

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



Government of Andhra Pradesh
Report No.4 of 2016

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Preface

This Report pertaining to the State of Andhra Pradesh for the year ended March 2015 has been prepared for submission to Governor of Andhra Pradesh under Article 151 of the Constitution of India.

This Report contains significant results of the performance audit and compliance audit of the Departments of Government of Andhra Pradesh under the General and Social Sector including Departments of Backward Classes Welfare; Consumer Affairs, Food and Civil Supplies; Minorities Welfare; Municipal Administration and Urban Development; Revenue; School Education; Social Welfare; Tribal Welfare; Women, Children, Disabled and Senior Citizens. However, Departments of Finance and Planning; General Administration; Home; Law; State Legislature; Health, Medical and Family Welfare; Higher Education; Housing; Labour Employment, Training and Factories; Panchayat Raj and Rural Development; Youth Advancement, Tourism and Culture are not covered in this Report on General and Social Sector.

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

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

Chapter I

Overview

1.1 About this Report

This Report of the Comptroller and Auditor General (CAG) relates to matters arising from performance audit of selected programmes and Departments of Government of Andhra Pradesh, compliance audit of transactions of its various Departments, Central and State plan schemes and audit of autonomous bodies of the State pertaining to General and Social Sectors.

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

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

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

1.2 Profile of General and Social Sector

A summary of the expenditure incurred during last five years by Departments of Government of Andhra Pradesh falling within General and Social Sector is given below.

Table-1.1

(₹ in crore)

Sl. No.	Name of the Department	2010-11	2011-12	2012-13	2013-14	2014-15
A	General Sector					
1	Finance and Planning	28572.35	30529.86	33817.12	36747.57	32113.70
2	General Administration	444.09	705.90	584.68	819.71	831.12
3	Home	3916.43	4412.53	5084.74	5692.96	4655.24
4	Law	612.53	603.63	684.29	752.51	658.55
5	Revenue	1964.19	2412.21	2058.01	3265.35	2424.34
6	State Legislature	51.08	84.69	95.27	112.63	83.62
	Total (A)	35560.67	38748.82	42324.11	47390.73	40766.57

Sl. No.	Name of the Department	2010-11	2011-12	2012-13	2013-14	2014-15
B	Social Sector					
1	Backward Classes Welfare	1996.34	2758.53	3774.72	3538.31	2371.15
2	Consumer Affairs, Food and Civil Supplies	2415.79	2450.69	2792.38	3288.36	2228.93
3	Health, Medical and Family Welfare	4140.35	4980.25	5312.34	5737.45	5392.67
4	Higher Education	2551.16	2669.73	3238.25	3416.79	2857.87
5	Housing	1626.77	1743.33	1829.15	2083.02	1201.46
6	Labour, Employment, Training and Factories	347.29	465.67	474.33	503.93	347.64
7	Minorities Welfare	324.62	370.33	350.88	505.34	400.07
8	Municipal Administration and Urban Development	4054.53	4108.89	4268.07	3038.02	3423.13
9	Panchayat Raj ^s	3533.15	2987.51	3393.22	4670.09	6429.85
10	Rural Development ^s	3921.78	4855.68	5175.01	4157.06	9496.05
11	School Education	9906.66	12250.18	13263.24	15094.39	14226.13
12	Social Welfare	1776.64	1941.74	2224.99	2450.96	2468.46
13	Tribal Welfare	961.50	1143.23	1336.44	1288.01	1096.42
14	Women, Children, Disabled and Senior Citizens	981.29	1513.03	2029.56	2031.82	1752.93
15	Youth Advancement, Tourism and Culture	188.18	214.38	258.89	302.23	254.38
	Total (B)	38726.05	44453.17	49721.47	52105.78	53947.14
	Grand Total (A+B)	74286.72	83201.99	92045.58	99496.51	94713.71

Source: Appropriation Accounts of Government of Andhra Pradesh for relevant years

^s*under one Secretariat Department 'Panchayat Raj and Rural Development'*

1.3 Office of Principal Accountant General (G&SSA)

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



Offices of the Accountants' General, Andhra Pradesh & Telangana

1.4 Authority for audit

Authority for audit by the CAG is derived from Articles 149 and 151 of Constitution of India and Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of General and Social Sector Departments of Government of Andhra Pradesh under Section 13¹ of the DPC Act. CAG is the sole auditor in respect of autonomous bodies/local bodies which are audited under Sections 19(2)² and 20(1)³ of the DPC Act. In addition, CAG also conducts audit, under Section 14⁴ of the DPC Act, of other autonomous bodies which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the CAG.

1.5 Planning and conduct of audit

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

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

1.6 Response of Departments to Audit findings

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

As of 30 September 2015, 3053 IRs containing 22,138 paragraphs (including 282 IRs and 2,567 paragraphs relating to the Heads of Departments, autonomous bodies, etc., of composite State of Andhra Pradesh) pertaining to the years up to 2014-15 were pending

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

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

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

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

settlement as detailed in Table-1.2. Of these, first replies have not been received in respect of 269 IRs (4,463 paragraphs) which includes 19 IRs and 276 paragraphs of composite State of Andhra Pradesh. Department-wise details are given in **Appendix-1.1**.

Table-1.2

Year	Number of IRs/Paragraphs as of 30 September 2015		IRs/Paragraphs where even first replies have not been received	
	IRs	Paragraphs	IRs	Paragraphs
2010-11 and earlier years	2490	13207	116	1667
2011-12	218	2400	0	0
2012-13	119	2607	2	114
2013-14	57	955	6	133
2014-15	169	2969	145	2549
Total	3053	22138	269	4463

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

As per instructions issued by Finance and Planning Department in November 1993, administrative Departments are required to submit Explanatory Notes on paragraphs and performance reports included in Audit Reports within three months of their presentation to Legislature, without waiting for any notice or call from Public Accounts Committee, duly indicating action taken or proposed to be taken. However, as of 15 December 2015, 17 Departments have not submitted Explanatory Notes in respect of 41 paragraphs/performance audit reports that featured in Audit Reports for the years 2006-07 to 2013-14. Details are given in **Appendix-1.2**.

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

⁵ (i) Backward Classes Welfare (ii) Consumer Affairs, Food and Civil Supplies (iii) Higher Education (iv) Minority Welfare (v) Municipal Administration and Urban Development (vi) Social Welfare and (vii) Tribal Welfare Departments

1.7 Significant Audit observations

This Report contains findings of Audit from a test-check of accounts and transactions of 10 Departments of State Government during 2014-15. Audit focus during the year has been primarily on evaluating implementation of specific Government programmes and initiatives in Departments covering mainly Backward Classes Welfare, ‘Information Technology, Electronics and Communications’, Minorities Welfare, School Education, Social Welfare, Tribal Welfare, ‘Women, Children, Disabled and Senior Citizens’ Departments, under General and Social Sectors so as to aid Government in taking necessary corrective action to improve service delivery levels to citizens with special focus on children. Towards this end, two performance audit reports of School Education Department and 10 draft compliance audit paragraphs have been issued to the Government.

The two performance audits included in this Report are (i) ‘*National Programme of Mid Day Meal in Schools*’ and (ii) ‘*Implementation of Basic Literacy Programme under Saakshar Bharat Mission*’.

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

1.7.1 National Programme of Mid Day Meal in Schools

‘National Programme of Mid Day Meal in Schools’ (MDM scheme) is a Centrally Sponsored programme. The scheme was implemented to address two of the most pressing problems for the majority of children in India, namely, hunger and education by (i) improving the nutritional status of children in primary and upper primary classes; (ii) encouraging poor children, belonging to disadvantaged sections to attend school more regularly and help them concentrate on classroom activities; and (iii) providing nutritional support to children in drought-affected areas during summer vacation.

Performance audit of implementation of MDM scheme in the State was conducted covering the period 2010-15 to assess whether the scheme was implemented in a planned manner, the implementation was effectively monitored, and achieved its stated objectives. Significant findings of this performance audit are summarised below.

Planning and Coverage

- *Annual Plans (AWP&B) have not been formulated on a bottom up based approach to planning. In the absence of a bottom up approach to planning, the basic objective of arriving at a credible assessment of actual ground level requirement could not be achieved.*
- *Providing nutritional support to children in drought affected areas during summer vacation is one of the scheme objectives. During 2011-15, Government declared 123 (2013-14) to 460 (2011-12) mandals as drought affected mandals. Scrutiny revealed that proposals for providing MDM to students of these mandals during summer vacation were not included in the Annual Plans. Test-check revealed that mid-day meal was not provided to children during summer vacation in any of the test checked schools in the drought affected mandals.*

- *State Government obtained financial assistance for construction of kitchen-cum-stores for 31,213 schools as against the actual requirement in 29,276 schools (excess: 1,937 schools) in the State under Phase-I itself. Government obtained sanction for another 13,103 schools under Phase-II. This clearly indicated deficiencies in reliability of data which in turn adversely impacts on the credibility of the planning process.*

(Paragraph 2.1.3)

Utilisation of funds

- *Government was not able to fully utilise the funds allocated for MDM scheme in any of the last five years i.e., 2010-15. Unutilised funds in this regard ranged from ₹239.83 crore (2012-13) to ₹402.32 crore (2013-14). Unutilised funds under various components of the scheme ranged from 13 to 73 per cent.*

(Paragraph 2.1.4)

Management of foodgrains

- *There was net excess projection of average number of students who availed MDM (1,42,462) in Annual Plans of CDSE (46,56,046) against average number of students availed MDM (45,13,584) as per Annual Plans of DEOs. This resulted in excess allotment of 3,825 MT of rice (cost: ₹2.18 crore) during 2010-15 in the four test checked districts alone.*

(Paragraph 2.1.5.1)

- *There were substantial balances of rice with the lifting agency (APSCSCL) ranging from 42,440 MT (2010-11) to 96,078 MT (2014-15). School Education Department paid ₹57.15 crore during 2010-14 towards cost of foodgrains (₹50.51 crore) to FCI and transportation charges (₹6.64 crore) to APSCSCL, although these quantities of rice were not actually received by the Department.*

This indicates absence of control mechanism at various levels to assess actual requirement, to ensure release of foodgrains as per the allotment, lack of reconciliation and reporting of balances available, resulting in accumulation of large quantities of rice with the lifting agency.

(Paragraph 2.1.5.2)

- *As per Guidelines, every school is to maintain buffer stock of foodgrains required for a month to avoid disruption due to unforeseen exigencies. However, buffer stock was not maintained in 96 (out of 120) test checked schools and in 41 instances closing stock was reflected as a negative figure. Inadequate buffer stock at schools despite availability of sufficient stock with the lifting agency indicate poor management of foodgrains supply system.*

(Paragraph 2.1.5.5)

Infrastructure facilities

Provision of infrastructure required for preparation/serving of mid-day meal such as kitchen-cum-store, kitchen utensils, gas connection, etc., was inadequate. Against 44,316 kitchen-cum-stores sanctioned by GoI under Phase-I (31,213) and Phase-II (13,103), as of August 2015, construction of only 7,129 (23 per cent) and 2,182 (17 per

cent) kitchen-cum-stores was completed under Phase-I and Phase-II respectively. There was no budgetary provision for procurement/replacement of kitchen utensils during the period 2010-15 despite availability of GoI funds (₹ 32.32 crore). Out of 120 sampled schools, most of the schools did not have kitchen-cum-store (65), kitchen utensils (47), drinking water (43) and gas connection (83).

(Paragraph 2.1.6)

Impact of the scheme on educational indicators

The gap in transition of students from Primary level to Upper Primary level as evident from Gross Enrolment Ratio (GER) data; and increasing dropout rate from Primary to Upper Primary and from Upper Primary to Secondary level is alarming and indicated a downward retention trend of students in schools.

(Paragraph 2.1.9)

Monitoring and Evaluation

Performance of Steering cum Monitoring Committees needed strengthening, so as to enhance effectiveness of monitoring of scheme implementation.

(Paragraph 2.1.10)

1.7.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

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

Performance audit of implementation of Basic Literacy programme (BLP) under Saakshar Bharat Mission in the State was taken up to assess whether survey was carried out by the State Government to identify the non-literates and mapping was done Gram Panchayat (GP)-wise, approaches given by the GoI for implementation of the scheme were followed and learners acquired sufficient skills specified by the GoI to progress to the next level.

Planning and implementation

- In the absence of logical controls, duplicate entries were noticed in the survey data uploaded. Persons having educational qualifications of matriculation or above up to post graduation were shown as required basic literacy.

(Paragraph 2.2.3.1)

- Micro plans which are very essential for effective implementation of the programme as per the guidelines were not prepared in any of the test checked GPs.

(Paragraph 2.2.3.3)

- Vocational Skill Development Programme (VSDP) was not implemented in 1,048 GPs out of total 4,239 GPs in the four test checked districts. In Chittoor, Guntur and Visakhapatnam districts, out of ₹ two crore released (May 2011) an amount of ₹ 0.81 crore remained unutilised as of May 2014 defeating the objective.

(Paragraph 2.2.4.3)

Enrolment and completion

- *Out of 84.90 lakh non-literates identified in the survey, GoI targeted to cover 53.56 lakh non-literates in the State by 2016-17. Against this target, 57.04 lakh non-literates (i.e., beyond target) were enrolled in the State during 2010-15, out of which 42.79 lakh (75 per cent) non-literates completed the BLP. In Guntur, Prakasam and Visakhapatnam districts, the number of beneficiaries who completed BLP was less than 70 per cent of enrolment.*
- *Out of 24 test checked GPs, female dropout rate was more than 40 per cent during 3rd phase (six GPs) and 4th phase (four GPs). Maximum female dropout rate of above 80 per cent was noticed in Chodavaram and Gandhavaram GPs of Chodavaram mandal in Visakhapatnam district in all the four phases.*

(Paragraph 2.2.4.4)

Financial Management

- *Out of ₹75.85 lakh advanced to ZLSSs towards transportation charges of TLM, survey, vehicle hire charges and tour advances, an amount of ₹51.43 lakh remained unadjusted as of August 2015.*
- *Out of ₹1.59 crore and ₹0.27 crore released as advance (2010-15) for conducting of NIOS examinations, imparting training to MCOs, VCOs and VTs etc, in test checked districts of Chittoor and Visakhapatnam, considerable amount of ₹1.57 crore (99 per cent) and ₹0.11 crore (42 per cent) remained unadjusted as of August 2015.*

(Paragraph 2.2.5.1)

- *Consolidated UCs were submitted by the SLMA without collecting UCs from the districts concerned. Internet-based 'Fund and Accounts Management System' (FAMS) which was adopted to manage and monitor fund flow, was not working after State bifurcation.*

(Paragraphs 2.2.5.2 and 2.2.5.3)

Supervisory manpower

- *Four out of 14 sanctioned posts of Deputy Director, 12 out of 22 sanctioned posts of Project officers (PO) and 82 out of sanctioned posts of 122 Supervisors were vacant in the State as of November 2015.*

(Paragraph 2.2.6.1)

1.7.3 Compliance Audit Observations

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

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.

(Paragraph 3.1)

1.7.3.2 Implementation of Mee-Seva in Andhra Pradesh

Mee-Seva is a good governance initiative of the Government of the composite State of Andhra Pradesh. The main objectives of Mee-Seva project are (a) to provide Government services in a convenient and efficient manner through various service centres and (b) to enable the Departments and agencies to provide cost effective and quality services and real-time Management Information System reports.

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

(Paragraph 3.2)

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

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.

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.

(Paragraph 3.3)

1.7.3.4 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.

(Paragraph 3.4)

1.7.3.5 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.

(Paragraph 3.5)

1.7.3.6 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.

(Paragraph 3.6)

1.7.3.7 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.

(Paragraph 3.7)

Chapter II

Performance Audits

School Education Department

2.1 National Programme of Mid Day Meal in Schools

2.1.1 Introduction

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

Scheme objectives

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

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

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

2.1.1.1 Components under the scheme

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

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

² those supported under Sarva Shiksha Abhiyan Scheme

2.1.1.2 Organisational setup

The Programme is implemented in the State by School Education Department under control of the Principal Secretary to Government. Commissioner and Director of School Education (CDSE) is the State level Nodal Officer for implementation of the programme. The District Education Officer (DEO) is Nodal Officer at district level. At the Mandal level, the Mandal Education Officer (MEO) is responsible and at School level the supervision of the programme is entrusted to Head Master of the school. The implementation of the programme at School level is assigned to SHGs³/DWCRA⁴/SMCs⁵/NGOs⁶/Parent Teacher Association etc.



2.1.2 Audit Frame work

2.1.2.1 Audit Objectives

Performance audit of the scheme was carried out to verify whether,

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

2.1.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

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

³ Self Help Groups

⁴ Development of Women and Children in Rural Areas

⁵ School Management Committees

⁶ Non-Government Organisations

⁷ National Institute of Rural Development

2.1.2.3 Scope and Methodology of Audit

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

Audit methodology involved scrutiny of records relating to implementation of the scheme at offices of Commissionerate of School Education, District Education Officers, Mandal Education Officers and Schools in four⁸ out of 13 districts of the residuary State of Andhra Pradesh. An Entry Conference was held in June 2015 with the Principal Secretary, School Education Department, Commissioner of School Education and other departmental officers wherein audit objectives, methodology, scope, criteria and audit sample were explained. Audit Enquiries were issued, discussions were held with departmental authorities at various levels and photographic evidence was taken to substantiate audit findings where necessary. Audit findings were discussed in an Exit Conference (November 2015) with Principal Secretary, School Education Department, Commissioner of School Education and other departmental officers; opinion/replies of the Government have been incorporated at appropriate places in the report.

2.1.2.4 Audit Sample

Four out of 13 districts in the State were selected by Probability Proportional to Size without Replacement (PPSWOR) method. Four mandals (under Simple Random Sampling without Replacement (SRSWOR) method) and 30 schools (Primary, Upper Primary and High Schools) from each district were selected for detailed scrutiny.

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

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

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

⁸ Chittoor, Guntur, Krishna and Prakasam districts

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

Performance Audit of MDM scheme for the period 2010-11 to 2014-15 revealed that most of the deficiencies pointed out in earlier Audit Report are not fully addressed and the deficiencies continued to exist.

Government, in its reply (November 2015), enumerated various measures being taken to streamline the implementation process in the residuary State of Andhra Pradesh.

Audit Findings

2.1.3 Planning and Coverage

2.1.3.1 Annual Work Plan and Budget

State Government prepares a comprehensive Annual Work Plan and Budget (AWP&B/Annual Plan) with detailed information of management structure, implementation processes, monitoring systems, target groups, infrastructure position, findings of evaluation studies, strategies to tackle problems, community participation, best practices and new initiatives, etc., in accordance with scheme guidelines.

Annual plan is to be prepared by the State Government based on information maintained at school level and aggregated at Mandal, District and State level. While preparing the Annual Plan in the month of January/February for ensuing year, DEO is to adopt actual figures of meals taken, rice utilised, funds utilised towards transportation charges, cooking cost, honorarium to CCHs, MME, etc., for the previous three quarters (April – December) and submit the same to CDSE for consolidation. Based on information received from DEOs, the CDSE submits a consolidated annual plan to Programme Approval Board (PAB) of MDM, GoI based on which PAB estimates and allocates funds for various components and foodgrains. Accordingly, Central share of funds/foodgrains will be released after adjustment of balances available with the State.

Scrutiny of Annual Plans revealed that the enrolment figures of children in Government, Government aided and Local Body schools shown in Annual Plan for the year 2010-11 were adopted for 2011-12 as well without any change, indicating an *ad hoc* approach towards preparation of annual plans.

Audit scrutiny of records of CDSE, in comparison with records of DEOs in the test checked districts, revealed discrepancies (as shown in Table-2.1) between number of institutions serving mid-day meal, enrolment of children, meals served as per DEOs records and the figures projected by CDSE in the Annual Plans indicating that the bottom up approach was not followed in preparation of annual plans.

Table-2.1

District	Component	Primary			Upper Primary		
		As per DEO records	Furnished by CDSE to GoI	Difference	As per DEO records	Furnished by CDSE to GoI	Difference
Chittoor	Institutions	20617	20765	148	5564	5545	-19
	Enrolment	950031	963904	13873	557059	592194	35135
	Meals served	135457071	135530397	73326	71213241	81090020	9876779
Guntur	Institutions	14644	14643	-1	4355	4357	2
	Enrolment	1066264	1064064	-2200	635613	637813	2200
	Meals served (Period 2012-15)	82408188	82861119	452931	58874923	53550195	-5324728
Krishna	Institutions	12209	12169	-40	4826	4801	-25
	Enrolment	779377	836140	56763	445831	526165	80334
	Meals served	119131704	125201082	6069378	73316776	73342235	25459
Prakasam	Institutions	14616	14360	-256	4059	4045	-14
	Enrolment	1036564	1014711	-21853	407316	422105	14789
	Meals served	135785180	144921958	9136778	51136811	56695396	5558585

Source: Records of CDSE and DEOs

In the absence of a bottom up approach to planning, the basic objective of arriving at a credible assessment of actual ground level requirement could not be achieved. Further, due to non-projection of actual position of institutions, enrolment of children, meals served, in the Annual Plans submitted to GoI instances of short/excess release of funds and foodgrains cannot be ruled out.

Government replied (November 2015) that the annual plans were prepared based on Unified District Information System for Education (U-DISE) data and stated that the issue would be re-examined with reference to data available with DEOs. It was further stated that a mechanism was put in place for integrating U-DISE data and Aadhaar seeded child information data to avoid discrepancies and duplication.

2.1.3.2 Coverage of Schools/Children

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

There are 47,945 schools in the State running Primary and Upper Primary classes during 2014-15. All Primary and Upper Primary schools in the State were covered under MDM scheme during 2010-15 except a few residential schools where meals are provided by schools.

Coverage of children under MDM in the State during 2010-15 ranged from 83 per cent (2012-13 and 2014-15) to 93 per cent (2011-12). In the sampled districts, the coverage was lowest (70 per cent) in Krishna district during the year 2011-12. In 28⁹ out of 120 schools test checked, coverage of children was less than 80 per cent, ranging between

⁹ Guntur: 2 (64 to 67 per cent); Krishna: 6 (39 to 79 per cent); and Prakasam: 20 (35 to 79 per cent)

35 per cent and 79 per cent. The Head Masters of eight¹⁰ out of the 28 schools where coverage was less than 80 per cent attributed the poor coverage of students to poor quality of rice.

Although the data on the number of children availing mid-day meal assumes great significance since it directly impacts scheme implementation in terms of assessment of requirement of foodgrains and funds and their release, the scheme did not contain any provision to enable children to either opt for or opt out of the mid-day meal. In the absence of this vital data, the coverage of children and projection of requirements in the Annual Plans are bound to be inaccurate.

Government replied (November 2015) that steps were being taken to obtain data with regard to number of students opted for MDM and students actually taking MDM through bio-metric attendance system for daily monitoring.

2.1.3.3 Coverage of children in drought-affected areas

As per MDM scheme guidelines, GoI provides assistance for cooked mid-day meal during summer vacations to school children in areas declared by State Government as drought-affected based on proposals, if any, made in the Action Plans by State Government.

During 2011-15, Government declared 123 (2013-14) to 460 (2011-12) mandals as drought-affected mandals¹¹. Government issued notifications declaring the drought mandals usually during the months of November - January every year and the DEOs/CDSE could consider the details of these mandals while preparing annual plans. Scrutiny revealed that proposals were not included in the Annual Plans for providing mid-day meal to students of these mandals during summer vacation. Out of 16 mandals test checked, 12 mandals were declared as drought mandals in one or more years during 2011-15. Test-check of schools revealed that mid-day meal was not provided to children in any of these mandals during summer vacation.

Government replied (November 2015) that MDM was not implemented in summer vacation/drought prone areas due to absence of specific orders. The reply is not convincing as the provisions in the guidelines are clear in this regard.

Government however, assured that the issue would be rectified in preparation of annual plans and MDM would be provided during summer vacation in drought prone areas in future.

2.1.3.4 Requirement vis-à-vis sanction of kitchen-cum-stores

Audit scrutiny of records revealed that the State Government misrepresented the requirement of kitchen-cum-stores while seeking Central assistance as shown in the Table-2.2.

¹⁰ Guntur: 2; Krishna: 1; and Prakasam: 5

¹¹ 2011-12: 460 mandals; 2012-13: 218 mandals; 2013-14: 123 mandals; and 2014-15: 238 mandals

Table-2.2

Total no. of schools in the State in 2011-12 (as per 2012-13 Annual Plan)	45,493
No. of schools wherein kitchen-cum-stores already existed as of 2006-07	15,075
No. of schools where mid-day meal is served by NGOs through centralised kitchen during 2011-12	1,142
No. of schools requiring kitchen-cum-stores (45,493-(15,075+1,142))	29,276
No. of schools for which financial assistance received from GoI under Phase-I (2006-08)	31,213
No. of schools for which excess financial assistance claimed under Phase-I (31,213 - 29,276)	1,937
No. of schools for which financial assistance claimed under Phase-II (2011-12)	13,103

Source: AWP&Bs, Educational Statistics 2006-07 and Records of CDSE

As can be seen from the above table, State Government obtained financial assistance for construction of kitchen-cum-stores for 31,213 schools as against the actual requirement in 29,276 schools (excess: 1,937 schools) under phase-I itself. Government obtained sanction for another 13,103 schools under phase-II. This clearly indicated deficiencies in reliability of data, which in turn adversely impacts the credibility of the planning process.

Government attributed (November 2015) the difference to merger of Primary/Upper Primary schools with Upper Primary/High school schools in 2009.

However, though there was an excess sanction of kitchen-cum-stores in first phase itself, Government needlessly sought sanction for additional kitchen-cum-stores in second phase. Government in its reply did not offer specific remarks regarding additional requirement of kitchen-cum-stores in second phase.

2.1.4 Funds Allocation and Utilisation

GoI provides 100 *per cent* financial assistance for three components of the scheme *viz.*, cost of foodgrains, transportation charges of foodgrains and MME. In respect of the components of cooking cost and honorarium to CCHs, the cost is shared between GoI and State Government in the ratio of 75:25.

During the five year period 2010-15, GoI provided Central assistance of ₹2,695 crore for implementation of the MDM scheme. Out of this, State Government released ₹2,574.37 crore¹² to the districts towards various components of the scheme. Further, as against ₹1,728.60 crore provided by the State Government towards its share, only an expenditure of ₹1,157.07 crore (67 *per cent*) was incurred. Budget provision *vis-à-vis* expenditure under the MDM scheme during the five year period 2010-11 to 2014-15 is given in the Table-2.3.

¹² Cost of foodgrains: ₹ 249.04 crore, Transportation cost: ₹ 52.57 crore; Cooking cost: ₹ 1,400.31 crore; Honorarium to Cook-cum-Helpers: ₹ 577.81 crore; MME: ₹ 2.99 crore and Kitchen-cum-stores: ₹ 291.63 crore

Table-2.3

(₹ in crore)

Year	Central share		State share		Total	
	GoI releases	Expenditure	Budget Provision	Expenditure	Budget Provision*	Expenditure (Percentage)
2010-11	478.92	465.58	291.38	169.48	1034.03	635.06 (61)
2011-12	851.91	510.51	413.92	298.92	1191.61	809.43 (68)
2012-13	612.33	702.24	426.35	327.90	1269.97	1030.14 (81)
2013-14	443.74	466.08	461.26	282.73	1151.13	748.81 (65)
2014-15	308.10	429.96	135.69	78.04	809.58	508.00 (63)
Total	2695	2574.37	1728.60	1157.07	5456.32	3731.44 (68)

Source: Appropriation Accounts of respective years

* includes provision for Central assistance

Note: Figures for (total) budget and expenditure include Central share under the group head 'Centrally Sponsored Schemes' and State share under the group head 'Matching State Share' for classes I to VIII and 'Normal State Plan' for classes IX and X

Government was not able to fully utilise the funds allocated for MDM scheme in any of the last five years. Unutilised funds in this regard ranged from ₹239.83 crore (2012-13) to ₹402.32 crore (2013-14). Further, State Government did not utilise Central assistance fully and ₹120.63 crore (4.48 per cent) of unutilised funds were lying with the Government.

Failure to release GoI funds in full by State Government for implementation of the scheme coupled with non-release of its matching share of ₹90 crore towards construction of kitchen-cum-stores hampered the provision of infrastructure required for preparation/serving of mid-day meal and monitoring, management and evaluation (MME) activities as discussed in paragraphs 2.1.6 and 2.1.10.

Government, in its reply (November 2015), stated that non-utilisation of allocated funds in full was observed in the months of March and April due to administrative reasons. Government also stated that efforts were being made to utilise funds released towards kitchen-cum-stores and kitchen devices. Proposal to transfer funds directly to implementing agencies accounts from State level was also under consideration to avoid delay in release of funds.

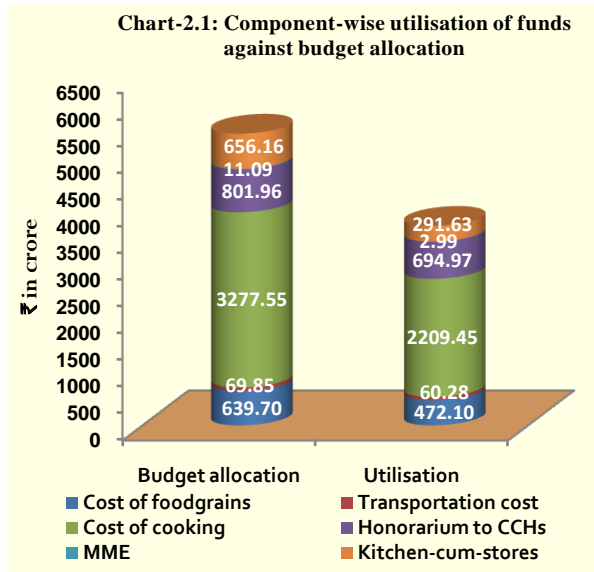
2.1.4.1 Component-wise utilisation of funds

Audit analysis with regard to the allocation *vis-à-vis* utilisation of funds under various components of the programme revealed that allocated funds were not utilised in full by the State Government under any component during 2010-15 as shown in Chart-2.1. Unutilised funds under these components¹³ ranged from 13 to 73 per cent. Component-wise budget provision and utilisation details are given in **Appendix-2.1**.

¹³ Cost of foodgrains: 26 per cent, Transportation cost: 14 per cent, Cost of cooking: 33 per cent, Honorarium to CCHs: 13 per cent, MME: 73 per cent and Kitchen-cum-stores: 56 per cent

Audit analysis further revealed the following:

- i. State Government released only 67 per cent (₹ 809 crore¹⁴) of budget provision (₹ 1,207 crore) towards its share for **cooking cost** component during five year period 2010-15.
- ii. During 2010-14, as against the requisite matching State share of ₹ 192.61 crore towards **honorarium to CCHs**, the State released only ₹ 117.16 crore (61 per cent) while it did not contribute its share during 2014-15 for this purpose.



Government replied (November 2015) that State matching share was released by the end of 2014-15 and no amounts were pending. Audit however, observed from the Appropriation Accounts that matching State share was not released by the Government during 2014-15.

- iii. During 2010-15, ₹ three crore (27 per cent) was only utilised out of budgetary allocation of ₹ 11.09 crore towards **Monitoring, Management and Evaluation (MME)** of the MDM scheme.
- iv. GoI sanctioned **kitchen-cum-stores** in two phases. For Phase-I, 100 per cent assistance was provided by GoI and for Phase-II the unit cost (₹ 1,50,000) was to be shared on 75:25 basis (GoI: ₹ 1,12,500 and State Government: ₹ 37,500).

Scrutiny revealed the following:

- During 2006-08, GoI sanctioned (Phase-I) construction of 50,529 kitchen-cum-stores to the composite State of Andhra Pradesh. Of these, 31,213 relate to the residuary State of Andhra Pradesh for which GoI released ₹ 187.28 crore to the State. Audit observed that, despite availability of GoI funds, State Government released only ₹ 60.80 crore to the implementing agencies, retaining the balance amount of ₹ 126.48 crore.
- GoI instructions (January 2008) stipulated that any additional cost beyond the sanctioned unit cost of ₹ 60,000 per kitchen-cum-store should be borne by State Government through convergence with other infrastructure development programmes like Backward Regions Grant Fund (BRGF), Members of Parliament Local Area Development Scheme (MPLADS), etc. Although State Government enhanced (November 2011) the unit cost for 27,417 kitchen-cum-stores sanctioned under Phase-I from ₹ 60,000 to ₹ 75,000, State Government

¹⁴ including provision for serving of mid day meal to students of classes IX and X

had not released any amount towards additional unit cost estimated at ₹41.13 crore for 27,417 kitchen-cum-stores even as of March 2015.

- During 2011-12, GoI sanctioned (Phase-II) 24,754 kitchen-cum-stores to the composite State of Andhra Pradesh and released its share of ₹278.48 crore to the State. However, against 24,754 sanctioned by GoI, State Government sanctioned (February 2013) only 23,801 kitchen-cum-stores for implementation out of which 13,103 relate to the residuary State of Andhra Pradesh. The difference 953 kitchen-cum-stores were not sanctioned to any district as of September 2015. Against ₹196.55 crore (GoI share: ₹147.41 crore and State Government share: ₹49.14 crore) of funds required for 13,103 kitchen-cum-stores, Government released only ₹125.05 crore. Of this amount so released, ₹63.02 crore was lying in PD accounts of Chief Planning Officers of respective districts. Thus, State Government had retained GoI funds to the extent of ₹22.36 crore and further, State Government had not released its share of ₹49.14 crore even as of March 2015.
 - Although GoI specifically instructed (March 2012) that the funds released for Phase-II construction works should not be used for Phase-I construction works for which funds had already been released, CDSE issued (January 2014) instructions to the district authorities to utilise the funds released under Phase-II for Phase-I construction works. It was observed that an amount of ₹13.91 crore intended for Phase-II were utilised for Phase-I works in the State.
- v. **Kitchen devices:** During 2006-08 and 2012-13, GoI released ₹23.96 crore for provisioning of kitchen devices to 47,927 schools. Out of this, an amount of ₹14.69 crore was utilised while leaving ₹9.27 crore unspent as of March 2015. Further, GoI funds ₹23.05 crore released in 2012-15, for replacement of kitchen devices in 46,103 schools, were not utilised by the State as of July 2015.
- vi. **Non-utilisation of GoI funds towards LPG subsidy:** GoI released (March 2013) an amount of ₹23.34 crore as recurring Central assistance for reimbursement of additional cost (beyond subsidy) incurred by the implementing agencies for procurement of unsubsidised LPG cylinders under MDM scheme for the year 2012-13. State Government was to contribute its share (₹7.78 crore) and release the funds to the implementing agencies. Scrutiny revealed that State Government had neither passed on the Central share nor the State share, to the implementing agencies. Details of schools in respect of which unsubsidised cylinders were used and to whom the money was to be reimbursed were also not available with CDSE.

Government, in its reply (November 2015), stated that the DEOs have been instructed to furnish the details of schools where unsubsidised cylinders were used; and action would be taken to release the unsubsidised cost after compilation of relevant data.

2.1.5 Management of foodgrains

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

2.1.5.1 Allocation of foodgrains

As per the scheme guidelines, the State Government was to furnish to PAB of GoI, by January/February every year, a district-wise request for allocation of foodgrains based on average number of children who had availed of mid-day meal in the preceding year. The PAB after scrutiny of the proposal was to approve the allocation of the foodgrains for the State as a whole.

Audit observed from the Annual Plans of State Government and minutes of PAB (GoI) that GoI has been sanctioning allotment of foodgrains and cooking cost based on average number of children availed MDM (with reference to meals taken and number of school working days). Audit examined Annual Plans of DEOs of test checked districts and those consolidated by CDSE at State level and observed that CDSE projected average number of children availed MDM incorrectly in the Annual Plans submitted to GoI which resulted in excess release of foodgrains as detailed below.

Table-2.4

District	Average No. of children availed MDM as reported by C&DSE to GoI			Average No. of children actually availed MDM as per DEO Records			Variation		
	PS	UPS	Total	PS	UPS	Total	PS	UPS	Total
Chittoor	841781	504434	1346215	841431	442333	1283764	350	62101	62451
Guntur	509300	329670	838970	508444	364045	872489	856	-34375	-33519
Krishna	759240	456173	1215413	740107	455736	1195843	19133	437	19570
Prakasam	902603	352845	1255448	843317	318171	1161488	59286	34674	93960
Total	3012924	1643122	4656046	2933299	1580285	4513584	79625	62837	142462

Source: AWP&B reports of C&DSE and DEOs

Thus, in the test checked districts, there was net excess projection of **average number of students availed MDM** (1,42,462) in Annual Plans of CDSE (46,56,046) against average number of students availed MDM (45,13,584) as per Annual Plans of DEOs.

This resulted in excess allotment of 3,825 MT of rice (cost: ₹ 2.18 crore¹⁵) during 2010-15 in the four test checked districts alone as detailed in **Appendix-2.2**.

Government replied (November 2015) that the annual plans were prepared based on the enrolment figures from U-DISE data of previous year hence there was a variation of enrolment figures in subsequent/current year. Government however, had not explained the discrepancy between enrolment figures of same year projected in annual plans and those maintained by DEOs.

2.1.5.2 Lifting of foodgrains - Large balances with lifting agency

As per Para 3.8 (i) of MDM scheme guidelines the State nodal agency engaged for lifting and transportation of foodgrains is responsible for lifting foodgrains from FCI godowns and delivering them to designated authority at the taluk/block level.

Based on allotments made to schools, the District Managers (DMs) of APSCSCL supply rice to schools through Fair Price Shop (FPS) dealers from Mandal Level Stockist (MLS) points.

Audit scrutiny of records at APSCSCL revealed that there were substantial balances of rice with the lifting agency (APSCSCL) ranging from 42,440 MT (2010-11) to 96,078 MT (2014-15). Details of allotment, lifting, off-take (i.e., rice supplied to schools) and balances of rice during 2010-15 are given in the table below.

Table-2.5

(in MT)

Year	Opening balance	GoI allotment	Lifting from FCI	Off-take	Closing balance
2010-11	33696.404	75079.149	74522.607	65778.711	42440.300
2011-12	42440.300	96280.562	93722.113	63633.913	72528.500
2012-13	72528.500	82113.347	81061.288	63597.234	89992.554
2013-14	89992.554	66784.350	60388.963	61860.700	88520.817
2014-15	88520.817	76162.586	75915.326	68358.171	96077.972
Total		396419.994	385610.297	323228.729	

Source: Data furnished by APSCSCL and FCI, Hyderabad

It can be seen from the table that every year during the three year period 2012-15, opening balance of rice stock was in excess of stock supplied to the MLS points/schools. It was further observed that School Education Department paid ₹ 57.15 crore¹⁶ during 2010-14 towards cost of foodgrains (₹ 50.51 crore) to FCI and transportation charges (₹ 6.64 crore) to APSCSCL, although these quantities of rice were not actually received by the Department.

¹⁵ 3,825 MT X ₹ 5,706.5 per MT = ₹ 2,18,27,362.50 i.e., ₹ 2.18 crore

¹⁶ cost of rice: 88,520.817 MT X ₹ 5,706.50 per MT = ₹ 50.51 crore; cost of transportation: 88,520.817 MT X ₹ 750 per MT = ₹ 6.64 crore (2014-15 figures not included due to non-finalisation of accounts)

Scrutiny of CDSE records revealed stock balances mentioned in Annual Plans were not in conformity with that of APSCSCL records. Against the opening balances of rice stocks ranging from 33,696 MT to 89,992 MT in APSCSCL records (as mentioned in the table above), the opening balance as per CDSE Annual Plans varied between ‘NIL’ (2011-12) and 18,407 MT (2013-14) during the period 2010-15 and the difference ranged from 18,924 MT (2010-11) to 77,201 MT (2014-15).

This indicates absence of control mechanism at various levels to assess actual requirement, to ensure release of foodgrains as per the allotment, lack of reconciliation and reporting of balances available, resulting in accumulation of large quantities of rice with the lifting agency.

Government replied (November 2015) that a control mechanism is being put in place at different levels to ensure proper release of foodgrains as per allotment to facilitate auto reconciliation and reporting of available balances.

2.1.5.3 Delivery of rice to the school point

As per MDM scheme guidelines, State Government is to make foolproof arrangements to ensure that the foodgrains were carried from the taluk/block level to each school in a timely manner. Further, as per Para 2.3 (ii) of the guidelines, GoI reimburse actual cost incurred on transportation of foodgrains from nearest FCI godown to the school point subject to a ceiling of ₹750 per MT.

Audit observed that APSCSCL has been submitting transportation claims at ₹750 per MT to DEOs without furnishing actual expenditure incurred. Accordingly the DEOs made payment at flat rate without ascertaining the actual expenditure. Moreover, the rice stock was supplied only up to FPS point instead of school point, despite payment of transportation charges at ₹750 per MT. In 47¹⁷ (out of 120) test checked schools it was noticed that rice was being brought to school by Head Masters/Self Help Groups (SHGs)/Cook-cum-helpers (CCHs) on their own.

Government accepted (November 2015) audit observation. Regarding incurring transportation cost by Head Masters/CCHs, it was replied that the sale proceeds of empty gunny bags were utilised to transport the rice stock from FPS dealer to school point. It was however, observed in audit that account relating to sale proceeds of gunny bags was not maintained by the schools and the school authorities stated that the gunny bags were returned to FPS dealers. Incidentally, the total value of empty gunny bags relating to four test checked districts alone worked out to ₹2.64 crore¹⁸ for the period 2010-15.

2.1.5.4 Utilisation of foodgrains

GoI allocates foodgrains for the students of Primary and Upper Primary classes. Requirement of rice was to be met from the State plan for students of Classes IX and X. Scrutiny of records in the test checked districts revealed that in Krishna and Guntur

¹⁷ Chittoor: 21, Guntur: 19, Krishna:4 and Prakasam: 3

¹⁸ Foodgrains utilised: 1.32 lakh MT; No. of bags required (each bag contains 50 kg of rice): 26.40 lakh; Value of gunny bags (at ₹ 10 per bag): ₹ 2.64 crore

districts, 8,404 MT and 3,849 MT of rice was released during the five year period 2010-15 for classes IX and X from GoI allocation.

Government replied (November 2015) that, in certain occasions of immediate requirement, rice supplied by GoI was utilised for classes IX and X and the same was reimbursed at later dates. Audit scrutiny however, did not find recorded evidence regarding reimbursement.

2.1.5.5 Maintenance of buffer stock

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

During test-check of records of the sampled schools, Audit noticed that buffer stock was not maintained in 96¹⁹ schools and in 41²⁰ instances closing stock was reflected as a negative figure. In such cases, the schools/SHGs made their own arrangements to get the foodgrains from the nearby schools/FPS dealer on reimbursement basis.

Inadequate buffer stock at schools despite availability of sufficient stock with the lifting agency indicate poor management of foodgrains supply system.

Government attributed (November 2015) the lapses to space constraints in schools and assured that maintenance of sufficient buffer stock would be ensured through Management Information System (MIS) being put to use.

2.1.5.6 Quality of foodgrains

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

In the test checked districts, no such joint inspections were conducted during the five year period 2010-15. Further, as per the decision taken by the Steering-cum-Monitoring Committee (SMC), rice bags containing the MDM rice having Fair Average Quality (FAQ) variety should be marked with the unique symbol as 'MDM rice' so that school authorities could identify that the rice is supplied for MDM. However, no such symbol was marked in 79²¹ out of 120 schools test checked. Further, Head Masters of 22²² out of 120 test checked schools stated that quality of rice was poor.

Government while accepting audit observation stated (November 2015) that a pilot project is being planned in three districts viz., Ananthapuramu, Prakasam and Vizianagaram to involve village organisation to improve quality of foodgrains. Government also stated that APSCSCL was requested to supply the MDM rice in a bag of separate colour with MDM logo.

¹⁹ Chittoor: 17, Guntur: 29, Krishna: 30 and Prakasam: 20

²⁰ Chittoor: 17, Guntur: 22 and Krishna: 2

²¹ Chittoor: 26, Guntur: 18, Krishna: 7 and Prakasam: 28

²² Chittoor: 3, Guntur: 14 and Prakasam: 5

2.1.6 Infrastructure facilities

Provision of essential infrastructure is one of the components of mid-day meal programme. It includes kitchen-cum-store, kitchen devices, storage containers of foodgrains and adequate water supply for cooking/drinking, gas based cooking, etc. The responsibility for creation of infrastructure and procurement of kitchen devices lies with the State Government.

Audit noticed that the provision of infrastructure required for preparation/serving of mid-day meal was inadequate. During 2010-15, 56 per cent of funds allocated for construction of 'kitchen-cum-store' remained unutilised and there was no budgetary provision for procurement/replacement of kitchen utensils and to provide gas connections.

It was observed that State level data about availability of these infrastructure facilities were not available with the Department. Details of availability of this infrastructure in the sampled districts are given in the table.

Table-2.6

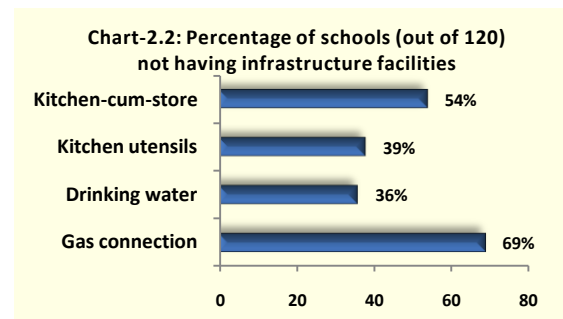
District	Number of schools	Kitchen-cum-store (%)	Kitchen devices (%)	Gas based cooking (%)	Drinking water (%)
Chittoor	5091	3893 (76)	4335 (85)	2906 (57)	4913 (97)
Guntur	3695	909 (25)	323 (9)	585 (16)	3695 (100)
Krishna	3305	446 (13)	2365 (72)	2766 (84)	3033 (91)
Prakasam	3596	1384 (38)	546 (15)	0 (0)	3596 (100)

Source: Records of DEOs

It can be seen from the table above that the availability of kitchen-cum-store was below 40 per cent in three out of four test checked districts. Kitchen devices were not available in 91 and 85 per cent of schools in Guntur and Prakasam districts respectively. LPG facility was not available in any of the schools in Prakasam district.

Although provision of drinking water facility in the schools was reported as hundred per cent in Guntur and Prakasam districts, physical verification revealed that the facility was not provided in 12 and 16 (out of 60) sampled schools of the districts respectively.

Out of 120 sampled schools, most of the schools did not have kitchen-cum-store (65²³), kitchen utensils (47²⁴), drinking water (43²⁵) and Gas connection (83²⁶) as shown in the Chart-2.2 alongside.



²³ Chittoor: 10, Guntur: 19, Krishna:12 and Prakasam: 24

²⁴ Chittoor: 12, Guntur: 21, Krishna:4 and Prakasam: 10

²⁵ Chittoor: 2, Guntur: 12, Krishna: 13 and Prakasam: 16

²⁶ Chittoor: 16, Guntur: 24, Krishna: 13 and Prakasam: 30

2.1.6.1 Construction of kitchen-cum-store

Kitchen-cum-store is a vital part of essential infrastructure required for providing MDM in schools. The provision of kitchen-cum-store had also been made mandatory under Right to Education Act 2009. Cooking of food in open area due to non-availability of kitchen-cum-store could lead to food poisoning, other health hazards and fire accidents.

Scrutiny revealed that out of 31,213 kitchen-cum-stores sanctioned by GoI under Phase-I, as of August 2015, construction of only 7,129 kitchen-cum-stores (23 per cent) was completed; 1,275 (four per cent) were in progress (total expenditure incurred: ₹ 53.57 crore). With regard to Phase-II, 2,182 (17 per cent) were only completed and 3,530 (27 per cent) were in progress against 13,103 sanctioned (total expenditure incurred: ₹ 24.18 crore). Remaining kitchen-cum-stores sanctioned under Phases I and II are yet to be taken up.

Out of total 13,260 kitchen-cum-stores sanctioned in the four test checked districts under both the phases, construction of 9,315 (70 per cent) kitchen-cum-stores were taken-up. Of these 2,586 (28 per cent) were completed, 868 are under progress and 5,861 (63 per cent) kitchen-cum-stores are yet to be started as shown in the table.

Table-2.7

District	No. of units sanctioned	No. of units taken-up	No. of units completed	No. of units in progress	No. of units yet to be commenced
Chittoor	3521	1553	823	297	433
Guntur	3556	3466	909	402	2155
Krishna	2735	2735	446	68	2221
Prakasam	3448	1561	408	101	1052
Total	13260	9315	2586	868	5861

Source: Information furnished by DEOs

During physical verification, it was observed that due to non-availability of kitchen-cum-stores cooking is done in open area/classrooms/implementing agencies' houses/ outside the school premises (as shown in the images).



Classroom used as Kitchen: Municipal Corporation High School, Greampet, Chittoor



Cooking is being done in open place in Government High School (Boys), Vinukonda, Guntur

Government attributed (November 2015) the delays in construction of kitchen-cum-stores to inadequate unit cost for Phase-I. Audit however, observed that even after enhancement of unit cost in Phase-II and provision of funds by GoI in 2011-12, there was no much progress; construction of only 17 per cent of kitchen-cum-stores was completed under Phase-II. Government further stated that construction work would be expedited.

2.1.6.2 Convergence with other development programmes

As per Para 2.5 of MDM scheme guidelines, the programme has to be implemented in close convergence with several other development programmes²⁷ implemented by GoI so that all the requirements for implementation of the scheme inter alia like kitchen-cum-store, etc., could be provided to all schools in the shortest possible time frame.

Audit however, observed that the State Government did not converge the activity of construction of kitchen-cum-store under MDM scheme with other development programmes which would have resulted in value addition of the content of the scheme.

Government replied (November 2015) that necessary instructions were issued to DEOs to tap funds from NREGS etc., to complete the construction of kitchen-cum-stores without delay.

2.1.6.3 Kitchen devices

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

It was observed that despite availability of GoI funds (₹32.32 crore), kitchen devices were not provided/replaced in the State during the period 2010-15 due to non-provision/release of funds by the State Government.

Government stated (November 2015) that process of allocation of funds (provided by GoI) between the two States i.e., Andhra Pradesh and Telangana is under process and assured replacement of all old devices in a phased manner.

2.1.7 Serving of mid-day meal to children

State Government is responsible for providing nutritious cooked mid-day meals uninterruptedly to the Children of Primary classes (I to V) and Upper Primary classes (VI to VIII) in all Government, Government aided and Local Body schools, Special Training Centres and Madaras and Maqtabas. Further, State Government extended MDM to cover children studying in Classes IX and X from 2008 onwards.

²⁷ Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Basic Services for Urban Poor (BSUP), Sarva Shiksha Abhiyan (SSA), etc.

2.1.7.1 Quality of meals served

(i) Tasting of meal before serving

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

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

Government, in its reply (November 2015), stated that instructions had been issued to maintain day-wise record of persons who have tasted the meal.

(ii) Testing of food samples

As per MHRD guidelines (July 2013) all States were required to engage Council of Scientific and Industrial Research (CSIR) institutes/National Accreditation Board for Laboratories/recognised labs for carrying out sample checking of MDM to ensure quality meal to the children with minimum calories and hygiene.

Audit scrutiny in the test checked districts however, revealed that sample checking of MDM was not carried out through such accredited institutes/laboratories. Thus, serving of quality meal to children could not be ensured as envisaged.

Government replied (November 2015) that appropriate agency would be identified and positioned in each district at the earliest and steps were being taken to engage laboratories/accredited institutions for testing of food samples.

(iii) Food poisoning cases

Audit scrutiny of DEOs records revealed that lack of adequate monitoring and poor infrastructure facilities for cooking and storage, non-involvement of mothers of the children in checking the quality of the food being served and feeding to children resulted in recurring food poisoning cases in schools as detailed below:

- In ZPHS, Sankarayalapeta, Pedda Panjani Mandal, Chittoor district 125 students suffered with stomach pain after taking MDM (July 2014). The food samples sent to the Food Analyst-cum-Chief Public Analyst, State Food Laboratory, Hyderabad for testing revealed that six (out of 13) ingredients²⁸ were found unsafe. Rice was one of the six items and the Rice sample contained Salmonella, a pathogen injurious to health.
- In ZPHS, Panapakam, Chandragiri Mandal of Chittoor District 96 students were hospitalised after taking mid-day meal (December 2013) reportedly due to the food served contained an insect.

²⁸ Red chilli, Chilli powder, Dhanian powder, Rasam powder, Horsegram (Ulavalu) and Rice

- During September 2012 (two schools) and February 2014 (one school) in Guntur district total 110 students²⁹ in three schools fell sick after consuming mid-day meal.

Government replied (November 2015) that the cooking agencies were replaced wherever such incidents occurred to ensure quality; and also stated that instructions would be issued to cook food within the school premises in hygienic conditions.

2.1.7.2 Engagement of NGOs under MDM scheme

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

NGOs were engaged in implementation of MDM scheme through centralised kitchens in six districts³⁰ of the State. Audit observed that:

- (i) In violation of guidelines, supply of food under MDM scheme was entrusted to NGOs in Chittoor district, including 38 schools where kitchen-cum-stores are available and in 252 schools where sufficient land was available for construction of kitchen-cum-stores. The existing infrastructure remained unutilised, and the objective of encouraging community participation in the scheme was ignored.
- (ii) Cooked food was to be supplied within 30 minutes and the maximum distance of schools from the centralised kitchen can only be 20 km as advised (February 2013) by the MHRD. The norms were not adhered to, as 370 schools³¹ covered by NGOs in two districts were more than 20 km from the centralised kitchen; distance from the centralised kitchen to farthest school ranged from 22 to 45 km and travel time ranged between 2 to 3 hours.

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

Government replied (November 2015) that the issue would be reviewed with the district authorities.

2.1.8 Cook-cum-Helpers

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

²⁹ ZP High School, Ponugupadu, Phirangipuram (M) (September 2012): 54; MPUP School, Irukupalem Village, Muppalla (M) (February 2014): 40; MPP School, Kornepadu, Vatti Cheruku (M) (September 2012): 16

³⁰ Ananthapuramu, Chittoor, East Godavari, YSR, SPS Nellore and Visakhapatnam

³¹ SPS Nellore: 202 schools; Chittoor: 168 schools; Details of NGOs in Ananthapuramu, East Godavari, YSR and Visakhapatnam districts were not made available

2.1.8.1 Engagement of Cook-cum-Helpers

GoI sanctions total number of Cook-cum-Helpers (CCHs) based on the Annual Plan submitted by State Government and releases its share.

Audit observed the following:

(a) During the years 2012-13 to 2014-15, Government obtained GoI sanction for 3,05,516³² CCHs. However, as observed from MIS reports, Government engaged only 2,61,805³³ CCHs in the State. Thus, despite availability of Central assistance, Government had either not engaged CCHs fully or had excess projected requirement of CCHs by 43,711 CCHs in Annual Plans leading to excess claim of ₹ 32.78 crore. Further, this had a cascading effect on claims towards MME at 1.8 per cent of honorarium (excess claim being ₹ 57.59 lakh) to CCHs to be allocated to State Government.

(b) There was a mis-match about the number of CCHs engaged between CDSE records and DEO records (during the period 2012-15). In three out of four sampled districts (except Chittoor), number of CCHs engaged as per CDSE was in excess than those reported by DEOs as shown in the table.

Table-2.8

Period	District	Number of CCHs	
		As per CDSE	As per DEO
2012-15	Chittoor	26521	26659
	Guntur	20507	20244
	Krishna	25884	23762
	Prakasam	19851	18977

Source: Records of CDSE and DEOs

Government, in the reply (November 2015), assured that correct database of CCHs would be maintained at all levels through MIS system.

2.1.8.2 Training to CCHs and DRPs

As per Ministry guidelines (July 2013) training programmes to CCHs and District Resource Persons (DRPs) were to be conducted for managing safety of foodgrains and for ensuring hygienic cooking of MDM.

No such training programmes were conducted in test checked schools and no funds were provided for this purpose. Thus, none of the CCHs was trained in preparation of meals of required nutritional values in hygienic conditions in tune with intended objective of the scheme.

Government replied (November 2015) that it was planned to train CCHs at District and Mandal level now.

2.1.9 Impact of the scheme on educational indicators

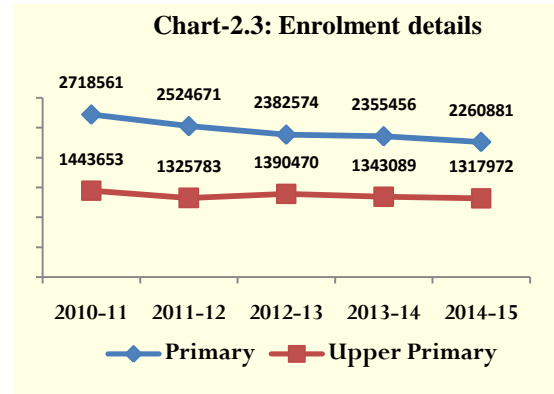
MDM scheme was intended to boost universalisation of elementary education by increasing enrolment, retention and attendance.

³² 2012-13: 1,01,309; 2013-14: 1,02,108; 2014-15: 1,02,099

³³ 2012-13: 86,188; 2013-14: 87,887; 2014-15: 87,730

2.1.9.1 Impact on enrolment

Enrolment in mid-day meal provided schools in the State displayed decreasing trend during the period covered under Performance Audit (2010-15). The enrolment of 27.19 lakh (Primary) and 14.44 lakh (Upper Primary) children during 2010-11 came down to 22.61 lakh (Primary) and 13.18 lakh (Upper Primary) during 2014-15 (17 and nine per cent decrease respectively) as shown in the Chart-2.3 alongside.



In four sampled districts Audit noticed that overall enrolment of 14.10 lakh children in 2010-11 decreased to 13.43 lakh (4.75 per cent) in 2014-15. During the audit of sampled schools, it was observed that the enrolment of 16,616 children in 2010-11 decreased to 15,165 children (8.73 per cent) in 2014-15.

Government, in its reply (November 2015), attributed the decreasing trend to parents' preferring English medium education and perceiving higher quality of private education.

2.1.9.2 Census of 'Out of School' children

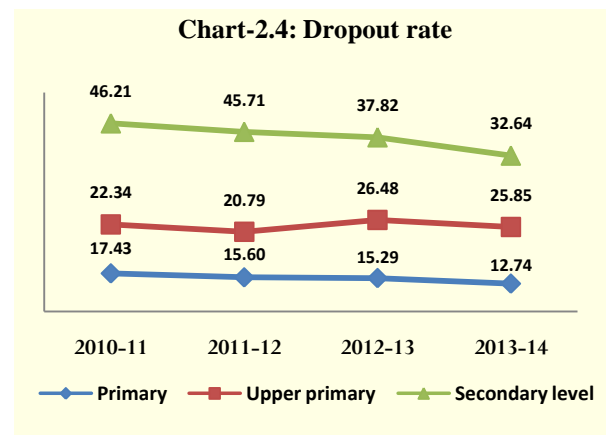
School teachers at village level are conducting door-to-door survey during summer vacation to ascertain the data of school-age children studying in Government/Private schools and 'out of school' children.

It was observed from the Educational Statistics that the Gross Enrolment Ratio³⁴ (GER) in the State for Primary stage decreased from 101 in 2011-12 to 99 in 2013-14. In respect of Upper Primary (Classes VI-VII), GER decreased from 89 in 2011-12 to 80 in 2013-14. This not only shows increasing trend of 'out of school' children, but also gap in transition of Primary to Upper Primary stage.

2.1.9.3 Retention of students

The scheme is aimed at encouraging poor children, belonging to disadvantaged sections to attend school more regularly and help them concentrate on classroom activities.

The dropout rate of students at Elementary Level was above 12 per cent at Primary level, above 20 per cent at Upper Primary level and above 32 per cent at High School level during 2010-14 at State level as shown in Chart-2.4. As seen from the educational statistics, the dropout rate in respect of Primary stage decreased from 17 to 13 during the period 2010-14 whereas for Upper Primary it increased from 22 (2010-11) to 26 (2013-14) during that period.



³⁴ Gross Enrolment Ratio (GER) is the percentage of enrolment in classes I-V, VI-VII and VIII-X to the estimated children in the relevant age-groups

However, it was observed that dropout rate was only five *per cent* in the sampled schools. Out of 79,412 children³⁵ (PS, UPS & HS) enrolled during 2010-15, 75769 (95 *per cent*) children continued in the school up to last working day. Thus, there was a dropout of 3,643³⁶ (five *per cent*) children during the period 2010-15. The highest dropout rate was noticed in Guntur (six *per cent*) district.

2.1.9.4 Impact on attendance

In three (out of four) test checked districts during 2010-15, it was noticed that the average attendance for Primary level ranged from 81 (Krishna district: 2011-12) to 97 *per cent* (Chittoor district: 2013-14); it was between 63 (Krishna district: 2010-11) and 88 *per cent* (Prakasam district: 2013-14) for Upper Primary and for High Schools it was between 54 (Krishna district: 2011-12) to 89 *per cent* (Prakasam district: 2013-14). The average daily attendance was lowest in Krishna district with 81 *per cent* at Primary level and 63 *per cent* at Upper Primary level (2011-12).

The gap in transition of students from Primary level to Upper Primary level as evident from GER data as explained above; and increasing dropout rate from Primary to Upper Primary and from Upper Primary to Secondary level is alarming and indicated a downward retention trend of students in schools despite implementation of MDM scheme.

Government, in its reply (November 2015), did not explain the reasons for increase in dropout rate from Primary to Upper Primary and from Upper Primary to Secondary level.

2.1.10 Monitoring and Evaluation

2.1.10.1 Monitoring of programme/impact parameters

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

During the five year period 2010-15, ₹ three crore (27 *per cent*) could only be utilised out of budgetary allocation of ₹ 11.09 crore towards MME component in the State.

Persistent deficiencies like non-supply of quality (FAQ) rice, non-ensuring of prescribed nutritional level of children, food poisoning incidents, delay in construction of kitchen-cum-store, non-supply of kitchen devices, retaining substantial balances of rice stock at MLS points, etc., indicate lack of effective monitoring system on implementation of MDM scheme.

During the Exit Conference (November 2015), CDSE stated that action would be taken to strengthen the monitoring mechanism.

³⁵ Chittoor: 17,444, Guntur: 27,418, Krishna: 18,520; and Prakasam: 16,030

³⁶ Chittoor: 242, Guntur: 1,674, Krishna: 895 and Prakasam: 832

2.1.10.2 Steering-cum-Monitoring Committees

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

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

Stipulation	Observation
<p>State level SMC meetings</p> <p><i>As per the directions (August 2010) of GoI, State level SMC meetings were required to be conducted at least once in six months. Later, GoI issued (March/May 2011) instructions to conduct State level SMC meetings at least once in every quarter.</i></p>	<p>State level SMC meetings were conducted four times only during 2010-15 as against the requirement of 16 times as per norms.</p>
<p><i>As per MDM guidelines, nominated members³⁷ by the Chairman of the SMC were to be included in the composition of the State level SMC.</i></p>	<p>The State level SMC constituted³⁸ by the State Government had not included these members.</p>
<p>District level SMC meetings</p> <p><i>As per the GoI directions (August 2010) the district level SMC meetings were required to be held every month to review the scheme under the Chairmanship of District Collector.</i></p>	<p>In the four test checked districts, two to six meetings were conducted against the requirement of 12 meetings per annum in each sampled district during 2010-15.</p>

Government stated (November 2015) that conducting SMC meetings regularly would be ensured henceforth.

2.1.10.3 Monitoring on management of foodgrains

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

³⁷ (i) two experts in the area of nutrition, (ii) four persons of whom at least two shall be women with significant contribution/achievement in the area of nutrition/mobilisation/school education/child health, (iii) representatives of 3 - 5 districts, (iv) at least one representative of teachers

³⁸ SMC included 21 members - Chief Secretary to Government (Chairperson), Secretaries/Heads of other line Departments (17), representatives of GoI and FCI (2) and public representative (1)

In the test checked districts, no such meetings were conducted. As a result, the issues such as underweight of rice bags, non-maintenance of buffer stock at schools, non-supply of rice to school point, etc., could not be resolved.

Government replied (November 2015) that conduct of District Vigilance & Monitoring Committee meetings as per schedule and MDM review would be ensured.

2.1.10.4 Inspections of schools

As per Para 6.2 of MDM scheme guidelines, the Officers of District, Sub-Divisional, Mandal/Tahsil/Taluka/Block and other suitable levels should visit in each quarter on an average 25 per cent of the schools covered under MDM scheme and all schools/EGS/AIE centres provided MDM should be visited at least once in every year.

During 2010-15, only 50 per cent (2010-11: 24,749 schools) to 81 per cent (2013-14: 38,646 schools) were inspected each year.

In the four sampled districts it was observed that, except in Krishna district, inspections conducted were far below the prescribed norms as detailed in the table. In respect of Krishna district, coverage ranged from 83 (2010-11) to 91 per cent (2014-15).

Table-2.9

District	Period	Number of Inspections	
		to be conducted	conducted (%)
Chittoor	2014-15	5091	172 (3)
Guntur	2012-13	3301	603 (18)
	2013-14	3296	895 (27)
	2014-15	3285	975 (30)
Prakasam	2013-14	3651	1031 (28)
	2014-15	3591	1483 (41)

Source: Records of DEOs

In the absence of periodical inspections, the issues such as preparation of food in unhygienic condition, lack of drinking water facility, incomplete kitchen-cum-store, etc., remained unresolved in most of the schools.

Government, in its reply (November 2015), stated that there were 80 per cent vacancies in inspecting officers (viz., MEO/DEO) posts and these posts were handled by making full additional charge arrangements. It was however, assured that monthly visits and inspections at district and mandal level teams would be ensured.

2.1.11 Conclusion

This review revealed a number of deficiencies in the implementation of the MDM scheme in the State. There was adhocism seen in the entire planning process; and the annual plans had not been formulated on a bottom up based approach to planning. The very basis of the annual plans were questionable since the basic data to which these plans rested left much to be desired in terms of their reliability and credibility. There were clear instances of mis-presentation of data relating to the claims made for setting up of kitchen-cum-stores under the scheme. Instances of incomplete release of funds by the State Government, not only of the GoI releases but largely of the State share was bound to adversely impact the implementation and execution of the scheme.

Ineffective management of foodgrains under the scheme led to retention of substantial balances with the lifting agency and minus balances at schools. Reconciliation of figures of foodgrains allotted, lifted, off-take was not carried out by School Education Department. Mid day meal was not provided to children in drought affected areas during summer vacations.

There were discouraging trends noted especially with reference to educational indicators which pointed to the fact that dropout rates of students at Upper Primary level was above 20 per cent during the period 2010-11 to 2013-14.

Procedure prescribed in scheme guidelines for ensuring utilisation of Fair Average Quality (FAQ) of rice for mid-day meal to children was not complied with. As is evident from the frequency of meetings conducted the performance of Steering cum Monitoring Committees needed strengthening, so as to enhance effectiveness of monitoring of scheme implementation.

2.1.12 Recommendations

Audit recommends for consideration that:

- (i) Planning process should be based on sound database and credible indices, so as to ensure a bottom up formulation of annual plans.
- (ii) State Government should ensure that funds, both of GoI and State are released in full, and in a timely manner.
- (iii) With a view to enhance infrastructural facilities like kitchen-cum-stores, supply of safe drinking water convergence with other schemes viz., Integrated Child Development Services (ICDS), Sarva Shiksha Abhiyan (SSA), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) should be ensured.
- (iv) Monitoring mechanism should be strengthened and inspections should be carried out as prescribed in guidelines. Deviations should be identified and followed up with corrective action.

Government accepted (November 2015) the recommendations of Audit and assured that appropriate steps would be taken to streamline the system.

2.2 Implementation of Basic Literacy Programme under Saakshar Bharat Mission

2.2.1 Introduction

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

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

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

The broad objectives of the scheme are as follows:

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

As per Census-2011, literacy rate in Andhra Pradesh State is 67.40 *per cent*, which is lower than the national average of 72.99 *per cent*. The literacy rate in the State varies from 58.89 in Vizianagaram district to 74.63 in West Godavari district. There is also a considerable gender gap of 14.80 percentage points between male (74.80 *per cent*) and female (60 *per cent*) literacy rates in the State.

Although the scheme was launched by GoI in September 2009, it commenced in the State after one year i.e., in September 2010. The scheme, which was initially up to March 2012, was extended up to March 2017. Of the stated objectives, the State Government implements only (i) Basic Literacy programme (BLP) and (ii) Continuing Education programme (CEP) in ten districts³⁹ of the State identified by the National Literacy Mission Authority (NLMA), the apex body for monitoring the implementation of the programme in the country. BLP aims to 'impart functional literacy to non-literate adults'. It is implemented in the State in a phased manner and five phases⁴⁰ were completed as of August 2015. CEP involves establishment of Adult Education Centres

³⁹ Ananthapuramu, Chittoor, Guntur, Kurnool, Prakasam, SPS Nellore, Srikakulam, Visakhapatnam, Vizianagaram and YSR districts where female literacy rate was 50 *per cent* or below

⁴⁰ Phase-I: 2010-11; Phase-II: 2011-12; Phase-III: 2012-13; Phase-IV: 2013-14; Phase-V: 2014-15

(AECs) at Gram Panchayat (GP) level to provide a learning environment, so that learners (neo literates and school dropouts) are encouraged to continue with their literary aspirations.

The scheme intended to cover 1.02 crore non-literates in the combined State of Andhra Pradesh at a cost of ₹ 877.23 crore. Of this, 53.56 lakh non-literates relate to the residuary State of Andhra Pradesh to be covered at a cost of ₹ 463.16 crore.

2.2.1.1 Responsibility Centres

Andhra Pradesh State Literacy Mission Authority (SLMA) is the nodal agency for implementing the programme in the State. Office of the Director of Adult Education acts as the Secretariat for SLMA. The SLMA reviews the activities in monthly monitoring meetings and reports to NLMA and the State Government. Adult Education Centres (AECs) at GP level are to provide institutional, managerial and resource support to literacy and lifelong education at grass root level. Literacy programmes are conducted by Voluntary Teachers through literacy centres in the villages. Responsibility centres at various levels *viz.*, at State, District, Mandal and Village are shown below:

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

2.2.2 Audit Framework

2.2.2.1 Audit Objectives

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

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

2.2.2.2 Audit criteria

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

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

2.2.2.3 Audit Scope and Methodology

Performance audit was conducted during December 2014-August 2015, covering implementation of BLP during the period 2010-15 in the sampled units. An Entry Conference was held in December 2014 with the Director, Adult Education wherein audit objectives, methodology, scope and criteria, audit sample, etc., were discussed and agreed to. Audit methodology involved scrutiny of relevant files/records at SLMA, ZLSSs, MLSSs and GPLSSs and discussions with officials concerned at various levels. Audit findings were discussed with the Principal Secretary to Government in School Education Department, Director of Adult Education and other departmental staff in the Exit Conference (November 2015); replies of the Government have been incorporated at appropriate places in the Report.

2.2.2.4 Audit Sample

Performance audit of the scheme was conducted in four districts of the State viz., Chittoor, Guntur, Kurnool and Visakhapatnam; and three mandals from each district selected on the basis of the highest female non-literates. Two Gram Panchayats (GPs) were selected from each mandal for detailed study based on the highest and the lowest female non-literates identified. List of sampled units is given in **Appendix-2.3**.

Audit Findings

2.2.3 Survey and Planning

2.2.3.1 Identification of non-literates

The programme entails identification of non-literates through a survey, area-wise mapping of their learning needs. Government conducted a household survey in 2010-11 and the survey data was uploaded to the Saakshar Bharat (SB) portal. The survey identified 84.89 lakh non-literates (Male: 38.55 lakh; Female: 46.34 lakh) in ten districts of the State in which the scheme is implemented. GoI fixed (2011) a target of covering 53.56 lakh non-literates under this programme by 2016-17. Scrutiny of household survey data (97.17 lakh⁴¹ records) in respect of four test checked districts provided (August 2015) by SLMA was analysed and the following was noticed.

⁴¹ Chittoor: 27.55 lakh, Guntur: 24.37 lakh, Kurnool: 26.46 lakh, Visakhapatnam: 18.79 lakh

- (i) Although the database contains 53 columns for each record of household data including a column for unique ID, this column was left blank in all the test checked districts. As such, the possibility of duplicate entries cannot be prevented in the database.
- (ii) There were many duplicate entries in the data mainly due to absence of any logical control for its prevention. Details of the same person (i.e., name, father's name, door number, name of the village, name of the mandal) were entered more than once ranging from 30 (Visakhapatnam) to 999 (Kurnool) times.
- (iii) Out of 97.17 lakh records (household survey data) in four test checked districts, 6.45 lakh records contain junk data i.e., without having full particulars of non-literates identified. Even the junk data was repeated up to a maximum number of 247 (Chittoor) to 999 (Kurnool) times in these districts.
- (iv) Out of 97.17 lakh (household survey data) records of data available in four test checked districts, 17.50 lakh records related to persons having educational qualifications of matriculation or above up to post graduation. Of these, 2.35 lakh (13.4 per cent) persons were identified as 'required Basic Literacy'.

In view of the above, reliability of the survey and correctness of the data of non-literates identified could not be assessed. It was also evident that mapping of learning needs of surveyed persons was not accurate. Further, a master survey data/list was not being maintained at GP level, which would be the benchmark against which the beneficiaries enrolled could be linked with the numbers identified in the survey and watch whether they successfully completed the programme.

While accepting the above observations Government attributed (November 2015) the inaccuracies in database to inexperienced field level functionaries who conducted the survey; erroneous data entry by the private agencies engaged for the job and lack of computer facilities at mandal level for verification. Government also stated that data could not be corrected due to non-provision of edit option by GoI.

In the absence of mechanism to check the enrolment of identified non-literate to the programme and watch his/her completion of the programme, it was not ensured that all the identified non-literates were made literate.

2.2.3.2 Data discrepancies

The data of the non-literates identified plays key role in preparation of action plans at each level and for implementation of the programme. Scrutiny revealed that there were discrepancies between data of non-literates furnished by the Director of Adult Education (DAE) and that furnished by District implementing agencies (ZLSS) as given below.

Table-2.10

District	Number of non-literates identified (in lakh)	
	DAE	ZLSS
Chittoor	9.78	9.63
Guntur	9.86	8.94
Kurnool	12.43	11.50
Visakhapatnam	9.20	7.80
Total	41.27	37.87

Source: DAE and ZLSS records

Government accepted (November 2015) the variations, stating that updations and corrections made by the district authorities after furnishing of the survey data to the Director were not intimated to him.

During scrutiny of records of GPs, it was noticed that enrolment was more than the number of non-literates identified in four out of 24 test checked GPs as detailed in the table.

Table-2.11

District	Name of GP (Mandal)	Identified	Enrolled in five phases
Kurnool	Peddakottalla (Kallur)	243	510
Kurnool	Sivaramapuram (Kurnool Rural)	194	600
Visakhapatnam	Sampathipuram (Anakapalli)	183	585
Chittoor	Chennampalli (Yerpedu)	272	400

Source: Records of test checked GPs

While accepting the discrepancies, Government attributed (November 2015) the inconsistencies to migration of people and stated that correct data would be available only at the village level.

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

2.2.3.3 Planning

GPs are responsible for micro planning in respect of preparation of action plan at their level. Micro plan is to be formulated considering all activities of the Programme i.e., survey, data collection, mass mobilisation, training schedules of different levels of functionaries, procurement and distribution of teaching learning materials, evaluation of learning outcome of the learners, budgetary requirement, etc. GP level micro plans are to be aggregated at mandal level for mandal level plan, mandal level plans are to be aggregated for district level plan and district level plans are to be aggregated for State level Plan, duly adding budget requirements for activities at each level. The State plan is to be submitted to NLMA for administrative and financial sanctions and release of funds accordingly.

Scrutiny revealed that although, State level action plans were prepared and approved by NLMA, district level plans based on which the State plans were prepared were not made available to audit. Thus, it was not ensured that State plans were prepared duly aggregating the district level plans as required by guidelines. Further, contrary to guidelines, micro plans were not prepared by any of the 24 GPs verified in audit.

Government accepted (November 2015) that district and GP level action plans were not called for preparation of State plan. Government also stated that GP level plans were automatically generated in the website based on the data uploaded. However, such plans were neither found in the web site nor furnished by the ZLSSs and GPs.

Thus, the planning of the programme lacked bottom up approach as envisaged in the guidelines.

2.2.4 Implementation of programme

2.2.4.1 Non-compliance with programme guidelines/instructions

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

- (i) As per guidelines, the programme requires imparting teaching of about 300 hours spreading over three months or beyond, depending on the motivation of the learner and local conditions. However, the Voluntary Teachers (VTs) did not maintain attendance registers. Although the Village Coordinators (VCOs) maintained the attendance registers, there was no indication of duration of teaching activity. Therefore, Audit was unable to verify the fact of completion of stipulated minimum duration of teaching activity.
- (ii) As per the instructions of SLMA, various registers/reports *viz.*, Daily Work Register, Monthly Self-Appraisal reports, Stock Issue register, etc., are to be maintained by the VCOs. However, reports/register *viz.*, Monthly Self-Appraisal reports, Daily Work Register, monthly vignanam⁴² programmes conducted, constitution of resource group at AEC, review meetings conducted with minutes, visits to AEC by supervisory staff, etc., furnished to District office by GP and Mandal level functionaries were not made available in any of the test checked GPs/Mandals to assess the performance of VCOs and MCOs. Thus, it was not verifiable in audit whether the implementing agencies had followed the stipulated monitoring mechanism at various levels.
- (iii) In Chittoor and Guntur districts, cash books maintained by ZLSS was not closed at regular intervals, entries were not attested by DDO; cash book figures were not reconciled with bank figures.

Government stated (November 2015) that VCOs had discontinued in some villages and they had not handed over the records to their successors. However, Government had not offered any remarks on poor maintenance of records at ZLSS.

Due to non-compliance to programme guidelines/instructions at GP and Mandal levels it could not be verified in audit that the scheme was implemented effectively for achievement of the Scheme objectives.

2.2.4.2 Supply of TLM and literacy kits

As per guidelines, Teaching Learning Material (TLM) kits have to be supplied to all GPLSSs before commencement of each phase of the programme, for distribution to non-literates enrolled. These kits help in keeping track of the progress made by each learner-volunteer group, ensuring the momentum of learning is not lost and that learning takes pace suitable to the learner. Scrutiny revealed the following.

- (i) In all the four test checked districts, it was noticed that TLM kits for the fourth phase of the programme which commenced in November 2013 were supplied in

⁴² Programme for creating awareness in different fields *viz.*, pulse polio, importance of casting vote, etc.

December 2013. Similarly, in three out of four test checked districts (except Guntur) it was noticed that for the fifth Phase of programme commenced in January 2015, TLM kits were supplied during March-April 2015. Thus, the learning process took place without TLM in fourth and fifth phases largely.

- (ii) Further, ZLSS/MLSS/GPLSS had not maintained details of dates of issue of the TLM kits to the enrolled learners. As a result, it was not ensured that kits were issued to all the learners and were issued in time.
- (iii) In Kurnool District, literacy kits were not supplied to 87,480 enrolled non-literates during fourth phase depriving them of learning process of writing skills.

Government accepted (November 2015) the delays and attributed the delays mainly to delay in transportation of material from mandal level to GP level and also to delay in finalisation of tenders.

Due to non-supply/delay in supply of TLM, the objective of learning formal education with prescribed books/pictorials was not fulfilled.

2.2.4.3 Vocational Skill Development Programme

Besides Basic Literacy Programme and Continuing Education Programme, the State implemented Vocational Skill Development Programme (VSDP) in only one year during 2011-12. With a view to improve earning and living conditions, SLMA decided (December 2011) to conduct VSDP for the benefit of learners in each GP. The programme was to be conducted for 30 days covering 25 beneficiaries in each GP.

As per the records relating to VSDP implementation in the sampled districts about 1.06 lakh beneficiaries⁴³ were to be covered under this programme. As per the guidelines, it was to be ensured that the beneficiaries covered under VSDP were enrolled for next phase of BLP. Scrutiny revealed that details of beneficiaries enrolled for BLP among those covered in VSDP were not on record in any of the test checked GPs.

Scrutiny further revealed that:

- a) VSDP programme was not implemented in 1,048⁴⁴ GPs out of total 4,239⁴⁵ GPs in the four test checked districts, depriving the non-literates in those GPs of availing of the opportunity of skill development and also in motivating them for BLP.
- b) In Chittoor, Visakhapatnam and Guntur districts, an expenditure of ₹ 1.19 crore was only incurred out of ₹ 2.00 crore released (May 2011). Although the funds were to be utilised by June 2012, an amount of ₹ 0.81 crore remained unutilised as of May 2014.
- c) Although stipulated in guidelines, follow-up activities for post training programmes were not taken up in any district to ensure that all the trainees joined BLP.

⁴³ Chittoor: 0.35 lakh; Guntur: 0.25 lakh; Kurnool: 0.22 lakh; Visakhapatnam: 0.24 lakh

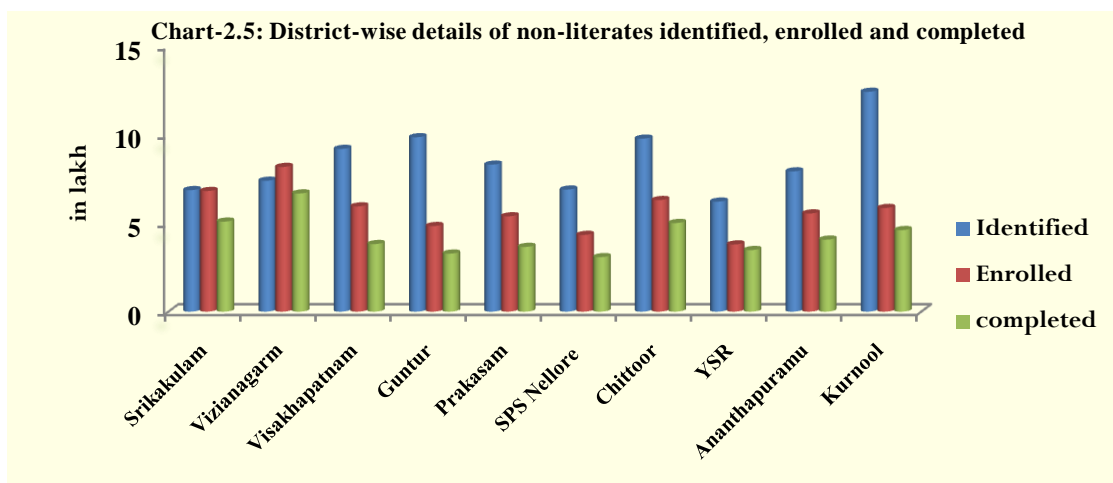
⁴⁴ Chittoor: 58 GPs; Visakhapatnam: 794 GPs; Guntur: 196 GPs

⁴⁵ Chittoor: 1,381 GPs; Kurnool: 898 GPs; Visakhapatnam: 944 GPs; Guntur: 1,016 GPs

Government stated (November 2015) that GoI had not provided any funds for this component and, hence, it was not implemented in all the villages. Government, however, accepted that funds released by SLMA for VSDP out of its programme cost were not fully utilised by ZLSS.

2.2.4.4 Enrolment and completion

Out of 84.90 lakh non-literates identified in the survey, GoI aimed to cover 53.56 lakh non-literates in the State by 2016-17. Against this target, 57.04 lakh non-literates (i.e., beyond target) were enrolled in the State during 2010-15, out of which 42.79 lakh (75 per cent) non-literates completed the Basic Literacy Programme. District-wise details of non-literates identified, enrolled under the programme and the beneficiaries who completed BLP during 2010-15 in five phases are given in the chart.



Enrolment of non-literates for BLP ranged between 47 per cent (Ananthapuramu) to 111 per cent (Vizianagaram) of the non-literates identified. The large variation in enrolment from district to district indicated that planning was not linked to ground level needs for uniform improvement throughout the State to achieve its final objective.

Further, the number of beneficiaries who completed BLP was less than 70 per cent of enrolment in Visakhapatnam, Guntur and Prakasam districts. However, it was less than 50 per cent of identified beneficiaries in Guntur and Kurnool districts even after completion of five phases.

However, scrutiny of enrolment details and details of non-literates that completed basic literacy as furnished by the DAE and that by ZLSS in test checked districts to the end of fourth phase revealed discrepancies. In the four districts together, the DAE had claimed excess coverage of 0.37 lakh non-literates. Details are given in the Table-2.12.

Table-2.12

District	Number of non-literates enrolled and completed (in lakh)					
	DAE		District implementing agencies		Difference	
	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed
Chittoor	5.43	4.53	5.28	4.22	0.15	0.31
Guntur	4.27	2.91	4.09	2.78	0.18	0.13
Kurnool	5.32	4.20	5.32	4.20	0	0
Visakhapatnam	5.42	3.42	5.37	3.49	0.05	(-)0.07
Total	20.44	15.06	20.06	14.69	0.38	0.37

Source: Details furnished by DAE, ZLSSs

The data inaccuracies indicate inadequate coordination at various levels in implementation of the programme. As a result, the claims of achieving the target/success would be doubtful.

Scrutiny also revealed the following.

- During scrutiny of records of ZLSS, Kurnool it was noticed that in 18 GPs the programme was continuing even after completion of **100 per cent** enrolment of identified non-literates. This also shows that coverage was inflated. The ZLSS, Kurnool stated that dropouts and semi literates were also enrolled for this activity for improvement of literary skills. Reply of ZLSS was not satisfactory as the Basic Literacy Programme is not meant for improvement of skills.
- ZLSS, Chittoor district claimed that 100 per cent of female non-literates enrolled in the district during 2nd phase of programme completed BLP. However, scrutiny of records of GPs revealed that 51 out of 287 female non-literates enrolled in six test checked GPs in the district did not complete the programme.
- Out of 24 test checked GPs, female dropout rate was more than 40 per cent during 3rd phase in six GPs, during 4th phase in four GPs. Maximum female dropout rate of above 80 per cent was noticed in Chodavaram and Gandhavaram GPs of Chodavaram mandal in Visakhapatnam district in all the four phases.
- It was noticed in three out of the four test checked districts (except Guntur) that female dropout rate increased from 21 to 30 per cent from 1st to 4th phase of the programme. As a result, the increasing enrolment of females from year to year may not have any positive impact towards reducing gender gap in literacy.

Government stated (November 2015) that the figures would be reconciled with the district level data.

2.2.4.5 Assessment and Certification

As per Para 57 of the guidelines, assessment and evaluation of progress of non-literates has to be done by conducting periodical tests at State level by engaging local school teachers. However, such evaluation reports were not made available to audit in three out

of four test checked districts (except in Kurnool district). In the absence of such details audit could not assess the progress made in respect of non-literates who completed BLP.

Further, SLMA will have to devise, in consultation with NLMA, suitable mechanism for assessment of actual competency achieved by learners in literacy skills. On successful completion and achievement, the learner will have to be issued a certificate jointly signed by specified authorities. In the absence of comprehensive data on non-literates/dropouts/repeaters/achievements and progress made in implementation of BLP was not assessable.

2.2.5 Financial Management

Both NLMA and State Government release funds directly to SLMA's bank account; funds are transferred from SLMA to bank accounts of ZLSS/MLSS/GPLSS directly. The funds so transferred are drawn and utilised by ZLSS/MLSS/GPLSS based on authorisations given by SLMA. The scheme cost of ₹463.16 crore was to be shared between GoI (₹347.37 crore) and State Government (₹115.79 crore) in 75:25 ratio. Year-wise details of funds released and expenditure incurred as of March 2015 are shown in table below:

Table-2.13

(₹ in crore)

Year	Releases				Expenditure	Closing Balance
	Opening Balance	GoI releases	State matching share	Total		
2010-11	69.00	84.67	23.00	176.67	36.46	140.21
2011-12	140.21	64.55	49.74	254.50	172.17	82.33
2012-13	82.33	116.06	0.00	198.39	119.31	79.08
2013-14	79.08	69.22	38.68	186.98	130.19	56.79
2014-15 (up to 1 st June 2014)	56.79	-	-	56.79	22.46	34.33
2014-15	32.09*	34.32	23.51	89.92	21.02	68.90

Source: Records of SLMA;

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

* For the year 2014-15, opening balance of ₹32.09 crore (including interest component) has been taken based on GoI orders (October 2014) issued consequent on bifurcation of the state.

Out of ₹537.98 crore stated to have been released by GoI (₹403.48 crore) and State Government (₹134.50 crore) for implementation of the programme up to 1st June 2014, an amount of ₹283.60 crore (GoI: ₹212.70 crore and State: ₹70.90 crore) was allocated (September 2014) to the residuary State of Andhra Pradesh. However, it was noticed in audit that out of ₹70.90 crore of State share allocated to residuary State of Andhra Pradesh, only an amount of ₹58.74 crore was released prior to 1st June 2014. Out of the balance of ₹12.16 crore, State Government released an amount of ₹12.07 crore (included in ₹23.51 crore shown against 2014-15 in the above table) in 2014-15.

Including releases made during 2014-15, an amount of ₹329.27 crore (GoI: ₹247.02 crore, State share: ₹82.25 crore) was released to the State out of which an amount of ₹274.94 crore was expended on the scheme up to March 2015.

Scrutiny revealed that although State's matching share should be released soon after release of GoI share, State Government released its share of funds with delays ranging from 2 to 13 months. This has resulted in delayed payment of honorarium and allowances to Mandal Coordinators (MCOs)/Village Coordinators (VCOs) as noticed during audit of test checked GPs. Government accepted (November 2015) the delays in release of State share.

2.2.5.1 Advances pending adjustment

During 2010-15, SLMA released advances amounting to ₹ 75.85 lakh to ZLSSs towards transportation charges of TLM, survey, vehicle hire charges and tour advances. The advances released were to be adjusted as early as possible by submission of vouchers for the amount spent duly refunding the unspent balances. Scrutiny revealed that out of ₹ 75.85 lakh advanced an amount of ₹ 51.43 lakh⁴⁶ unadjusted as of August 2015. Of this an amount of ₹ 35.52 lakh was pending for more than three years.

Further, in the test checked districts of Chittoor and Visakhapatnam it was noticed that out of ₹ 1.59 crore and ₹ 26.60 lakh of advances released (2010-15) by ZLSSs to MLSSs for conducting of National Institute of Open Schooling (NIOS) examinations, imparting training to MCOs, VCOs and VTs etc., huge amounts of ₹ 1.57 crore (98.8 per cent) and ₹ 11.22 lakh (42 per cent) remained unadjusted in the two districts respectively even as of August 2015. The Deputy Director, ZLSS, Chittoor stated that action would be taken to trace the vouchers and adjust the advances.

Government accepted (November 2015) the pendency of advances and also stated that action was initiated to settle the advances.

- (i) The ZLSS, Chittoor entrusted the work of computerisation to DRDA, Chittoor and fixed a rate of 35 paise per record for computerisation of survey data. However, in violation of the Management Committee's decision, ZLSS authorities paid the charges at one rupee per record. Against the amount of ₹ 2.46 lakh payable at the rates approved, ZLSS paid an amount of ₹ 7.02 lakh to DRDA resulting in excess expenditure of ₹ 4.56 lakh. Government accepted (November 2015) the excess payment and stated that action was initiated to recover the amount.
- (ii) Honorarium amounting to ₹ 16.10⁴⁷ crore was not paid to VCOs/MCOs in the four test checked districts as of March 2015. Similarly, the Fixed Travelling Allowance (FTA) payable to MCOs at ₹ 500 per month amounting to about ₹ 25.43⁴⁸ lakh was not paid to 215 MCOs in four test checked districts despite availability of funds. Non-payment of honorarium/FTA for longer periods may have an adverse impact on quality of activities and ultimately of the programme. While accepting the audit finding, Government attributed (November 2015) the lapses to delay in submission of performance certificates and processing of files at mandal level; it, stated that the system was now streamlined.

⁴⁶ 2010-11: ₹ 3.10 lakh, 2011-12: ₹ 32.42 lakh, 2012-13: ₹ 0.65 lakh, 2013-14: ₹ 15.00 lakh, 2014-15: ₹ 0.26 lakh

⁴⁷ Chittoor: ₹ 7.10 crore; Guntur: ₹ 3.97 crore; Kurnool: ₹ 3.52 crore; Visakhapatnam: ₹ 1.51 crore

⁴⁸ Chittoor: ₹ 9.24 lakh; Guntur: ₹ 7.69 lakh; Kurnool: ₹ 2.65 lakh; Visakhapatnam: ₹ 5.85 lakh

- (iii) In Visakhapatnam district, during 3rd phase, 2.25 lakh out of 2.50 lakh literacy kits were supplied (October 2012) without eraser and sharpener. Although they were supplied (April 2014) later separately, they were not distributed (August 2015). The expenditure of ₹ 7.47 lakh incurred on these items remained unfruitful.

2.2.5.2 Non-collection of Utilisation Certificates

As per the guidelines, SLMA is responsible for collection of Utilisation Certificates (UCs) from the districts and submission of a consolidated UC to NLMA. It was observed that SLMA submitted year-wise consolidated UCs for ₹ 251.83⁴⁹ crore for the years 2010-11 to 2014-15, without collecting UCs from the districts for the amounts utilised. In view of advances pending adjustment, correctness of the UCs submitted to NLMA cannot be ensured.

Government stated (November 2015) that accounts were audited up to GP level; expenditure details were available with the SLMA and SLMA accounts included figures up to GP level; and hence consolidated UC was submitted to NLMA. However, it was noticed that annual accounts of SLMA did not exhibit any amount as outstanding advances/advances pending adjustment. In view of the advances pending adjustment noticed at ZLSS/MLSS (refer Paragraph 2.2.5.1), the reply of the Government is not convincing.

Thus, there was no assurance that these funds stated to have been spent were actually spent and utilised for the intended purpose.

2.2.5.3 Fund and Accounts Management System (FAMS)

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

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

Audit scrutiny of expenditure comparison reports (8 July 2015) generated through FAMS website relating to the sampled districts revealed inconsistency in total expenditure between cash book figures and that of bank figures. These expenditure details were in turn not in conformity with ZLSS figures. Details are shown in Table-2.14.

⁴⁹ 2010-11: ₹16.22 crore; 2011-12 : ₹84.90 crore; 2012-13: ₹56.31 crore; 2013-14: ₹58.81crore; 2014-15: ₹35.59 crore

Table-2.14

(₹ in crore)

District	Expenditure as per cash book (as uploaded)	Expenditure as per bank (as uploaded)	Expenditure as per ZLSS
Chittoor	16.54	33.54	33.96
Guntur	12.16	37.21	23.98
Kurnool	12.25	24.17	23.29
Visakhapatnam	7.79	23.72	21.31

Source: Saakshar Bharat FAMS website and records of ZLSSs

Audit scrutiny of SLMA records revealed that data upload to FAMS was lagging behind by more than one year (as of November 2014) in respect of ZLSSs of nine⁵⁰ districts except in Kurnool where data was uploaded up to July 2015. At Mandal and GP levels also there were consistent delays in uploading data into FAMS. In GPs data was uploaded only up to January 2012. Director, Adult Education attributed (November 2014) non-uploading of data at mandal/GP level to lack of computers/net facility. The reply is however, silent about delay at ZLSS level.

Government accepted the delays and stated (November 2015) that FAMS was not working in the State at present after bifurcation of the State of Andhra Pradesh.

As a result of these delays, the basic objective of introducing FAMS remained unachieved.

2.2.6 Monitoring

As per SLMA instructions, officers at various levels were to visit the subordinate units at periodical intervals to monitor implementation of the programme. The instructions, stipulate that Project Officer (PO)/Assistant Project Officer (APO) has to be on tour for 20 days and visit 40 AECs in a month. These officials should also make 10 night halts during visits to AECs.

Test-check of daily tour programmes of APOs revealed that there were short falls in number of tour days ranging between 3 to 20 (Chittoor) and 4 to 9 (Visakhapatnam); visits to AECs ranging between 3 to 40 (Chittoor), 6 to 37 (Kurnool) and 18 to 24 (Visakhapatnam); and night halts ranging between 1 to 10 (Chittoor) and 8 to 10 (Visakhapatnam).

While accepting the shortfalls, Government attributed (November 2015) the failure to shortage of staff and heavy workload.

2.2.6.1 Supervisory manpower

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

⁵⁰ SPS Nellore: June 2013; Guntur, Prakasam, Srikakulam, Vizianagaram: January 2014, Chittoor: February 2014, Ananthapuramu, Visakhapatnam: April 2014, YSR: April 2014

Project Officer and Supervisor provide motivation, training and guidance in running of various adult education programmes; supervise and monitor the implementation of programmes under the overall control of ZLSS.

Mandal Coordinators (MCs) frequently visit adult literacy centres in the mandals; they organise and supervise the running of AECs, daily routine work of various adult literacy programmes in the mandal.

- i. Against the sanctioned strength of 14 posts of Deputy Director the post was vacant in four districts⁵¹. Against the sanctioned strength of 22 Project officers (PO) 12 posts were vacant; against the sanctioned strength of 122 posts of Supervisors 82 (67 *per cent*) were vacant in the State as of November 2015. Vacancies in supervisory posts for longer periods would affect monitoring the programme performance, enrolment and dropout of enrolled non-literates.
- ii. Although two PO posts were sanctioned for Chittoor district, both were vacant as of August 2015. There was only one Supervisor each in Guntur and Visakhapatnam districts against 12 and six sanctioned respectively. There are four and five Supervisors against 13 and 11 sanctioned in Chittoor and Kurnool districts respectively.
- iii. Similarly the VCOs, who are essential for running the programme at GP level, were not engaged in 384⁵² (eight *per cent*) GPs against 4,650 sanctioned in Chittoor and Visakhapatnam districts.

Government accepted (November 2015) the audit finding and stated that Deputy Director and Supervisor posts were not filled for want of decision at Government level; stated that instructions were issued to fill other vacancies at MLSS and GPLSS level.

2.2.6.2 Internal Audit

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

Scrutiny revealed that internal audit was conducted in two out of the ten districts of the State during 2015-16 covering execution of the programme (2010-2015). Thus, internal audit was largely neglected in the first five years of the programme. The Director, Adult Education stated (September 2015) that action would be taken to conduct internal audit in the remaining eight districts by March 2016.

Government replied (November 2015) that there was no provision for internal audit in the funding pattern of the programme and hence internal auditors were not appointed. However, this was in violation of the Manual provisions and internal audit had been conducted in two districts.

⁵¹ Ananthapuramu, Krishna, SPS Nellore and YSR districts

⁵² Chittoor: Requirement - 2762, Vacant - 279; Visakhapatnam: Requirement - 1888, Vacant - 105

2.2.7 Impact of implementation

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

2.2.8 Conclusion

Implementation of the programme aimed at promoting and strengthening the adult education suffered from systemic lapses, inconsistencies/inaccuracies in data maintained at various levels. The survey data which formed basis for identification and coverage of non-literates was not fool proof. Action plans were prepared without support of micro level planning at GP level. There were discrepancies between data at SLMA level and that of district level offices with regard to non-literates identified and enrolled for the programme; details of non-literates who have actually completed the programme. There were considerable vacancies in supervisory posts responsible for monitoring of implementation of the programme. The FAMS established for monitoring funds and related activities was not effectively used. Internal Audit was not conducted in eight out of ten districts during the entire period of execution of the program. The rate of dropouts of female non-literates from the literacy programmes was alarming.

2.2.9 Recommendations

- (i) As intended in the survey, non-literates identified may be attached with a unique ID and the progress made by the beneficiary in BLP/continuing education be mapped against it for more accuracy of data relating to coverage of beneficiaries.
- (ii) Action Plans should be prepared at each level, especially at Gram Panchayat level, annually for fixing realistic targets and for effective implementation of the programme in a planned manner.

Government accepted (November 2015) the recommendations and assured of compliance.

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.

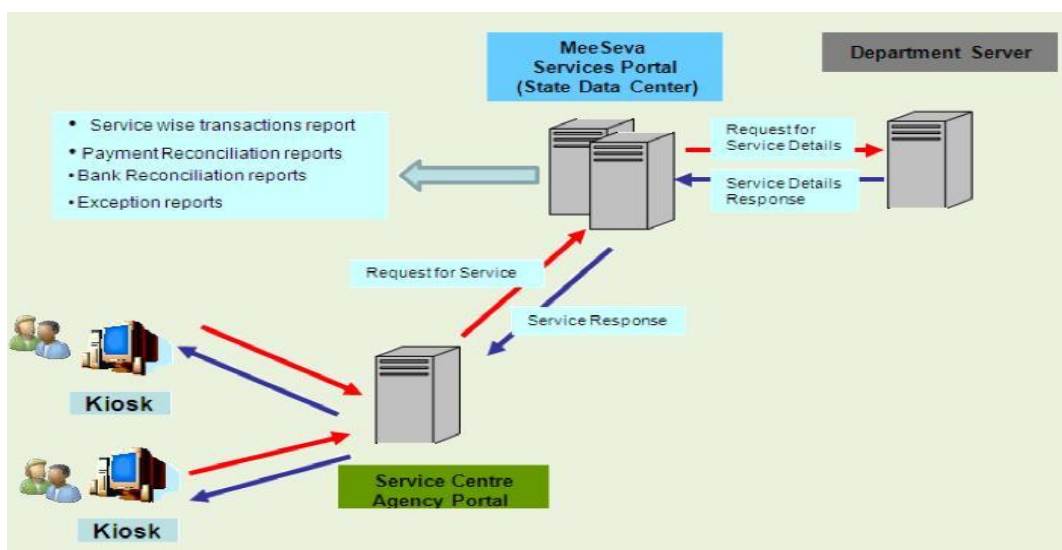
3.2.2 Objectives of Mee-Seva

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 funds for 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.

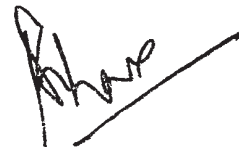


(L. TOCHHAWNG)

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

**Hyderabad
The**

Countersigned



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

**New Delhi
The**

Appendices

Appendix-1.1
(Reference to paragraph 1.6, page 4)

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

Department	Number of IRs/Paragraphs pending as of 30 September 2015	
	IRs	Paragraphs
Backward Classes Welfare	81	616
Consumer Affairs, Food and Civil Supplies	25	136
Finance	5	50
General Administration	36	196
Health, Medical and Family Welfare	283	2518
Higher Education	726	3101
Home	105	683
Housing	19	153
Labour, Employment, Training and Factories	137	601
Law	62	173
Minorities Welfare	26	160
Municipal Administration and Urban Development	248	4693
Panchayat Raj and Rural Development	406	2475
Planning	16	153
Revenue	87	396
School Education	185	1894
Social Welfare	118	1206
Tribal Welfare	129	1424
Women, Children, Disabled and Senior Citizens	291	1223
Youth Advancement, Tourism and Culture	68	287
Total	3053	22138

Appendix-1.2
(Reference to paragraph 1.6, page 4)

Position of Pending Explanatory Notes (as of 15 December 2015)

A. Exclusively pertaining to the State of Andhra Pradesh

Department	2012-13	2013-14	Total
Municipal Administration & Urban Development	--	1	1*
Revenue	2	--	2
Total	2	1	3

* Paragraph featured in Audit Report on Local Bodies

B. Pertaining to both the States of Andhra Pradesh and Telangana

Department	2006-07	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Backward Classes Welfare	-	-	-	1	-	-	1
Consumer Affairs, Food & Civil Supplies	-	-	-	-	1	-	1
Department for Women, Children, Disabled and Senior Citizens	-	-	-	-	-	1	1
Finance	-	1 ^{\$}	-	1	1	-	3
Health, Medical and Family Welfare	-	-	-	-	-	2	2
Higher Education	-	-	-	1	-	3	4
Home	1 ^{\$}	-	-	1	1	1	4
Housing	-	-	-	-	3	-	3
Minorities Welfare	-	-	-	1	-	1	2
Municipal Administration and Urban Development	-	-	-	1	-	1	2*
Panchayat Raj	-	-	-	-	3 [^]	2 [^]	5* [^]
Rural Water Supply & Sanitation	-	-	-	1	-	-	1
School Education	-	-	-	-	2	1	3
Social Welfare	-	-	-	1	-	-	1
Tribal Welfare	-	-	1	1	-	1	3
Youth Advancement, Tourism and Culture	-	1	-	-	-	1	2
Total	1	2	1	9	11	14	38

* Including Paragraphs featured in Audit Report on Local Bodies

[^] Paragraphs also pertain to Rural Development Department

^{\$} Paragraphs featured in Audit Report on Revenue Receipts

Appendix-2.1

(Reference to paragraph 2.1.4.1, page 18)

Component-wise budget provision and utilisation particulars during 2010-15

(₹ in crore)

Component	GoI		State Government	
	Budget provision	Utilisation	Budget provision	Utilisation
Cost of foodgrains	349.78	249.04	289.92	223.06
Transportation cost	60.04	52.57	9.81	7.71
Cost of cooking	2070.60	1400.31	1206.95	809.14
Honorarium to CCHs	650.05	577.81	151.91	117.16
MME	11.09	2.99	0.00	0.00
Kitchen-cum-stores	586.16	291.63	70.00	0.00
Total	3727.72	2574.35	1728.59	1157.07

Appendix-2.2

(Reference to paragraph 2.1.5.1, page 22)

Excess lifting of rice by furnishing inflated enrolment figures to GoI during 2010-15

Year	District	Average No. of Children availed MDM (as per CDSE)	Average No. of Children availed MDM (as per DEO)	(+)Excess/ (-) Shortage	Average No. of Children availed MDM (as per CDSE)	Average No. of Children availed MDM (as per DEO)	(+)Excess/ (-) Shortage	Rice Quantity (+) Excess / (-) Shortage (in MT)*	
		Primary (PS)			Upper Primary (UPS)			PS	UPS
2010-11	Chittoor	184978	184269	709	120524	99167	21357	15.598	704.781
	Guntur	--	NA		--	NA	--	--	--
	Krishna	184293	169457	14836	110900	122344	-11444	326.392	-377.652
	Prakasam	204814	162132	42682	78904	65840	13064	939.004	431.112
Total		574085	515858	58227	310328	287351	22977	1280.994	758.241
2011-12	Chittoor	176910	165133	11777	105659	81692	23967	259.094	790.911
	Guntur	--	NA	--	--	NA	--	--	--
	Krishna	151337	149281	2056	91303	85400	5903	45.232	194.799
	Prakasam	178745	175007	3738	77282	57442	19840	82.236	654.720
Total		506992	489421	17571	274244	224534	49710	386.562	1640.430
2012-13	Chittoor	171892	164500	7392	99863	87013	12850	162.624	424.050
	Guntur	185702	156532	29170	73020	129705	-56685	641.740	-1870.605
	Krishna	143636	140838	2798	82010	78766	3244	61.556	107.052
	Prakasam	167682	166981	701	61679	61273	406	15.422	13.398
Total		668912	628851	40061	316572	356757	-40185	881.342	-1326.105
2013-14	Chittoor	175360	167304	8056	93281	89354	3927	177.232	129.591
	Guntur	173876	173876	0	119385	119385	0	0	0
	Krishna	146075	146075	0	81359	81359	0	0	0
	Prakasam	176769	176769	0	66238	66238	0	0	0
Total		672080	664024	8056	360263	356336	3927	177.232	129.591
2014-15	Chittoor	132641	160225	-27584	85107	85107	0	-606.848	0
	Guntur	149722	178036	-28314	137265	114955	22310	-622.908	736.230
	Krishna	133899	134456	-557	90601	87867	2734	-12.254	90.222
	Prakasam	174593	162428	12165	68742	67378	1364	267.630	45.012
Total		590855	635145	-44290	381715	355307	26408	-974.380	871.464
Grand Total		3012924	2933299	79625	1643122	1580285	62837	1751.750	2073.621

Total net excess quantity of rice: 1751.750 + 2073.621 = 3825.371 MT

*Rice allocation at 100 grams for Primary sections and 150 grams to UP sections per day per child for 220 days

Appendix-2.3**(Reference to paragraph 2.2.2.4, page 38)****List of sampled units**

District	Mandal	Gram Panchayat
Chittoor	1. Venkatagirikota	(i) Pamuganipalli; (ii) Thotakanuma
	2. Palamaner	(i) Jagamarla; (ii) Kolamasanapalle
	3. Yerpedu	(i) Chennampalli; (ii) Musalipedu
Guntur	1. Veldurthi	(i) Mandadi; (ii) Veldurthi
	2. Medikonduru	(i) Gundlapalem; (ii) Medikonduru
	3. Phirangipuram	(i) Ammenabad; (ii) Munagapadu
Kurnool	1. Kallur	(i) Parla; (ii) Peddakottala
	2. Kurnool	(i) Remata; (ii) Sivarampuram
	3. Banganapalli	(i) Palukur; (ii) Tangutoor
Visakhapatnam	1. Ankapalli	(i) Rajupalem; (ii) Sampathipuram
	2. Payakaraopeta	(i) Palteru; (ii) Seetharamapuram
	3. Chodavaram	(i) Chodavaram; (ii) Gandhavaram

Appendix-3.1

(Reference to Paragraph 3.3.3 - (A), Page 78)

Year-wise details of scholarships released

(₹ in crore)

Year of release	Nature of fee	No. of students sanctioned scholarship		Expenditure		
		Earlier years	Current year	Earlier years (percentage of total release)	Current year (percentage of total release)	Total
2012-13	RTF	1463396	514239	1164.16 (67)	580.32 (33)	1744.48
	MTF	1153902	886272	288.05 (58)	211.89 (42)	499.94
2013-14	RTF	1015452	312689	1107.66 (64)	610.04 (36)	1717.70
	MTF	1061143	460586	217.36 (63)	126.78 (37)	344.14
2014-15	RTF	1044581	955806	1192.03 (61)	759.06 (39)	1951.09
	MTF	1645713	1156293	312.97 (49)	326.85 (51)	639.82

Appendix-3.2

(Reference to Paragraph 3.3.3 - (A), Page 78)

Year-wise details of payment of scholarships in the sampled colleges

Year in which RTF released	Category	Year to which scholarship relates to	Number of students	RTF amount released (₹)
2012-13	SC	2010-11	18	40500
		2011-12	1694	8326618
		2012-13	1347	4414932
	ST	2010-11	1	1700
		2011-12	73	244962
		2012-13	396	1194569
	BC	2009-10	407	359005
		2010-11	2	2400
		2011-12	2684	9320060
	EBC	2012-13	790	2442789
		2010-11	11	15800
		2011-12	447	2950364
	Minority	2012-13	103	370950
2011-12		27	234375	
2012-13		25	78915	
Total			8025	29997939
2013-14	SC	2011-12	11	27555
		2012-13	1564	4096383
		2013-14	557	1935220
	ST	2012-13	94	213958
		2013-14	3	1350
	BC	2010-11	9	10800
		2012-13	1493	5628988
		2013-14	64	28700
	EBC	2012-13	258	1758414
		2013-14	0	0
	Minority	2012-13	159	500142
2013-14		0	0	
Total			4212	14201510
2014-15	SC	2010-11	1	1200
		2012-13	29	27678
		2013-14	1691	5397061
		2014-15	2538	5916961
	ST	2012-13	10	12000
		2013-14	401	1137798
		2014-15	450	916781
	BC	2011-12	1	395
		2012-13	53	56488
		2013-14	2070	7537440
		2014-15	582	1037518
	EBC	2012-13	21	40350
		2013-14	277	1928551
		2014-15	37	176107
	Minority	2012-13	45	72140
		2013-14	240	741031
		2014-15	2	7839
Total			8448	25007338
Grand Total			20685	69206787

Appendix-3.3

(Reference to Paragraph 3.3.3 - (B), Page 81)

Year-wise details of scholarships sanctioned without verification of six parameters prescribed

Year	Total number of students sanctioned scholarship	No. of students in respect of whom all the six parameters were verified	No. of students in respect of whom none of the six parameters were verified	Number of students sanctioned scholarship without verifying					
				Income certificate	Caste certificate	Bank account particulars	75 per cent Attendance	SSC ID	Aadhaar card
2012-13	1318927	Nil	6338	6346	830869	1318927	6355	6372	*
2013-14	1308171	467325	8107	26586	837852	319588	26583	26613	107315
2014-15	1001476	315528	2916	21008	684577	172867	21014	21010	50407
Total	3628574	782853	17361	53940	2353298	1811382	53952	53995	157722

* Aadhaar card made mandatory from 2013-14

Glossary

ACA	:	Additional Central Assistance
AECs	:	Adult Education Centres
AH	:	Amma Hastham
AIE	:	Alternative & Innovative Education
AP	:	Andhra Pradesh
APLMA	:	AP Land Management Authority
APOs	:	Assistant Project Officers
APSCMFC	:	Andhra Pradesh State Christian Minorities Finance Corporation
APSCSCL	:	Andhra Pradesh State Civil Supplies Corporation Limited
APSMFC	:	Andhra Pradesh State Minorities Finance Corporation
APTS	:	Andhra Pradesh Technology Services
AWP&B	:	Annual Work Plan and Budget
B2C	:	Business to Citizen
BC	:	Backward Classes
BCW	:	Backward Classes Welfare
BHEL	:	Bharat Heavy Electricals Limited
BLP	:	Basic Literacy Programme
BPL	:	Below Poverty Line
CAAT	:	Computer Assisted Audit Techniques
CAG	:	Comptroller and Auditor General of India
CARA	:	Central Adoption Resource Agency
CCH	:	Cook-cum-helper
CCLA	:	Chief Commissioner of Land Administration
CDSE	:	Commissioner and Director of School Education
CEP	:	Continuing Education Programme
CET	:	Common Entrance Test
CHB	:	Children's Home for Boys
CINB	:	Corporate Internet Banking
CPMG	:	Chief Post Master General
CS & WSC	:	Correctional Services and Welfare of Street Children
CSC	:	Common Service Centre
CSIR	:	Council of Scientific and Industrial Research
CWC	:	Child Welfare Committee
DAE	:	Director of Adult Education
DAHs	:	Department Attached Hostels
DD	:	Deputy Director
DDO	:	Drawing and Disbursing Officer
DeGS	:	District e-Governance Society

DEOs	:	District Education Officers
DIT	:	Department of Information Technology
DM	:	District Manager
DoP	:	Department of Posts
DR	:	Disaster Recovery
DRDA	:	District Rural Development Agency
DRPs	:	District Resource Persons
DWOs	:	District Welfare Officers
EDS	:	Electronically Deliverable Services
EGS	:	Education Guarantee Scheme
ePASS	:	electronic Payment and Application System of Scholarships
EQMS	:	Electronic Queue Management System
ESD	:	Electronic Services Delivery
FAMS	:	Fund and Account Management System
FAQ	:	Fair Average Quality
FCI	:	Food Corporation of India
FIR	:	First Information Report
FPS	:	Fair Price Shop
FTA	:	Fixed Travelling Allowance
G2C	:	Government to Citizen
GER	:	Gross Enrolment Ratio
GH	:	Girls' Home
GIA	:	Grants-in-Aid
GO	:	Government Order
GoI	:	Government of India
GP	:	Gram Panchayat
GPLSS	:	Gram Panchayat Lok Shiksha Samiti
ICPS	:	Integrated Child Protection Scheme
ID	:	Identity
IEG	:	Institute for Electronic Governance
IIS	:	Internet Information Services
IT	:	Information Technology
IT SEZ	:	Information Technology Special Economic Zone
ITE&C	:	Information Technology, Electronics and Communications
JJ Act	:	Juvenile Justice Act
JJ Rules	:	Juvenile Justice Rules
JJBs	:	Juvenile Justice Boards
km	:	kilometer
LPG	:	Liquified Petroleum Gas

LRMIS	:	Land Records Management and Information Systems
MCO	:	Mandal Coordinator
MDM	:	Mid Day Meal
MEOs	:	Mandal Education Officers
MHRD	:	Ministry of Human Resource Development
MIS	:	Management Information System
MLS	:	Mandal Level Stockist
MLSS	:	Mandal Lok Shiksha Samiti
MME	:	Management, Monitoring and Evaluation
MPDOs	:	Mandal Parishad Development Officers
MPRs	:	Monthly Progress Reports
MSSQL	:	Microsoft Structured Query Language
MT	:	Metric Tonne
MTF	:	Maintenance fee
MV	:	Market Value
NBPPL	:	NTPC BHEL Power Projects Limited
NCLP	:	National Child Labour Project
NeGP	:	National e-Governance Plan
NGO	:	Non-Government Organisation
NIC	:	National Informatics Centre
NIOS	:	National Institute of Open Schooling
NIRD	:	National Institute of Rural Development
NLMA	:	National Literacy Mission Authority
NSPE	:	Nutritional Support to Primary Education
NTPC	:	National Thermal Power Corporation
OHB	:	Observation Home for Boys
OMT	:	Online Monitoring Tool
OS	:	Operating System
OSMS	:	Online Scholarship Management System
PAB	:	Programme Approval Board
PD accounts	:	Personal Deposit accounts
PDS	:	Public Distribution System
PMU	:	Project Monitoring Unit
PO	:	Project Officer
PPSWOR	:	Probability Proportional to Size without Replacement
PSUs	:	Public Sector Undertakings
QPRs	:	Quarterly Progress Reports
RAJiv	:	Rajiv Internet Village
RDO	:	Rural Development Officer

RI	:	Resident Instructor
RIP	:	Regional Inspectors of Probation
RSDP	:	Rural Services Delivery Point
RTF	:	Reimbursement of Tuition fee
SB	:	Saakshar Bharat
SC	:	Scheduled Caste
SCA	:	Service Centre Agency
SDA	:	State Designated Agency
SDC	:	State Data Centre
SHB	:	Special Home for Boys
SHGs	:	Self Help Groups
SLMA	:	State Literacy Mission Authority
SMC	:	Steering-cum-Monitoring Committee
SMS	:	Short Message Service
Sq. Yd.	:	square yard
SRSWOR	:	Simple Random Sampling without Replacement
SSDG	:	State Services Delivery Gateway
ST	:	Scheduled Tribe
STQC	:	Standardisation Testing and Quality Certification
SW	:	Social Welfare
Sy. No.	:	Survey Number
TLM	:	Teaching Learning Material
TTD	:	Tirumala Tirupati Devasthanams
TUDA	:	Tirupati Urban Development Authority
TW	:	Tribal Welfare
Txns.	:	Transactions
UAAP	:	Urdu Academy of Andhra Pradesh
UCs	:	Utilisation Certificates
UID	:	Unique Identification
UPS	:	Upper Primary Stage
VCO	:	Village Coordinator
VCs	:	Vice Chancellors
VLE	:	Village Level Entrepreneur
VSDP	:	Vocational Skill Development Programme
VT	:	Voluntary Teacher
VUDA	:	Visakhapatnam Urban Development Authority
ZLSS	:	Zilla Lok Shiksha Samiti

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