.10.1 Payments made through Money Orders

As per the guidelines, the Anganwadi worker concerned was to forward the applications along with the copies of Ration Card/Income Certificate and Disability Certificate/Identity Card issued by KSSM to the concerned Integrated Child Development Services (ICDS) Supervisor. A savings bank account in the name of the Caregiver of the patient was to be opened in the nearest Post Office and the details of the account were to be mentioned in the application. Duly recommended applications were to be forwarded to KSSM through the concerned Child Development Project Officer (CDPO) along with a certificate stating that the said Caregiver was taking care of the bed-ridden patient. The financial assistance was to be credited by the KSSM to the Post Office Savings Bank accounts of the Caregivers.

Scrutiny of the audited financial statements of accounts of KSSM for the years 2012-15 revealed that contrary to the provisions contained in the guidelines requiring the KSSM to remit the financial assistance due to Caregivers in their Post Office Savings Bank accounts, benefits were disbursed to all 3,23,616 beneficiaries through Money Orders. It was further noticed that ₹2.46 crore out of the total amount of ₹105.51 crore disbursed during the period 2012-15⁸⁵ were returned due to various reasons such as ‘mis-sent’, ‘addressee not found’, etc., resulting in non-receipt of eligible financial assistance by the beneficiaries. Details of the number of Caregivers who did not receive the Money Orders and steps taken to ensure payment to such Caregivers was awaited from KSSM (December 2017). Audit observed that disbursement of financial assistance by KSSM through money orders instead of through Post Office Saving Bank accounts as proposed in the scheme guidelines, resulted in an avoidable expenditure of ₹5.10 crore on money order commission during the period 2012-15. Besides, proper and timely delivery of the financial assistance to the eligible Caregivers was not ensured. During the Exit Conference (December 2017), Audit requested GOK to explore the possibility of direct transfer of money to beneficiary accounts. GOK informed that the 41st Executive Committee decided (November 2017) to change the mode of disbursement of payment from Money Order to Direct Benefit Transfer (DBT) via Banks.

4.10.2 Non-processing of applications under Aswasakiranam and resultant denial of benefits to Caregivers

Audit observed, consequent to a joint verification conducted (March 2017) along with the Regional Director, KSSM in the data entry room of KSSM Headquarters that, around 10,000 applications from Caregivers for financial assistance under Aswasakiranam scheme received from the year 2013, were bundled together and stacked in shelves without registering and verification. Audit observed that there was no system in place at KSSM to watch the number of applications received/objected/rejected/disposed under the scheme and hence the total number of applications pending as on date was not available. Audit selected, at random, 50 applications pertaining to five selected districts from the bundles and conducted a survey (August/September 2017) to verify the current status of the applicants.

⁸⁵ Figures obtained from the certified financial accounts of KSSM for the years 2012-15. Accounts for later years still not finalised.

Verification of 50 applications of Caregivers revealed that in respect of seven Caregivers, the bed-ridden patients being looked after by them expired within one to nine months of submission of application for receipt of financial assistance under the scheme as shown in **Table 4.3**.

Table 4.3: Details of delay in processing Aswasakiranam applications

Sl. No.	Name of District	Name of Patient	Date of application	Date of death of the patient	Delay (in months)
1.	Palakkad	Devu	10.03.2016	13.04.2016	1
2.	Thiruvananthapuram	Alies	Not recorded	26.06.2016	-
3.	Kozhikode	Kalmabi	30.09.2016	24.06.2017	9
4.	Kozhikode	Sarojini M	10.03.2016	04.09.2016	6
5.	Kasaragod	Kaveri	04.08.2016	26.12.2016	4
6.	Palakkad	Ramakrishnan V	31.08.2016	13.02.2017	6
7.	Palakkad	Nabeesa	Not recorded	04.04.2014	-

(Source: Data collected from KSSM)

The failure of KSSM to monitor the applications received and ensure prompt processing and payment of benefits under the Scheme resulted in denial of benefits to the Caregivers of intended patients. As failure to make payment to Caregivers could result in laxity in delivery of care and attention to the needy, the unjustified delay in the processing of applications by KSSM is a cause of concern and merits serious attention.

4.10.3 Non-compliance to scheme guidelines resulted in disbursement of financial assistance even after death

Audit noticed instances of disbursement of financial assistance to Caregivers even after the death of patients. Records verified at the office of the Regional Director, Kozhikode revealed that, of the 66 death cases, financial assistance of ₹53,700 continued to be disbursed upto December 2015/March 2017 to the Caregivers of 15 deceased patients (**Appendix 4.3**). Survey conducted in five selected districts (August/September 2017) confirmed that financial assistance amounting to ₹5,325 continued to be paid to two Caregivers even after the demise of the patients cared for.

The disbursement of financial assistance even after the demise of the patients indicated failure of internal control in KSSM, which needed to be urgently addressed, to avoid recurrence of such instances in future.

4.11 Snehapoorvam

GOK accorded sanction (June 2012) for the implementation of the scheme to provide financial assistance to those children who lost either or both of their parents, or in such cases where the surviving parent or guardians belonged to the Below Poverty Line (BPL) category. The scheme provided for grant of monthly financial assistance of ₹300 to the children in the age group of 0-5 years and children from classes I to V, ₹500 to children from classes VI to X, ₹750 to children from classes XI and XII. The scope of rendering assistance under the Scheme was revised by GOK (January 2013) to enable children studying for degree and professional degree courses to obtain financial assistance of ₹1,000. The financial assistance was to be credited to the joint savings bank account opened in the names of the child and the guardian.

As per the revised (October 2014) guidelines of GOK, the Head of the Educational Institution in which the child was studying was to submit application online to KSSM. The Guidelines also required the Head of the Institution to submit a signed, duly stamped computer generated list of such online applications to the KSSM. A Unique Identification Number was to be allotted by KSSM before 31 October every year. KSSM was to forward the same with the details of financial assistance sanctioned to the Heads of institutions, who in turn, were required to inform the students in time. Financial assistance of ₹76.91 crore was given to 1,26,039 beneficiaries under the scheme during 2014-17.

The details of applications received and action taken on the same is given in **Table 4.4**.

Table 4.4: Details of applications received/passed for payment/rejected/pending during 2014-17

Year	Number of applications received	Number of applications passed for payment	Number of applications rejected	Number of cases pending	Amount expended (₹ in crore)
2014-15	58737	41274	1841	15622	8.41
2015-16	70588	45233	1847	23508	40.03
2016-17	63397	39532	5164	18701	28.47
Total	192722	126039	8852	57831	76.91

(Source: Details collected from KSSM)

Scrutiny of the records by Audit revealed that 1,26,039 applications were passed for payment during 2014-17. However, 57,831 applications were pending for payment because after submitting applications online, the educational institution concerned did not submit signed and duly stamped computer generated lists to KSSM, as required in the guidelines. The fact was confirmed by Audit through test-check of records in 21 educational institutions which revealed that of the 1,057 applications submitted online during 2014-17, 677 applications were passed for payment and 380 applications were pending due to non-submission of computer generated lists. Thus, the failure of educational institutions to submit duly signed and stamped computer generated lists coupled with failure of the KSSM to ensure follow-up after receipt of online applications resulted in denial of financial assistance to 57,831 eligible children.

The Heads of educational institutions who did not submit duly signed and stamped computer generated lists in selected districts stated that they did not receive any Circulars/Guidelines/directions in this regard from KSSM. The replies offered by the Heads of Institutions were factually wrong as the same instructions requiring application to be submitted online also contained instructions for submitting signed, duly stamped computer generated lists to KSSM. This goes to prove that the Heads of Institutions did not act in a responsible manner in complying with GOK Guidelines.

GOK stated (December 2017) that specific instructions were given via email and registered mobile numbers, to each school whose printouts were pending. The reply was not acceptable in view of the fact that there were 57,831 pending applications, which led to deprivation of financial assistance to orphaned/needful children.

4.11.1 Exclusion of students of Industrial Training Institutes from benefits of the scheme

As students of Class XI and XII were also eligible for assistance under the scheme, KSSM requested (January 2015) GOK to include students who joined Industrial Training Institutes (ITI) after Class X for receiving assistance under the scheme. Consequently, ITI was also included in the list of institutions in the application form to be submitted online by the Heads of Institutions. Audit observed that 409 applications were received from students of ITIs during 2014-16, claiming assistance under the scheme. However, KSSM later excluded (April 2016) ITIs from the list of courses. On being asked, KSSM stated (December 2017) that as favourable decision on the inclusion of ITIs was not received from GOK, the 409 applications from students of ITIs could not be considered for disbursement of financial assistance.

GOK stated (December 2017) that proposal for inclusion of ITIs was under active consideration of the Government. The fact, however remains that the action of KSSM in inviting applications from students of ITIs for financial assistance and subsequently rejecting financial assistance to these children was not in order. KSSM and GOK may initiate steps to bring ITIs also under the purview of the scheme, since ITIs are institutions offering vocational and apprenticeship training to the youths who have passed Class X, as is being done in other cases.

4.12 Snehasparsham

GOK accorded sanction (June 2010) for providing financial assistance to unwed mothers from Scheduled Tribe Communities @ ₹300 per month which was further enhanced (June 2011) to ₹1,000 per month. The beneficiaries were to be under 65 years of age. The scheme was later extended (August 2011) to all destitute unwed mothers irrespective of the category. GOK ordered (December 2014) Vayomithram⁸⁶ offices to work as referral centres for providing all services. They were to co-ordinate all other schemes implemented by KSSM within their jurisdiction by functioning as the lower level office of KSSM.

4.12.1 Financial assistance to unwed mothers

As per the guidelines approved (March 2011) by the Governing Body, Child Development Project Officers (CDPO) were to identify and obtain applications from the unwed mothers in their areas of jurisdiction and forward the same to KSSM for providing financial assistance under the scheme. It was seen that GOK ordered (December 2014) the Vayomithram project office under the KSSM to coordinate the various activities of the KSSM within their jurisdiction. Thus, Vayomithram Coordinators who were to administer Vayomithram camps, conduct of health camps for the aged, etc., were also required to coordinate the activities of this scheme. Audit observed that as of March 2017, KSSM identified 2,044 unwed mothers and provided them with financial assistance under the scheme.

Audit obtained data on tribal unwed mothers in the selected districts as of December 2017, from the Scheduled Tribes Development Department (STDD).

⁸⁶ A scheme to ascertain the health conditions of people above 65 years of age.

It was observed that only 120 tribal unwed mothers were provided with financial assistance under the scheme by KSSM as against 521 tribal unwed mothers identified by STDD as shown in **Table 4.5**.

Table 4.5: Details of shortfall in coverage of tribal unwed mothers

Sl. No.	District	Number of tribal unwed mothers identified by the STDD	Number of tribal unwed mothers provided with financial assistance by KSSM
1.	Thiruvananthapuram	75	20
2.	Palakkad	129	31
3.	Malappuram	44	9
4.	Kozhikode	60	15
5.	Kasaragod	213	45
	TOTAL	521	120

(Source: Details obtained from Director of STDD and KSSM)

Although the records of KSSM revealed that 2,044 unwed mothers were identified and provided with assistance under the scheme, Audit noticed that more beneficiaries could have been assisted under the scheme, if the data available with the STDD was used. Audit observed that the Vayomithram Coordinators and CDPOs who were entrusted with the responsibility of identifying the beneficiaries of the scheme failed in identifying all unwed mothers in their localities, which resulted in denial of assistance to the women from vulnerable sections of society who became unwed mothers. Further, failure of KSSM in obtaining and making use of data on unwed mothers available with various Departments/agencies⁸⁷ adversely affected the implementation of the scheme.

GOK stated (December 2017) that even though KSSM had given proper directions to collect the applications from eligible beneficiaries, there was delay in identifying beneficiaries by the field staff due to competing priorities. The reply was not acceptable since after having launched the scheme, it was the responsibility of GOK/KSSM to ensure that all eligible beneficiaries were identified and provided with assistance under the scheme.

4.12.2 Release of financial assistance without ensuring compliance to guidelines

As per the guidelines, financial assistance was to be released based on the life certificate⁸⁸ of the beneficiaries furnished by CDPOs to KSSM on 01 January and 01 June, every year. It was also stipulated that in cases where the beneficiary married or expired, it was the responsibility of the CDPO to report the fact promptly to the KSSM. Audit observed that the life certificates were obtained by KSSM only twice (October 2014 and November 2015) since inception of the scheme in 2010. Audit analysed the quantum of certificates received in November 2015 and noticed large discrepancy in the number of beneficiaries assisted under the scheme and the number of life certificates obtained as shown in **Table 4.6**.

⁸⁷ STDD, Police, NGOs, etc.

⁸⁸ Certificate furnished by CDPOs after inspection stating whether the beneficiary is alive or not, marital status, age and whether the child is alive or not.

Table 4.6: Details of number of life certificates obtained and assistance provided

Sl. No.	District	No. of beneficiaries during October 2015	No. of beneficiaries for whom life certificates were received	No. of beneficiaries for whom life certificates were not obtained	No. of beneficiaries who were provided with assistance in November 2015
1.	Thiruvananthapuram	110	46	64	100
2.	Kollam	50	29	21	47
3.	Alappuzha	410	152	258	407
4.	Pathanamthitta	48	30	18	45
5.	Kottayam	276	123	153	262
6.	Idukki	85	74	11	81
7.	Ernakulam	142	90	52	142
8.	Thrissur	33	29	4	31
9.	Palakkad	171	68	103	168
10.	Malappuram	101	65	36	97
11.	Kozhikode	218	74	144	213
12.	Kannur	132	72	60	130
13.	Kasaragod	144	55	89	143
14.	Wayanad	93	38	55	90
	Total	2013	945	1068	1956
	<i>Per cent</i>		<i>46.94</i>	<i>53.05</i>	<i>97.17</i>

(Source: Records of KSSM)

As revealed by the table, the CDPOs did not furnish life certificates in respect of 53.05 per cent of beneficiaries. Financial assistance was provided to these beneficiaries without ensuring whether they were eligible or not.

It was noticed that the life certificates submitted by the CDPOs were not subjected to scrutiny by the KSSM. Out of 2,013 beneficiaries in the State during October 2015, KSSM received life certificates for 945 beneficiaries. Scrutiny of these life certificates revealed that while one of them passed away on 23 July 2015, another beneficiary was married, resulting in change of status. Thus, a beneficiary in Pramadam Panchayat, Pathanamthitta district continued to receive financial assistance for at least 20 months (upto June 2017) even though the CDPO recorded a change in her marital status from ‘unmarried’ to ‘married’ in the life certificate furnished for November 2015.

It was also observed that CDPOs did not report the death of beneficiaries promptly to KSSM resulting in failure to stop payment of financial assistance. Financial assistance was released to a beneficiary from Aikkaranadu Panchayat of Ernakulam district for five months from August 2015 to December 2015 even after the demise of the beneficiary in July 2015.

The KSSM stated (September 2017) that since the number of beneficiaries was huge, it was not practical to obtain life certificates from the beneficiaries every six months. The reply was not acceptable since the number of beneficiaries under this scheme was only 2,044 in 2016-17 and KSSM was bound to ensure that the beneficiaries were eligible before making payment of any financial assistance under the scheme.

Recommendation 4.2: KSSM may evolve a mechanism to ensure that payments are made only after ensuring receipt of life certificates from beneficiaries.

4.12.3 Double payments

Audit observed that registers were not maintained at KSSM for recording the details of receipt of applications. There was no system in place to avoid making multiple payments to the same beneficiary based on duplicate copies of applications furnished by the beneficiary. This resulted in KSSM making double payment of financial assistance to beneficiaries. For e.g. a beneficiary of Kadalundi panchayat, Kozhikode was provided assistance @ ₹1,000 per month from September 2013 onwards on the basis of an application furnished by her in August 2013. Subsequently, based on an additional application (January 2014) of the beneficiary forwarded by the CDPO to the KSSM, financial assistance of ₹17,000 was again provided to the same beneficiary for the period from February 2014 to June 2015. It was observed that since no records were maintained on the receipt/disposal/rejection of applications by CDPOs and KSSM, the possibility of more such instances of duplicate payments could not be ruled out.

GOK stated (December 2017) that since manual verification to identify duplication was tedious, KSSM was in the process of developing software for the same. The reply of GOK citing tediousness in conducting manual verification of applications was not justifiable since there were only 2,044 beneficiary applications as on 31 March 2017, which could have been easily verified even without developing software for the same.

Recommendation 4.3: KSSM may put in place a system/mechanism to guard against double payments.

4.13 State Initiative on Disabilities (SID)

The State Initiative on Disabilities (SID) is a scheme launched (December 2014) to provide Special initiatives for persons with disabilities in the area of prevention, early screening/detection, early intervention, education, employment and rehabilitation, etc. The scheme was launched recognising that the initiatives of the State in the past did not have a significant impact either in prevention of disabilities or in early intervention and rehabilitation. A report of an Empowered Committee with the Chief Secretary as Chairman made recommendations on each of the initiatives. SID also undertakes MMR and Rubella vaccination, Hearing screening of newborn babies through hospitals and conduct of De-centralised Disability Certification Camps with the objective of reducing hardship in availing Disability Medical Certificates through hospitals.

4.13.1 Non-conduct of disability camps for clearance of large number of pending applications

GOK issued orders (July 2009) declaring KSSM as the implementing agency for conducting disability certification camps and for issue of disability certificates. KSSM organised Disability Certification Camps throughout the State for issue of Medical Certificates/Disability Certificates/Identity Cards. As per stipulated procedure, Disability Certification Camps were held on receipt of 250 to 300 applications in each ICDS project wherein the disabled persons were issued with medical certificates on the spot as a proof of their disability after

examination by a medical board. People with disability above 40 *per cent* were also issued with disability certificates and identity cards.

Records available with KSSM revealed that 28,311 applications were pending with KSSM (status as of June 2017). These applicants were to be examined at Disability Certification Camps and issued with Medical Certificates/Disability Certificates/Identity Cards. Audit observed that of the 28,311 pending applications (June 2017), 818, 231, 750 and 5,000 number of applications were pending in Idukki, Ernakulam, Kozhikode and Kannur districts respectively, where no camps were conducted during 2017-18 (upto July 2017).

KSSM confirmed (July 2017) that the post of District Coordinator remained vacant in Kannur district and that the less number of camps conducted in the other districts was due to District Coordinators being engaged in other works. The reply was not acceptable since the KSSM should have recognised the large number of pending applications, especially in Kannur district and made alternate arrangements for early clearance of the pendency. Non-conduct of Disability Certification Camps even when large number of applications were pending indicated laxity of the KSSM in monitoring the implementation of the scheme.

GOK stated (December 2017) that based on the observations of Audit, special efforts were being made to organise Disability Certification Camps in all districts in a campaign mode under the leadership of the District Collectors for issuing maximum number of certificates and identity cards by March 2018. It was also stated that where District Coordinators were not in position, alternate arrangements would be made to organise the campaign.

4.13.2 Non-recovery of advance given for conduct of Disability certification camps

Orders of GOK (October 2011) on drawal of temporary advance to SID Coordinators for conduct of Disability Certification Camps stipulated that advances not settled within three months were to be recovered in full with 18 *per cent* interest. In cases where temporary advance was not utilised fully but the adjustment bill submitted on time, interest at the rate of 18 *per cent* per annum was to be charged on the unutilised portion of the advance from the date of drawal to the date of refund of advance. Further, a Circular issued (August 2016) by KSSM stipulated that advances paid to SID Coordinators for conduct of camps should be settled in full, ten days after the conduct of each camp.

Audit observed on a scrutiny of the accounts pertaining to 263 Disability Certification Camps conducted during 2012-17 that advances given to 12 SID Coordinators and 41 Vayomithram Coordinators amounting to ₹70.66 lakh were yet to be finally settled. It was further observed that 24 Coordinators (four SID Coordinators and 20 Vayomithram Coordinators) had quit their jobs, minimising the scope of recovery of ₹15.05 lakh advanced to them.

GOK stated (December 2017) that consequent to audit observations, 202 of the 263 unsettled advances were scrutinised and adjusted and the remaining cases were being followed up. Details of settlement of advances including interest on delayed refund of unspent advances were not produced to audit for verification. KSSM should ensure that advances made are adjusted/recovered in a timely manner so that there is no loss to the Government exchequer.

4.13.3 Delay in supply of vaccines

The Empowered Committee decided (November 2012) to administer Rubella/MMR vaccines across the State through the existing network of Department of Health and Family Welfare. Accordingly, GOK accorded sanction (May 2013) to administer MMR vaccines to all babies in the age group of 15-18 months and Rubella vaccines to female children studying in the VIII, IX and X standards in Government/Aided schools. As per the Empowered Committee decision (December 2012), the Director of Health Services (DHS) was to forward to the Kerala Medical Supplies Corporation Ltd. (KMSCL), detailed estimate of vaccines to be procured after collecting details from the Government hospitals and Director of Public Instruction (DPI) and to forward a copy to KSSM for making payments. Details of funds routed to KMSCL for supply of vaccines during the period from 2012-13 to 2016-17 are as shown in **Table 4.7**.

Table 4.7: Details of funds obtained for supply of vaccines

(₹ in crore)

Year	Funds obtained from GOK	Funds released to KMSCL	Balance with KSSM
2012-13	7.00	7.00	0
2013-14	1.03	1.03	0
2014-15	5.77	5.52	0.25
2015-16	0	0	0
2016-17	7.00	0	7.00
Total	20.80	13.55	7.25

(Source: Details collected from KSSM)

Audit observed that the DHS intimated (March 2015) KSSM about the non-availability of MMR Vaccines for more than six months in many hospitals and requested immediate intervention. It was seen that the KSSM failed to furnish proposals for implementing the scheme during 2015-16 resulting in lapse of ₹7.64 crore allocated in the budget. Further, ₹ seven crore received from GOK during 2016-17 remained unutilised (October 2017) and parked in the TSB Account of KSSM.

GOK stated (December 2017) that supply order was placed in March 2015 for administering vaccines during 2015-16 and the same was supplied only in July/August 2016. It was further stated that these were enough for administering vaccines during 2016-17 and hence no proposals were made for drawal of funds in 2015-16. The reply was not acceptable since KSSM was aware of the stock-out of vaccines from September 2014 onwards and hence purchase orders should have been placed with KMSCL much earlier than March 2015. Thus, laxity of the KSSM resulted in non-availability of vaccines for almost two years. During Exit Conference (December 2017) ED, KSSM admitted the lapse on the part of KSSM. Further GOK stated in the Exit Conference that monitoring system for supply and utilisation of vaccines would be strengthened.

4.14 Thalolam Scheme

Government accorded (February 2010) sanction to implement the scheme 'Thalolam' to provide free treatment to the children below 18 years of age with life threatening diseases such as Kidney diseases, Cardiovascular diseases, Cerebral Palsy, Brittle Bone disease, Haemophilia, Thalassaemia,

Sickle Cell Anaemia, Orthopaedic deformities and other Neuro-Developmental Disabilities, Congenital anomalies (Endosulfan victims) as well as treatment and surgeries in emergency cases. The scheme was to be implemented through 18 Empanelled Hospitals. Audit observed that an amount of ₹38.39 crore was spent under the scheme during the period 2012-17.

4.14.1 Inadmissible payment of investigation charges

As per guidelines of the scheme issued (March 2010) by KSSM, whenever a beneficiary under the scheme was required to undergo investigation outside the hospital in the private sector due to non-availability of facility in the empanelled hospital, such charges were also to be reimbursed under the scheme. The Superintendent of each hospital along with the Head of the Department of a speciality concerned, was to prepare a panel of diagnostic centres and fix the rates of investigation charges through negotiation. The beneficiary was to be sent only to such centres where the rates for tests/investigations were pre-fixed. The payment for such tests was to be thereafter reimbursed to the diagnostic centres.

Contrary to the above instructions, Audit noticed that panel of investigation centres and negotiated rates for investigations outside the hospitals were not prepared and furnished to KSSM by the empanelled hospitals. Audit further observed that the expenditure incurred under Thalolam scheme during 2012-17 included the reimbursement of charges for various investigative tests of patients conducted outside the hospital. KSSM provided funds in advance for implementation of Thalolam scheme and the hospitals furnished Utilisation Certificates (UC) for the funds received. Audit observed that the claims of charges for investigations conducted outside the hospitals were admitted in full by the hospitals. It was, however, noticed that Statements of Expenditure with details of patients and investigation charges incurred from outside agencies were not forwarded to KSSM along with the UCs. The failure of the KSSM to insist upon panel of investigation centres and negotiated rates for investigations outside the hospitals resulted in reimbursement of entire amount claimed by the investigation centres outside the hospital. In the absence of negotiated rates, Audit could not verify the correctness of amount reimbursed to investigation centres.

GOK stated (December 2017) that similar empanelment was mandated under other schemes. Thus, it was taken as granted that such empanelment and renewal would have been happening regularly at hospitals and admitted that no cross verification was done to ascertain this. Reply of the Government indicated that the scheme was implemented in a casual manner without following the prescribed guidelines issued by GOK.

4.14.2 Internal Control

As per the guidelines of the scheme Thalolam, a yearly Receipt and Payments statement as on 31 March should be furnished by the Hospital, duly certified by a Chartered Accountant to KSSM. Audit noticed that the certified accounts of Thalolam scheme were not obtained from two out of seven empanelled hospitals in three selected districts viz., Government Medical College Hospital, Thiruvananthapuram and Regional Cancer Centre (RCC), Thiruvananthapuram. During 2012-17, an amount of ₹30 lakh and ₹10 lakh was allotted to

Government Medical College Hospital, Thiruvananthapuram and RCC, Thiruvananthapuram, respectively. The scheme was not even implemented in Government Medical College Hospital, Manjeri till date (August 2017), which was in the list of empanelled hospitals. As a result, KSSM failed to monitor the proper utilisation of fund for the intended beneficiaries.

GOK replied (December 2017) that directions were given to the authorities concerned at Government Medical College Hospital, Thiruvananthapuram and RCC, Thiruvananthapuram to submit yearly statements without delay. In the case of Government Medical College Hospital, Manjeri a detailed report on number of proposed beneficiaries and expected expenditure, called for by KSSM was awaited.

4.14.3 KSSM failed to provide funds thereby affecting treatment

Audit noticed that the SAT Hospital, Thiruvananthapuram did not offer treatment under the scheme between 04 May 2016 and 14 November 2016 (more than six months), even though an average number of 27 new registrations and 39 review cases had benefitted per month during the preceding period from May 2015 to April 2016 under the scheme. The Hospital admitted (July 2017) that it lacked funds for taking care of patients under the Scheme. KSSM stated (September 2017) that the final instalment of ₹15 lakh out of ₹40 lakh due for 2015-16 was released to SAT Hospital in February 2016 and that ₹70 lakh was paid to the Hospital in 2016-17 in two instalments of ₹20 lakh and ₹50 lakh in October 2016 and March 2017 respectively. Audit observed that KSSM did not make any payments between February 2016 and October 2016, thereby affecting the implementation of the scheme during the period.

GOK stated (December 2017) that KSSM did not have sufficient funds to implement the scheme during 2016-17. The reply was not factually correct as the accounts of KSSM revealed a closing balance of ₹124.41 crore during 2015-16. Thus, despite availability of large cash balance, KSSM failed to provide sufficient funds to one of the major empanelled hospitals implementing the scheme.

4.15 Vayomithram

GOK guidelines (September 2011) required Vayomithram scheme to be implemented in all Corporations/Municipalities in the State to ensure good health of elderly persons above 65 years of age. Audit noticed that against the requirement of a Vayomithram unit⁸⁹ for each of the 93 Corporations/Municipalities⁹⁰ in the State, there were only 74 Vayomithram units (in six Corporations and 68 Municipalities) as of August 2017.

Revised Guidelines of the scheme (December 2014) required the appointment of Vayomithram Coordinators in each of the Vayomithram units. The Vayomithram Coordinators were tasked with the administration of Vayomithram camps, conduct of health camps for the aged, detection of dropouts from registrants in mobile camps, conduct of at least two review meetings in a month, etc.

⁸⁹ A Vayomithram Unit comprises of a Coordinator, Doctor, Staff Nurse and Junior Public Health Nurse.

⁹⁰ Six Corporations and 87 Municipalities.

Audit noticed that out of the 74 Vayomithram units, 37 units were functioning without regular Vayomithram Coordinators. It was seen that 19 Vayomithram Coordinators and seven SID Coordinators were given additional responsibility of 25 and 12 units respectively. Six Vayomithram Coordinators were allotted additional charge of two clinics. It was also seen that while one SID Coordinator was allotted additional charge of three Vayomithram units, three SID Coordinators were allotted additional charge of two Vayomithram units.

As mentioned in paragraph 4.12, the Vayomithram Coordinators who were also responsible for overseeing the Snehasparsham scheme, failed to obtain the details of unwed mothers in their locality, which adversely affected the implementation of that scheme. Similarly, a mention was made in paragraph 4.13.1 of this report about the poor performance of SID Coordinators in the conduct of camps and clearance of pending applications for disability certificates. The overburdening of the SID Coordinators resulted in lesser number of camps conducted under the Scheme. The pendency of applications was 818, 1,433 and 7,610 applications respectively in Idukki, Kasaragod and Thrissur districts. Audit noticed that only four, 12 and 19 camps were conducted between 01 August 2016 and 30 June 2017 in the three districts respectively. Thus, these districts should have conducted at least 38⁹¹ more camps for clearance of 9861 pending applications. Audit observed that failure of KSSM to set up stipulated number of Vayomithram Units and shortfall in the number of Coordinators also led to failure to obtain details of unwed mothers in their locality under Snehasparsham, failure to conduct health camps for the aged, delay in issue of disability certificates and resultant hardships to the disabled, failure to detect dropouts from registrants in mobile camps, etc.

KSSM stated (October 2017) that steps were initiated to implement the project in all 93 Municipalities/Corporations in the State. GOK stated (December 2017) that steps were already taken to appoint required number of coordinators on contract basis. This was also reiterated by the ED, KSSM during the Exit Conference.

4.16 Karunya Deposit Scheme

GOK accorded administrative sanction (March 2008) for implementing Karunya Deposit Scheme with the objective to raise resources for medical and educational support of mentally challenged children between the age of five and 18, attending special schools or who were inmates of orphanages/institutions. The scheme was subsequently extended (February 2009) to physically challenged children. GOK also proposed (March 2008) to release ₹ five crore to the Director of Social Welfare Department for the purpose. The scheme provided for willing depositors to deposit in any treasury, multiples of ₹ one lakh. No interest was payable on these deposits. The money, thus, raised would be deposited in the State treasury for one year and was renewable on annual basis. An incentive of ₹15,000 per deposit of ₹ one lakh, would be paid to the beneficiary by the KSSM which would be released to the beneficiary institution for meeting the special requirements of these children in the areas of medical

⁹¹ One camp for 250 applicants. Thus, Idukki, Kasaragod and Thrissur had to conduct three, five and 30 more camps respectively to clear the pendency in applications.

care including surgery and special equipment, Tuition Fees including special tuition, nutritional supplement, clothes and computer.

Considering that the scheme was not being run effectively by the Social Welfare Department and to attract more contributions by way of providing income tax exemption on donations made to KSSM, GOK entrusted (January 2012) the implementation of the scheme to KSSM and released ₹10 lakh. Audit observed that the performance of the KSSM in implementation of the scheme was also very poor as shown below.

- Only ₹25 lakh was received as deposits during 2010-15 and ₹6.09 lakh as interest accrued on the deposits.
- There were 51,011 children in 1,164 orphanages run by the Government and in the private sector. There were also 33 mentally challenged and seven physically disabled children in institutions under the Social Justice Department who were eligible to obtain benefits under the scheme. However, it was seen that only ₹0.78 lakh was distributed as assistance to five beneficiaries during the period from February 2012 to June 2015.
- The assistance distributed to three of the five beneficiaries was in violation of GOK guidelines since the assistance was released directly to parents of children who were neither students of special schools nor residents of any orphanage. These children could have been assisted through other schemes such as ‘We Care⁹²’ run by KSSM.
- As per the scheme guidelines, KSSM was to design and implement the scheme as joint venture with the Corporates, PSUs, and Foundations, NGOs, individuals and LSGIs. However, only one PSU contributed ₹20 lakh in 2014 for implementation of the scheme.

Laxity of the KSSM in implementation resulted in the scheme failing to realise its intended objectives. KSSM, by not releasing assistance to the beneficiary institution, failed in ensuring the utilisation of assistance for the purpose envisaged, i.e., health care, nutrition, education of mentally and physically challenged children.

4.17 Conclusion

KSSM was conceived to formulate and implement social security schemes in the State. While accounts for the years 2015-17 were yet to be finalised, the systemic deficiencies pointed out by auditors during the years 2012-15 were still persisting. Diversion of scheme funds was noticed. Applications received from potential beneficiaries were not efficiently processed in time, resulting in many of them being denied the benefits of the schemes. Internal control was weak leading to poor financial management and deficiencies in implementation of schemes. The performance of KSSM needed to be improved upon.

⁹² A payment gateway of the Social Justice Department to mobilise funds for the KSSM to collect contributions to support/assist such individuals/groups who are in dire need of social security.