

**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

**on
GENERAL AND SOCIAL SECTOR**

for the year ended March 2015

**GOVERNMENT OF KERALA
Report No. 1 of the year 2016**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2015 has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution for being laid before the State Legislature.

The report contains significant results of the performance audit and compliance audit of the Departments and Autonomous Bodies of the Government of Kerala under the General and Social Services including Departments of General Education, Health and Family Welfare, Higher Education, Local Self Government, Revenue, Scheduled Castes Development, Social Justice and Water Resources.

The instances mentioned in this report are those, which came to notice in the course of test audit for 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 period subsequent to 2014-15 have also been included, wherever found necessary.

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



INTRODUCTION

CHAPTER I INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government departments and autonomous bodies.

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

The primary purpose of the report is to bring to the notice of the State Legislature important results of audit. The audit findings are expected to enable the Executive to take corrective actions as also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during performance and compliance audit and follow-up on previous Audit Reports.

1.2 Profile of units under audit jurisdiction

There were 41 departments in the State at Secretariat level during 2014-15. The Principal Accountant General (General & Social Sector Audit), Kerala conducts audit of 23 Secretariat departments, all Public Sector Undertakings/Autonomous bodies thereunder and Local Self-Government Institutions in the State. The departments are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers under them. The remaining 18¹ departments are audited by Principal Accountant General (Economic & Revenue Sector Audit).

The comparative position of expenditure incurred by the Government during the year 2014-15 and in the preceding two years is given in **Table 1.1:**

¹ Three departments included under PAG (E&RSA) namely Public Works, Revenue and Water Resources are audited by PAG (G&SSA) also

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursements	2012-13			2013-14			2014-15		
	Plan	Non plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
Revenue Expenditure									
General Services	68.58	22718.03	22786.61	126.65	26478.44	26605.09	133.76	31298.99	31432.75
Social Services	4312.02	14565.47	18877.49	4645.93	16333.95	20979.88	5893.10	17825.01	23718.11
Economic Services	2468.73	5339.69	7808.42	2301.08	5627.98	7929.06	4255.73	5941.84	10197.57
Grants-in-aid and Contributions	-	4016.22	4016.22	-	4971.47	4971.47	-	6398.00	6398.00
Total	6849.33	46639.41	53488.74	7073.66	53411.84	60485.50	10282.59	61463.84	71746.43
Capital Expenditure									
Capital outlay	3465.66	1137.63	4603.29	3497.62	796.71	4294.33	3880.54	374.05	4254.59
Loans and advances disbursed	603.09	533.06	1136.15	537.53	926.64	1464.17	-	-	743.09
Repayment of public debt	-	-	2804.08	-	-	3244.81	-	-	5842.77
Contingency Fund	-	-	-	-	-	67.39	-	-	-
Public Account disbursements	-	-	100455.82	-	-	120992.20	-	-	136242.59
Total			108999.34			130062.90			147083.04
Grand Total			162488.08			190548.40			218829.47

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's (DPC) Act). C&AG conducts audit of expenditure of the departments of the Government of Kerala under Section 13 of the C&AG's (DPC) Act. C&AG is the sole auditor in respect of 22 autonomous bodies in the General and Social Sector which are audited under Sections 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act. In addition, C&AG also conducts audit of 177 Autonomous Bodies which are substantially funded by the Government under Section 14 and 15 of the C&AG's (DPC) Act. There are also 748 institutions², 24 Public Sector Undertakings, Buildings Divisions of the Public Works Department and 1209 Local Self-Government Institutions³ under the audit jurisdiction in the General and Social Sector. Principles and methodologies for various audits have been prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2007 issued by the C&AG.

² Government-aided Colleges: 158
Government-aided Higher Secondary Schools: 464

Government-aided Vocational Higher Secondary Schools: 126

³ Grama Panchayaths: 978, Block Panchayaths: 152, District Panchayaths: 14, Municipal Corporation: 5 and Municipalities: 60

1.4 Organisational structure of the Office of the Principal Accountant General (G&SSA)

Under the directions of the C&AG, the Office of the Principal Accountant General (General & Social Sector Audit) Kerala conducts audit of Government Departments/Offices/Autonomous Bodies/Institutions under the General and Social Sector which are spread all over the State. The Principal Accountant General (General & Social Sector Audit) is assisted by four Deputy Accountants General.

1.5 Planning and conduct of Audit

The audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within four weeks from the date of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of State under Article 151 of the Constitution of India for placing in the State Legislature.

During 2014-15, the Office of the PAG (GSSA) utilised 12,713 party days to carry out audit of 2,136 units (compliance audits and performance audits) of various departments/organisations under its jurisdiction. The audit plan covered those units/entities which were vulnerable to significant risks as per risk assessment.

1.6 Significant Audit Observations

1.6.1 Performance audits of programmes/activities/departments

Chapter II includes Performance Audit on Implementation of educational development schemes for Scheduled Caste students and Chapter III includes Performance Audit of Rural Water Supply Schemes implemented by Kerala Rural Water Supply and Sanitation Agency. The highlights are given in the following paragraphs.

1.6.1.1 Implementation of educational development schemes for Scheduled Caste students

A Performance Audit was conducted to assess whether the implementation of Educational Development Schemes for SC students by the Scheduled Castes Development Department during the period 2010-15 was effective. It tried to determine whether the objective of bringing SC students on par with non-SC

students paid dividends and whether the funds earmarked were utilised effectively. The Performance Audit revealed deficiencies in payment of allowances, provision of facilities, infrastructure of hostels, commencement of Paramedical courses, etc. affecting the education of SC students.

Only five out of the 27 nursery schools in test checked districts recorded the minimum required strength of 25 while in the remaining nursery schools, the average student strength ranged between nine and 23. Deficiencies like lack of water, electric connections, etc., were noticed. Hostel Wardens were not staying in 10 test checked Pre-matric hostels during night. The Pre-matric girls hostels at Shoranur and Mundur were being used for various activities like conduct of meetings, etc., with outsiders as participants which impinged on the safety and security of girl children. Failure of Government to revamp the ITIs resulted in the ITIs continuing to offer outdated courses with negligible potential to attract offers of employment. An ill-conceived proposal to enhance the number of Vijnan Vadis from 140 to 1000 led to poor results as only 19 *per cent* of the targeted sites could be identified and only 11.4 *per cent* of targeted Vijnan Vadis could be set up two years after the target date of completion. Failure of Government to ensure creation of posts for running of Paramedical Institute resulted in denial of opportunity to SC students to pursue Paramedical courses as envisaged during 2013-15. The efforts made by Government to improve the standards of education of SC students up to Secondary level yielded good results, but the results for Higher Secondary and Vocational Higher Secondary were not encouraging.

(Chapter II)

1.6.1.2 Rural Water Supply Schemes implemented by Kerala Rural Water Supply and Sanitation Agency

The World Bank approved Kerala Rural Water Supply and Environmental Sanitation Project (Jalanidhi) aimed to assist Government of Kerala in improving the quality of rural water supply and delivery of environmental sanitation services to achieve sustainability of investments. The Performance Audit focused on the implementation of Water Supply Schemes (WSS) and Ground Water Recharge (GWR) by the Kerala Rural Water Supply and Sanitation Agency (KRWSA). It revealed deficiencies in planning, procedural irregularities, failure in completion of projects on time.

Though 3139 new drinking water schemes were implemented against the original target of 2500, only 1,61,427 Households (65 per cent) benefited from the schemes against the envisaged target of 2,50,000 Households. Thirty out of 88 small WSS (34 per cent) costing ₹2.48 crore became defunct, forcing the beneficiaries to depend on alternate sources of water like neighbouring/public/own wells, rivers/streams/ponds, purchase of water from tanker lorries, etc. In Vandana WSS in Vellarada, orders of the Ombudsman directing (November 2011) KRWSA to render necessary technical advice for installation of a 5 HP motor and repair of pipe lines to ensure supply of water before 28 February 2012 were not complied with. In Kairali Beneficiary Group (BG) in Vellarada Grama Panchayat (GP) and Vadakkekara BG in Thachanattukara GP, Implementation Phase Completion Reports (IPCR) were signed and Exit orders issued, though the schemes were not completed. In two

test-checked WSS, Exit orders were irregularly issued by KRWSA on the basis of IPCRs with forged signatures of elected members of BGs. An amount of ₹1.78 crore received in March 2014 by KRWSA from GOK for installation of Iron Removal Plant (IRP) in 10 schemes and Terrafil filters in 11 schemes remained unspent. Against ₹22.76 crore to be utilised for artificial ground water recharge and sustainability, expenditure was only ₹5.89 crore. Due to the inadequate attention paid to sustain and recharge water sources, sources had dried up in 85 schemes of Jalanidhi Phase I.

(Chapter III)

1.6.2 Compliance Audit Paragraphs

Audit identified certain key compliance issues based on risk factors and topical importance for conduct of regularity audit in addition to conduct of regular propriety audit. Significant deficiencies observed during such audits are detailed in the following paragraphs.

1.6.2.1 Scheme for Providing Quality Education in Madrasas

The GOI funded 'Scheme for Providing Quality Education in Madrasa' (SPQEM) introduced in 2009 was implemented in Kerala from 2009-10 onwards. The objective of the Scheme was to provide financial assistance to traditional institutions like Madrasas which generally give religious training, to provide education to Muslim children in modern subjects like Science, Mathematics, Social Studies, Hindi and English in their curriculum. It aimed at providing opportunities to students of Madrasas to acquire education comparable to the National Education System especially for secondary and senior secondary levels and prepare them for appearing in X and XII standard examination and also to provide vocational training to them to get employment. Madrasas which provided religious training to those children not attending regular schools were eligible for funding as per this scheme.

The SPQEM was being implemented by GOK in violation of scheme guidelines. Thirty nine of the 40 test checked Madrasas in the four districts, though not eligible to receive financial assistance from GOI under the Scheme had received the grants, as the State Level Grants-in-Aid Committee failed in its basic responsibility of ensuring observance of the guidelines while recommending Madrasas for Grants-in-Aid. The only Madrasa which was eligible to receive benefits under the Scheme was deprived of due financial assistance. Irregular payment of full time wages to teachers who discharged part time duty in all these Madrasas was noticed, which was against scheme guidelines. The State Madrasa Board which was expected to monitor the Madrasa Modernisation Programme and enhance awareness of the scheme, had not been constituted by GOK.

(Paragraph 4.1)

1.6.2.2 Modernisation of Government Presses

The modernisation of Government presses in the State was contemplated by Government of Kerala (GOK) since 1998 with a view to make available the latest printing equipment and adequate infrastructure facilities to meet the requirements for high quality printing besides introduction of modern

management practices to derive optimum results in the utilisation of human resources and machinery. For improvement of infrastructure facilities, the renovation of old buildings, construction of store buildings for raw materials and godowns for stacking of printed and waste materials, disposal of obsolete machines for adequate space, introduction of Total Quality Management (TQM) in the operations of the presses were envisaged.

The modernisation of Government printing presses in the State, though envisaged as early as in 1998, still remains to be completed. The objective of entrusting printing work only to Government presses has not been realised. Instead of printing text books in Government Presses during 2010-15, GOK got them printed by Kerala Books and Publications Society and Centre for Advanced Printing and Training for ₹36.91 crore. Despite spending ₹18 crore on Modernisation during 2010-15, productivity declined in the three Government Presses at Thiruvananthapuram, Vazhoor and Shoranur.

The inherent contradiction in the GOK modernising its presses and at the same time not providing them with adequate print orders is a matter of concern and needs to be urgently addressed.

(Paragraph 4.2)

1.6.2.3 Receipts and Utilisation of River Management Fund

Government of Kerala (GOK) enacted 'The Kerala Protection of River Banks and Regulation of Removal of Sand Act, 2001' (Sand Act) and 'The Kerala Protection of River Banks and Regulation of Removal of Sand Rules, 2002' (Sand Rules), to protect river banks and river beds from large scale indiscriminate dredging of river sand, protect their bio-physical environment system and regulate the removal of river sand.

It was envisaged that 50 per cent of the sale proceeds of river sand would be the share of local bodies and the River Management Fund (RMF) would comprise of the remaining 50 per cent of the amount. In addition to this, the RMF would include the grants given by the Government to implement the River Development Plan (RDP) framed under the provisions of the Sand Act, money obtained by donations or contributions from public or from non-governmental agencies, all penalties imposed under the provisions of the Sand Act or Sand Rules, etc. The RMF was to be maintained in Treasury Savings Bank accounts.

The sale of scarce natural mineral like Sand at very low rates, without resorting to auction as stipulated in the Act has resulted in the Fund and the local bodies of four test checked districts suffering a loss of revenue of at least ₹115.02 crore. Confiscated sand was also sold at lesser than stipulated PWD prices resulting in loss to the Fund (₹0.67 crore). GOK also failed to initiate sand auditing in 24 of the 44 rivers of the State despite availability of adequate funds in RMF indicating failure to protect river banks and river beds in a timely manner from large scale indiscriminate dredging of river sand, protect their bio-physical environment system and regulate the removal of river sand. There was also laxity on the part of the Land Revenue Commissioner to enforce the provisions of the Sand Act.

(Paragraph 4.3)

1.6.2.4 Working of Children's Homes, Observation Homes and Special Homes

The Juvenile Justice (Care and Protection of Children) Act, 2000 was enacted by Government of India (GOI) in December 2000 empowering the State Government either by itself or in collaboration with voluntary organizations to set up (i) Children's Homes (CH), (ii) Observation Homes (OH) and (iii) Special Homes (SH). The corresponding rules were notified in June 2001. The Act was amended in August 2006 (Act 2006) and Model Rules (JJ Rules) were amended in October 2007. Government of Kerala notified The Kerala Juvenile Justice (Care and Protection of Children) Rules in 2003 (State Rules) which were later revised in 2014.

CHs in the State were not registered with the State Government as required by the Juvenile Justice (Care and Protection of Children) Act 2006. In the absence of separate CHs for Girls, 188 girls in Thiruvananthapuram district and 55 girls in Alappuzha district were sent to various orphanages during 2012-15. Forty seven children who went missing from CHs and eight children who escaped from three OHs/SHs run by Government during 2010-15 had not been traced as of March 2015. State was operating Observation cum Children's Homes exposing children in need of care and protection to children having criminal or quasi criminal background. Shortage of manpower hampered the functioning of the Homes. Individual Care Plan for Children was not prepared due to failure to sanction of posts of Counsellors. Mentally ill children were sent by various CWCs to the Home for Mentally Disabled Children, Kozhikode which did not possess facilities to treat them. State Government failed to constitute State, District or city level inspection committees to oversee functioning of such Homes. The persons handling these institutions were not appropriately trained to discharge their responsibilities. The implementation of provisions of the JJ Act relating to the functioning of these Homes left much to be desired.

(Paragraph 4.4)

1.6.2.5 Incomplete water supply schemes of Kerala Water Authority

The Kerala Water Authority (KWA), established by the Government of Kerala in April 1984, was entrusted with the responsibility of providing drinking water to the entire State of Kerala. The major sources of funds for KWA were in the form of grants from Government of Kerala (GOK) and Government of India (GOI), loans from GOK and financial institutions and revenue collected from the supply of water and sewerage charges.

Scrutiny of records of KWA revealed that as of 31st March 2015, the work was progressing on 269 Water Supply Schemes (WSS) on which ₹3651.75 crore had been spent and were awaiting completion.

The KWA failed in obtaining hindrance free land, permissions for road cutting/rail crossing. Besides, there were delays in finalization of tenders which led to non-completion/partial commissioning of various WSS. The delay in completing the schemes resulted in blocking of funds to the tune of

₹97.50 crore besides denying potable water to the targeted population of 8.21 lakh in respect of eight schemes which were still incomplete (January 2016).

(Paragraph 4.5)

1.6.2.6 Failure of Oversight/Administrative Controls

The Government has an obligation to improve the quality of life of the people as it works towards fulfilment of certain goals in the area of health, education, development and upgradation of infrastructure and public service etc. Audit noticed instances where funds released by the Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. The details are given below.

- Non-adherence to codal provisions and laxity in supervision resulted in misappropriation of ₹2.50 lakh at Government Ayurveda Dispensary, Cherpulassery.

(Paragraph 4.6)

- During 2010-14, three universities in the State made inadmissible payment of ₹5.28 crore to teachers towards valuation charges of answer scripts in violation of Government orders.

(Paragraph 4.7)

- Due to laxity in implementation of a GOI approved poverty alleviation scheme, 11,214 BPL women beneficiaries could not be benefitted despite availability of ₹2.80 crore which was parked irregularly in fixed deposits.

(Paragraph 4.8)

- Unfruitful expenditure of ₹87.52 lakh was incurred on construction of a Regulator-cum-bridge.

(Paragraph 4.9)

- Failure of GOK to accord revised sanction for the work resulted in the scheme remaining incomplete despite incurring ₹2.80 crore.

(Paragraph 4.10)

- Kerala Water Authority incurred an avoidable expenditure of ₹1.42 crore due to failure to migrate to free e-tendering/e-procurement service offered by Government of Kerala.

(Paragraph 4.11)

1.7 Lack of responsiveness of Government to Audit

1.7.1 Outstanding Inspection Reports

The Handbook of Instructions for Speedy Settlement of Audit Objections/ Inspection Reports/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010 provides for prompt response by the Executive to the Inspection

Reports (IRs) issued by the Accountant General (AG) for rectification in compliance with the prescribed rules and procedures for accountability for the deficiencies, lapses etc., noticed during audit inspection. The Head of Offices and next higher authorities are required to comply with the audit observations contained in the IRs, rectify the defects and omissions and promptly report their compliance to the Accountant General within four weeks of receipt of Inspection Reports. Half-yearly reports of pending IRs are being sent to the Secretaries of the Departments to facilitate monitoring of audit observations.

It was noticed that as of 30 June 2015, 2304 Inspection Reports (10,969 paragraphs) were outstanding against General Education, Health and Medical Education Departments. Even initial replies in respect of 314 Inspection Reports containing 2295 paragraphs issued up to 2014-15 were pending against the General Education, Health and Medical Education Department.

Year-wise details of Inspection Reports and paragraphs outstanding are given in **Appendix 1.1**.

1.7.2 Response of departments to the draft paragraphs

Draft Paragraphs and Performance Audits were forwarded to the Principal Secretaries/Secretaries of departments concerned between July and November 2015 to send their replies within six weeks. Replies from Government for both PAs and 10 out of 11 draft paragraphs featured in this Report were received. These replies have been suitably incorporated in the Report.

1.7.3 Follow-up on Audit Reports

According to the Handbook of Instructions for Speedy Settlement of Audit Objections/Inspection Reports/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010, the administrative departments should submit statements of Action Taken Notes on audit paragraphs included in the Audit Reports directly to the Legislature Secretariat, with copies to the AG within two months of their being laid on the Table of the Legislature. It was observed that the administrative departments did not comply with the instructions and nine departments, as detailed in **Appendix 1.2**, had not submitted statements of Action Taken for 21 paragraphs for the period 2011-12 to 2013-14, even as of September 2015.

1.7.4 Paragraphs to be discussed by the Public Accounts Committee

The details of paragraphs pending discussion by the Public Accounts Committee as of 30 September 2015 are given in **Appendix 1.3**.

PERFORMANCE AUDIT

CHAPTER II
SCHEДУED CASTES DEVELOPMENT DEPARTMENT
Implementation of educational development schemes for Scheduled Caste students

Highlights

A Performance Audit was conducted to assess whether the implementation of Educational Development Schemes for SC students by the Scheduled Castes Development Department during the period 2010-15 was effective. It tried to determine whether the objective of bringing SC students on par with non-SC students paid dividends and whether the funds earmarked were utilised effectively. The Performance Audit revealed deficiencies in payment of allowances, provision of facilities, infrastructure of hostels, commencement of Paramedical courses, etc. affecting the education of SC students.

Only five out of the 27 nursery schools in test checked districts recorded the minimum required strength of 25 while in the remaining nursery schools, the average student strength ranged between nine and 23. Deficiencies like lack of water, electric connections, etc., were noticed.

(Paragraph 2.7)

Hostel Wardens were not staying in 10 test checked Pre-matric hostels during night. The Pre-matric girls hostels at Shoranur and Mundur were being used for various activities like conduct of meetings, etc., with outsiders as participants which impinged on the safety and security of girl children.

(Paragraphs 2.10.2.2 and 2.10.2.3)

Failure of Government to revamp the ITIs resulted in the ITIs continuing to offer outdated courses with negligible potential to attract offers of employment.

(Paragraph 2.11.2)

An ill-conceived proposal to enhance the number of Vijnan Vadis from 140 to 1000 led to poor results as only 19 per cent of the targeted sites could be identified and only 11.4 per cent of targeted Vijnan Vadis could be set up two years after the target date of completion.

(Paragraph 2.15)

Failure of Government to ensure creation of posts for running of Paramedical Institute resulted in denial of opportunity to SC students to pursue Paramedical courses as envisaged during 2013-15.

(Paragraph 2.16)

The efforts made by Government to improve the standards of education of SC students up to Secondary level yielded good results, but the results for Higher Secondary and Vocational Higher Secondary were not encouraging.

(Paragraph 2.18)

2.1 Introduction

Education is the sheet anchor of any programme for uplifting the Backward Classes and socially disadvantaged groups. Recognising this fact, Scheduled Castes Development Department (SCDD) of the Government of Kerala implemented various schemes for the educational development of Scheduled Caste (SC) students. These schemes were in the form of either providing institutional facilities like nursery schools, Pre/Post-Matric Hostels, Model Residential Schools (MRS), Training Centres, etc., or extending financial assistance to SC students by way of scholarships, special incentives to talented students, reimbursement of fees and other financial incentives to encourage their education. The list of educational development schemes implemented by the SCDD as of March 2015 is exhibited in **Appendix 2.1**.

2.2 Organizational set up

At Government level, the Additional Chief Secretary to Government, Scheduled Caste Development Department is responsible for implementing the schemes for the educational development of the SC students. At Department level, the Director of Scheduled Caste Development (Director) is incharge of the Department assisted by Regional Deputy Directors at Thiruvananthapuram and Kozhikode. There were also 14 District Development Officers and 169 Scheduled Caste Development Officers at Block/Municipality/Corporation for ensuring effective implementation of schemes at field level.

2.3 Audit Objectives

The performance audit was conducted to assess whether:

- the objective of bringing equalisation of SC students with non-SC students has been achieved; and
- the overall financial management including releases and utilization of funds earmarked under various schemes for financial assistance to SC students was efficient and in line with the stated objectives of the schemes meant for SC students.

2.4 Audit Criteria

The audit findings were benchmarked against the criteria derived from the Scheme guidelines of Government of India (GOI), norms laid down by the National Council for Vocational Training (NCVT), orders of Government of Kerala (GOK), Departmental Circulars, Census data, statistics obtained from the Directorates of Public Instruction/Higher Secondary Education/Vocational Higher Secondary Education and Training Director of the Industrial Training Department.

2.5 Scope and methodology of Audit

The Performance Audit on Implementation of Educational Development Schemes for SC students covering the period 2010-15 was conducted from April to August 2015. It evaluated the efficacy of implementation of various educational development schemes run by the SCDD. Five⁴ out of 14 districts in the State were selected for audit by two tier stratification sampling method using Probability Proportional to Size without Replacement (PPSWOR). Relevant records in Government Secretariat, the Directorate of SCDD at Thiruvananthapuram and Regional Offices at Thiruvananthapuram & Kozhikode were scrutinised during the course of audit. Besides, the District/Block Scheduled Caste Development Offices and all the Department run educational development institutions in the selected districts were test checked. A list of test checked institutions are given in **Appendix 2.2**.

Audit methodology included sample beneficiary survey to assess whether the beneficiaries of various schemes for development of educational and skill development actually derived the intended benefits and enhanced their capability to gain employment. An Entry Conference was held on 19 May 2015 with the Principal Secretary to Government, SCDD detailing the audit objectives, audit criteria and audit methodology. The audit findings were discussed during Exit Conference held on 11 January 2016 with Additional Chief Secretary of the SCDD, GOK.

2.6 Funding

Government of Kerala spent ₹1123.80 crore on various educational development schemes implemented by the SCDD during 2010-15. The budget provision and total expenditure for the years 2010-15 are given in **Table 2.1**.

Table 2.1: Budget allocation and expenditure

(₹ in crore)

Year	Budget allocation	Total Expenditure
2010-11	175.10	173.72
2011-12	193.82	190.94
2012-13	243.89	240.85
2013-14	256.80	255.75
2014-15	254.98	262.54
Total	1124.59	1123.80

(Source: Appropriation accounts)

Audit Findings

The significant audit findings on various educational development schemes implemented by the SCDD are discussed in the following paragraphs.

⁴ Idukki, Kannur, Kollam, Palakkad and Thiruvananthapuram

2.7 Nursery Schools

The SCDD operated 89 nursery schools in the State to improve the educational standards of SC children residing in thickly populated SC colonies situated in remote places. Besides ensuring the physical, mental, social, emotional and educational development of the children, these nursery schools having qualified teachers and ayahs were expected to adequately prepare them for formal education.

Children between the age of three and a half and five years were eligible for admission in nursery schools. The minimum number of children for a nursery class was to be maintained at 25 as far as possible and maximum restricted to 45. Twenty five *per cent* of these seats were to be reserved for non-SC children. It was envisaged that the nursery schools shall have a classroom, play room and a kitchen.

Audit visited all 27 nursery schools situated in five selected districts which were run by the SCDD. District wise details on the number of nursery schools and the actual/average roll strength of pupils during 2010-15 are given in **Appendix 2.3**.

Only five out of 27 nursery schools recorded the minimum required strength of 25 students in the selected districts. In the remaining 22 nursery schools, the average student strength ranged between nine and 23.

Audit identified inadequate infrastructure and proximity of Anganwadis as possible reasons for the lower strength in these nursery schools.

2.7.1 Inadequate Infrastructure

Eighteen of the 27 nursery schools suffered from inadequate infrastructure. Deficiencies like lack of water, absence of electric connection, rain water leaking through the roof, etc., were noticed which have been detailed in **Appendix 2.4**. The nursery school in Muriyankara in Thiruvananthapuram district suffered from all these deficiencies. While there was no electricity in eight nursery schools, water was not available in 11 nursery schools forcing the schools to depend on neighbouring houses for water.

The Government stated (January 2016) that the functioning of nursery schools was transferred to LSGIs in 1997 and therefore came under the purview of Local Self Government Institutions. During Exit Conference (January 2016), Government stated that it would assess the institutions and look into the issue of lack of infrastructure.

Recommendation No. 1: Government should ensure adequate infrastructure in nursery schools to attract children for their overall development.

2.7.2 Low attendance in nursery schools

We noticed that Anganwadis under the ICDS which were functional all through the year were delivering services similar to the ones offered by the nursery schools run by the Department which functioned only for ten months in a year. Anganwadis were also providing free diet to the children for the entire year against the provision of diet for ten months in the nursery schools

run by the Department. This could have been an incentive for parents to send their wards to Anganwadis instead of nursery schools run by the SCDD.

Government confirmed (January 2016) that the presence of Anganwadis, private nursery schools and nursery schools run by LSGIs were the main reasons for the low range of children in the SC nursery schools. While the proximity of Anganwadis and private nursery schools could be attributed as one of the reasons for lower student strength in the department run schools, the poor infrastructure in nursery schools also resulted in children migrating to better Anganwadis and private nursery schools. Though the GOK ordered (February 1997) that continuance of such nursery schools was not desirable where attendance was less than 50 *per cent* consecutively for two months, the Government stated in the Exit Conference (January 2016), that closing down of nursery schools with very low student strength goes against the very spirit of welfare of SC students and was perhaps not the ideal solution. As such, the Government stated that it would take necessary steps to increase the attendance rate in these nurseries.

2.8 Model Residential Schools

The SCDD operated three MRS⁵ in the test checked districts of Idukki and Palakkad for providing opportunities to SC students similar to that available in residential schools like public schools. These schools had classes from Standards V to X/XII. Audit observations on the performance of students in the test checked MRS are given below.

The MRS, Kuzhalmannam commenced functioning in August 2010. As the first batch of students was yet to appear for the Secondary School Leaving Certificate (SSLC) examinations, Audit was unable to comment on the performance of its students. The commendable performance of MRS at Peermade and Thrithala are brought out below.

During 2010-15, MRS at Peermade and Thrithala recorded 100 *per cent* pass in the SSLC examination against the overall State average of 95 *per cent* and 89 *per cent* for SC students. In respect of the higher secondary examination, MRS, Peermade improved its pass percentage from 90 *per cent* in 2013-14 to 100 *per cent* during 2014-15. Performance of children passing out from the MRS, Thrithala also improved from 81 *per cent* in 2010-11 to 100 *per cent* in 2014-15.

Audit observed that while students from MRS, Peermade had appeared for the Higher Secondary examinations under Humanities stream, those from the MRS, Thrithala had appeared under only Science stream. Even though the Government had given sanction (July 2010) to start higher secondary courses in Science and Humanities streams at MRS Peermade, the Science stream was yet to commence due to paucity of space. Likewise, in MRS Thrithala, even though Government sanction was obtained (November 2007) to start higher secondary courses in Science and Humanities, only the Science stream was functional.

⁵ MRS Peermade at Idukki district, MRS Kuzhalmannam (Boys only) and MRS Thrithala (Girls only) at Palakkad district

Failure of SCDD to operate sanctioned courses even after five to seven years of approval resulted in depriving SC students of the option to study courses of their choice.

Government replied (January 2016) that proposals for admitting SSLC qualified students of MRS for further studies in Higher Secondary courses offering four optional subjects was under their consideration. It was also stated that an estimate for construction of an additional building at MRS, Peermade was being prepared and that the request for posting excellent teachers in the schools was under consideration of the General Education Department, GOK.

Recommendation No. 2: Government should start courses in various streams viz., science, humanities and commerce to enable students to opt for study courses of their choice for better job opportunities.

2.9 Model Residential Sports School

The Sree Ayyankali Memorial Government Model Residential Sports School (SAMRSS) in Thiruvananthapuram district was started (November 2002) with the aim of identifying SC students who excel in sports and provide training to compete in national and international sporting events. Admission was offered to SC and ST students in the ratio of 2:1 on the basis of their performance in physical efficiency test. The school follows co-gender education system and has a capacity of 30 students each year from Standards V to XII. The Higher Secondary section in the school offered education in Humanities besides training the children in various sports disciplines.

Audit assessed the performance of students in sports and offers the following observations.

2.9.1 Sports

The School participated in various National and State level Sports events as per the details given in **Table 2.2**.

Table 2.2: Achievements of students

Discipline	National level	State level	Total
Athletics	6	37	43
Judo	66	324	390
Football	2	57	59
Wrestling	8	180	188
Taekwondo	2	14	16
Gymnastics	-	-	-

(Source: Details collected from DDO for SC at Thiruvananthapuram)

Audit noticed that 216 gymnasts were practicing without adequate infrastructure like training hall and training equipment. Proposals for procurement of training equipment were submitted to the Director, SCDD in November 2014 which were pending approval (November 2015). Similarly, construction of a training hall for gymnasts at a cost of ₹62 lakh was awaiting finalization of tender.

GOK assured (January 2016) that the department would take necessary measures to improve the performance in gymnastics.

2.10 Pre-matric Hostels

Pre-matric hostels provided free accommodation and food for boarders studying in Standards V to X besides uniform, school bags, shoes and monthly pocket money of ₹100 and travelling expenses to their homes during Onam/Christmas holidays. In the selected districts, there were 41 Pre-matric hostels (23 hostels for boys and 18 for girls) having total boarding capacity of 1388 (770 boys and 618 girls) as of April 2015.

Audit observations are given below.

2.10.1 Performance of Pre-matric hostellers in SSLC examinations

Audit examined the academic attainments of the Pre-matric hostellers in the SSLC examination conducted during the period 2010-15.

Table 2.3: Academic status of hostellers

STATUS	Palakkad			Kannur			Kollam			Thiruvananthapuram			Idukki		
	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total
Appeared	167	238	405	91	53	144	91	83	174	48	58	106	90	68	158
Passed	157	222	379	89	52	141	83	72	155	48	52	100	89	65	154
Failed	10	16	26	2	1	3	8	11	19	0	6	6	1	3	4
Pass per cent	94.01	93.28	93.58	97.80	98.11	97.92	91.21	86.75	89.08	100.00	89.66	94.34	98.89	95.59	97.47

(Source: Details collected from Pre-matric hostels)

The overall performance of the Pre-matric hostellers in the SSLC examination during 2010-15 in the test checked districts was equal to the State average of 95 per cent. The commendable performance of these Hostels is brought out below.

The Pre-matric hostellers in Kannur and Idukki districts performed well in SSLC examination with the pass percentage exceeding the State average of 95 per cent. Though the Pre-matric hostellers in Palakkad, Kollam and Thiruvananthapuram districts could attain pass percentage ranging from 89.08 to 94.34 per cent and did not attain the State average of 95 per cent, their performance was commendable when viewed against the fact that the pass percentage of SC students in the State during the period was only 89 per cent.

Gender analysis of the results during 2010-15 revealed that girls performed better than boys in the SSLC examinations. Against 93 per cent of the boys passing the SSLC examinations in the test checked districts, girls recorded 96 pass per cent. The girls in Pre-matric hostels in Thiruvananthapuram district achieved 100 pass per cent during these years. Except for Kannur district, girls consistently performed better than boys in the remaining test checked districts.

2.10.2 General conditions of Pre-matric hostels

2.10.2.1 Infrastructure

Five⁶ out of 41 test checked hostels were running in rented buildings. Three of these buildings were old and dilapidated and not suitable for the functioning of Pre-matric hostels. The Pre-matric hostel for boys at Thaliparamba in Kannur district which was functioning in a rented building was closed down in May 2015 due to the dilapidated condition of the building and the boarders were transferred to a hostel at Pazhayangadi in Kannur district.

As per Government guidelines (August 1986), inmates of Pre-matric hostels should be provided with cots, table, chairs, cupboard, mattress, etc. In all test checked Pre-matric hostels, Audit noticed that the students were not provided with many of these essential items for their stay. Inmates were forced to share cots or were made to sleep on the floor. Inmates in six⁷ of the 41 pre-matric hostels were not provided with most of the basic facilities as detailed in **Appendix 2.5**.

The District Development Officer (DDO) of the District was the controlling officer of the hostels in the District and was responsible for ensuring proper running of the hostels. DDOs were required to inspect the hostels as many times as possible in a month and were expected to record deficiencies noticed at the time of inspection as also the instructions issued to the wardens and boarders. Among the worst affected Pre-matric hostels in terms of basic infrastructure and facilities were those at Mankara, Alanellur and Kumaranellur in Palakkad district, Azhikode and Sreekandapuram in Kannur district and Venjaramoodu in Thiruvananthapuram district. Audit verified the visitor's diaries relating to 2014-15 to determine whether the deficient infrastructure and other defects identified by Audit were noticed by the DDOs and necessary steps taken to rectify the defects. In the Pre-matric hostel at Mankara, though the DDO had noted (June 2015) in visitor's diary about poor infrastructure in the hostel and suggested shifting to a new rented building, the hostel was still running in the old building. Scrutiny of the visitor's diary in the hostels at Alanellur in Palakkad revealed that the DDO had never visited the Pre-matric hostel during 2010-15. In Kumaranellur, the DDO had offered (May 2014) only general comments while in Venjaramoodu and Azhikode, the DDOs had confirmed (August 2014 and June 2014) lack of infrastructure. Audit observed during spot inspection (November 2015) that necessary steps were not taken to rectify the defects pointed out by DDOs.

GOK informed (January 2016) that ₹1.65 crore was sanctioned for construction of Pre-matric hostel at Thalliparamba. However, the reply was silent regarding the hostels functioning in old and dilapidated buildings and supply of tables, armless chairs, etc. to the hostel inmates.

⁶ Alanellur, Mankara and Kollengode in Palakkad district, Kathirur and Sreekantapuram in Kannur district.

⁷ Pre-matric hostels at Mankara, Alanellur and Kumaranellur in Palakkad district, Azhikode and Sreekantapuram in Kannur district and Venjaramoodu in Thiruvananthapuram district.

2.10.2.2 Manpower

One warden was posted in each of the pre-matric hostels. Wardens were responsible for ensuring the well being of the hostellers and smooth running of the hostels. It was, however, noticed that the hostel wardens were not staying in 10 test checked hostels at night which was against the directions issued by the SCDD in August 1997. The non-availability of wardens in hostels at night indicated lack of care and supervision to children apart from exposing them to avoidable risks.

Government admitted (January 2016) that the duty time of Warden was 24 hours and that two wardens were necessary on shift basis. It stated that posting of two wardens in each hostel was under its consideration. As such, the GOK may take early decision in the matter.

2.10.2.3 Safety and Security for Girls Hostels

The Pre-matric hostels for girls at Shoranur and Mundur in Palakkad district accommodated 123 and 190 students respectively during 2010-15. Government had stipulated (February 1961) that no outsider shall be allowed into the hostel premises. Audit noticed that the hostels were being used for various activities like conduct of meetings, etc., with outsiders as participants which impinged on the safety and security of the children as shown in **Table 2.4** below.

Table 2.4: Details of girls hostels used for other purposes

Name of Hostel	Details of inadmissible activities conducted in hostels	Remarks
Pre-matric girls hostel Shoranur	<ul style="list-style-type: none"> Used for ward level meeting by LSG Authorities A new building constructed by SCDD for library/study/computer purpose of the hostellers was used as an Autism centre run by the SSA. 	-
Pre-matric girls hostel Mundur	<ul style="list-style-type: none"> Used for ward level meeting by LSG Authorities Conducting examination for general public on the terrace of hostel building that can be accessed only through the staircase inside the building. 	Separate toilet for watchman was not available who had to use the toilet facility available inside the hostel thereby intruding on the privacy of the girl inmates of the hostel.

(Source: Details collected from Pre-matric hostels at Shoranur and Mundur)

During Exit Conference (January 2016), Government stated that the issue of using the Pre-matric girls hostels for other purposes would be looked into and suitable action would be taken against the defaulting officer(s).

2.11 Industrial Training Institutes

There are 44 ITIs exclusively for SC candidates under SCDD. The ITIs under the SCDD imparted training in 12 trades with course duration ranging from six months to two years. The ITIs were envisaged to train 1261 trainees (SC – 80 per cent, ST – 10 per cent and others – 10 per cent) every year. Audit test checked 16 ITIs run by the SCDD in four districts⁸ and it was noticed that the percentage of students who qualified in the examination

⁸ There are no ITIs in Idukki district

conducted by NCVT was only 52 *per cent* during the years 2010-15. The details of students enrolled and the pass percentage is given in **Appendix 2.6**.

Audit observed that poor performance was attributed to inadequate staff strength in these institutions. Against the requirement of 107 instructors in the 16 test checked ITIs, only 79 instructors were in position as of September 2014. There was a shortage of 28 instructors (26 *per cent*) in these ITIs.

GOK stated (January 2016) that students in the ITIs run by the department were of low academic level which resulted in poor results generated by ITIs.

Attributing poor pass percentage of students to their low academic level is not justified. Moreover, the department has a responsibility to support SC students by ensuring their capacity building to obtain ITI training for enabling them to secure jobs in the market. Thus, the department failed in its objective to ensure maximum pass percentage by providing adequate staff as also by adopting other such measures like coaching for their capacity building. The Government stated in the Exit Conference (January 2016) that the process of assessment of ITIs had already been initiated.

Recommendation No. 3: Government may ensure adequacy of faculty members for strengthening ITIs and consider conducting special classes for weak students to perform better in examinations.

2.11.1 Discontinuance of admissions in mediocre ITIs

The performance of the students enrolled in the Plumber trade in the test-checked seven ITIs ranged from 14 to 52 *per cent*. In ITI, Kanjiramkulam, none of the 36 students who had appeared for the exam passed during 2012-15. Similarly, in ITI Vettikavala and ITI Mariapuram, the pass percentage was only 11 and seven *per cent* respectively in respect of carpentry trade. The Labour & Skills Department of the Government recognising that the percentage of children passing out from these three ITIs was very poor directed (June 2014) not to admit students to these institutions during the academic year 2014-15. Audit observed that the SCDD did not conduct any study to find out the reasons for the poor performance of the students and put in place appropriate capacity building mechanism for such students. The decision of Labour and Skills Department not to admit such students was not justified as it was against the envisaged objective of the Government to empower them by acquiring such technical qualifications.

Government stated during the Exit Conference (January 2016) that it would look into reasons for poor performance of ITIs during 2012-15 and informed that providing extra classes for the students after normal hours in all ITIs would be considered.

2.11.2 Revamping of ITIs

With a view to revamp ITIs, the Director, SCDD, submitted a proposal (January 2012) to the Government to replace obsolete trades with new trades and to train 495 additional students by introducing 10 new trades in 20 ITIs at a cost of ₹15 crore. It was proposed to discontinue and replace courses in trades like Painter, Cutting and Sewing, Mechanic (Radio & TV) and Carpenter with subjects like Fashion technology, Draughtsman Civil, Welder,

Mechanic (industrial electronics) which had NCVT recognition and possessed employment potential, within India and abroad. Audit observed that despite receiving several clarifications and submission of revised proposals by the Director, SCDD, the Government was yet to take a decision on the issue except releasing (March 2012) Rupees five crore to the Kerala State SC/ST Residential Educational Society for the purpose, which was also parked in the Treasury Savings Bank account of Society in the absence of further instructions from Government.

Due to the failure of Government to revamp the ITIs, they were continuing to offer outdated courses with negligible potential to attract offers of employment.

GOK stated (January 2016) that the revamping of ITIs was being examined by the Government. It was informed during the Exit Conference (January 2016) that the process of reviewing the functioning of the ITIs had already been initiated by Government to improve their functioning. Audit observed that the delay in taking a decision has resulted in denying 495 students an opportunity to be trained in new trades.

2.12 Pre-Examination Training Centers

The SCDD established four Pre-Examination Training Centers (PETC) to equip job seekers for competitive examinations conducted by the State Public Service Commission, Union Public Service Commission, Banking Services Recruitment Board, etc. The PETCs besides imparting job oriented training for various competitive examinations, also offered courses in Stenography, Computer Software, Desktop Publishing and coaching for Medical and Engineering Entrance Examinations. Audit findings in respect of the test-checked PETCs at Thiruvananthapuram and Palakkad were as under:

- The details of admission and placement for job oriented courses at the Thiruvananthapuram and Palakkad centres of PETC during 2010-15 were as shown in **Table 2.5**.

Table 2.5: Placements received by SC/OBC students

Year	Total No. of trainings offered		Total No. of candidates		Total No. of SC candidates		Total No. of SC candidates who got placement		Total No. of OBC candidates who got placement	
	PETC Tvm	PETC Pkd	PETC Tvm	PETC Pkd	PETC Tvm	PETC Pkd	PETC Tvm	PETC Pkd	PETC Tvm	PETC Pkd
2010-11	5	3	332	335	243	257	21	9	37	11
2011-12	3	3	109	326	83	264	1	13	12	13
2012-13	4	3	127	155	83	123	0	4	8	1
2013-14	3	4	118	284	89	221	0	5	8	13
2014-15	4	5	85	376	70	288	0	1	0	3
Total	19	18	771	1476	568	1153	22	32	65	41

(Source: Details collected from PETCs at Thiruvananthapuram and Palakkad)

- The SC students comprised 74 per cent and 78 per cent respectively in the Thiruvananthapuram and Palakkad PETCs. The placement rate to the total enrolment of SC students during the period 2010-15 was four

and three percentage respectively in Thiruvananthapuram and Palakkad PETCs.

- Audit found that out of 1476 candidates who had attended various trainings at the PETC Palakkad during 2010-15, only 28 candidates had attended the centre from places beyond a radius of 25 kms. As such, the PETC, Palakkad functioned only as a centre catering to the needs of the local population instead of a regional centre as envisaged. Trainees attending various courses in PETCs from places beyond eight kilometres were paid ₹400 per month and those from within eight kilometres were paid ₹100 per month as stipend. Audit observed that GOK had issued orders (September 2009) to the Director, SCDD to pay the local/out station trainees the higher GOI rates of ₹750 and ₹1500⁹ per month respectively. However, the trainees were still being paid only ₹100 and ₹400 per month. The Principal, PETC Palakkad also stated that the meager amount of stipend being paid was a reason for the low enrolment of students from distant places.
- A three months course on Data Entry and Software course was conducted by PETC, Thiruvananthapuram with admissible batch strength of 20 students during 2011-13 with 61 students attending the course. Audit noticed that the course was discontinued since 2013 as there were no willing persons to take up the job of the instructor at the proposed remuneration of ₹5,000 p.m. Audit was informed that a proposal for enhancing remuneration forwarded (May 2015) to the Director, SCDD was still awaiting approval (September 2015). Thus, the failure of the department to restart the course deprived SC students of being trained in Data Entry and Software. Government promised during Exit Conference (January 2016) to look into the issue.
- Admissions to Two year courses on Stenography were made once in two years. In the test checked PETCs at Thiruvananthapuram and Palakkad, while 37 out of 74 students did not appear for the examination during 2010-14, only 10 passed the examination.

The Principal of PETC Palakkad, while admitting the poor performance of students in the Stenography Course stated that a proposal (June 2014) for revamping the stenography course by reducing the course duration from two years to one year by including word processing and DTP topics was pending with the Director (November 2015). The Director stated (December 2015) that the delay occurred due to some administrative inconvenience and that the courses would be commenced with sufficient number of instructors with attractive honorarium. During Exit Conference (January 2016), the Additional Secretary to Government stated that the issue would be looked into.

- In two test-checked PETCs at Thiruvananthapuram and Palakkad, as against 642 (375 + 267) SC students enrolled in coaching for Medical/Engineering Entrance Examination during 2010-15, it was noticed that

⁹ GOI rates were revised to ₹1500 and ₹3000 for local/outstation candidates from August 2012 onwards.

102 students from Thiruvananthapuram (27 per cent) and 13 students from Palakkad (five per cent) had qualified in the entrance examination during 2013-14 only. No student from Palakkad centre had qualified in any other year.

Audit noticed that the faculty members at PETC Thiruvananthapuram were having higher qualifications than the faculty members of PETC Palakkad. Of the 32 teaching faculty members available at PETC Thiruvananthapuram during 2013-14, eleven possessed PhD while only two teachers possessed PhD in PETC Palakkad. The Principal of PETC Palakkad attributed the poor result to difficulty in getting good faculty due to inadequate remuneration paid to them. The reply was not acceptable in view of the fact that the PETC Thiruvananthapuram could obtain the services of well qualified teachers at the same remuneration as was being paid to the faculty of the PETC Palakkad.

Recommendation No. 4: Government may strengthen PETC at Palakkad by providing superior teaching faculty to ensure successful coaching in the job oriented courses besides enabling the MBBS and B.Tech aspirants to perform better in the entrance examinations.

2.13 Skill Development Programme for SC students

During 2010-15, the department planned to offer various skill development programmes to SC youth in association with agencies like the Kerala Institute of Labour and Employment (KILE), Kerala Health Research and Welfare Society (KHRWS) etc. However, Audit found that the programmes as conceived by the Director, SCDD did not materialise due to the reasons as detailed below.

Table 2.6: Details of Skill Development Programmes

Sl. No.	Name of Scheme	Details of Scheme	No. of students	Remarks
1.	Establishment of training centre and conducting Skill Development Programme for SC science graduates.	Courses on Dietary, Power Laundry Management, Laboratory Management, Ward and Operation Theatre Management	75 students each year	Though KHRWS had submitted the proposal for training students, they later admitted lack of infrastructure and expertise in running the course. SCDD failed to assess capability of KHRWS before entrusting the project.
2.	Diploma in Hotel Management	Nine months course in Food and Beverage Production, Food and Beverage Servicing and Housekeeping.	50 students	Training was to be conducted by Kerala Institute of Labour & Employment (KILE). GOK ordered KILE to discontinue the course as the course offered by KILE in tie up with IITM did not have recognition of any University or Academic Council. Thus, selection of an agency which was not eligible to conduct courses on hotel management deprived 50 SC students from being trained.

(Source: Details collected from Directorate and KHRWS)

Despite availability of funds amounting to ₹3.57 crore, the SCDD failed to effectively conceive, plan and implement schemes resulting in deprivation of training to SC beneficiaries and their resultant inability to improve their educational status.

GOK stated (January 2016) that ₹0.40 crore had since been remitted to Government in December 2015. It was also informed during the Exit Conference (January 2016) that directions had been issued to the departmental officers to remit ₹3.17 crore into Government accounts.

2.14 Free Supply of Laptops to SC Students

Government accorded (October 2012) Administrative Sanction for providing laptops to the first and second year SC students of MBBS and B.Tech courses who were in receipt of educational concessions from the Scheduled Castes Development Department. Government had ordered that the laptops should be provided to the students during financial year 2012-13. Details of procurement and issue of Laptops is given in **Table 2.7**.

Table 2.7: Details of laptops issued/not issued

Year	Name of Course	No. of SC students targeted	No. of students who received laptops	No. of students who were not given laptops
2012-13	1 st and 2 nd year MBBS/B.Tech	3815	3750	65
2013-14	1 st year MBBS/B.Tech and 1 st and 2 nd year M.Tech	2500	--	2500
2014-15	1 st and 2 nd year B.Tech/M.Tech and 1 st year MCA	2202 ¹⁰	--	2202

(Source: Details collected from Directorate)

An amount of ₹11.25 crore was withdrawn (March 2013) for purchase of computers. Though the Department was able to procure and supply 3750 laptops to eligible students of 2012-13 at a cost of ₹10.20 crore, supplementary requirement of 65 laptops to 65 eligible students of the year 2012-13 was not met as the firm selected for the supply turned down the request of the Department for additional supply. Though the tender conditions required the supplier to supply 10 *per cent* in excess of actual supply, the provision was not invoked by the department due to which 65 eligible SC students could not get laptops. During the following years, the purchase process did not materialise due to department's failure to finalise evaluation criteria, eligibility, etc., resulting in 4702 students not getting laptops during the years 2013-2015. All final year students lost opportunity to get laptops as they had already left the institution.

Government accepted (January 2016) the audit observation. During the Exit Conference (January 2016), it was informed that Government was considering to provide ₹25000 in cash towards reimbursement of cost of computers purchased by students from the year 2016 onwards.

2.15 Vijnan Vadis

Government decided (July 2011) to establish Vijnan Vadis in SC colonies in all 140 Legislative Assembly Constituencies in the State to serve as important centres having library, computers with internet facility, news papers and

¹⁰ Excluding 1952 students of 2nd year B.Tech and 2nd year M.Tech already included in 2013-14.

periodicals to provide information to SC job seekers and students on current affairs and to help them to submit online application for competitive examinations. The Vijnan Vadis were to function under a committee comprising of students and job seekers from the colony. They were responsible for payment of internet charges, electricity charges and maintenance of computers. The Scheduled Caste Development Officers (SCDO) at the Block level were to monitor the functioning of the Vijnan Vadis. It was proposed to utilise existing facilities in 70 SC colonies for setting up the Vijnan Vadis and the same were established between July 2011 and January 2012.

In respect of the remaining 70, it was proposed to construct Vijnan Vadis with a 500 square feet building at cost of Rupees five lakh each and installation of computer with internet facility, furniture, books, etc., at a cost of ₹1.5 lakh. Recurring cost on maintenance of these centres were to be met by the SCDD. Based on proposal of Director, SCDD, subsequently, Government issued (January 2012) administrative sanction to construct 1000 Vijnan Vadis in 1000 SC colonies, where land was available at a total cost of ₹50 crore. The construction of the Vijnan Vadis was entrusted (February 2012) to Kerala Police Housing Construction Corporation Ltd (KPHCC). The entire amount of ₹50 crore was credited to the KPHCC in February 2012. As per MoU between the Department and KPHCC (April 2012), the work was required to be completed by KPHCC before 31 March, 2013. Audit observed as under:

- KPHCC informed Audit (December 2015) that out of 1000 Vijnan Vadis proposed, only 619 sites were identified by the SCDD of which 190 sites were found to be fit after inspection of site by KPHCC. In the remaining 429 cases, sites could not be located during joint inspection of SCDD officers and KPHCC staff. A few identified sites were not suitable for construction with ordinary estimates due to reasons such as sites being on filled up land, water logged pond, weak soil, no access to the site, etc.
- As of November 2015, suitable sites for setting up only 190 Vijnan Vadis were identified of which 114 Vijnan Vadis were constructed. In respect of the remaining, work for 66 Vijnan Vadis was awarded and the remaining 10 were yet to be tendered. Audit observed that only 89 Vijnan Vadis were operational as on January 2016.
- Audit noticed that two¹¹ of the four test checked Vijnan Vadis¹² were functioning satisfactorily. However, while the Vijnan Vadi at Chellora was non-functional due to non-functioning of computer since September 2015, the Centre at Kudapanakunnu in Thiruvananthapuram district was non-functional since July 2015 due to disconnection of electricity by the Kerala State Electricity Board for failure to remit electricity charges. Non-functioning of such Vijnan Vadis is attributed to the failure of respective managing committees to ensure continued operation of their Vijnan Vadis.

¹¹ Morazha in Kannur district and Rajaji nagar in Thiruvananthapuram district

¹² Two Vijnan Vadis set up in Chellora and Morazha in Kannur district and two Vijnan Vadis in Kudapanakunnu and Rajaji Nagar in Thiruvananthapuram district.

- GOK confirmed (January 2016) that most of the 600 plots identified by SCDD to construct Vijnan Vadis were later found to be unfit for construction by KPHCC. Audit found that the proposal of Director, SCDD to enhance the number of Vijnan Vadis to 1000 was ill conceived as availability of land was not ensured before venturing into the scheme. As of December 2015, ₹44 crore was blocked for more than two years.

Thus, as of December 2015, only 11.4 *per cent* of the targeted number of Vijnan Vadis could be set up after a lapse of two years from the targeted date of completion. Significantly, of the 114 Vijnan Vadis constructed by GOK, only 89 were functional exhibiting laxity of Government on the issue.

2.16 Paramedical Institute, Alappuzha

GOK accorded (January 2004) administrative approval to start two year paramedical courses in Diploma in Medical Laboratory Technology (D.MLT), Diploma in Radiological Technology (DRT) and Diploma in Ophthalmic Assistance (DOA) in three Medical colleges¹³. It was envisaged to train 20 students per course every year. Government thereafter (November 2008) issued administrative sanction for construction of a building for Paramedical Institute for SC students at Medical College, Alappuzha at an estimated cost of ₹4.39 crore. The building, constructed at a cost of ₹5.44 crore was taken over by the Principal, Medical College, Alappuzha in October 2013.

Audit noticed that even though the building for Paramedical Institute was constructed with the help of funds provided by SCDD, the courses were yet to commence (November 2015) for lack of faculty as proposal for creation of posts submitted to Government in 2012 was awaiting its approval.

Audit further observed that in the meanwhile, Government allowed (September 2012) to utilise half of the newly constructed building for functioning of a new Dental College at Alappuzha. The Special Officer appointed for setting up the Dental College emphasised that since “the building was idling for the last three years for want of creation of posts and other infrastructure and even if the posts are sanctioned, the likelihood of getting Medical Doctors exclusively for teaching SC/ST students in a Paramedical Institute is very unlikely”, the building for the Paramedical courses be converted exclusively to a Dental College.

Audit observed that instead of ensuring creation of posts for running Paramedical Institute for SC students, the Government allowed the utilisation of the building of Paramedical Institute for use as new Dental College.

Thus, the Government failed to achieve the objective of running the institution for the benefit of SC students even after a lapse of three years. GOK confirmed (January 2016) the audit observations and stated that the department had taken steps to regain the building from Director of Medical Education, for commencement of three Paramedical courses for SC students. During Exit Conference (January 2016), Government promised to look into the issue of creation of posts for Paramedical courses. The Dental College was

¹³ Alappuzha, Kottayam and Kozhikode

still (January 2016) functioning in the building which was actually built for Paramedical courses for SC students.

Recommendation No. 5: Government may take over the building from the Dental college authorities so as to start paramedical courses for the benefit of SC students.

2.17 Grant of Financial assistances for SC students

2.17.1 Assistance for Post-matric studies

The SCDD extended financial assistance for post-matric studies to SC students by way of payment of fees, boarding charges to institutions and payments to students like lump sum grants and scholarships to encourage their education. Since 2008, disbursement of the financial assistance was being made online through a software ‘e-grantz’ developed by C-DIT. Under this arrangement, the educational institutions were required to verify the details of the students and forward the fund requirement statements within 20 days from the beginning of classes to the respective Additional District Development Officer online for obtaining sanction of the Director. Based on the sanction, the SC Development Directorate was to upload the names of students, Bank Account Numbers, IFS Code etc., in the internet banking module. The bank¹⁴ in turn was required to ensure seamless and instantaneous transfer of amount sanctioned to the accounts of students. The bank was required to provide periodic transaction statements to the Director.

Instances of delay in disbursement of financial assistances through e-grantz ranging upto six years were noticed in selected districts during 2010-15 as shown in **Table 2.8**.

Table 2.8: Details of delay of financial assistance

(₹ in lakh)

District	Delay up to one year		Delay from one to two years		Delay from two to five years		Delay beyond five years	
	No. of students	Amount	No. of students	Amount	No. of students	Amount	No. of students	Amount
Tvpm	24600	319.45	19071	114.15	19984	154.08	2093	1.77
Kollam	16106	122.09	12924	60.09	11154	51.29	907	0.69
Idukki	7740	73.91	5444	16.09	4586	18.36	197	0.01
Palakkad	19074	16.03	7462	17.55	12829	84.21	1139	1.23
Kannur	9152	98.32	5679	16.19	6604	37.18	445	0.44

(Source: Details collected from Directorate)

Audit noticed from an analysis of the database that 1084 institutions in the selected districts had failed to generate the online statements for claiming financial assistance to SC students through e-grantz during the period 2010-15. It was further noticed by Audit that, in the test checked GLVHSS Arayur at Thiruvananthapuram, and NSS Law College, Kollam, four and seven students respectively were even denied the benefits through e-grantz as their claims were not processed by these institutions.

¹⁴ State Bank of India, Thampanoor Branch

2.17.2 Pocket money and allowances to Pre-matric hostellers

Under the educational concession scheme, SC Students residing in pre-matric hostels were eligible for pocket money at the rate of ₹100¹⁵ per month with effect from June 2012. They were also entitled for allowances for soap and oil (₹75 for girls and ₹50 for boys) towel, comb, bus fare (₹60) and for hair cutting (₹30 for boys) every month.

While 2707 hostellers were not given allowances amounting to ₹0.37 crore, 2074 hostellers were not paid pocket money amounting to ₹0.18 crore in 37 of 41 test checked hostels during 2010-15. Details of disbursement of pocket money and allowances in the test checked districts are given in **Table 2.9**.

Table 2.9: Details of disbursement of pocket money and allowances

Sl. No.	District and No. of hostels	Pocket money	Allowances	No. of students denied during 2010-15		Total
				Boys	Girls	
1	Thiruvananthapuram (6)	Not released	Released	174	459	633
2	Kollam (8)	Not released	Released	485	427	912
3	Idukki (5)	Released	Not released	250	631	881
4	Palakkad (11)	Released	Not released	1102	470	1572
5	Kannur (7)	Partially released	Partially released	354	370	724

(Source: Details collected from DDO for SC and SCDOs)

Audit observed that as per Government orders, both pocket money and allowances were to be disbursed to pre-matric hostellers. The details given in the table indicate that the district level authorities selectively implemented the Government orders. Due to the failure of the SCDD to adhere to orders of GOK, 2074 hostellers in Thiruvananthapuram, Kollam and Kannur districts were not paid pocket money amounting to ₹17.91 lakh while 2707 hostellers in Idukki, Palakkad and Kannur districts were not paid allowances amounting to ₹36.68 lakh¹⁶ during 2010-15.

GOK replied (January 2016) that pocket money at the rate of ₹140 for boys and ₹135 for girls was being given to hostellers as per Government order dated 13 May 2010 and since this was higher than the pocket money of ₹100 stipulated in Government Order dated 11 January 2012, audit observation was not correct.

Reply of the Government is not acceptable as ₹140 for boys and ₹135 for girls as stated in Government order quoted first above referred to allowances for purchase of soap, oil, etc., while ₹100 referred in Government order quoted second is pocket money. Besides, the handbook for SCDD also stipulated payment of both allowances and pocket money to the students. Due to lack of clarity on the part of departmental officers, the SC students could not receive the envisaged benefits in violation of Government's own orders, besides defeating the intended benefits of the scheme.

¹⁵ This was ₹70 per month during the period 2008-2012

¹⁶ This includes ₹26,325 which should have been paid to 135 hostellers in Kannur district as allowances.

Recommendation No. 6: Government may reiterate and clarify the position about the entitlement of students for the pocket money and allowances so that the students are able to get the same.

2.17.3 Tuition fee and Special fee re-imbursement

While SC students studying in Government and Government aided schools were exempted from payment of Tuition Fees, SC students studying in recognised un-aided schools were entitled for reimbursement of tuition fee and special fee at the rate of ₹1,333 per annum up to Standards I to VII and at the rate of ₹2000 per annum for students in Standards VIII to X. Audit, however, noticed that 2078 students of 54 recognised un-aided schools in four selected districts did not get the Tuition fee and special fee reimbursement during the period 2013-15 because managements of 53 of these 54 schools did not claim the assistance for SC students in their schools as detailed in **Appendix 2.7**.

Audit further observed that the application for assistance for six SC students forwarded by the lone school viz. NSS English High School, Ottapalam to the SCDO, Ottapalam was not accepted on the grounds that the institution was an English medium school and hence the SC children were not eligible for financial assistance. The contention of the SCDO while rejecting the claim of the NSS English High School, Ottapalam was erroneous in view of the fact that Government had ordered in July 2009 that all SC students, irrespective of the medium of instruction, were eligible for the assistance.

The failure of managements of educational institutions and Government functionaries together deprived 2078 students of eligible financial assistance, which is a matter of concern. GOK stated (January 2016) that the instance pointed out by audit would be looked into.

Recommendation No. 7: Government may put in place necessary system to ensure reimbursement of tuition fee and special fee and also monitor its implementation by way of appropriate reporting mechanism.

2.17.4 Pre-matric scholarship for SC students of classes IX and X (100 per cent CSS)

GOI launched (July 2012) the pre-matric scholarship for SC students of classes IX and X to minimise the incidence of dropout and to ensure that the SC children performed better in Classes IX and X. This was to ensure that they had a better chance of progression to the post-matric stage of education. Scholarships at the rate of ₹150 per month to day-scholars and at the rate of ₹350 per month to hostellers were to be paid to such students whose parents/guardians' income from all sources did not exceed ₹2 lakh per annum. Ad-hoc grants for books were also to be paid to day-scholars and hostellers at the rate of ₹750 and ₹1000 per annum respectively.

Audit noticed that out of 93,414 claims sanctioned during 2014-15, 11,381 claims amounting to ₹2.71 crore were rejected by the bank designated for the implementation of the scheme, due to incorrect data. As details of such cases were not available with the department, Audit took up the matter with the designated bank which informed that details of such cases had already been given to the department. Audit observed that despite receipt of intimation from bank, the department did not take any appropriate action to identify the

beneficiaries for disbursement of scholarships. Thus, due to lack of vigilance and monitoring on the part of departmental authorities, 11,381 students were deprived of the benefits which could have helped them in pursuing their further studies.

The Director admitted (October 2015) the flaws in the fund disbursement of the scholarship scheme and stated that the issue was noticed only at the instance of audit.

Recommendation No. 8: Government may establish necessary monitoring mechanism for ensuring payment of scholarship to students through proper liaison with bank and educational institutions.

2.18 Equalisation with non-SC students

The National Policy on Education (NPE) 1992 places great emphasis on the removal of disparity among different social classes. Ensuring sustained improvement in enrolment, retention and successful completion of courses by SC students at various levels of education is vital in improving their educational status and social upliftment. Audit noticed that the Directorate was not in possession of data on enrolment, dropout, pass out, etc., at various levels of education. Audit findings on data analysis on educational indicators of SC students compared with non-SC students at Secondary level, Higher Secondary level and VHSE were as under.

2.18.1 Secondary level

Audit observed that while the pass percentage of SC and non-SC category students in Secondary level during 2010-11 was 82 *per cent* and 92 *per cent* respectively, these figures improved considerably to 97 *per cent* and 99 *per cent* respectively during the year 2014-15. This indicates that the efforts made by Government to improve the standards of education of students up to Secondary level have yielded good results.

2.18.2 Higher Secondary level

At higher secondary level, while 69 *per cent* of SC students passed in 2011-12, the number of non-SC category students passed was 80 *per cent*. In 2013-14, these figures were 54 and 71 *per cent* respectively. This shows that in addition to a fall in the percentage of passed candidates, the gap between general category and SC students widened from 11 *per cent* to 17 *per cent*.

2.18.3 Vocational Higher Secondary level

In respect of vocational courses, while 66 *per cent* of SC students passed in 2010-11, the number of passed candidates in the general category was 82 *per cent*. Audit noticed an increase in the pass percentage to 69 *per cent* and 82 *per cent* respectively in 2014-15. However, the gap between the pass percentage of General category students and the SC students decreased from 16 *per cent* in 2010-11 to 13 *per cent* in 2014-15.

Audit observed that the attempts made by Government to bring SC students at par with General Category students yielded results only up to Secondary level.

2.19 Conclusion

The Nursery schools run by the Department lacked in infrastructure and had very low student strength. The performance of students in the Model Residential Schools at Peermade and Thrithala during 2010-15 in the SSLC examination was commendable. The overall performance of pre-matric hostellers in the SSLC examination during 2010-15 in the test checked districts was equal to the State average of 95 *per cent* which is very satisfactory. Although the efforts made by Government to improve the standards of education of students up to Secondary level yielded good results, the same cannot be said for Higher Secondary/Vocational Higher Secondary and ITIs. Instances of delay in disbursement of financial assistances ranging up to six years were noticed in selected districts during 2010-15, which speaks about bad implementation of the scheme.

Failure of the department to commence the Paramedical Institute for SC students at Medical College, Alappuzha despite construction of a building for the purpose, failure to implement skill development programmes, the discontinuance of Data Entry and Software courses conducted by the PETC, Thiruvananthapuram since 2013, etc., resulted in depriving the SC children of the means to acquire knowledge and skills necessary to gain employment.

CHAPTER III

WATER RESOURCES DEPARTMENT

Rural Water Supply Schemes implemented by Kerala Rural Water Supply and Sanitation Agency

Highlights

The World Bank approved Kerala Rural Water Supply and Environmental Sanitation Project (Jalanidhi) aimed to assist Government of Kerala in improving the quality of rural water supply and delivery of environmental sanitation services to achieve sustainability of investments. The Performance Audit focused on the implementation of Water Supply Schemes (WSS) and Ground Water Recharge (GWR) by the Kerala Rural Water Supply and Sanitation Agency (KRWSA). It revealed deficiencies in planning, procedural irregularities, failure in completion of projects on time.

Though 3139 new drinking water schemes were implemented against the original target of 2500, only 1,61,427 Households (65 per cent) benefited from the schemes against the envisaged target of 2,50,000 Households.

(Paragraph 3.6)

Thirty out of 88 small WSS costing ₹2.48 crore became defunct, forcing the beneficiaries to depend on alternate sources of water like neighbouring/public/own wells, rivers/streams/ponds, purchase of water from tanker lorries, etc.

(Paragraph 3.7)

In Vandana WSS in Vellarada, orders of the Ombudsman directing (November 2011) KRWSA to render necessary technical advice for installation of a 5 HP motor and repair of pipe lines to ensure supply of water before 28 February 2012 were not complied with.

(Paragraph 3.7.2.4)

In Kairali Beneficiary Group (BG) in Vellarada Grama Panchayat (GP) and Vadakkekara BG in Thachanattukara GP, Implementation Phase Completion Reports (IPCR) were signed and Exit orders issued, though the schemes were not completed.

(Paragraphs 3.8.1 and 3.8.2)

In two test-checked WSS, Exit orders were irregularly issued by KRWSA on the basis of IPCRs with forged signatures of elected members of BGs.

(Paragraphs 3.7.2.4 and 3.8.1)

An amount of ₹1.78 crore received in March 2014 by KRWSA from GOK for installation of Iron Removal Plant (IRP) in 10 schemes and Terrafil filters in 11 schemes remained unspent.

(Paragraph 3.9.1)

Against ₹22.76 crore to be utilised for artificial ground water recharge and sustainability, expenditure was only ₹5.89 crore. Due to the inadequate attention paid to sustain and recharge water sources, sources had dried up in 85 schemes of Jalanidhi Phase I.

(Paragraph 3.10.1)

3.1 Introduction

The World Bank approved Jalanidhi project was implemented in Kerala (2001) by KRWSA, an autonomous body established under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. The project integrates Water Supply with Sanitation, Health and Hygiene promotion, Environmental Management and GWR measures. All the WSS were designed to provide 70 lpcd¹⁷ water to the project population. The project aimed at improving quality of Rural Water Supply and delivery of environmental sanitation services. It envisaged partial capital cost sharing and 100 per cent financing of Operation and Maintenance (O&M) costs of the Schemes by Beneficiary Groups (BGs) which were community institutions created to strengthen the ability of the users in planning, designing, implementing, operating and managing the components of the project. Capital cost sharing for WSS was in the ratio 75:10:15 between Government of India (GOI)/Government of Kerala (GOK)/KRWSA, GPs and BGs respectively for general schemes. In the case of tribal schemes, it was 80:10:10. The O&M cost of the scheme was to be borne fully by BGs.

The project was initially proposed to be implemented in 92¹⁸ of the 358 GPs in Palakkad, Malappuram, Thrissur and Kozhikode districts. It was later (2003) scaled up to cover an additional 20 GPs in the remaining nine¹⁹ districts. The project also envisaged rehabilitation of existing KWA water supply schemes by augmenting the source, protection of sources from pollution, construction of new facilities, repairs and replacement of the existing structures, machinery, equipment and pipelines to conform to the technical standards.

Agreement for Phase I of Jalanidhi project (Project cost ₹451.40 crore) was executed between GOI and World Bank on 4 January 2001. The scheduled date of completion was 30 September 2008²⁰. Agreement for Phase II of Jalanidhi project, with an outlay of ₹1022 crore was executed for the period February 2012-June 2017 and was under execution. This Performance Audit focused on implementation of Water Supply Schemes and Ground Water Recharge in Phase I of Jalanidhi project.

¹⁷ Litres per capita per day

¹⁸ Eighty Nine as envisaged in Project Appraisal Document and additional three GPs were included.

¹⁹ Alappuzha district was excluded due to disinterest of GPs.

²⁰ The scheduled date of completion was originally 31 December 2006 which was later extended.

3.2 Audit Objectives

The Performance Audit aimed at assessing whether:

- Rural WSS implemented, improved the accessibility of targeted population to stipulated quantity and quality of drinking water as envisaged;
- steps taken to improve the perenniality of drinking water source by promoting and implementing GWR schemes were effective; and
- policy of empowerment of BGs to make investment decision, planning and implementation of schemes and managing funds and scheme operations was effective.

3.3 Audit Criteria

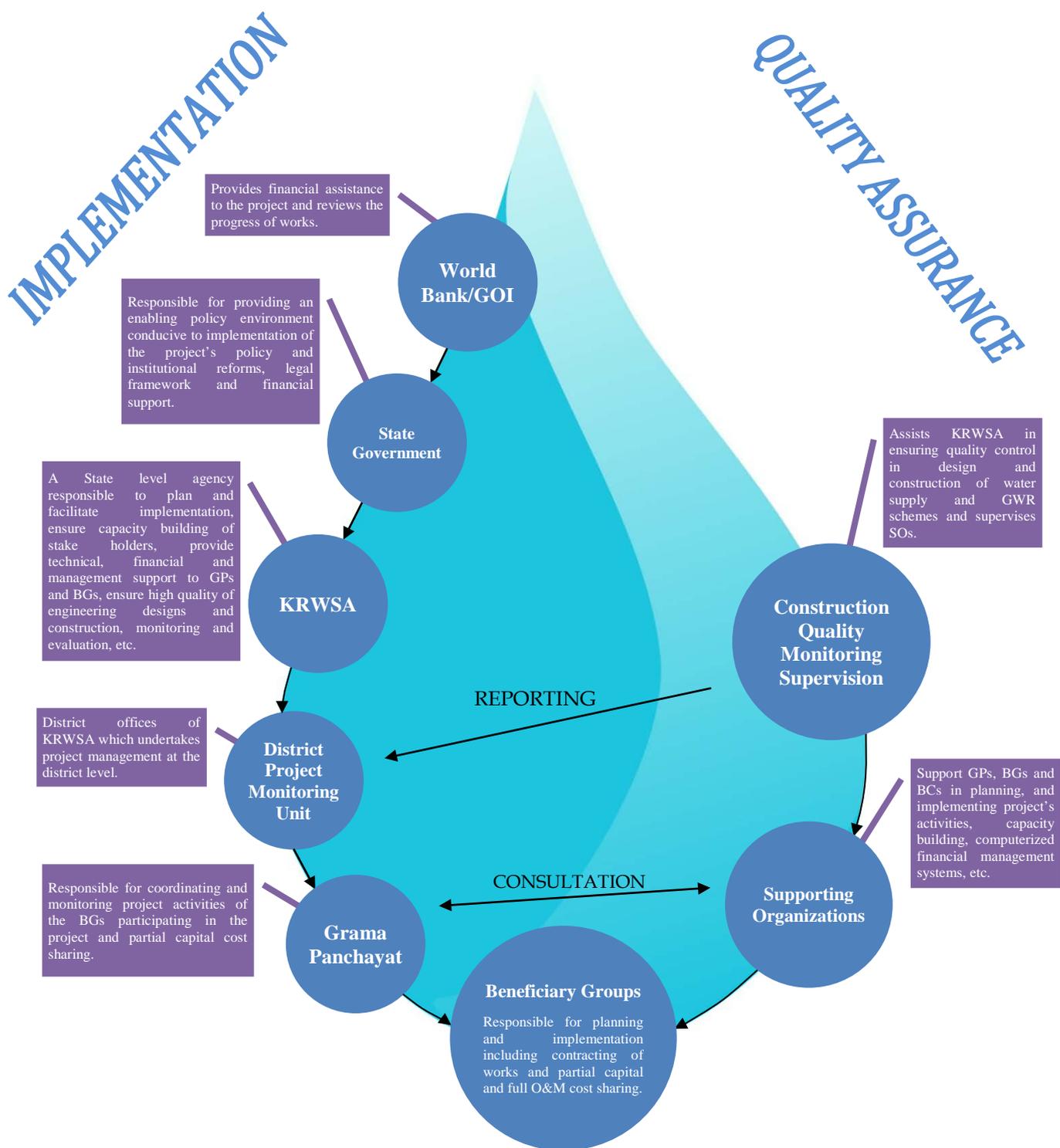
Audit Criteria for the Performance Audit are derived from

- The Development Credit Agreement between GOI and International Development Association (World Bank) for Phase I of the project;
- Project Implementation plan prepared by Government of Kerala and Project Appraisal Document of the World Bank; and
- Government Orders, Notifications, Manuals, Guidelines, etc.

The various stakeholders and their responsibilities in the implementation of the Scheme are given in the Organogram given in **Chart 1.1**.

Chart 1.1

IMPLEMENTATION CHART OF THE JALANIDHI SCHEME



3.4 Scope and Methodology of Audit

The Performance Audit attempted to evaluate the WSS and GWR conceived and implemented in Phase I of Jalanidhi. The selection of audit period 2008-2015 ensured that schemes completed by KRWSA with World Bank funding till September 2008 and spill over works taken over by GOK for completion after exit of World Bank have been covered in the Performance Audit.

The Performance Audit was conducted from April 2015 to September 2015 to assess whether the overall objectives have been achieved through implementation of the scheme by KRWSA. Records in the Government Secretariat, KRWSA and District Project Management Units (DPMU), GPs and BGs identified as stakeholders in selected schemes were test checked during the course of the Performance Audit.

Of the 110 GPs which implemented small WSS, 22 GPs were selected by applying stratified simple random sampling. Eighty eight small WSS (four from each GP) were selected for detailed study, through judgmental sampling. Three out of 16 comprehensive WSS were also selected for detailed scrutiny using stratified simple random sampling.

The number of schemes and the methodology adopted for selection of schemes for audit is given in **Table 3.1** below:

Table 3.1: Selection of GPs/Schemes

	Implemented	Selected	Method of Selection
Total number of GPs	110 GPs	22 GPs (four schemes from each GP)	Stratified simple random sampling method
Number of Comprehensive WSS	16 CWSS	3 CWSS	Stratified simple random sampling method

Besides, beneficiary survey of 25 beneficiaries from each selected scheme was also carried out.

Audit methodology included gathering of evidence by issue of audit enquiries, scrutiny of records, joint physical verification and conducting field survey among beneficiaries. Prior to commencement of audit, an Entry Conference was held on 26 May 2015 with the Executive Director, KRWSA who is also the Secretary, Water Resources Department. The Exit Conference was held with the Additional Chief Secretary, Water Resources Department on 14 January 2016, in which the findings of the audit were discussed.

3.5 Financial Management

The original project outlay of ₹451.40 crore²¹ was downsized by the World Bank to ₹381.50²² crore. The expenditure incurred on WSS and GWR under Jalanidhi Phase I upto 30 September 2008 was ₹232.05 crore. Eleven Works remaining incomplete in 10 GPs at the time of exit of the World Bank continued to be implemented by KRWSA as spill over works with the

²¹ Community ₹54.50 crore, GP ₹34.30 crore, GOK/World Bank ₹362.60 crore

²² Community ₹53.41 crore, GP ₹26.71 crore, GOK/World Bank ₹301.38 crore

assistance of GOK. As on November 2015, expenditure of ₹58.32 crore was incurred by GOK on spill over works.

Audit findings

3.6 Accessibility of targeted population to stipulated quantity and quality of drinking water

The project was originally targeted to implement 2500 new drinking WSS (inclusive of six large WSS) costing ₹205.60 crore, Audit observed that even though 3139 new drinking WSS (including 16 large WSS) costing ₹253.02 crore were implemented against the original target of 2500 WSS to benefit 2,50,000 Households (HH), only 161427 HHs (65 per cent) benefited from the schemes.

Of the 784 small WSS implemented in the test checked 22 GPs, 117 schemes had turned defunct and the remaining 667 schemes were either fully/partially functional. This has resulted in lower number of HHs benefitting under the scheme as brought out in the following paragraphs.

3.7 Reduced coverage due to defunct/partly functional water supply schemes

WSS under Jananidhi were conceived with the objective of providing 70 lpcd of quality drinking water throughout the life cycle of the WSS through private connections and 40 lpcd if provided through public stand posts. Audit attempted to ascertain whether sufficient quantity of water was provided to the beneficiary HHs in test-checked Panchayats. It was noticed that water meters were not installed in HHs which made it difficult to assess the quantity of water supplied.

Audit observed that of the 88 small WSS test-checked, 30 schemes costing ₹2.48 crore became defunct (**Appendix 3.1**) forcing the beneficiaries of these schemes to depend on alternate sources of water. The results of a beneficiary survey conducted by Audit also revealed that 450 out of 539 beneficiaries depended on neighbouring/public wells, rivers/streams/ponds, own sources, etc. as an alternate option for water supply. Major instances of schemes becoming defunct/partially defunct due to reasons like failure of source, quality/technical issues, inactive BGs and other reasons are analysed below:

3.7.1 Failure of KRWSA in identification of water sources

The small WSS generally depended upon sources such as open wells, bore wells, streams, Rain Water Harvesting Structures (RWHS), etc., for supply of water. For the successful implementation of a WSS, the source had to be identified in peak summer i.e. in the months of March to May, quantum of supply from the source had to be ascertained by conducting yield test, wells constructed upto the required depth as recommended by hydrogeologist and RWHS constructed without defects. Audit observed that these pre-conditions were not complied with satisfactorily, which led to reduced coverage. Out of 88 schemes selected for scrutiny, Audit identified six schemes which became either non-functional or functioned sub-optimally due to failure of water sources as indicated below.

3.7.1.1 *Thayamparambu BG in Vettom Panchayat*

The scheme which was to benefit 326 beneficiaries was completed in March 2006. A joint site verification conducted by Audit and GP Secretary revealed that water was not available in the source well and the scheme was not functioning since its inception. According to Para 5 of Technical Manual, the yield of source had to be ascertained prior to construction of well. Though the Detailed Scheme Report (DSR) envisaged geophysical survey and yield test, these were not conducted. Audit observed that the KRWSA guidelines required the agency to affix its approval to an Implementation Phase Completion Report (IPCR) attesting to successful execution and functioning of the scheme. Exit orders signifying the handing over of the scheme to the intended beneficiaries were to be issued only after preparation of the IPCR.

The failure of KRWSA in monitoring the successful execution and functioning of the scheme is evident from the fact that though IPCR was not prepared, Exit order was issued by KRWSA (December 2006). It was replied to Audit (January 2016) that IPCR and Exit orders of the scheme were issued only after ascertaining that the scheme had been properly executed and sufficient water was supplied. The reply was not factually correct, as Project Manager, DPMU himself had stated in the Exit order that the IPCR had not been submitted. Thus, the action of KRWSA of issuing Exit Order without preparation of IPCR was a serious lapse which calls for investigation and fixing responsibility.

3.7.1.2 *Nila and Jalavahini BGs in Vallathol Nagar GP*

The WSS comprising 20 and 41 HHs respectively with a total cost of ₹7.78 lakh sourced water from bore wells with depth of 49 metre and 89 metre respectively as against 100 metre and 100 metre recommended by the hydrogeologist. The schemes became defunct due to insufficient water in the source. Failure of the Supporting Organisation (SO) to ensure that the depth of the well was maintained at levels specified by the Hydrogeologist led to the scheme turning defunct. The Government replied (January 2016) that digging of borewells were stopped at these depths as sufficient yield was noticed at these levels. The reply of Government is not acceptable since the scheme became defunct due to failure of KRWSA in ensuring depth of borewells as recommended by hydrogeologist and that technical parameters stipulated in the Technical Manual were not fully met while implementing the WSS. Thus, the case needs to be investigated for fixing responsibility of defaulting officers for ignoring recommendations of hydrogeologist and technical parameters.

3.7.1.3 *Nellithara BG in Kavassery GP*

The scheme consisted of 39 HHs. The work was completed and handed over to the BG in February 2006. The Scheme became partially functional due to inadequate water at source. Audit noticed that contrary to provisions contained in the Technical Manual of KRWSA which requires source selection to be made during peak summer, the hydrogeologist had identified the source in January 2004. Audit further observed that the recommendation to dig an open well with 10 metre depth was also not adhered to and the depth was restricted to 7.10 metre. The suggestion of the hydrogeologist to introduce rain pits, buried infiltration tanks and trenches on the upslope of the well as GWR

methods were also not executed resulting in the scheme becoming partially functional with pumping done in alternate days.

Failure of the SO and the Construction Quality Monitoring and Supervision (CQMS) agencies in discharging their responsibilities led to the scheme becoming partially functional. KRWSA stated (November 2015) that the identification of source was done in January to facilitate the pace of implementation and that depth was restricted only after ensuring availability of sufficient water for HHs. The reply was not acceptable in view of the failure of KRWSA to select source during peak summer as stipulated in the Technical Manual and failure to comply with recommendations of the hydrogeologist regarding depth of the wells, assessment of the adequacy of water by conducting yield test and implementation of GWR measures which eventually resulted in failure of the scheme, which calls for fixing of responsibility.

3.7.1.4 Thrithalaparambu BG in Pazhayannur GP

The scheme targeted to benefit 40 HHs, was handed over to the BG in December 2004. The Technical Manual stipulates that drilling of borewell as source shall be continued up to the depth recommended by hydrogeologist, and discharge shall be measured by diverting the water through a V-notch²³.

Scrutiny of Measurement Book and IPCR revealed that the recommendations of hydrogeologist to drill the borewell up to a depth of 100 metres was not adhered to and the actual depth executed was only 73.5 metres (September 2003). Survey of beneficiaries as well as BG conducted by Audit revealed that the beneficiaries of the scheme obtained less than sufficient quantity of water and that the scheme was functioning partially with supply on alternate days only. The number of beneficiaries also declined from 40 to 23 due to irregular supply of water.

Government replied (January 2016) that though yield at that time was sufficient to cater to the needs of the BG, the hydrogeological conditions based on climatic changes and lowering of water table reduced yield in course of time. Government also suggested that a reduced distribution of water was the only alternative to maintain water supply in acute summer.

The reply was not acceptable in view of the fact that had KRWSA drilled up to the recommended depth, the quantity of water available for consumption would have been much higher. Failure of KRWSA to adhere to the Technical Manual and instead requiring beneficiaries to adapt to lesser quantity of water was not acceptable.

3.7.1.5 Jaldasree Narikkal BG in Thirunelli GP

The scheme which included 30 HHs was completed in September 2007 and the Exit order to own and operate the scheme by the BG was issued in March 2008. Audit noticed that ten HHs had opted out of the scheme for want of steady supply of sufficient quantity of potable water. Currently, water was being supplied for only one and half hours per day, two to three days in a week, which was hardly sufficient to fill the 6,000 litre capacity OH tank. The existing 20 HHs were also not getting required quantity of water for domestic

²³ V-notch is a triangular channel section used to measure discharge values of water flow.

purposes. The DPMU, Wayanad identified (December 2007) the presence of weathered rock at the bottom of the open well as the reason for low yield of the well. Audit noticed that yield test of the source was also not conducted to ensure adequacy of water.

Government stated (January 2016) that though sanction for additional source was accorded in December 2007, it could not be pursued as the target date of exit was March 2008. It also stated that new or rehabilitation schemes were not envisaged under spill over works. The reply was not acceptable since sanction accorded to the WSS without ensuring sufficient yield and reluctance in taking up the work afresh clearly exposes the laxity of KRWSA in ensuring adequate water to the beneficiaries.

3.7.2 Technical deficiencies in design and implementation by KRWSA

3.7.2.1 Deviation from Detailed Scheme Report - Irregular construction of tank

The Jaladhara WSS in Tanur GP envisaged providing potable water to 41 beneficiary HHs. The components of the scheme included construction of 5640 litre RCC²⁴ Overhead Service Reservoir (OHSR). Audit noticed during physical verification that instead of an RCC OHSR, a ferro-cement tank of 7000 litres was constructed, which developed cracks within a year, causing leakage of water resulting in short supply of water to the beneficiaries. Government stated (January 2016) that cracks in the tank developed due to poor workmanship and that Ferro cement tanks were not being used in Phase II of the scheme. The reply was not acceptable as the scheme was designed with a life span of 20 years and the decision to deviate from the originally envisaged RCC OHSR in favour of Ferro cement tanks was injudicious.

3.7.2.2 Valamthode Vikasana Samithy in Chaliyar GP

A WSS for Valamthode Vikasana Samithy in Chaliyar GP in Malappuram district to benefit 54 HHs was completed in June 2006. The Kuravanpuzha stream in the forest was identified as source for conveying water to an OHSR through gravity main laid in the stream. Beneficiaries surveyed, reported to Audit that they were not obtaining potable water during rainy season. A joint site verification conducted by Audit (October 2015) along with Secretary of Chaliyar Panchayat revealed that the sand filter constructed in the stream had got fully damaged. Due to the force of turbid water rushing down the hill side, the chamber for collection of water was frequently demolished in heavy rains and the PVC pipes carrying water to the OHSR were washed away.

Government replied (January 2016) that since it does not support the O&M part, the BG was to undertake minor repair and maintenance works to rectify damages in infiltration zone. Audit observed that had KRWSA, considering the heavy flow of water, incorporated suitable checks at the design stage itself, the sustenance of the scheme could have been ensured.

²⁴ Re-inforced cement concrete

3.7.2.3 Moothodath BG scheme in Vettom GP

The Moothodath BG scheme in Vettom GP in Malappuram district was commissioned (October 2004) to benefit 54 HHs. Audit noticed that 16 of the 54 HHs in elevated areas opted out of the scheme as water could not be pumped to these areas at sufficient pressure. It was observed that valves were not installed to regulate the supply of water for being pumped at the required pressure to elevated areas.

During the Exit Conference (January 2016), Government stated that the issue could have been easily resolved had the BGs installed valves to pump water to elevated areas at required pressure. The reply was not acceptable as the problem of adequacy of pressure to enable water to reach elevated areas should have been considered at the design stage itself.

3.7.2.4 Vandana WSS in Vellarada GP

The Vandana WSS in Vellarada GP in Thiruvananthapuram District was designed to benefit 42 HHs. As per the DSR, a 5 HP²⁵ motor was proposed for the scheme. However, only a 3 HP motor was installed. Audit noticed that though there was deviation from the original DSR, formal Exit order was issued by KRWSA (December 2008) citing completion of the scheme. A direction issued (November 2011) to KRWSA by the Ombudsman for Local Self Government Institutions, Thiruvananthapuram to render technical advice for installation of a 5 HP motor and to repair pipelines before 28 February 2012 was also not complied with (July 2015).

Audit also noticed that the signatures of the BG Secretary in the Memorandum of Association and IPCR of the scheme were different. It was confirmed to Audit by the BG Secretary, President, and Treasurer in writing that their signatures in the IPCR were forged. As such, the issue needs to be investigated and responsibility fixed for irregularly issuing Exit order on the basis of forged IPCR, to a scheme which failed to deliver on its objectives.

The Executive Director, KRWSA, during the Exit Conference (January 2016) agreed to investigate the issue.

3.7.2.5 Incomplete Comprehensive WSS in Pananchery GP

The Large Surface Based Comprehensive Water Supply Scheme (LSBCWSS) in Pananchery GP in Thrissur District was intended to provide piped water supply to 2500 HHs at an estimated cost of ₹4.97 crore. Administrative sanction and Technical Sanction was accorded (March 2006) by Pananchery GP and KRWSA respectively for ₹4.97 crore. Revised Administrative Sanction was accorded (October 2009) by Pananchery GP for ₹7.36 crore. KRWSA appointed M/s. Mahindra Acres Consulting Engineer Ltd. as technical consultant. As per the DSR, the scheme components included laying of gravity main from Peechi Dam off-take point to 2 MLD capacity Water Treatment Plant (WTP) near Mylatumpara, Pumping main, distribution system divided into three zones and service reservoirs at Palakkunnu for Zone I, Vilangannur for Zone II and Kuthiran for Zone III.

²⁵ Horse power

Site verification and scrutiny of records maintained by the Scheme Level Executive Committee (SLEC)²⁶ and KRWSA, revealed that the scheme was commissioned in June 2010, with water provided only to 1308 (52 per cent) beneficiaries against the target of 2500 HHs as shown in **Table 3.2**:

Table 3.2: Shortfall in coverage

Zone	No. of BGs (registered HHs)	No. of HHs supplied with water	No. of HHs deprived of water	Remarks of Government
I	13 (997 HHs)	652	345	Non-filling of gap in distribution line, pressure test not conducted etc.
II	21 (1041 HHs)	656	385	Leakages in distribution network, pressure test not conducted.
III	5 (311 HHs)	Nil	311	The contractor stopped the work due to dispute and is under Arbitration.
Total	39 (2349 HHs)	1308	1041	

(Source: Records of KRWSA)

Audit observed that poor quality of work resulted in depriving 1041 HHs of potable drinking water under the scheme. In the Exit Conference (January 2016), the Executive Director, KRWSA stated that the matter, being under adjudication, was still pending and that steps for completion of the scheme would be taken up after completion of adjudication process.

All the instances mentioned by Audit in Paragraphs 3.7.1 to 3.7.2 reveal laxity of KRWSA in designing and implementing WSS in violation of the provisions contained in its Technical Manual.

Recommendation No. 1: Government must ensure that KRWSA initiates measures to revive WSS which have gone defunct in order to mitigate hardships faced by the beneficiaries and strictly complies with provisions contained in the Technical Manual to prevent schemes from becoming defunct in future.

3.7.3 Deficiencies in Operation & Maintenance of schemes by Beneficiary Groups

As per project guidelines, the BGs were responsible for planning, technology selection, constructing WSS facilities, providing their part of the capital cost contribution, managing O&M of the improved facilities and levying and collecting sufficient user charges from the beneficiaries to fully recover the recurrent O&M costs. Audit scrutiny of records pertaining to the BGs in test-checked GPs and beneficiary survey revealed instances of schemes turning defunct due to failure of BGs to discharge their responsibilities envisaged in the Project Guidelines as shown in **Table 3.3**:

²⁶ The committee responsible for implementation of Large Surface Based Comprehensive WSS

Table 3.3: Schemes which turned defunct due to inadequate O&M by BGs

(₹ in lakh)

Name of BG (Number of HHs)	Cost of scheme	Date of completion	Period of non- functioning	Reasons for non-functioning
Adukkamala Koolippara BG in Madavoor GP (56)	8.01	February 2005	Four years	Inability of BG to collect water charges regularly from beneficiaries.
Multi BG scheme in Thirunelly GP comprising five small BGs (376)	67.61	October 2007	Seven years	Since the pump set used was 35 HP submersible type, considerable expense was incurred to lift the pump set from well for each repair. BGs were reluctant to afford such amount during each repair.
Perumal Oothu BG/Moolagangal in Sholayur GP (37)	1.15	June 2004	Five years	Non-payment of monthly contribution by most of the beneficiaries, non-cooperation of beneficiaries, non-involvement of Beneficiary Committee in rectification of damages caused to distribution lines.
Vellakkulam BG in Sholayur GP (39)	2.08	June 2004	Eight years	Mud and silt got accumulated in the water collection chamber clogging the mouth opening of the pipe and arresting water flow. BG did not take measures to rectify this and negligence of BG resulted in stolen and damaged pipes.
Souhrudha BG in Thachanattukara GP (23)	2.75	December 2005	Eight years	Failure of BG to repair damaged pump set.
Pidavoor East BG in Thalavoor GP (30)	8.37	April 2008	Four years	Pump set got burnt as the pump operator failed to turn off the pump set. As majority of the HHs of BG had alternate sources of water, repairing/renewing of pump sets was not taken up.
Eravicode BG in Thalavoor GP (31)	7.95	September 2007	Two years	Pipeline laid along Panchayat road was damaged during road repairing/widening. BG did not initiate action to get the damaged pipes repaired.
Kandillapara ST BG in Chaliyar GP (28)	6.66	February 2008	Seven years	Installation of 10 HP diesel pump instead of 3 HP specified in DSR resulting in higher capital and O&M cost. No attempt was made to obtain electric power connection. Inability of the tribal BG to afford high O&M cost resulted in the scheme becoming defunct.

(Source: Beneficiary survey, audit queries and records of KRWSA)

Government replied (January 2016) that the schemes turned defunct due to technical, social and financial issues which were beyond the managerial capacity of BGs. It was further stated that there was no post exit support to BGs either from the GOK or KRWSA to address these issues.

Recommendation No. 2: Government may ensure that KRWSA offers post exit support to BGs and consider extending financial and technical support to BGs to ensure that the WSS do not further deteriorate and potable water is available to the beneficiaries. Government should also exhort the GPs to involve in post-exit management of schemes.

3.8 Declaration of completion of schemes

As per World Bank guidelines, KRWSA was to appoint Construction Quality Monitoring and Supervision (CQMS) agencies who were responsible for monitoring the quality of supervision by SO and to ensure quality of construction in the ongoing schemes. While the SOs were responsible for the day to day supervision of all procurement and construction activities, the CQMS agencies were responsible for concurrent monitoring of these activities through periodic reviews and inspections. KRWSA had also issued guidelines to be followed by CQMS agencies for discharging their works.

Exit order handing over the scheme to the BG is issued by KRWSA on the basis of IPCR after ensuring availability of adequate water to the beneficiaries. Audit noticed two instances where schemes for which IPCRs had been signed and Exit order issued, were not commissioned as detailed below.

3.8.1 Kairali BG in Vellarada GP

A BG comprising 50 HHs implemented the scheme. Audit noticed that formal Exit order was issued by KRWSA (December 2008) citing completion of scheme in September 2008. However, joint site inspection by Audit (June 2015) revealed that construction of ladders of OH tank, plastering of sides and surface of well and RCC were still incomplete. The Secretary of BG confirmed to Audit in writing (June 2015) that his signatures in the IPCR were forged.

Government stated (January 2016) that non-completion of various components of the scheme at the time of exit, as pointed out by Audit, had not come to their notice. It was also stated that since the completion report signed by the SO, BG Secretary, Team Leader, Accounts Officer and Project Manager of Thiruvananthapuram district had certified satisfactory completion of components of the work, the information now given by the BG Secretary after eight years of exit, that his signatures were forged in the IPCR, did not deserve any merit.

The reply of Government is not acceptable in view of the fact that passage of time does not minimise the gravity of an offence and that the Government cannot escape from its responsibility for ensuring right action when such schemes are implemented for common people by spending Government funds. As such, this instance of forgery pointed out by Audit needs to be investigated and appropriate action taken.

3.8.2 Vadakkekara scheme in Thachanattukara GP

The Scheme in Palakkad district, intended to benefit 20 HHs was not commissioned due to non-completion of inter connection between pumping main, reservoir and distribution line. IPCR was to be issued only on completion of the WSS, in all respects. However, KRWSA had wrongly issued Exit order (March 2006) ignoring the fact that the interconnection between pumping main and distribution line was incomplete.

Government stated in reply (January 2016) that the scheme was functioning with a new source constructed using GP fund and interconnections were done dismantling old pipes from the tank. Government further stated that the BG

should have intervened during the exit process to ensure availability of water. The reply was not acceptable as it is indicative of lack of responsibility. Placing the blame on BGs is inappropriate since KRWSA should have ensured completion of work before signing the IPCR, which calls for fixing of responsibility.

Recommendation No. 3: Government should frame stringent provisions to deter officials from issuing IPCRs and exit orders without ensuring completion of WSS. Action may be taken against officials violating such instructions.

3.9 Quality of drinking water

The project envisaged definite and comprehensive parameters to ensure the quality of water to be supplied to beneficiaries. It stipulated compliance to standards prescribed by Central Public Health and Environmental Engineering Organization (CPHEEO). As per CPHEEO standards, the water should be free from pathogenic organisms, low in concentration of compounds that were acutely toxic or that have serious long term effects, clear, free from salinity, free of compounds producing taste and odour, non-corrosive, non-staining, etc.

Beneficiary survey and joint site inspection with the officials of GP/BG revealed that 30 of 88 schemes test-checked had become defunct, of which nine (**Appendix 3.1**) turned defunct due to poor quality of water. Of the balance 58 schemes, beneficiaries of 11 schemes (**Appendix 3.2**) stated that water distributed could not be used for drinking purpose. In the remaining 47 schemes, beneficiary committees of four schemes certified that water was fit for drinking as per periodical quality tests. Audit noticed that the beneficiaries in the remaining 43 schemes consumed the water without periodical tests to ensure the quality of water.

3.9.1 Schemes defunct due to excess iron content

KRWSA had identified (November 2007) 108 WSS in the State catering to 4050 HHs (four in the test checked schemes)²⁷ having quality issues in water supplied owing to the presence of excess iron. KRWSA also identified (November 2013) fifty schemes as ‘defunct’ due to excess presence of iron. GOK, therefore, accorded sanction (February 2014) for the rehabilitation of 21 schemes by installation of Iron Removal Plants (IRP) and Terrafil filters at a cost of ₹1.78 crore.

Though KRWSA obtained ₹1.78 crore from GOK in March 2014 based on its proposal for installation of IRP in 10 schemes and Terrafil filters in 11 schemes, no expenditure was incurred and the amount was retained by the KRWSA. The KRWSA stated (December 2015) that expenditure was not incurred since 17 of the 21 schemes chosen for installation of IRPs and Terrafil filters had since been identified as non-functional. It was clarified that the possibility of installing new proven water purification natural technology with Zeolite based filtration plants in WSS was being explored.

²⁷ (1) Thiyarakunnummal in Tuneri GP, (2) Oottukkulam in Kadalundi GP, (3) Jalavahini and (4) Varsha in Vallathol Nagar GP

In the test-checked Varsha WSS in Vallathol Nagar GP, Audit observed (May 2015) that IRP which was installed after commissioning of scheme, had been removed and unusable water with excess iron was being distributed to beneficiaries. The Secretary of BG reported that though there was sufficient water in the source, functioning of IRP caused frequent breaking of pumping main and reduced flow of water from IRP to the tank, which forced the BG to detach the IRP. Government stated (January 2016) that improper maintenance by the BG resulted in idling of the IRP. Audit observed that KRWSA failed in addressing the problems associated with delayed installation of IRP. Government stated in the Exit Conference (January 2016) that the matter would be looked into.

Audit also noticed water quality issues in one out of three test-checked large WSS as detailed below:

3.9.2 Nenmeni Rural Water Supply Scheme

Nenmeni RWSS managed by KWA since 1993 was handed over to Nenmeni GP in April 2005. The scheme was rehabilitated at a cost of ₹42.93 lakh under Jalanidhi and commissioned in November 2007. The scheme was currently run by SLEC.

A report on water quality test conducted in October 2013 showed very high turbidity, presence of iron, and coliform bacteria rendering the water unfit for consumption. The Secretary, SLEC stated (January 2014) that a length of 12.34 kms of Asbestos Cement (AC) pipes used in the distribution line was damaged at various stretches resulting in deposit of slush in the distribution line. Even though KRWSA had accorded sanction (March 2014) for the construction of a Water Treatment Plant (WTP) and allied works and work was awarded (March 2015) for ₹1.94 crore, proposal to replace the damaged AC pipes had not been reckoned so far. It is evident that construction of the WTP without replacement of the AC distribution lines would still expose the beneficiaries to contaminated water. With a view to assess the current status of water quality of the scheme, Audit test checked (December 2015) water sample from the scheme which revealed high presence of iron, coliform bacteria (1100 times above desirable limit) and high turbidity.

Government stated in reply (January 2016) that turbidity of water and quality issues posed problems in implementation. It was agreed in the Exit Conference (January 2016) that this was an issue which needed to be addressed.

3.9.3 Vannanthura Tribal BG

The Vannanthura WSS in Sholayur GP for 67 tribal HHs was implemented in March 2005. The source of water was an open well (dug well) located very adjacent (three to four meters) to the Siruvani River.

As the water in the well had a foul smell of mud, yellow colour and bad taste of iron, the beneficiaries opted out of the scheme which became defunct within a month of inception, as the intrusion of river water into the well had caused contamination of water.

Audit observed that the stipulation in the Technical Manual which required conducting Hydro geological survey and construction of infiltration wells in

river beds was not adhered to. The KRWSA constructed an open well which resulted in seepage of river water and resultant contamination of water.

Government replied (January 2016) that openwell had been constructed as per the Technical Manual. It was admitted that the intrusions in the well could have been sealed as and when noticed and that pressure filter or infiltration gallery would be supplemented in revisits. The reply of Government that open well had been constructed as per the Technical Manual was not factually correct and was against the provisions contained in the Technical Manual.

3.9.4 Thazhe Sambarcode Tribal BG

The scheme was completed (March 2005) to benefit 68 tribal HHs in lower Sambarcode ooru in Sholayur GP.

The source was an open well located adjacent to the Siruvani River. The scheme had a filtering unit and a Ground Level Service Reservoir (GLSR) made of ferro-cement with a capacity of 10,000 litre. Result of water quality test conducted at KWA lab (September 2002), revealed presence of Iron and Fluoride above acceptable limit and high presence of e-coli and coliform bacteria making it unfit for drinking, which necessitated treatment before consumption. The Scheme turned defunct as the untreated water was unfit for consumption of beneficiaries.

As per Technical Manual, hydrogeological survey should be conducted before construction of the well and all recommendations made by Hydrogeologist were to be considered while constructing the well. But Audit observed that no such study was conducted.

Though a pressure filter was provided as a filter, it was not enough to provide safe water devoid of yellow colour, mud and taste of iron. In reply (September 2015) KRWSA stated that though a pressure filter could reduce turbidity, iron could be removed only by installing an IRP.

Lapses in design and conceptualization had resulted in the scheme being implemented without ensuring provision for purification of water. As such, KRWSA needs to install IRP for ensuring supply of pure drinking water.

Government assured in the Exit Conference (January 2016) that quality issues pointed out by Audit would be attended to on a war footing.

Recommendation No. 4: Government should hold KRWSA responsible for the failure to ensure quality of water supplied and to address the issues of water quality in the interest of the health of the beneficiaries. Government should, through KRWSA, install IRPs in WSS for ensuring purification of water to make the defunct schemes functional.

3.10 Sustainability of drinking water sources

Ground Water Recharge (GWR) is an important part of the hydrologic cycle in which water from surface works its way into the sub-surface replenishing ground water supplies. The recharge would be possible by adopting and implementing associated measures such as contour bunding/trenching, rain pits, rain water harvesting structures, percolation tanks, strengthening of terraces, check dams, etc. The following points were noticed in Audit.

3.10.1 Implementation of Sustainability measures by KRWSA

The Project envisaged setting apart eight *per cent* of the cost of water supply for implementing artificial GWR to augment and sustain the water sources. Accordingly, against ₹284.48 crore utilised for scheme implementation, ₹22.76 crore had to be spent for artificial GWR and sustainability of 3710 RWSS²⁸ under Jananidhi Phase I project. However, the actual amount utilised on GWR was only ₹5.89 crore (two *per cent* of ₹284.48 crore). Due to inadequate attention paid to sustain and recharge water sources, they had dried up in 85 schemes (**Appendix 3.3**) of Jananidhi Phase I. In order to meet the expenditure for extending sustainability support to Jananidhi I schemes, Rupees five crore was received (February 2013) by KRWSA from NRDWP²⁹ funds for 2012-13. Expenditure incurred on actual recharge of the ground water schemes was only ₹6.40 lakh.

Laxity on the part of KRWSA in allotting adequate funds for sustainability and failure to spend even the meagre resources received for the purpose was a cause for concern. The KRWSA admitted (June 2015) that no study had been conducted to evaluate the effectiveness of GWR measures adopted by Jananidhi as the GWR activities were wound up once the project funding was over and there was no mechanism in place to monitor the effectiveness of O&M. The reply of KRWSA was not acceptable as it does not explain as to why the agency had failed to allot adequate funds for sustainability measures. Audit observed that the implementation of WSS by KRWSA without paying adequate attention to ensure sustainability of sources had resulted in the sources drying up and schemes turning defunct as observed below.

3.10.2 Kanakooth and Peruvampadam ST Colonies in Chaliyar GP

The Guidelines of KRWSA stipulated that RWHS³⁰ as a technology option for WSS should be resorted to only if all other options were found costly and not feasible. It required that the beneficiaries should be living in isolated, scattered and quality affected habitations facing acute water scarcity where no conventional water supply systems were feasible. However, Audit noticed that in Chaliyar GP, 70 and 90 numbers of RWHS



Figure 3.1: Abandoned Rain Water Harvesting Structure, Peruvampadam ST Colony

costing ₹25.74 lakh were constructed in Kanakooth and Peruvampadam ST Colonies respectively despite the fact that these areas were thickly populated and conventional water supply system with open well as source of water was feasible. The scrutiny of Measurement Books also revealed that filter units stipulated in the DSR were not installed in any of the RWHS.

²⁸ 3139 WSS, 251 GP rehabilitated schemes, 147 KWA rehabilitated schemes, 173 institutional schemes

²⁹ National Rural Drinking Water Programme

³⁰ Rain Water Harvesting Structures (RWHS)

Audit conducted a joint verification (June 2015) with the GP Secretary which revealed that only 23 out of the 160 RWHS were found existing and the remaining structures were found demolished. The existing structures were in abandoned condition. The inhabitants of both colonies used water either from the well constructed by the GP or from nearby streams. The beneficiary HHs stated that the RWHS were not used for collecting water since inception, due to leakages in tank. The installation of RWHS in areas where conventional WSS were feasible and defective construction including non-installation of filter units led to failure of scheme. Government stated in the Exit Conference that the issue will be examined.

3.10.3 The Padoor Manakkad BG in Kavassery GP

This scheme consisted of 38 HHs. Contrary to stipulations in the Technical Manual requiring the source to be identified during summer months, the Hydrogeologist had visited the site in December 2003 and also recommended GWR measures such as rain pits, buried infiltration tanks and trenches for sustainability of source for which a provision of ₹19,500 was made in the DSR. No GWR measures were implemented as recommended and the scheme became defunct due to insufficient water in source. Government stated that (January 2016) identification of wells was done using the scientific methods utilising the service of experienced hydrogeologists of the region and using geophysical survey equipments. The fact, however, remains that non-adoption of GWR measures as recommended led to the failure of the scheme.

Recommendation No. 5: KRWSA should undertake GWR activities before implementation of WSS to ensure that the schemes do not suffer for want of adequacy of water in the long run.

3.11 Empowerment of Beneficiary Groups

The Beneficiary Groups (BGs) were tasked to initiate project activities, collect money and other resources, choose the levels of service and technology options and implement the scheme. Lapses in execution of responsibility assigned to BGs resulted in poor quality of implementation as is evident from following audit findings emerging from the survey of BGs/beneficiaries conducted by Audit.

3.11.1 Registration of BGs

All the BGs were to be registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (Act XII of 1955) to have legal recognition. However, 55 out of the 56³¹ test-checked BGs admitted that they had not renewed their registration annually. Failure to renew registration carries the inherent risk of the BGs functioning without legal sanctity and non-compliance to legal provisions like maintenance of records, regular audit of annual accounts, etc.

³¹ Of the 58 functional schemes in the test-checked schemes, two were RWHS which did not have BGs

3.11.2 Failure to provide safe drinking water

As per para 3.8 of O&M Manual of KRWSA, the water to be supplied should be free from bacteria/virus or other organisms, harmful elements/solvents/chemicals, etc., and should not have any bad odour, taste or color. The CPHEEO have issued standards of physical, chemical parameters and bacteriological quality for the drinking water. The O&M Manual of KRWSA which required BGs to ensure chlorination with bleaching powder to be done at fixed intervals, the well and its surroundings to be kept clean and well maintained to ensure unpolluted water and cleaning of service reservoirs to be done at least once in a month, were not complied with. Technical Manual for Planning and Implementing Community Managed WSS requires analysis of residual chlorine daily, bacteriological analysis once in three months or as desired by the community and complete physio chemical and bacteriological analysis once in summer and monsoon or whenever deviation in water quality is observed. Beneficiary survey revealed serious irregularities in ensuring quality of water as given below:

- Fifty two of the 56 BGs did not conduct periodical testing of water to ensure quality.
- Out of 43 small WSS functioning with open well as source, 20 schemes reported yearly cleaning of source and six schemes reported monthly or bimonthly or quarterly cleaning. Seventeen schemes stated that the source was never cleaned.
- As per Operations and Maintenance Manual, the reservoir should be cleaned on monthly basis. Out of 56 small schemes, the reservoir was cleaned by the BGs fortnightly in three schemes, monthly in 18 schemes, bimonthly in six schemes, quarterly in 13 schemes, yearly in 14 schemes and was never cleaned in respect of two schemes.
- While 33 schemes adopted disinfection methods daily, two schemes conducted disinfection procedures occasionally or once in three months; 21 schemes had never adopted any disinfection method. The reasons stated included dislike of taste of chlorine, practical difficulty in adding chlorine, etc.
- Chloroscopes³² were not provided for small WSS.

Had the BGs effectively discharged responsibilities pertaining to O&M of the schemes, many of the water quality issues pointed out earlier could have been mitigated.

3.12 Conclusion

Audit observed that even though 3139 new drinking water schemes (including 16 large WSS) were implemented against the original target of 2500 to benefit 2,50,000 HHs, only 1,61,427 HHs (65 *per cent*) benefited from the schemes. Almost 34 *per cent* of the schemes test checked had become defunct due to reasons like failure of source, quality/technical issues, inactive BGs, etc. which was a cause for concern. KRWSA disregarded provisions contained in

³² An equipment to test residual chlorine in treated water

its Technical Manual resulting in schemes turning defunct. KRWSA also failed in rightly identifying water sources and in the design and implementation of WSS. Instances of KRWSA irregularly issuing Exit Orders on the basis of IPCRs with forged signatures of elected members of BGs, and handing over schemes to BGs without ensuring completion were noticed. Failure to sustain and replenish water sources, inability of BGs to rectify technical failures and faulty O&M management led to schemes becoming defunct.

Though the project stipulated norms for quantity and quality of water supplied, Audit noticed supply of insufficient and unsafe drinking water to the beneficiaries. Despite GOK providing ₹1.78 crore for installation of IRPs and Terrafil filters, KRWSA could not utilise the funds for the purpose. The expenditure on sustainability measures was very low resulting in sources drying up, defeating the objective envisaged. The policy of empowering BGs to usher in community participation to conceive, part-finance and implement WSS has not succeeded.

COMPLIANCE AUDIT

CHAPTER IV COMPLIANCE AUDIT

AUDIT OF SELECTED TOPICS

GENERAL EDUCATION DEPARTMENT

4.1 Scheme for Providing Quality Education in Madrasas

4.1.1 Introduction

The GOI funded 'Scheme for Providing Quality Education in Madrasa' (SPQEM) introduced in 2009, was implemented in Kerala from 2009-10 onwards. The objective of the Scheme was to provide financial assistance to traditional institutions like Madrasas which generally give religious training, to provide education to Muslim children in modern subjects like Science, Mathematics, Social Studies, Hindi and English in their curriculum. It aimed at providing opportunities to students of Madrasas to acquire education comparable to the National Education System especially for secondary and senior secondary levels and prepare them for appearing in X and XII standard examination and also to provide vocational training to them to get employment. Madrasas which provided religious training to those children not attending regular schools were eligible for funding as per this scheme. State level Grant-in-Aid committee (SGIAC) was to recommend the applications received from various Madrasas to obtain grant in aid from GOI.

During 2010-11, all 547 Madrasas which were recommended for GOI assistance obtained Grant-in Aid of ₹22.67 crore from GOI. During 2011-12, 1462 of the 2551 Madrasas had applied for financial assistance, against which GOK had obtained ₹71.18 crore in 2013-14.

4.1.2 Scope and Coverage of Audit

The audit was conducted from April to June 2015 covering the period 2010-15 to assess whether the Scheme, as implemented in the State, complied with the guidelines issued by GOI. The Principal Secretary, General Education Department and the Director of Public Instruction (DPI) were responsible for implementing the Scheme. Audit scrutinised the records of the DPI, offices of four Deputy Directors of Education (DDEs) and District Institutes of Education and Training (DIET), in the four test checked districts of Kollam, Kozhikode, Malappuram and Wayanad selected by Probability Proportionate to Size without Replacement. Forty Madrasas in the four districts³³ were also test checked during the course of Audit.

³³ Kollam, Kozhikode, Malappuram and Wayanad

Audit Findings

4.1.3 Suitability of SPQEM for the State

Audit scrutiny revealed that the children studying in 39 of the 40 Madrasas test checked were actually students who attended regular schools and had regular access to modern subjects. The Secretaries of these Madrasas also admitted that all the students studying under the scheme were regular school going students.

Thus, these Madrasas were not eligible for GOI assistance under the Scheme. Even though this fact was brought to the notice of GOK in the earlier Audit Report of the C&AG of India for the period ended March 2012, the GOK had failed to take remedial action. Instead, the GOK had again sought funds from GOI in 2014-15 without ensuring that the Madrasas were fulfilling the eligibility criteria for the scheme. Audit observed that the Secretary of the Department of General Education in GOK was heading SGIAC. The SGIAC comprising of a representative of GOI, DPI, the Regional Director in the National Institute of Open Schooling (NIOS) and two others, failed in their duty to recommend eligible Madrasas only for GOI grants under the scheme. The SGIAC failed to conduct a detailed scrutiny of the applications received from Madrasas and forwarded these applications by treating them as eligible ones to the GOI for release of funds. An amount of ₹176.18 lakh was released to 40 Madrasas test checked, of which ₹170.93 lakh was released to 39 Madrasas which were not eligible for grant-in-aid under this Scheme.

As the Central Grant-in-Aid Committee (CGIAC) declined (September 2015) to fund the Madrasas in the State since they were not working as per scheme guidelines, the State Chief Minister addressed GOI (October 2015) seeking central assistance. It was admitted in the letter that Madrasas in the State were functioning only on part time basis and on holidays, with students attending mainstream education.

Audit observed that failure of the SGIAC in recommending Madrasas for funding without adequate scrutiny has resulted in GOK irregularly obtaining ₹93.85 crore from GOI during 2010-14. This is a serious matter of non-compliance where the members of the SGIAC have direct responsibility and calls for serious action by GOK against the officers of GOK in the committee and also need to be brought to the notice of the GOI with regard to the failure of the GOI representative in the SGIAC.

GOK confirmed (December 2015) the audit findings that all the Madrasas were conducting classes on part time basis only and that it has now been decided to provide financial assistance to eligible Madrasas only.

4.1.4 Assistance for National Institute of Open Schooling (NIOS)

Audit noticed that only one of the 40 test checked Madrasas viz., Shamsul Ulama Islamic Academy, Puzhamudi in Wayanad district had children at senior secondary level who were registered under NIOS accreditation and were eligible for assistance under the scheme. During the period 2010-15, though this Madrasa had spent Rupees One lakh towards admission and examination fees in respect of 49 students in connection with NIOS accreditation, no amount was obtained as reimbursement from GOI.

The Madrasa Secretary stated (October 2015) that they did not seek reimbursement as they were not informed about the reimbursement process by the DDE and other officers. GOK stated (December 2015) that the Madrasas did not claim reimbursement and that request for reimbursement would be forwarded to GOI on receipt of the same from the Madrasa.

Failure of DPI and non-constitution of State Madrasa Board to keep the Madrasas informed about the reimbursement process had resulted in deprivation of benefit to the eligible Madrasa.

4.1.5 Payment to teachers of Madrasas in violation of scheme guidelines

The seeking and subsequent release of grants under SPQEM was *ab-initio* wrong. To compound matters, the payment made to Madrasa teachers were also in violation of scheme guidelines. The GOI had clarified (February 2009) that financial assistance under SPQEM would be provided to a maximum of three full time graduate or post graduate (PG)/B.Ed teachers of modern subjects depending on the availability of students in the Madrasas. As per Clause 8 (a) of the Guidelines, while each full time graduate teacher was to be paid salary for 12 months at the rate of ₹6,000 per month, teachers with PG/B.Ed qualifications were to be paid ₹12,000 per month. Though the Madrasas were functioning only on part time basis, 4201 teachers in 1453 Madrasas were paid remuneration of ₹45.55 crore during 2010-15 on full time basis, which was against scheme guidelines.

GOK admitted (December 2015) the fact that the teachers were paid remuneration by reckoning that the classes were held full time. As the Government accepted the gross violation of scheme guidelines which led to payment of excess remuneration, action has to be taken against officers responsible for the same and recover the overpaid remuneration.

4.1.6 Mode of payment of salary to teachers against GOI instructions

GOI requested (July 2009) State Governments to ensure better transparency and accountability in payment of salaries to Madrasa teachers by depositing salaries of teachers in their respective bank accounts. The DPI belatedly ordered (March 2014) all DDEs to ensure payment of teachers' salaries through their bank accounts. However, based on the directions of the Education Minister of the State, the DPI revoked (May 2014) his order and released the salaries to Madrasa authorities instead of crediting into the bank accounts of the teachers, in clear violation of scheme guidelines, though orders issued by the Education Minister in this regard were also contrary to GOI instructions.

Thus, instructions aimed at ensuring transparency and accountability were flouted. Instances of complaints regarding non-receipt of salaries by Madrasa teachers which were not acted upon by DDEs, point to the serious compromise of accountability and transparency, due to which Audit could not obtain assurance that the teachers were indeed paid their remuneration.

GOK assured (December 2015) that steps would be taken to credit the salaries of the teachers to their respective bank accounts.

4.1.7 Monitoring and evaluation

As per Clause 21(v) of scheme guidelines, the GOI and GOK were responsible for ensuring monitoring and evaluation of scheme. The feedback on students appearing in NIOS and qualitative improvement in their achievement was to be collected by DPI and placed before the CGIAC which was not done. DPI was to furnish the accounts of grant-in-aid to GOI within one year along with monitoring report regarding number of Madrasas receiving assistance, and the amount received and utilised by Madrasas. However, DPI had not furnished (December 2015) accounts of grant-in-aid or monitoring report to GOI.

The State Madrasa Board which was an important part of the scheme, expected to monitor the modernization programme and create awareness among the children of the Muslim community about the advantages of the scheme, was not constituted.

GOK stated (December 2015) that DPI would be instructed to constitute a mechanism for monitoring and evaluation of the scheme in the State.

4.1.8 Conclusion

The SPQEM was being implemented by GOK in violation of scheme guidelines. Thirty nine of the 40 test checked Madrasas in the four districts, though not eligible to receive financial assistance from GOI under the Scheme had received the grants, as the SGIAC failed in its basic responsibility of ensuring observance of the guidelines while recommending Madrasas for Grants-in-Aid. The only Madrasa which was eligible to receive benefits under the Scheme was deprived of due financial assistance. Irregular payment of full time wages to teachers who discharged part time duty in all these Madrasas was noticed, which was against scheme guidelines. The State Madrasa Board which was expected to monitor the Madrasa Modernisation Programme and enhance awareness of the scheme had not been constituted by GOK.

HIGHER EDUCATION DEPARTMENT

4.2 Modernisation of Government Presses

4.2.1 Introduction

The modernisation of Government presses in the State was contemplated by Government of Kerala (GOK) since 1998 with a view to make available the latest printing equipment and adequate infrastructure facilities to meet the requirements for high quality printing besides introduction of modern management practices to derive optimum results in the utilisation of human resources and machinery. For improvement of infrastructure facilities, the renovation of old buildings, construction of store buildings for raw materials and godowns for stacking of printed and waste materials, disposal of obsolete machines for adequate space, introduction of Total Quality Management (TQM) in the operations of the presses were envisaged.

There were 11 Government presses (GP) under the control of the Printing and Stationery Department as of March 2015.

An audit of four out of 11 Government presses was conducted, to examine the status of modernisation of Government presses covering the period 2010-15 with reference to the proposals formulated by Government during the XIth (from 2007 to 2012) and XIIth (from 2012 to 2017) Plan periods and also the Reports of various Committees constituted by Government on modernisation of printing presses.

Audit findings

4.2.2 Funding

During 2010-15, the Department spent only 54 *per cent* i.e. ₹18.18 crore out of ₹33.82 crore for modernisation of Government presses. Further, out of ₹25.72 crore for purchase of machinery, only ₹10.72 crore (42 *per cent*) was spent.

Further, against ₹45.51 crore earmarked in the XIIth Five Year Plan (2012-17) for the modernisation of Government presses, budgetary support was provided for ₹26.37 crore (57.94 *per cent*) during 2012-15, against which only ₹7.95 crore (17.47 *per cent*) was spent and ₹17.40 crore was surrendered.

The delay in processing of tenders, lack of tender response and failure in convening of departmental purchase committee attributed to short utilisation and surrender of funds.

4.2.3 Planning

There was no action plan exclusively for modernisation of Government presses with time bound targets. Audit found that even against targets included in the XIIth five year plan, there was very little progress as most of the works planned were either not taken up for execution or not completed as of March 2015 as detailed in **Appendix 4.1**.

4.2.3.1 Constitution of Committees for Modernisation of Printing Presses

GOK constituted an Expert Committee in 1997 and a Committee on Modernisation in 2010 to suggest recommendations for the improvement in efficiency by modernisation of Government Presses. The Committees submitted their reports in 1998 and in 2011 respectively with recommendations for modernisation of the Government presses to improve their efficiency. However, GOK was yet to take a decision on the implementation of the recommendations of the committees. GOK replied (May 2015) that the reports were under consideration of the Government.

4.2.4 Modernisation of presses

The Committee on Modernisation of presses had observed that modernisation and expansion operations of the Printing & Stationery Departments were undertaken in an ad-hoc manner rather than systematically with a long term strategy. Audit noticed that the practice of ad-hoc implementation of the modernisation process as pointed out by the Committee was persisting even today. The activities of a Press can be categorised into ‘Pre-press’ (DTP, Plate making, etc.), ‘Printing’ and ‘Post-press’ (Stitching and Binding) processes.

An analysis of percentage of funds expended on modernising the various printing processes is given in **Table 4.1**.

Table 4.1: Expenditure involved in the various printing process

Plan Period	Pre-press			Printing			Post-press		
	Resources available (₹ in lakh)	Resources expended (₹ in lakh)	Percentage Expended (in per cent)	Resources available (₹ in lakh)	Resources expended (₹ in lakh)	Percentage Expended (in per cent)	Resources available (₹ in lakh)	Resources expended (₹ in lakh)	Percentage Expended (in per cent)
XI th Plan 2007-11	74.50	61.79	82.94	994.00	1167.14	117.42	164.50	7.22	4.39
XII th Plan 2012-17 (Up to 2015)	65.00	24.37	37.49	1275.00	59.69	4.68	968.50	3.68	0.38

(Source: Details collected from Directorate of Printing)

From the above table, it may be seen that the percentage of funds spent on modernisation of 'Post-press' activities was only 4.39 per cent during the XIth Five year plan period. During the XIIth Five year (2012-17) plan period also, percentage of expenditure on Post-press processes in 2012-15 was even lower at 0.38 per cent against 37.49 per cent and 4.68 per cent on Pre-press and Printing activities respectively. 'Post-press' activities are vital to ensure product quality as overall efficiency of presses depends upon the efficiency of all three activities. Thus, the failure of the Department in this regard had significantly affected the modernisation of the printing presses.

The Government stated (January 2016) that action was being taken to equip all presses with modern machinery to cope with the present needs.

4.2.5 Status of Modernisation

Audit assessed the status of modernisation of government presses in the State during the period 2010-15. Expenditure incurred on procurement of machinery during 2010-15 was ₹16.67 crore. Analysis of quality of expenditure indicated that while 62 per cent and 86 per cent of the pre-press and printing items planned for purchase were procured, only 28 per cent of the identified post-press items were actually purchased. Thus, these presses cannot be claimed to be fully modernised. Scrutiny of records revealed that the process of modernisation of presses suffered from deficiencies like purchase of outdated machinery, purchase of machinery at higher rates, delay in utilization of machinery purchased, non-disposal of obsolete machineries, etc., as detailed below:

4.2.5.1 Procurement of printing machines

One of the major items of purchase during 2010-15 as part of Modernisation of printing presses was three 'Four-Colour Web Offset Printing machines' for the Government presses at Vazhoor, Shoranur and Mannanthala costing ₹6.26 crore. Audit noticed that the tender process was vitiated and the machines were procured at an excess expenditure of ₹2.74 crore.

Tender for the supply of two Four-colour web offset printing machines was issued (July 2008) by the Director of Printing. Of the five offers received, the Technical Expert Committee (TEC) had rejected (September 2008) two offers including that of M/s. KSIE Emporium Ltd. (KSIE), a Public Sector Undertaking (PSU) due to non-submission of Earnest Money Deposit (EMD). The Director of Printing also informed GOK (November 2008) that the

rejection of the tender of KSIE by the TEC was in order as per Stores Purchase Manual. Meanwhile, the TEC, after an onsite inspection of the manufacturing process of the machines strongly recommended the machines offered by L3 - M/s. The Printers House (P) Ltd., New Delhi (M/s. Printers House) as it had met all the requirements.

However, the Departmental Purchase Committee (DPC) headed by the Principal Secretary, Higher Education Department cancelled the tender (December 2008) and ordered retender on the ground that none of the tenderers had agreed to warranty beyond one year. Consequently, a fresh tender was issued (December 2008) by the Director of Printing. Three of the five tenders were rejected by the TEC (March 2009) on various grounds³⁴ and it recommended purchase of the machines either from M/s. Printers House (L4) or from KSIE (L5).

Audit noticed that the DPC recommended (January 2010) purchase of machines from L5 (KSIE) citing reasons such as the tenderer was a State Government PSU and it would avoid risks and complications. Thus, the procurement of two printing machines from KSIE (L5) instead of from M/s. Printers House (L4) resulted in loss of ₹2.59 crore to the State exchequer.

GOK replied (January 2016) that the offer of KSIE was accepted since a performance appraisal report of the machines offered by KSIE and Printers House revealed that machines offered by KSIE had an upper hand in performance metallurgy and other automatic controls besides aspects like sturdiness, compatibility and durability for long run.

The reply was not acceptable due to following reasons:

- Tender conditions stipulated that Manufacturers of machines could participate in the tender. In the instant case, KSIE (L5) was clearly not the manufacturer of machines. The machines were manufactured by M/s. Manugraph Ltd. However, machines offered by M/s. Printers House (L4) were manufactured in their own manufacturing units.
- While processing the first tender, an expert committee had inspected the manufacturing facilities of M/s. Printers House and observed that they were equipped with latest generation CNC based manufacturing facilities using imported machines. It was also observed that the machine was of the highest quality and with periodical maintenance, the machine would function effectively for as good as 20 years or more. The reasons cited by Government while justifying the purchase from KSIE (L5) regarding performance, metallurgy, sturdiness, compatibility were made without visiting the manufacturing unit and by observing running of the machine at a local press in Trivandrum.
- The reasons given by the Government for procuring machines from State PSU were not commercially and technically viable, especially when the State PSU was itself not the Original Equipment Manufacturer (OEM) and that it had to get supplies from a private party in the market.

³⁴ Two tenders L1 and L2 were rejected on grounds of poor quality and performance while L3 was rejected as production was yet to commence then.

The decision of the DPC and GOK to award the tender for the purchase of the two printing machines to KSIE (L5) instead of M/s. Printers House (L4) was not justified which resulted in loss of ₹2.59 crore to Government exchequer. Similarly, the Department invited tenders (November 2009) for the supply of one Four-Colour Web Offset Printing Machine for the Government Press, Vazhoor. Audit noticed that in this instance also, the machine was purchased from KSIE (L3) instead of M/s. Printers House (L2) in violation of the provisions of Stores Purchase Manual (Para 39(b) read with Para 57(a)) and TEC recommendations resulting in excess payment of ₹15 lakh.

The action of DPC headed by the Principal Secretary, Higher Education Department in favouring KSIE for the purchase when it was not the OEM had resulted in excess expenditure of ₹2.74 crore on purchase of three printing machines, which calls for fixing of responsibility.

4.2.5.2 Delay in commissioning of modern machinery

Audit noticed delays in commissioning of modern machines procured for want of pre-installation infrastructure facilities in GPs at Mannanthala, Shoranur and Vazhoor. Two 'Four-Colour web offset machines' were delivered at GP, Mannanthala and Shoranur in February 2011. These could be commissioned and put to use only in August 2011 and December 2011 respectively for want of essential pre- installation civil works in the respective Government presses.

Similarly, the Four-Colour Web Offset machine (NAPH-30) purchased (March 2011) for Government Presses, Vazhoor, could be commissioned and put to use only in July 2013, for want of pre-installation civil and electrical facilities in the Government presses.

The failure of the Department in providing the requisite pre-installation facilities resulted in idling of the machine for period varying from six months to 28 months, which delayed the modernisation of presses to that extent.

Government replied (January 2016) that delay occurred due to failure of the PWD to complete the pre-installation civil work on time.

The reply was not acceptable in view of the fact that procurement of machinery without ascertaining the feasibility for prompt commissioning indicates inadequate planning and resultant delay in installation and utilization of the machinery.

4.2.5.3 Purchase of outdated machinery

Modernisation of presses can be ensured by timely procurement of modern machines and introduction of upgraded printing technology. In pre-press section, Plate making machine or Plate processing unit became outdated with the introduction of Computer to Plate (CTP) Unit. The CTP unit has several advantages over conventional plate making unit such as superimposition of an image directly to a printing plate instead of through a photographic film, which saves pre-press time and cost of materials like film and related developer chemicals. This technology also increases the sharpness and quality of output.

Currently, the CTP Unit was available only at GP Mannanthala, installed at a cost of ₹47 lakh in February 2011 in the State. Though sanction (September

2014) was available for the procurement of one CTP unit for Government Press Shoranur, the CTP unit was not procured as of March 2015 due to poor tender response. However, Audit noticed procurement of three conventional plate making units at a cost of ₹25.82 lakh during the period 2013-15, one each for Government Central Press (GCP), Thiruvananthapuram (March 2014), GPs at Vazhoor and Kollam (March 2015). Audit observed that had the advanced CTP units been procured for these presses as part of Modernisation, there could have been savings in pre-press time besides improvement in quality of output at lesser cost of printing.

Government replied (January 2016) that Plate Processor machines were being used in Government presses for the printing of black and white printing work and as such, they were not outdated. Moreover, the Plate processor machine costs only Rupees eight lakh which was lesser when compared to CTP machines which costs ₹40 lakh.

The reply was not tenable in view of the fact that the Director had as early as in April 2008 informed GOK that most of the works received in Government Presses were of Four-Colour posters, brochures, lottery tickets, text books, etc. Hence, the purchase of the two old conventional Plate processing units for Vazhoor and Kollam as part of modernisation was not justifiable.

4.2.5.4 Disposal of obsolete machinery and materials

The Committees on Modernisation of Government presses constituted in 1997 and 2010 recommended disposal of obsolete machinery, equipment and materials kept in the premises of Government presses for better space management and for effective infrastructural development. Modern sophisticated machines with micro processors and electronic controls also require clean environment for smooth working. However, in the test checked presses, Audit found that huge stocks of such items were heaped in the presses and premises without disposal. Consequently, major part of the space in Government presses was occupied by these obsolete items.

Government replied (January 2016) that necessary corrective steps were being taken to comply with audit observations.

4.2.6 Modernisation of Post Press Sections

In order to enhance the efficiency of Government presses, advanced printing machines like 'Four-Colour Web offset machines' were installed during 2010-13 in printing sections of the three out of four test checked presses as part of modernisation. By installing modern machines of higher printing capacity, the output of printing section should have increased. However, Audit noticed that post-press sections in Government presses had not been modernised simultaneously by installing modern machines such as Heavy duty stitching machine, Gathering machine, Binding machine, three-way trimming machine, Folding machine etc. Despite the XIIth plan allocation of funds for modernisation of post press sections in Government presses amounting to ₹9.69 crore during the first three years of 2012-17, the amount spent on purchase of machines for post press sections during this period was only ₹0.04 crore which was spent for purchase of 10 Box strapping machines. Audit noticed (May 2015) that in Government press at Shoranur, 118 work

orders related to various forms and registers (2010-14) of 11 departments were pending in binding section.

Government stated (January 2016) that post-press works in all the Government Presses were being managed both mechanically and manually and action was being taken to equip all the presses with modern machineries to cope with the present needs.

4.2.7 Infrastructure

Modernisation of Government presses, besides requiring replacement of outdated machineries with modern printing equipment, also necessitated adequate infrastructure facilities for their installation and stocking of raw materials, printed materials and waste materials. However, Audit noticed deficiencies in providing infrastructure facilities in Government presses which hindered their effective functioning as detailed below:

4.2.7.1 Setting up of Workshops in Government Presses

The Committee on Modernisation observed (2011) that Government Presses suffered due to the lack of full-fledged workshop and repair facilities in-house which resulted in machines remaining under repair for considerable period of time thereby affecting productivity. However, Audit noticed that the issues as stated by the Committee were persisting (March 2015) since none of the Government presses had full-fledged workshop facilities as of March 2015 to maintain continued productivity of the machines. The Department had not taken Annual Maintenance Contract (AMC) for any machine except CTP machine at GP, Mannanthala.

In the test checked presses, Audit noticed delay ranging from five to 60 months in rectification of complaints of the modern machines installed as part of modernisation, resulting in idling of machines for long periods (**Appendix 4.2**).

Government stated (January 2016) that steps were being taken to address the observations made by Audit.

4.2.7.2 Adequacy of electrical back-up for machineries

The modernisation of presses was intended to enhance the efficiency of presses by installation of modern machines and providing necessary infrastructure. Modern machines like the Web Offset printing machines with computerised electronic controlling systems require adequate backup capacity to prevent serious business disruption or data loss due to frequent unexpected power failure. In the test checked Government presses, it was noticed that most of the machines were idle due to frequent power failure and inadequate backup facility. In GP Vazhoor, though a generator was installed (January 2015), it was not commissioned (May 2015) due to failure of the Department to deposit installation charges (₹2.38 lakh) with the PWD. Scrutiny of data available in four test checked GPs revealed that 21312 productive hours³⁵ were lost during 2012-14 due to power failure. Had suitable electrical back-up

³⁵ Productive Hours – Time directly associated with manufacturing operations or performance of a job or task.

been made available to Government presses, the loss of productive hours could have been avoided and generated more outturn.

Government stated (January 2016) that steps were being taken to address the observations made by Audit.

4.2.7.3 Waste Disposal system

As part of the Modernisation process, one of the recommendations of the Committee on Modernisation of Government Presses was to install waste disposal systems for chemical and solid wastes like incinerators in all the presses. An amount of ₹1.20 crore was also earmarked in the XIIth five year plan for installation of incinerators in Government presses in the State for waste disposal. However, Audit found (March 2015) that Incinerators were not installed in any of the test checked presses and waste materials were disposed of in open spaces by burning.

Government replied (January 2016) that necessary corrective steps were being initiated in this regard.

4.2.7.4 Maintenance of Fire Safety Standards

Government Presses in the State are registered as per Factories and Boilers Act 1948 and licenses to operate the presses are renewed every year by the Inspector of Factories and Boilers. Section 38 of the Act requires that all practicable measures shall be taken by factories to prevent outbreak of fire and to provide and maintain (a) safe means of escape for all persons in the event of a fire and (b) necessary equipment and facilities for extinguishing fire.

In presses, besides printing material such as paper, cotton waste, etc., there are also inflammable chemicals for cleaning machines, developer chemicals, etc., which pose threat of fire. Hence, the necessity of installation of precautionary measures like fire-extinguishers and smoke alarms to protect the buildings from lightening and fire is critical to the continued functioning of the Presses. However, Audit found that these statutory precautionary measures were not provided in any of the test checked Government Presses. Audit also noticed that consequent to a fire generated by lightning in May 2014, the Government Press Shoranur suffered a loss of ₹17 lakh. Even though GOK directed (August 2014) the Department to ensure periodical repair to electrical installations, installation of fire extinguishers and smoke alarm, the Department had not taken any action (March 2015).

Government stated (January 2016) that though there was budgetary provision in 2013-14 for installation of fire extinguishers in Government Presses, the departmental purchase committee had not been convened and hence the procurement of fire extinguishers could not be made.

4.2.8 Modernisation and Human Resource Management

4.2.8.1 Revision of KGPS Rules and Press Manual

The Expert Committee for Modernisation of the Government Presses in the State had recommended (1998) revision of cadre and recruitment rules to ensure the appointment of better qualified persons to various technical cadres. The Committee on Modernisation of the Printing and Stationery Department

had also recommended (2011) that the Special Rules for the Kerala Government Presses Subordinate Service issued by the Government of Kerala be amended to bring them in line with the suggested (i) restructuring of sections/branches within the government presses; (ii) restructuring of job categories and job designations. It was also recommended to appoint a committee to review the Special Rules and suggest changes.

Audit noticed that a Committee for revamping the Draft Kerala Government Presses Subordinate Service Special Rules with the Secretary, Printing and Stationery as the Chairman was constituted by GOK only in January 2014.

Government replied (January 2016) that the Draft Special Rules of Kerala Government Presses Subordinate Service was under consideration.

Audit observed that the delay in review of KGPS Rules and Press Manual was a matter of concern as some of the existing branches and job categories as defined in special rules were outdated, irrelevant and had relevance only in the realm of manual press operations.

4.2.8.2 Revision of Schedule for valuation of outturn

The Expert Committee on modernisation of presses had recommended (1998) revision of the Schedule for Valuation of Out-turn. The significance of the Schedule for Valuation of Outturn can be gauged by the fact that Annual Increment of employees in Government presses was dependent upon the outturn generated by an employee as reckoned by the Schedule, during a year. The performance of employees in a Press depends upon the output capacity of the machine on which the employees are deployed. Compared to old machines, modern machines have high output capacity. Hence, periodical revision of Schedule of Outturn for valuation of employee productivity is essential for optimal utilization of their services. However, Audit noticed that as of March 2015, the Government presses were following the Schedule for valuation of outturn fixed in 1956, despite the fact that several modern machines and equipment were purchased and installed thereafter. Also, Audit noticed that due to non-revision of Schedule for valuation of Outturn with reference to the newly installed machines, full hours of physical duty were allowed as outturn hours to the employees posted to such machines, even though the employees had completed their jobs at lesser time.

The Log Book of four-colour Web offset printing machine at GP Shoranur revealed that the machine was idle for 412 out of 746 (55 per cent) working days during 05 June 2012 to 31 March 2015. Analysis of outturn data for June 2012 to March 2015 made available to Audit by GP, Shoranur revealed that the number of impressions obtained from the machine ranged from a minimum of 600 impressions on 04 July 2013 to a maximum of 1,00,000 impressions on 11 March 2014 and 12 March 2014. Incidentally, the printing output of the machine was stated to be a maximum of 35,000 impressions per hour (2,80,000 impressions per day of eight hours). However, full outturn hours were allowed to the employees working on the machine in the concerned days.

Though there were attempts to revise the out turn hours of Four-Colour Web Offset machines (installed in 2011 & 2013), it did not materialise (January 2016). Consequently, the benefit of productive hours gained by using modern

machines was lost as workers were shown to be working for full hours as per time sheets of work even though the job was completed at lesser time.

Government replied (January 2016) that Revision of Outturn was in progress. The laxity of the Government in effecting the revision had resulted in employees continuing to be paid for work not done.

4.2.9 Impact of Modernisation of Government Presses

4.2.9.1 Assessment of Productivity of Presses

Audit assessed the impact of modernisation on GCP, Thiruvananthapuram and three Government Presses at Mannanthala, Shoranur and Vazhoor during 2010-15. It was seen that there was no appreciable increase in productivity in any of these presses except GP Mannanthala which showed a marginal increase (1.56 per cent) in the number of impressions obtained during 2014-15 over 2010-11.

Table 4.2: Table showing productivity of test checked presses

(Impressions in lakh)

Year	Govt. Central Press, Thiruvananthapuram	Govt. Press, Mannanthala	Govt. Press, Vazhoor	Govt. Press, Shoranur
2010-11	479.73	282.29	103.04	381.76
2011-12	446.30	296.95	61.22	372.22
2012-13	427.93	337.55	49.91	401.29
2013-14	422.34	375.15	63.68	320.88
2014-15	367.89	286.69	71.29	322.78
<i>Per cent increase/decrease</i>	-23.31	+1.56	-30.81	-15.45

(Source: Details collected from test checked presses)

Productivity did not increase in three Government Presses at Thiruvananthapuram, Vazhoor and Shoranur which in fact, showed a decline. Thus, despite spending ₹18 crore on modernisation during 2010-15, productivity of the presses had declined, rendering the investment infructuous.

The Director replied (March, 2015) that at present, Government departments including Legislative Secretariat have their own presses to meet their printing demands. Major works such as printing of text books, lottery tickets etc. had been entrusted to other agencies (i.e. KBPS, C-apt). These works were previously printed at Government Presses.

The reply of Director was not acceptable in view of the fact that the Government Presses were equipped with latest machinery for printing of text books and outsourcing the same was the reason for decline in productivity.

4.2.9.2 Under-utilization of Government Presses - Printing of Text Books

The Expert Committee for Modernisation of the Government Presses in Kerala State in its Report (1998) had anticipated that modernisation of Government Presses would enable the Department to undertake printing of Text Books in-house, which would result in time bound printing of Text Books without depending on private printers. The Committee had also recommended discontinuance of opening of parallel Government Presses by Government departments as well as Quasi Government organizations. The Printing Manual of Government Presses in Kerala also stipulated that printing works should

ordinarily be entrusted only to Government presses and that such works may be given to private presses only in exceptional circumstances. However, Audit observed that despite installation of advanced printing machines in Government presses, GOK continued to ignore these presses while allotting work of printing of text books to autonomous bodies like KBPS and KSAVRC (renamed as C-apt) as shown in **Table 4.3**.

Table 4.3: Details of text books printed for Standard I to X

Year	Total requirement (Nos.)	Printed by Government Presses (Nos.)	Printed by KBPS (Nos.)	Payment made to KBPS (₹ in Lakh)	Printed by C-Apt (Nos.)	Payment made to C-Apt (₹ in Lakh)
2010-11	45136500	3075000	41101500	970.64	960000	10.93
2011-12	47787000	Nil	47787000	618.73	No print order for C-apt	
2012-13	39500000	Nil	38059000	687.69		
2013-14	30179400	Nil	31291000	564.41		
2014-15	37315500	Nil	37879043	849.06		
Total				3690.53		10.93

(Source: Details collected from KBPS and Text Book Officer)

Audit observed that the decision to get text books printed by KBPS was taken in a High Level Monitoring Committee (HLMC), convened in January 2011. The Principal Secretary (General Education Department) had expressed dissatisfaction on the poor performance of Government Presses in printing of text books for the academic year 2010-11. In order to facilitate the prompt and efficient distribution of text books, the committee decided to entrust the printing of all text books from Standard I to X to the KBPS. Based on this decision, printing order of text books were given to KBPS and C-apt in subsequent years also without entrusting the work to Government Presses.

Thus, despite Government Presses having been strengthened during 2011-13 for printing of text books with the installation of three³⁶ 'Four-Colour Web Offset machines costing ₹6.26 crore and CTP machine costing ₹47 lakh, the decision of HLMC taken in January 2011 was not reviewed. Audit noticed that Government presses were not given print orders and GOK depended on KBPS and C-Apt for printing of text books. An amount of ₹36.91 crore was also paid by GOK to KBPS and C-Apt during this period for various printing jobs.

Government replied (January 2016) that the printing of text books was a subject related to General Education department. Hence, General Education department has been requested to consider the matter of entrusting 50 per cent of printing of text books with Printing Department.

The decision of GOK to outsource printing of text books is contrary to the provisions contained in Government Press Manual and is inconsistent with its own initiative on modernisation of Government presses as one of the objectives of modernisation of government presses was intended to print text books in-house.

4.2.10 Conclusion

The modernisation of Government printing presses though envisaged as early as in 1998 was still remaining to be completed. The objective of entrusting

³⁶ One each at Mannanthala and Shoranur in 2011 and Vazhoor in 2013

printing work only to Government presses had not been realised. Instead of printing text books in Government Presses during 2010-15, GOK got them printed through KBPS and C-Apt for ₹36.91 crore. Despite spending ₹18 crore on Modernisation during 2010-15, productivity had declined in the three Government Presses at Thiruvananthapuram, Vazhoor and Shoranur.

The inherent contradiction in the GOK modernising its presses and at the same time not providing them with adequate print orders was a matter of concern which needed to be urgently addressed.

REVENUE DEPARTMENT

4.3 Receipts and Utilisation of River Management Fund

4.3.1 Introduction

Government of Kerala (GOK) enacted ‘The Kerala Protection of River Banks and Regulation of Removal of Sand Act, 2001’ (Sand Act) and ‘The Kerala Protection of River Banks and Regulation of Removal of Sand Rules, 2002’ (Sand Rules), to protect river banks and river beds from large scale indiscriminate dredging of river sand, protect their bio-physical environment system and regulate the removal of river sand. The Principal Secretary, Revenue Department was responsible for implementing the Sand Act at Government level. The Land Revenue Commissioner (LRC) and the District Collectors (DC) were responsible for implementing the provisions of the Sand Act at the State and district levels respectively.

The Sand Act provided for maintenance of ‘River Management Fund’ (RMF) by District Collectors to meet all expenses towards management of river banks where removal of sand was carried out (Kadavu³⁷). It was envisaged that 50 per cent of the sale proceeds of river sand would be the share of local bodies and the RMF would comprise of the remaining 50 per cent of the amount. In addition to this, RMF would include the grants by the Government to implement the River Development Plan (RDP) framed under the provisions of the Sand Act, money obtained by donations or contributions from public or from non-governmental agencies, all penalties imposed under the provisions of the Sand Act or Sand Rules, etc. The RMF was to be maintained in Treasury Savings Bank accounts.

4.3.2 Scope and Coverage of Audit

Audit was conducted covering the period 2010-15 to assess whether the action about collection of receipts and utilization of the RMF was in compliance with the Sand Act/Sand Rules. Audit scrutinised the records of the Revenue Department, Office of the Land Revenue Commissioner and four Collectorates

³⁷ ‘Kadavu’ means river bank or water body where removal of sand is carried out. The District Expert Committee shall identify the kadavu or river bank in a district in which sand removal may be permitted, to fix the total quantity of sand that can be removed from the kadavu or river bank, to close a kadavu or river bank opened for sand removal, etc. For the purpose of regulating the removal of sand in every kadavu or river bank situated in a district, the District Collector shall constitute for each kadavu or river bank a ‘Kadavu Committee’ called by the name of that place where the kadavu or river bank is situated.

in Ernakulam, Kollam, Malappuram and Thrissur districts selected by simple random sampling method. The status of various works like protection and maintenance of Kadavus, construction of check dams, protection walls, etc., undertaken in the test checked districts using RMF was also assessed during the course of the audit.

4.3.3 Fund Status

The RMF was constituted in all the districts of the State as stipulated under the Sand Act. Against total receipts of ₹299.75 crore, under RMF during 2010-15, the expenditure was only ₹92.24 crore (31 per cent). However, in the test checked four districts, against the receipts of ₹180.59 crore³⁸, expenditure from RMF was ₹43.67 crore viz. 24.18 per cent resulting in a closing balance of ₹136.92 crore as shown in Table 4.4.

Table 4.4: Details of funds received, expended and unutilised under RMF in test checked districts during 2010-15

							(₹ in crore)	
Name of District	Opening Balance	Collection	Total	Expenditure	Closing Balance	Percentage unutilised	Committed expenditure	
Ernakulam	16.74	27.78	44.52	21.82	22.70	51	Not Available	
Kollam	10.98	25.15	36.13	5.21	30.92	86	Nil	
Thrissur	13.35	17.13	30.49	5.35	25.14	82	18.00	
Malappuram	34.92	34.53	69.45	11.29	58.16	84	29.21	
Total	75.99	104.59	180.59	43.67	136.92	76		

(Source: Information obtained from District Collectors and LRC)

Lowest expenditure was recorded by Kollam which could utilise only 14 per cent of available funds.

GOK, while accepting the fact (November 2015) that funds under RMF remained unutilised in various districts, stated that worthy proposals from districts would be placed before the State High Level Committee (SHLC) for the upkeep of the bio-physical environment of river banks. It was further stated that participation of non-governmental agencies would also be explored for implementing riverbank protection measures.

The reply of the Government must be viewed against the fact that the provisions of Sand Act which stipulated preparation of River Development Plans (RDP) for the purposes of comprehensive development of river banks and its catchment areas were not complied with as confirmed by the LRC (June 2015). Audit observed that in the absence of the RDPs, inviting proposals from Districts for the upkeep of the bio-physical environment of river banks would only be ad-hoc in nature and not in compliance with the Sand Act/Sand Rules. The failure of District Expert Committees (DEC) to prepare RDPs had also contributed to lesser utilization of resources available under the RMF.

³⁸ Including opening balance of ₹75.99 crore

4.3.4 Receipts

4.3.4.1 Fixation of price of sand by ‘Kadavu’ Committees

Section 14 (1) of the Sand Act empowers Kadavu Committees³⁹ to fix the price of sand for each Kadavu after taking into account the availability and accessibility of sand in any area. Section 14 (2) of the Sand Act empowers the Kadavu committees to fix the price of sand by public auction. Thus, the Act envisaged conducting public auction for fixation of price of sand.

Audit, however, noticed that ‘Kadavu’ committees in the four test checked districts of Kollam, Thrissur, Ernakulam and Malappuram did not resort to public auction to determine the sale price of sand. Instead, the sale price of sand was determined by DEC and Kadavu Committees. The failure to fix the price of sand through public auction resulted in adopting different methods for fixing the sale price of sand in these districts as shown in **Table 4.5**.

Table 4.5: Comparison of prices fixed by Kadavu committees and PWD

(in ₹)

Year	Kollam		Ernakulam		Thrissur		Malappuram	
	PWD	Kadavu Committee	PWD	Kadavu Committee [@]	PWD	Kadavu Committee	PWD	Kadavu Committee
Mode of fixing of price of sand		Price fixed by DEC ⁴⁰ on the basis of GO of June 2009 ⁴¹		The respective Kadavu Committees themselves fixed the price of sand.		DEC notified a unified price for all the ‘Kadavus’ in the district based on recommendations made by the various ‘Kadavu’ committees in the district		DEC notified a unified price for all the ‘Kadavus’ in the district based on recommendations made by the various ‘Kadavu’ committees in the district
2010-11	951	634	951	709.12	951	292.63	951	330.00
2011-12	951	634	951	768.35	951	593.75	951	330.00
2012-13	1509	634	1509	828.50	1509	588.75	1509	330.00
2013-14	822	634	828	886.92	767	593.75	767	656.50
2014-15	925	634	907	1360.20	857	618.75	851	845.25

[@] Since the price fixed by Kadavu Committees in Ernakulam district varied from Kadavu to Kadavu, Audit reckoned the average of prices fixed by Kadavu Committees for quantifying revenue loss

(Source: Replies from District Collectorates and PWD/CPWD SOR)

Audit attempted to assess whether RMF/Local Bodies suffered any loss of revenue due to the sale of sand at ‘Kadavus’ at prices fixed other than through public auction. A scrutiny of the costing methodology followed by the Kadavu committees during 2010-15 in Ernakulam, Thrissur and Malappuram districts revealed that the sale price of sand as fixed by the DECs included cost of

³⁹ Kadavu committees are constituted by District Collectors to regulate the removal of sand in every Kadavu or river bank situated in a district. The President/Chairperson of the Grama Panchayat/Municipality, Secretary of the Grama Panchayat/Municipality, representatives from the Irrigation, Public Works Departments, Environmentalists, etc constitute the Kadavu Committee

⁴⁰ District Level Expert Committees are Expert Committees constituted by the Government for each district of the State with the District Collector as the Chairman and the Executive Engineer of the Irrigation department as the Convener.

⁴¹ GO (Ms) 227/09/RD dated 20 June 2009 refers to the mode of pricing of confiscated sand to be sold through ‘Kalavara’ fair price shops under the control of Kerala State Nirmithi Kendra and makes no reference to sale of sand at Kadavus.

labour also. In Kollam district, the DEC fixed the price of sand based on Government order (June 2009). As the labour cost (63.74 per cent) is an inevitable expenditure to be incurred, Audit observed that 36.26 per cent would constitute the income due to the RMF and local bodies from the sale proceeds of sand. To quantify loss due to sale of sand other than through rates fixed by public auction, Audit compared the difference in price of sand as fixed by the Kadavu committees and the rate of sand as per the State Public Works Department Schedule of Rates (PWD SOR) up to 2012-13 and Central Public Works Department Schedule of Rates (CPWD SOR) from 2013-14 onwards⁴² (Appendix 4.3 & 4.4). The PWD/CPWD rates were reckoned by Audit to quantify the loss since these rates undergo periodical revision in line with market sentiments and were also accepted by Government for fixing the price of confiscated sand.

Audit noticed that LRC had failed to enforce public auction to fix the price of sand which had resulted in loss of at least ₹115.02 crore on sale of 60 lakh tonnes of river sand in four districts during 2010-15, of which ₹57.51 crore should have accrued to the RMF and a similar amount to the local bodies in the four test checked districts.

GOK accepted their failure to resort to public auction as stipulated in the Act.

4.3.4.2 Sale of confiscated sand

A mention was made in Para 3.4.4.2 of the Audit Report of the Comptroller and Auditor General on General and Social Sector for the year ended March 2013 on loss of revenue of ₹1.63 crore due to disposal of confiscated sand lower than stipulated prices during the period June 2010 to July 2011 and November 2012 to March 2013. Despite such observation demanding action to sell confiscated sand at stipulated prices, the Kollam and Malappuram districts continued to sell the sand at lower rates, as brought out below.

As per an amendment made to the Sand Act in 2013, the confiscated sand was to be sold through Kalavaras⁴³ at the rates fixed by Public Works Department (PWD) in their Schedule of Rates (SOR). Audit noticed that while confiscated sand was sold in Ernakulam district at rates comparable to PWD rates, in Kollam district, the confiscated sand was sold through Kalavaras at the rates fixed by Government in June 2009 (₹634 per tonne) instead of selling it at PWD rates (₹822 and ₹925 per tonne). In Malappuram district, the confiscated sand was sold at even lesser rate of ₹535 (March 2015) fixed by the District Nirmithi Kendra headed by the District Collector. The sale of 23826.88 tonnes of confiscated sand at a lower rates resulted in revenue loss of ₹0.67 crore during 2013-15 to RMF as shown below:

⁴² Upto 2012-13, the State was following the State PWD SOR for works undertaken in all State Government departments. However, from 2013-14 onwards, the State followed the CPWD SOR and National Building Code guidelines. These rates were reckoned as they undergo periodical revision in line with market sentiments and were also accepted by Government for fixing the price of confiscated sand.

⁴³ Kalavaras are fair price markets run by District Nirmithi Kendras which are autonomous agencies registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 for disseminating cost effective and environment friendly building technology.

Table 4.6: Details of sale proceeds of river sand sold through Nirmithi Kendra, Kollam and Malappuram during 2013-15

District	Year	Quantity of sand sold (in tonne)	Price of sand sold/ tonne (in ₹)	Total (in ₹)	Rate of sand as per CPWD SOR/tonne including index cost of respective districts (in ₹)	Total (in ₹)	Loss incurred (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) [(7) – (5)]
Kollam	2013-14	73.62	634	46675	822	60516	13841
	2014-15	113.6988	634	72085	925	105171	33086
Malappuram	2013-14	9866.745	535	5278709	767	7567793	2289084
	2014-15	13772.82	535	7368459	851	11720670	4352211
Total		23826.8838					6688222

(Source: Details received from District Collectorates)

Audit observed that uniformity was lacking, both in the rates fixed by different district collectors and in the methodology for determining the sale price of confiscated sand.

GOK stated (November 2015) that revised proposals for enhancement of rate at par with market rate of sand will be obtained from all district collectors and urgent steps would be taken to revise the same.

4.3.4.3 Non-remittance of Sale Proceeds in the RMF

As per Section 17(2) of the Sand Act, every local authority having a Kadavu or river bank shall contribute 50 per cent of the amount collected by the sale of sand towards the RMF maintained by the District Collector. Section 17(5) of the Sand Act also requires that the account shall be settled before the 10th day of succeeding month by remitting the balance amount due for payment. Audit found that in Ernakulam district, the proceeds from sale of sand of ₹10.07 crore during the period 2002-03 to 2014-15 was irregularly retained by 16 Panchayats. Out of this, an amount of ₹4.55 crore was recovered as of March 2015 and balance amount of ₹5.52 crore was yet to be recovered.

GOK stated (November 2015) that strict directions would be issued to all District Collectors to realise the entire dues without any further delay, even by resorting to coercive measures, wherever found necessary.

4.3.4.4 Maintenance of records

Income and Expenditure Account

As per Rule 9(g) of the Sand Rules, the District Collectors are required to prepare an annual Income & Expenditure Account of RMF. Rule 23 of the Sand Rules also stipulated that the Income and Expenditure of RMF was to be audited by a Chartered Accountant every year. Audit noticed that the audit of RMF by Chartered Accountants was in arrears in two of the four test checked districts. While in Thrissur district, the audit was due from 2005-06 onwards, audit was pending in Kollam district since 2012-13. The District Collector, Thrissur stated that a firm of Chartered Accountants had since been engaged to initially prepare accounts for 2014-15 for enabling backward reconstruction of accounts of earlier years up to 2005-06.

Audit observed that the process as proposed to be followed by the District Collector, Thrissur was not sound and was indicative of lack of financial control with respect to RMF. District Collector, Kollam replied that efforts were being made to appoint a firm of Chartered Accountants to audit the RMF accounts.

GOK stated (November 2015) that earnest efforts would be made for completion of audit by Chartered Accountants, as envisaged in the Act.

4.3.5 Utilisation of RMF

4.3.5.1 River Mapping and Sand Audit

River sand performs the critical function of maintenance of quality of water in the river. Excessive sand mining results in lowering of the water table and erosion of riverbanks. When the river channel is devoid of sand, the natural filtering process done by the sand would not be possible.

Section 29 of the Sand Act provides that with a view to ensure protection of every river, Government may ensure periodical measurement of the quantity of sand available for removal by such method and in such manner as may be prescribed. River mapping and sand auditing play crucial role in planning of RDP. Rule 30 of the Sand Rules made it mandatory for the Government to conduct sand audit every three years through expert agencies like Centre for Earth Science Studies and Centre for Water Resources Development and Management in order to ensure protection of rivers in each district and to assess periodically, the availability of sand in each river for mining. Moreover, Rule 30 (2) of the Sand Rules provided for meeting the expense for sand audit from RMF.

There are nine⁴⁴ rivers flowing through the test checked districts. As rules required sand audit to be conducted every three years, these nine rivers should have been audited four times during 2002-15. Audit noticed that GOK had only in 2012, ordered for the first time sand auditing to be conducted in these nine rivers. Sand audit reports in respect of seven⁴⁵ of these rivers conducted at a cost of ₹62.45 lakh, were submitted to GOK by the LRC during May to September 2015, while work on the other two⁴⁶ rivers was in progress.

Based on the sand audit reports of the rivers, GOK issued orders prohibiting sand mining in two rivers and phased mining in five rivers.

The sand audit reports led to prohibition of sand mining in two rivers⁴⁷ and allowed phased mining in other five rivers⁴⁸ in the test checked districts. Thus, it is evident that the delay/failure in conducting sand audit has led to indiscriminate sand mining. Audit observed that periodical conduct of sand audit as stipulated in the Act would help in arranging and taking steps for the upkeep of bio-physical environment.

⁴⁴ Kollam district (2 rivers), Ernakulam district (2 rivers), Thrissur district (4 rivers) and Malappuram district (3 rivers) – Bharatapuzha river flows through Thrissur and Malappuram and Periyar river flows through Ernakulam and Thrissur

⁴⁵ Ithikkara, Periyar, Kallada, Chaliyar, Kadalundi, Karuvannur and Muvattupuzha rivers

⁴⁶ Chalakudy and Bharatapuzha rivers

⁴⁷ Kallada and Karuvannur rivers

⁴⁸ Chaliyar, Ithikkara, Kadalundi, Muvattupuzha and Periyar

The LRC stated (September 2015) that sand audit of 20 rivers had been taken up in the first phase and that in respect of the remaining 24 rivers, decision would be taken after the first phase audit was completed. As there was unutilised accumulated balance in the RMF of the districts as of March 2015, there was no reason for the LRC to delay commencement of sand audit of all the rivers which resulted in indiscriminate mining and resultant depletion of the mineral.

GOK assured (November 2015) that sand auditing in respect of the remaining rivers would be completed in a time bound manner. It was also stated that the respective agencies entrusted with the work would be reminded and strict directions would be issued to District Collectors to ensure that the process was completed without further delay.

4.3.6 Conclusion

The sale of scarce natural mineral like sand at very low rates, without resorting to auction as stipulated in the Act resulted in the Fund and the local bodies of four test checked districts suffering a loss of revenue of at least ₹115.02 crore. Confiscated sand was sold at lesser than stipulated PWD prices resulting in loss to the Fund (₹0.67 crore). GOK also failed to initiate sand audit in 24 of the 44 rivers of the State despite availability of adequate funds in RMF indicating failure to protect river banks and river beds from large scale indiscriminate dredging of river sand, protect their bio-physical environment system and regulate the removal of river sand. There was also laxity on the part of the LRC to enforce compliance to the provisions of the Sand Act.

SOCIAL JUSTICE DEPARTMENT

4.4 Working of Children’s Homes, Observation Homes and Special Homes

4.4.1 Introduction

The Juvenile Justice (Care and Protection of Children) Act, 2000 was enacted by Government of India (GOI) in December 2000 empowering the State Government either by itself or in collaboration with voluntary organizations to set up (i) Children’s Homes (CH), (ii) Observation Homes (OH) and (iii) Special Homes (SH). The corresponding rules were notified in June 2001. The Act was amended in August 2006 (Act 2006) and amended Model Rules (JJ Rules) released in October 2007. Government of Kerala notified The Kerala Juvenile Justice (Care and Protection of Children) Rules in 2003 (State Rules) which was later revised in 2014⁴⁹.

As of March 2015, there were eight CHs, six Observation cum Special Children’s Homes, Eight OHs, one Place of Safety and two SHs run by the

⁴⁹ Sn.68 of the JJ Act 2006 states that the State Government may, by notification in the official gazette make rules to carry out the purposes of this Act provided that the central government may frame model rules in respect of all or any of the matters with respect to which the State Government may make rules under this section and where any such model rules have been framed in respect of any such matter, they shall apply to the State until the rules in respect of that matter is made by the State Government and while making any such rule, so far as is practicable, they confirm to such model rules.

Social Justice Department in the State (**Appendix 4.5**). Besides, one CH for boys and girls upto the age of 12 (at Nooranadu in Alappuzha District), two CHs for Physically Disabled Children (at Alappuzha and Kannur district) and one CH for mentally disabled children (in Kozhikode district) are functioning in the State under the administrative control of the Local Self Government Institutions. There were 591 inmates (417 Boys and 174 girls) in the 25 Government run homes in the State (March 2015).

While the Secretary to Government, Social Justice Department is responsible for implementation of the Act across the State, the Director of Social Justice is responsible for administering these Homes. Besides, Juvenile Justice Board (JJB)⁵⁰ and Child Welfare Committees (CWC)⁵¹ at District level are also entrusted with the responsibility to discharge the duties conferred on them under the Act in relation to JCL and children in need of care and protection respectively.

Audit was conducted during March to June 2015 covering the period 2010-15 in four⁵² selected districts. Records of the Social Justice Department (SJD) in the Government Secretariat, the Directorate of Social Justice, Child Welfare Committees and Juvenile Justice Boards in the selected districts were examined.

The Audit findings have been compiled as under:

4.4.2 Children's Homes

Children in need of care and protection are produced before Child Welfare Committees (CWCs⁵³) which send them to a CH pending inquiry by a social worker or a child welfare officer. If the CWC on conclusion of inquiry determines that the children have no family or ostensible support or need continued care and protection, it may allow the children to remain in the CH till suitable rehabilitation is made or till they attain the age of eighteen years. These homes were intended to provide children with comprehensive child care facilities for ensuring their all round development and to facilitate their rehabilitation and reintegration into mainstream society.

4.4.2.1 Registration of Children's Homes

According to Section 34(3) of the Act, all CHs run either by the State government or by voluntary organizations shall be registered under this Act. Registration certificates for CHs were to be issued by the State government after verifying adequacy of provisions like health, education, boarding and

⁵⁰ While SJD was responsible for overall implementation of the JJ Act in the State, the JJB is entrusted with the following important functions regarding JCL

a) Adjudicate and dispose cases b) Monitor institutions and seek compliance on suggestions of the JJB c) deals with non-compliance on the part of concerned government functionaries/functionaries of voluntary organizations d) to liaise with JJBs in other districts, etc.

⁵¹ CWC to a) take cognizance of and receive children produced before the CWC; b) ensure necessary care and protection including immediate shelter; c) provide child friendly environment for children, etc.

⁵² Alappuzha, Kozhikode, Thiruvananthapuram and Thrissur

⁵³ Child Welfare Committee comprises of a Chairperson and four other members. This is constituted by the State Government which shall function as a Bench of Magistrates and shall have the powers conferred by the Code of Criminal Procedure, 1973 on a Metropolitan Magistrate or, as the case may be, by a Judicial Magistrate of the first class.

lodging facilities, vocational facilities and scope for rehabilitation. Audit noticed that all CHs run by the State Government were not registered under the Act which deprived GOK the authority to oversee the functioning of these institutions and inability to obtain assurance regarding adequacy of provisions like health, education, boarding and lodging facilities, etc.

Government replied (September 2015) that prior to the notification of State Rules in 2014, the authority for registration of Juvenile Justice Institutions in a district was the District Social Justice Officer (DSJO) of the district concerned and that the Government CHs had secured registration from the DSJO concerned. The reply given by Government was not correct as it was found that the Government CHs were not registered with the DSJO concerned till date (December 2015). Even though GOK had issued detailed guidelines (January 2008) laying down procedure for all child care institutions (Government and Non-Governmental) to obtain Registration Certificate, Audit noticed that CHs had applied for registration only after GOK issued another order in November 2014. The reasons are not forthcoming regarding inaction of the department based on the guidelines issued in January 2008.

4.4.2.2 Children's Home for Girls

Rule 29(f) of JJ Rules 2007 states that separate CH shall be established for girls in the age group of 10 to 18 years. In Kerala, CHs for girls are functioning at Ernakulam and Kozhikode districts. Fewer number of CH for girls led to overcrowding and girls being placed in orphanages registered with Kerala Orphanage Control Board.

In the test checked districts of Thiruvananthapuram, Thrissur and Alappuzha, it was seen in audit that girls were provided short term placement pending enquiry at Mahilamandirams⁵⁴ or institutions run by NGOs which were not declared as fit institutions⁵⁵ as there were no CHs for girls in these districts. One hundred and eighty eight girls in Thiruvananthapuram and 55 girls in Alappuzha were sent to various orphanages during 2012-15. Three hundred and thirty five girls were sent to Mahilamandiram at Thrissur district during the period 2010-15. Incidentally, this Mahilamandiram was identified as a protective home of women under the Immoral Traffic Prevention Act.

The CWC, Thrissur admitted (June 2015) that placing the children with orphanages was posing serious problems in view of the fact that these orphanages were not registered under JJ Act and were reluctant to admit girls with behaviour problems/police investigations for fear of being asked to furnish reports making them accountable to authorities. Children who were involved in cases of child sexual abuse and placed in orphanages, often complained about unwelcome environment.

GOK, while admitting that (September 2015) there was a shortage of CHs for girls in the State, stated that a CH for girls in Kollam district with NGO participation had been started (June 2015) with Government support. GOK

⁵⁴ Widows, divorced, destitute and deserted women, etc. above the age of 18 years are admitted to Mahilamandirams

⁵⁵ Fit institution means a governmental or a registered NGO or a voluntary organisation prepared to own the responsibility of child and such organisation is found fit by the State Government on the recommendation of the competent authority

had also accorded sanction for construction of a new girls Home at Thrissur besides establishing Nirbhaya Homes for girl victims of sexual abuse. It stated that the present demand for girls Homes could be fully met with the above activities and that a programme has been introduced to accredit NGOs as and when demand arose for new girls homes.

Government reply was not tenable as the Nirbhaya Homes were exclusively meant for girl victims of sexual abuse and not meant for children in need of care and protection. Further, the CWC, Thrissur had also confirmed (July 2015) that it was well aware that placement of children in Mahilamandiram needed to be avoided. Placement of girl children in Mahilamandirams and other NGO run institutions, which were not declared as fit institutions, were posing serious threats as girl children were being accommodated in unsafe environment, besides depriving them of the much needed care and support as envisaged in the Act.

4.4.2.3 Children/Juvenile in Conflict with Law missing from Children's Homes, Observation homes and Special homes

While Rule 50 (11) of JJ Rules 2007 stipulates the procedure to be followed in respect of children leaving the institution without permission, Rule 18(2) of JJ Rules 2007 lays down the procedure to deal with the escape from OHs/SHs of Juveniles in Conflict with Law (JCL). These Rules stipulate that in the event of a child missing from a CH or JCL escaping from OHs/SH, the officer in charge of the institution besides conducting immediate search for the missing children has to furnish a report to the police and the family along with a report detailing the circumstances and the efforts made to trace the juvenile or child to the CWC or JJB and the authorities concerned.

Audit found that 47 children from CHs at Kozhikode, Thrissur and Alappuzha left the institutions without permission during 2010-15. These included street children and children having behavioral problems. Similarly, eight JCLs with criminal background escaped from OHs/SHs at Kozhikode and Thiruvananthapuram during the period 2010-15 as they could not adjust to the daily routine of the institution and the calm atmosphere and were interested in roaming around. Though the matter was reported to the Police, CWCs and JJB, the missing children had not been traced (October 2015).

The Superintendents of CH/OHs/SH intimated (October 2015) that the escape of JCLs/missing of children happened due to the absence of proper counselling by Professional Counsellors, non-preparation of Individual Care Plan by qualified Counsellors/Psychologists, children with behavioral problem, family problem, criminal background and lack of security in the Homes.

GOK stated (September 2015) that effective steps were being taken to strengthen surveillance system of the child care institutions and engage ex-service men in every Home. GOK also intimated that the details of missing children have been posted in the Track Child National Web Portal.

4.4.2.4 Re-instatement of Government Official accused of Sexual Abuse

Rule 60 of JJ Rules 2007 stipulate that every institution shall have system of ensuring that there is no abuse, neglect and maltreatment against the inmates.

As per Rule 89 (2) of JJ Rules 2007, any care giver or staff accused of physical, sexual or emotional abuse of a juvenile in CH or outside shall be liable for disqualification after due enquiry. On the basis of a complaint of sexual abuse by inmates of CH for girls, Kozhikode, a criminal case was registered (August 2014) against the Electrician cum Pump Driver of the nearby CH for boys and the accused was suspended from service. In September 2014, the High Court quashed all proceedings initiated against the offender after an amicable settlement between the parties. Meanwhile, a new case was registered against him in October 2014, with reference to Protection of Children from Sexual Offence Act (POCSO), on the basis of a complaint received from another inmate of the same institution. Audit noticed that despite the institution of a fresh case, the Director of Social Justice had re-instated (May 2015) the accused at District Social Justice Office, Kozhikode with permission to execute maintenance work at CH for Girls, Kozhikode.

Institutions like CHs are vital organs of Government machinery responsible for ensuring safety and security to children hailing from vulnerable circumstances. Re-instating a person prima facie accused of sexual offences and providing him access to the Girls' Home by virtue of his trade, was a clear violation of extant Rules and Acts devised for protection of children from sexual abuse and an avoidable cause of threat to the mental and physical well being of children residing in the institution.

Government replied (September 2015) that as per Kerala Civil Service (Classification, Control and Appeal) Rules, an employee cannot be kept under suspension indefinitely and hence was re-instated in service pending inquiry. It was further stated that the incumbent was re-instated at Kozhikode as there was no other post in the department having analogous scale of pay of Electrician cum Pump driver and that the incumbent could undertake any electrical or plumbing work in CH, Kozhikode only under the close supervision of the Superintendent of the Institution.

The reply of the Government displays insensitivity to the safety and security of the girl children. The re-instatement of the person accused of sexual abuse was made by the Director, SJD contrary to the legal opinion rendered by the Law Officer of the SJD. The incumbent was re-instated (May 2015) when there was a case with respect to POCSO registered against him (October 2014) which was a clear violation of extant Rules and Acts.

4.4.2.5 Functioning of Children's home for boys and girls in the same building

As per Rule 29(f) of JJ Rule 2007, separate CHs shall be set up for boys and girls in the age group of 10 to 18 years. Audit noticed that in the CH Nooranadu, 11 boys and eight girls in the age group of 10 to 12 years were accommodated together.

Government replied (September 2015) that a proposal made by the CWC, Alappuzha to convert CH Alappuzha to a Home exclusively for girls and CH Nooranadu exclusively for boys was under consideration.

The reply was not acceptable as failure to set up children homes for girls led to accommodating boys and girls together in violation of provisions of JJ Rules.

4.4.3 Observation Homes/Special Homes

4.4.3.1 Observation Homes

Children in conflict with law who are produced by Police before JJBs are either sent home on bail or kept in OHs pending inquiry. After inquiry, the children are either acquitted or transferred to SHs for rehabilitation. The SJD runs OHs for boys in all the districts in the State except Idukki district. There was only one OH for Girls in Kozhikode District.

4.4.3.2 Functioning of Observation Home and Children's Home in same premises

Rule 40(1) of JJ Rules 2007 as well as Rule 53 of State Rules 2014 state that the home for JCL and Children in need of care and protection were to function in separate premises. Audit noticed that in seven⁵⁶ districts, the State was operating Observation cum Children's Homes where both OHs and CHs were functioning in the common premise. Exposing children who are in need of care and protection to children having criminal or quasi-criminal background goes against the basic tenets of the Act and is a cause for concern.

GOK replied (September 2015) that the average number of residents in OH was only three or five and to make full use of public money, the ground floor of the building was being used as CH and the first floor was being used as OH in seven districts. The reply was not tenable as the JJ Rules 2007 stipulate that the Home for JCL and children in need of care and protection were to function in separate premises to isolate children requiring care and protection from juveniles with criminal/quasi criminal background.

4.4.3.3 Forced stay due to delay in disposal of cases

As per Rule 13 and 15 of JJ Rules 2007, on production of a juvenile before the JJB, the JJB was to conduct and complete all inquiries and pass dispositional orders relating to the juvenile within a maximum period of six months. On conclusion of inquiry and passing of final dispositional orders, the JCL would either reunite with their families or rehabilitated in SHs. However, Audit noticed delay in settlement of cases ranging between six months to four years as of September 2014. In the four test checked districts, eight boys and four girls were detained in OHs for periods up to 14 months due to delay in completion of inquiries and passing of dispositional orders by the JJB. Audit observed that the delay in passing dispositional orders may lead to either delay in re-uniting the children with their family or their rehabilitation process in SHs, which was against the fundamental principle of repatriation and restoration as enunciated in the Act.

Government attributed (September 2015) the reason for delay to the busy schedule of Chief Judicial Magistrate. It also stated that orders (August 2015) have been issued for making the Judicial First Class Magistrate as the Principal Magistrate of the JJB and this would help in bringing down the pendency of cases in the JJBs.

⁵⁶ Alappuzha,, Kannur, Kasaragod, Malappuram, Palakkad, Pathanamthitta and Wayanad districts

4.4.3.4 *Functioning of ‘Place of safety’*

‘Place of Safety’ is a Home to accommodate such juveniles who have attained the age of 16 years and had committed serious offence, or their conduct was such that it would not be in their interest or in the interests of other juveniles to keep them along with others in OHs/SHs. It was envisaged that children transferred to Place of Safety would be subjected to necessary therapeutic care like specialised medical/counselling/psychiatric care and vocational training for their proper educational, vocational, mental, psychological, social and employment rehabilitation and to prevent them from reverting to bad company or crime.

In consonance with Section 16 of the Act, Government declared (October 2010) the OH at Thrissur as a ‘Place of Safety’ for the Juvenile boys in conflict with law in the State. Audit, however, noticed that despite the State Government according sanction (October 2010) to engage staff for the ‘Place of Safety’ such as Probation Officer (PO)/Case Worker, Educator, Doctor, Art/Craft cum Music Teacher, PT instructor cum Yoga trainer and House Keeper (one each), none of the posts were filled up. Instead, the day to day affairs were being managed by deputing staff from OH. Audit observed that 22 juveniles transferred (up to March 2015) to the Place of Safety by various JJBs were deprived of the much needed services of these trained personnel.

Government stated (September 2015) that on-call as well as part-time services for medical care and psycho-social care were available to the residents. They also stated that the building for the Place of Safety at Thrissur would be ready for occupation by October 2015 and on completion of the building, trained personnel would be posted for giving medical/counselling/psychiatric care, and vocational training to the residents for their proper rehabilitation and to prevent them from relapsing to bad company or crime.

The reply was not acceptable as failure of Government to appoint staff as per the earlier order of October 2010 resulted in depriving the inmates of counselling and rehabilitation assistance and indicates lack of seriousness of Government to take care of such juveniles as required under the Act.

4.4.3.5 *Shortage of manpower in child care institutions*

As per Rule 82(8) of State Rules 2014, the suggested number of posts of each category of staff required for CH/OH/SH was to be fixed on the basis of the capacity of institutions. Audit noticed shortage of manpower ranging from 33 to 100 *per cent* in the State as shown in **Table 4.7**.

Table 4.7: Shortage of manpower

Name of post	No. of posts required as per capacity*	Number of posts sanctioned	Persons-in-position as of March 2015	Shortage with reference to capacity and percentage of shortage
Superintendent	24	21	16	8 (33 per cent)
Probation Officer/Case workers/Child Welfare Inspector	58	11	10	48 (82 per cent)
Care Takers	118	88	82	36 (30 per cent)
Counsellors	36	Nil	Nil	36 (100 per cent)

* Excluding the posts in four institutions funded by Local Self Governments
(Source: Departmental records)

Absence of the above staff had adversely affected rendering of required services like preparation of social investigation report, ICP, orientation, monitoring, education and rehabilitation of children, follow up, supervision of juveniles, security and safety arrangement of the homes, etc.

Government replied (September 2015) that action was being taken to fill up all existing vacancies in the child care institutions run by the department.

4.4.4 Rehabilitation and Restoration

4.4.4.1 Individual Care Plan for child

Rule 29(2) of JJ Rules 2007 states that each CH shall be a comprehensive child care centre with the primary objective to promote integrated approach to child care. Further, Rule 29(3)(a) of the JJ Rules 2007 provided for preparing and following Individual Care Plan (ICP) for every child. ICP is a comprehensive development plan for a juvenile or child based on age specific and gender specific needs and the case history of the child in order to restore juvenile's self esteem, dignity and self worth and nurture him into a responsible citizen. The plan shall address the health, emotional, educational, psycho-social rehabilitation needs, etc., of the child. This was to be prepared by such centers and was to be monitored by the PO/Child Welfare Officer assigned by the JJB/CWCs. Audit scrutiny of records revealed that ICPs were not prepared in any of the test checked institutions.

While admitting the lapse, GOK stated (September 2015) that action had been initiated to post full-time Counsellors in every Child Care Institution in the Department.

4.4.4.2 Absence of follow-up plan in respect of children restored to parents/guardians

Rule 65(8) of JJ Rules 2007, stipulates preparation of a follow-up action as part of the ICPs by the Child Welfare Officers or POs. The quarterly follow-up reports were to be prepared for a period of two years with a copy to the Officer-in-charge of the institution where the juvenile or child was restored from. The Officer-in-charge was to send a copy of these reports to the District Child Protection Units (DCPU). The follow-up reports were to make a mention about the situation of the juvenile or child post-restoration and the

juvenile's or child's needs to be met by the State Government in order to reduce further vulnerability of the juvenile.

Audit noticed that during the period 2010-15, twenty JCLs were restored with their parents/guardians from SH, Thiruvananthapuram. It was, however, noticed that follow up plan/quarterly follow-up reports were not prepared in any of the cases. Due to failure to prepare follow-up plan/report, it was not possible to assess and meet children's needs and vulnerability.

Government stated (September 2015) that Legal-cum- Probation Officers had been given necessary training about supervision and follow up services and they would be given charge of doing follow up services for the ex-inmates of the CHs and SHs for a period of two years. Government also stated that quarterly reports would be collected from the POs regarding the condition of children after the release and the Department would take necessary action to follow up every child discharged from the Homes, as laid down in the Rules.

4.4.4.3 Mental Health Care Plan for inmates of Children's home

According to Rule 46 (7) of JJ Rules 2007 and Rule 59 (7) of State Rules 2014, a Mental Health Care Plan was to be developed for every juvenile or child by the Child Welfare Officers, in consultation with mental health experts and the recommendations of the experts were to be recorded in each case file. Inmates of the CH/SHs live in an atmosphere where they are deprived of the privilege of direct parental care. A few of them could have had negative experience in their life. Preparation of mental health care plan is, therefore, very essential for addressing emotional and special needs of the child in the area of mental health, education, skill development and protection etc.

Audit test checked 376 case files selected at random in CHs of four test checked districts and noticed that the mental health care plan as stipulated in the JJ Rules 2007 was not prepared during the period 2010-15 and the services of Specialised Psychologist/Psychiatrist were not available for preparation of mental health care plan as envisaged. Non-preparation of mental health care plan for children resulted in non-achievement of the objectives mentioned in Rule 46 of JJ Rules 2007 as well as Rule 59 of State Rules 2014.

Government stated (September 2015) that a panel of psychologists and psychiatrists would be prepared for every district by the DCPO and the service of such experts would be utilised for the preparation of mental health plan and follow up services to the children admitted in CHs or SHs. They also stated that action was underway to post an experienced Counsellor in every home before October 2015 for the purpose of maintaining and monitoring mental health record of juveniles, creating an enabling environment in the institution for helping the child to grow beyond negative experiences and for providing individual or group therapy and counselling.

4.4.4.4 Deprivation of treatment to mentally ill children

As per Section 58 of the Act, any juvenile or child kept in an institution in pursuance of the Act who appears to be mentally ill⁵⁷ could be ordered by the

⁵⁷ Mental illness usually occurs after birth due to different circumstances and brain disorders and it can be cured with proper medicine. Mental illness is of short duration

competent authority to be removed to a psychiatric hospital. During the period 2010-15, ten mentally ill children were sent by various CWCs to the Home for Mentally Disabled Children (HMDC), Kozhikode for treatment.

Audit noticed that the HMDC was meant for providing care, protection and treatment to mentally retarded⁵⁸ children only and did not have facilities and trained staff to handle these mentally ill children. The HMDC admitted (June 2015) that it caters to mental retardation cases and do not possess the facilities to treat mentally ill persons. As mentally ill and mentally retarded are two different categories of persons, the treatment to be given to these two categories is also different. Keeping mentally ill children in an institution which does not have any facility to provide them with treatment and care would lead to severe hardship to the mentally retarded inmates of the home.

Government replied (September 2015) that the children mentioned as mentally ill, were in fact children cured of mental illness. It was further stated that this had been brought to the notice of the CWCs and they have been requested not to send mentally ill children to the HMDC.

Reply of the Government was not factually correct as it was seen from the records of HMDC that three out of the ten children were later sent to Mental Hospital, Kozhikode. Moreover, the fact that Government has instructed CWCs not to send such children to HMDC indicates that CWC had erred in sending children to HMDC.

4.4.4.5 Release of Juvenile in Conflict with Law on probation

Rule 15(8) of JJ Rules 2007 states that, where the JJB decides to release a JCL on probation and place him under the care of the parent/guardian/fit person, the JJB may order that the juvenile be placed under the supervision of a PO. The period of supervision shall be maximum for three years. Further, as per Rule 87(k) of JJ Rules 2007, the duties of a PO included visiting regularly the residence/place of employment/school of the juvenile or child under their supervision and submitting fortnightly reports in this regard.

During the period 2010-15, Audit noticed that 279 JCLs were released on probation and placed under supervision in the four test checked districts. However, from the records made available to Audit, there was no evidence of the PO having performed his prescribed duties. The District Probation Officers (DPO) failed to submit progress report of JCLs to concerned JJBs. Since no such report had been prepared by PO, the behavior of JCLs during the period of probation i.e. whether the terms and conditions of probation had been observed by them or their guardians, etc., could not be ascertained by Audit.

The JJB, Thiruvananthapuram confirmed (July 2015) that the DPO did not send necessary report. The DPO, Alappuzha stated (June 2015) that supervisory visits could not be conducted due to high work load and transfer of one PO as District Child Protection Officer (DCPO). Similarly, DPO, Thrissur and Kozhikode stated that progress reports were not submitted regularly due to heavy work load as there was only one officer in the district.

⁵⁸ The condition of mental retardation is inborn and we cannot improve the condition with medicine or treatment. Mental retardation is lifelong

Government stated (September 2015) that Legal-cum-Probation Officers had been appointed in all DCPUs for supervising juveniles released on probation for good conduct as per section 15(e) of JJ Act. It also stated that the Department would ensure supervision of the children and submit reports to the JJBs promptly.

4.4.5 Delay in completion of Inquiries

As per Rule 28 of JJ Rules 2007 and Rule 32 of State Rules 2014, when a child is brought before the CWC, an inquiry is to be conducted by an officer designated by CWC within four months to obtain sufficient details for developing an ICP and suitable rehabilitation of the child. On completion of the inquiry, decision to restore the child to his family or to continue in the home is to be taken.

Audit noticed that inquiries in respect of 137 out of 387 cases (35 per cent) in Alappuzha and 58 out of 99 cases (59 per cent) in Kozhikode were pending before CWCs as of March 2015. Of these, 17 cases in Alappuzha and 13 cases in Kozhikode were pending since 2010-13. Thus, delay in completing inquiries resulted in delay in determining whether a child could be corrected and rehabilitated at home surroundings with or without institutional services or to release the child to his parents/guardian.

Government stated (September 2015) that DCPUs had since been made fully functional and the process of preparing inquiry report had been streamlined. It was also stated that while the PO and the Social Worker of the DCPU had been entrusted with the responsibility of conducting and submitting inquiry reports to the CWCs, the DCPOs were entrusted with supervision and monitoring timeliness in submission of reports.

4.4.6 Fitness of institutions

Section 69 (2) of the JJ Rules 2007 stipulate that any suitable place or institution, the manager of which is willing temporarily to receive a juvenile or child in need of care and protection may be recognised by the State Government as a fit institution on the recommendation of the competent authority. Rule 25(k) of JJ Rules 2007 identified the CWC as the competent authority to recommend to the Government 'fit institutions' for the care and protection of children for obtaining approval.

However, none of the Homes run by the Government in the test checked districts obtained fitness certificates from the GOK. The GOK replied (September 2015) that action would be taken to declare all JJ homes under the Social Justice Department as fit institutions for receiving JCL and children in need of care and protection.

The reply of GOK was not acceptable in view of the fact that GOK was yet (October 2015) to issue instructions to the Homes to apply to the CWC for fitness certificates. In the absence of application for recognition, CWCs could not recommend any institution as 'fit' to GOK. Thus, the failure of these homes to obtain fitness certificate had resulted in inability of the Government to ascertain their suitability to receive children and provide basic service for care and protection, prevent subjecting of the children to any form of cruelty, exploitation or neglect and other safeguards stipulated in the JJ Act.

4.4.7 Standards of care for Homes

4.4.7.1 Physical Infrastructure

Rule 40 of JJ Rules 2007 lays down minimum standards of infrastructure facilities for childcare institutions. Audit noticed that the infrastructure facilities provided in the test checked CHs were not commensurate with the infrastructure facilities stipulated in JJ Rules 2007 as shown in **Appendix 4.6**.

The CH, Nooranadu which was transferred to Nooranadu Block Panchayat accommodates 47 children in the age group of 5 to 12 years as of March 2015. Physical verification of the home conducted by Audit revealed that there was only 1265 square feet of dormitory for accommodating 50 boys and girls which was far below the required 2000 square feet as stipulated under Rule. Audit also noticed that the dormitory for boys was very congested with only 15 single cots provided to accommodate 25 boys. Further, there was no separate room for sick available in this CH to isolate the children suffering from contagious diseases.

Government admitted (September 2015) that there were space constraints and some of the homes were not commensurate with the infrastructure stipulated in the JJ Rules 2007.

4.4.7.2 Medical facilities

Rule 45 of JJ Rules 2007 stipulates that every CH/OH has to arrange for medical examination of each juvenile or child by a Medical Officer within 24 hours of admission, immediately in special cases or emergencies and within 24 hours before transfer to other institutions or discharge. Every institution has to maintain medical record of each juvenile based on monthly medical check-up and to have tie-ups with various Hospitals, Medical Colleges, Clinical Psychologists and Mental Health Institutions for holding periodic health camps and to arrange doctors for treatment of juveniles.

Immediate medical checkup of children while admitting in Homes is necessary to identify their health status and to see whether they are not suffering from any injury or contagious diseases and also to ensure whether any further specialised treatment is required at the time of admission. An immediate medical examination is also essential to ensure that the child has not been subjected to any cruelty or physical abuse either by the police or by any other person.

During the inspection of CHs/OHs at Alappuzha, Audit noticed that no such medical care facilities had been arranged by the authorities (September 2015). However, in CH/OH at Kozhikode and Thiruvananthapuram, such medical facilities were being provided since 2014. Audit noticed failure to conduct medical examination within 24 hours of admission and discharge in every test checked institution.

Government replied (September 2015) that instructions had been issued for medical examination of each juvenile or child admitted in an institution by the Medical Officer within 24 hours of admission and at the time of transfer or discharge as laid down in Rule 58(1) (m) of State Rules 2014.

4.4.7.3 Inspection of Institutions

Rule 63 of the JJ Rules 2007 and Rule 76 of the State Rules 2014 stipulate that the State Government shall constitute State, District or city level inspection committees to visit and oversee the conditions in the institutions and appropriateness of the processes for safety, well being and permanence, review the standards of care and protection being followed by the institutions, look out for any incidence of violation of child rights, make suggestions for improvement and development of the institution, etc. The inspection was to be carried out once in three months.

Audit noticed that the committees had not been constituted till date (July 2015). GOK replied (September 2015) that the proposal for the constitution of State and District level inspection committee was under consideration. Due to delay in constitution of Inspection Committees by GOK, the appropriateness of the process of safety, well being and permanence, reviewing the standards of care and protection being followed by institutions, look out for any incident of violation child rights etc. could not be ascertained by Government.

4.4.8 Training for staff of Children's home/Observation home/Special home

As per Rule 90 of JJ Rules 2007, training was required to be provided to the staff of CH/OH/SH according to their statutory responsibilities. As per Rule 106 of State Rules 2014, training was also required to be given to caretakers⁵⁹, superintendents, deputy superintendents, counsellors and child care workers⁶⁰.

Even though the Director, SJD admitted (July 2015) that those holding posts of Superintendent and Care Takers were offered training in September 2014 and June 2015, these trainings did not include the specific areas mentioned in these Rules. The Nodal Expert Group required to be set up under Rule 106 (4) of State Rules 2014 for organising different training programmes like seminars, workshops, pre-service/in-service training, training for counselling and guidance, case work methods, etc., was not set up.

Government replied (September 2015) that Rule 106 (4) of the State Rules 2014 envisages three types of training programmes, namely, (a) orientation and induction training, (b) refresher and skill enhancement training for all caretakers and (c) periodic staff conferences, seminars and workshops and that the training programme pointed out in audit report relate to pre-service training. The capacity building programmes as envisaged under (b) and (c) above were being regularly carried out. It also stated that a Nodal Expert Group will be set up to organise various training programmes for the functionaries of Juvenile Justice Administration as envisaged in Rule 106 (4).

The fact, however, remains that newly appointed staff members were discharging their duties without having obtained any pre-service training.

⁵⁹ To be trained in security measures, combating riots, emergency situations, rescue and relief operation, first aid, crisis management during epidemic, personal hygiene, sanitation, Act, Rules, responsibilities, etc.

⁶⁰ Were to be given two weeks training in Child Rights Convention, Information gathering analysis and report writing, Act and Rules with special reference to the duties attached to each category and the UN Standard Minimum rules for the administration of Juvenile Justice

4.4.9 Conclusion

The CHs were not registered with the State Government as required by the JJ Act. For want of separate CHs for Girls, 188 girls in Thiruvananthapuram district and 55 girls in Alappuzha district had been sent to various orphanages during 2012-15. Forty seven children who had gone missing from CHs and eight children who had escaped from three OHs/SHs run by Government during 2010-15 had not been traced as of March 2015. The State Government was operating Observation cum Children's Homes exposing children in need of care and protection to children having criminal or quasi-criminal background. Shortage of manpower hampered the functioning of the Homes. ICP for Children was not prepared due to failure of Government to sanction posts of Counsellors. Mentally ill children were sent by various CWCs to the Home for Mentally Disabled Children, Kozhikode which did not possess facilities to treat them. State Government failed to constitute State, District or City level inspection committees to oversee functioning of the Homes. Persons manning these institutions were not appropriately trained to handle their responsibilities. The implementation of provisions of the JJ Act relating to the functioning of these Homes left much to be desired.

WATER RESOURCES DEPARTMENT

4.5 Incomplete water supply schemes of Kerala Water Authority

4.5.1 Introduction

The Kerala Water Authority (KWA), established by the Government of Kerala in April 1984, was entrusted with the responsibility of providing drinking water to the entire State of Kerala. The major sources of funds for KWA were grants from Government of Kerala (GOK) and Government of India (GOI), loans from GOK and financial institutions and revenue collected for the supply of water and sewerage charges.

Scrutiny of records of KWA as on 31st March 2015 revealed that work was progressing on 269 Water Supply Schemes (WSS) on which ₹3651.75 crore had already been incurred and were awaiting completion. Financial assistance for these WSS was provided by various agencies like the NABARD⁶¹ and JICA⁶² or by inclusion in schemes like SAARK⁶³, JNNURM⁶⁴, UIDSSMT⁶⁵, NRDWP⁶⁶, etc. This audit, covering the period 2010-15, focused on incomplete WSS which were financially assisted by NABARD and SAARK since implementation of WSS with financial assistance from the NRDWP, JNNURM, JICA and UIDSSMT have already been covered in detail in previous Audit Reports. This audit exercise attempts to analyse the reasons for inordinate delay in commissioning of such essential WSS and to assess delay

⁶¹ National Agricultural Bank for Rural Development,

⁶² Japan International Co-operation Agency

⁶³ Special Package Against Recession in Kerala

⁶⁴ Jawaharlal Nehru National Urban Renewal Mission

⁶⁵ Urban Infrastructure Development for Small and Medium Towns

⁶⁶ National Rural Drinking Water Programme

attributable to non-compliance of rules/procedures/guidelines laid down by Government/KWA.

4.5.2 Financial assistance by NABARD and Government of Kerala

Financial assistance was sanctioned by NABARD in four tranches during September 2003 to December 2011 for implementing rural water supply schemes. The GOK also formulated a new project ‘Special Package against Recession in Kerala’ (SAARK) during 2009-10 and 2010-11. The details are given below:

Table 4.8: Financial assistance by NABARD and GOK

(₹ in crore)

Source of funds	Total No. of Schemes	Amount sanctioned	No. of incomplete WSS as on March 2015	Expenditure on incomplete schemes as on March 2015	Remarks
NABARD	47	537.02	15	262.53	All these schemes were to be completed on or before March 2015.
SAARK	25	342.47	22	207.68	
Total	72	879.49	37	470.21	

(Source: KWA)

4.5.3 Status of implementation

As of March 2015, 37 schemes (15 under NABARD and 22 under SAARK) remained incomplete despite incurring expenditure of ₹470.21 crore. Audit observed that while a further 13⁶⁷ WSS were completed up to September 2015, it was stated by KWA that major hurdles relating to 12⁶⁸ WSS were cleared and that the schemes were likely to be completed shortly. As an audit paragraph on an incomplete WSS to Cheruthuruthy and Nedumpura had already appeared in the CAG’s Report for the year ended March 2014, this Audit focused on the remaining 11 Schemes which also included a scheme remaining incomplete since 1997. The expenditure of the remaining 11 incomplete schemes (March 2015) is given in **Table 4.9**.

Table 4.9: Expenditure incurred on 11 incomplete schemes as on March 2015

(₹ in crore)

Source of fund	No. of schemes	Expenditure incurred prior to inclusion under NABARD/SAARK	Expenditure incurred under NABARD/SAARK	Total expenditure
NABARD	5	-	57.93	57.93
SAARK	6	5.80	78.35	84.15
Total	11	5.80	136.28	142.08

(Source: KWA)

Audit Findings

Projects taken up with NABARD assistance were to be completed within two to three years as mentioned in the loan sanction orders. Works sanctioned

⁶⁷ Four WSS under NABARD & nine WSS under SAARK

⁶⁸ Five WSS under NABARD & seven WSS under SAARK

under SAARK were to be arranged in such a way that the schemes would be completed within two years from the date of Technical Sanction (TS). Audit noticed that as on March 2015, completion of these schemes was already delayed by 24 to 48 months from the targeted dates. Norms for timely acquisition of land, implementation of the procedural requirements, finalization of tenders and obtaining permissions from various agencies/ Departments like Railway, PWD, etc., were not adhered to, due to which these schemes were still incomplete as brought out below.

4.5.4 Schemes remaining incomplete due to non-acquisition of land

The KWA identified, as early as in 2001, non-availability of required land as the reason for delay in completion of schemes. The KWA, therefore, directed its officers (July 2001 and September 2008) not to tender any work unless the entire land required for completion and commissioning of the scheme was in complete physical possession of the Authority. Audit observed that NABARD while sanctioning the loan had also insisted that the State Government should ensure completion of all processes including land acquisition and obtaining necessary clearances from the authorities concerned at the earliest for ensuring timely completion of projects. Audit noticed that these orders were not complied with due to which three schemes were still remaining incomplete as of October 2015, as discussed below.

4.5.4.1 Comprehensive WSS to Parassala and Adjoining villages and Marukil Maranalloor villages in Thiruvananthapuram District

The WSS, taken up under SAARK, was intended to provide water to 396870 beneficiaries in eleven villages in Neyyatinkara Taluk in Thiruvananthapuram district. The work was divided into 15 packages. Out of this, three packages⁶⁹ could not be taken up due to non-availability of land for the construction of Over Head Service Reservoirs (OHSR) and Ground Level Service Reservoirs (GLSR). It was envisaged that while KWA would acquire 81 ares⁷⁰ land for construction of one OHSR and one GLSR at Ponvila, the Grama Panchayats (GPs) in Kulathoor and Parassala would hand over land for construction of OHSRs and GLSRs at Poozhikkunnu, Parassala and Pandarakkonam. It was seen that the required land was not handed over to KWA despite the two GPs having agreed (May 2008) to provide land for construction of the OHSRs and GLSRs. Repeated reminders of KWA (March 2010 and September 2011) to provide land failed to elicit any response from GPs. The land acquisition process for acquiring land by the KWA for construction of the reservoirs was also not finalised.

The Executive Engineer, KWA while confirming (September 2015) audit observation stated that land acquisition work at Ponvila was being processed by the District Collector's Office (September 2015). The Managing Director (MD), KWA replied (January 2016) that follow-up action was being taken.

⁶⁹ Package IX Construction of OHSR/GLSR at Poozhikkunnu, Clear Water Transmission Main (CWTM) & distribution line in Kulathoor
Package X Construction of OHSR/GLSR at Ponvila, CWTM & distribution line in Karode village
Package XII Construction of OHSR at Parassala, GLSR at Pandarakkonam, CWTM & distribution line in Parassala

⁷⁰ One 'are' =0.0247 acre

The reply failed to answer as to why the possession of the required land was not taken before commencement of the Scheme. The scheme which should have been completed by November 2011 was remaining incomplete even as of October 2015, thereby denying potable water to 396870 beneficiaries. The expenditure of ₹56.67 crore incurred on the scheme (March 2015) remained unproductive.

4.5.4.2 SAARK - Accelerated Urban Water Supply Schemes (AUWSS) to Pudukkad Census Town in Thrissur District

The AUWSS for Pudukkad Census Town slated for completion at an estimated cost of ₹1.37 crore was a combined scheme with the ARWSS⁷¹ to Parappukkara and adjoining villages with a common source, intake well cum pump house, raw water pumping main (RWPM) and water treatment plant (WTP) and targeted to benefit 96,250⁷² beneficiaries. Audit noticed that all components of the works were completed (December 2012) except construction of WTP, Pumping main, Service Reservoir, Gravity Main, gap connection and river crossing which could not be taken up due to non-availability of land for WTP and storage tank.

GOK approved the scheme (September 2009) for funding its incomplete components under SAARK. The work commenced in March 2010 with scheduled date of completion fixed as June 2012. Audit noticed that other than erecting the pump set at a cost of ₹0.29 crore (February 2011), none of the other pending works were taken up since the Pudukkad GP had handed over only 20 cents of land as against the requirement of 30 cents, which was insufficient to construct the civil structures. The incomplete works were taken up under NABARD funding scheme (May 2014).

The failure of KWA to obtain additional 10 cents of land from the Grama Panchayat necessitated proposing changes (February 2015) to the design of WTP and reducing the capacity of the OHSR to accommodate the structure within 20 cents of land provided by Grama Panchayat. The proposal was pending approval from the MD, KWA (September 2015).

The MD, KWA confirmed (January 2016) the audit findings and stated that the tendering process was in progress. Failure of KWA to comply with its own instructions regarding obtaining and taking possession of requisite land before commencement of work resulted in the WSS remaining incomplete for at least six years besides depriving 96,250 beneficiaries from obtaining the benefit of the scheme.

4.5.4.3 Comprehensive WSS to Pallichal, Balaramapuram and Vilavoorkkal Panchayats in Thiruvananthapuram District

The NABARD assisted comprehensive WSS was envisaged to provide sufficient drinking water to three panchayats viz., Pallichal, Balaramapuram and Vilavoorkkal and also to ensure quality of water. The scheme was partially commissioned (July 2014).

⁷¹ Accelerated Rural Water Supply Scheme

⁷² ARWSS to Parappukkara and adjoining villages – 81,250
AUWSS to Pudukkad town villages – 15,000

Audit noticed that the construction of GLSR at Poovada could not be taken up due to failure of KWA to obtain possession of land from Pallichal Panchayat. Also, work on construction of OHSR Tank at Mottamoodu was stopped consequent to a suit filed by a nearby resident citing reasons like violation by KWA of building rules, etc. The partially commissioned scheme, after incurring expenditure of ₹20.96 crore (March 2015), was currently providing (November 2015) water to a population of 9000 against envisaged population of 1,19,887.

The MD, KWA admitted (January 2016) that the delay in completion of the scheme was due to failure in handing over the site for GLSR at Poovada by the Pallichal GP.

Failure of KWA to ensure possession of adequate land had resulted in three schemes remaining incomplete.

4.5.5 Timely completion of procedural requirements

As per the terms and conditions for sanction of projects under NABARD, the State Government was to take all steps necessary to remove any legal or procedural delays in the smooth implementation of the projects. The Government was also responsible for obtaining necessary clearances from the concerned authorities at the earliest for timely completion of the sanctioned projects. Permissions were required to be obtained from the Public Works Department (PWD), the National Highway Authorities (NH), Local bodies and Railways for laying pipes through their land. Audit noticed that five schemes suffered due to KWA's failure to obtain permissions from various agencies which resulted in denial of potable water to the beneficiaries as explained below.

4.5.5.1 Permission for road cutting and rail crossing

NABARD - RDWSS to Kazhakkuttom Outer Growth in Thiruvananthapuram District

The AS for the scheme was accorded in August 2008 for completion by 31 March 2011. The distribution system was not completed due to the failure to obtain road/rail cutting permission. The KWA approached NH (June 2009) and Railway authorities (March 2010) seeking permission for road cutting and rail crossing works. Audit noticed that while permission for road cutting was refused by the NH (May 2010) as land acquisition was in progress in the area, the Railways suggested (May 2010) to KWA to submit an alternate proposal as they were planning to construct an overbridge at the site proposed for laying pipelines. The cumulative expenditure of ₹8.72 crore incurred on the incomplete scheme was remaining unfruitful.

The MD, KWA stated (January 2016) that alternate arrangements to avoid NH/rail crossings were being looked into.

Audit observed that failure to obtain necessary clearances from NH/Railways resulted in failure to complete the scheme and resultant denial of potable water to 24,570 beneficiaries.

4.5.5.2 Permission for road cutting from NH/PWD/Local Body

SAARK - Augmentation of UWSS⁷³ to Neyyattinkara Municipality in Thiruvananthapuram District

The AS for the scheme was accorded during August 2009 for completion by November 2011. The work was awarded to a contractor during November 2012. The KWA approached NH/Municipal authorities for road cutting permission during March 2013 and PWD during September 2013 only. Permission was accorded (December 2013) by the Neyyattinkara Municipality to lay distribution lines along 10 kms of Municipal roads. However, after laying pipes in two kilometres through the municipal roads, the work was stopped due to public protest since the Kalippara transmission main under CWSS to Parassala which was the source of water for this distribution line was yet to be completed (January 2016). Permission was also refused (August 2014) by NH authorities for road cutting as a proposal for four lane road widening work was in progress and suggested to lay pipes simultaneously with the road widening work. The PWD did not offer any response to a letter from KWA (September 2013) seeking sanction for road cutting work. The work was still incomplete (January 2016) resulting in denial of potable water to 45,390 beneficiaries despite spending ₹0.98 crore on the scheme.

The MD, KWA replied (January 2016) that KWA was targeting for partial commissioning of Kalippara scheme soon and that road cutting permission would be obtained after completion of road widening works.

The reply of KWA was not acceptable as KWA should have obtained necessary clearances from respective agencies before award of the work to the contractor, which was indicative of ill-planning due to not obtaining permissions before starting works.

NABARD - RWSS⁷⁴ to Azhoor, Kizhuvillam and Keezhattingal villages in Thiruvananthapuram District

The AS for the work was accorded during August 2008. The work was commenced in March 2010 with stipulated date of completion on 31 March 2011. The scheme was partially commissioned on 20 July 2012 after completion of CWPM⁷⁵, OHSR and distribution network. The work of laying 2037 metres of transmission main from Mananakku tank to OHSR was yet to be completed due to non-receipt of permission for road cutting from NH authorities.

The MD, KWA replied (January 2016) that the NH road was under maintenance contract of the PWD contractor and permission for road cutting would be obtained after completion of maintenance period.

Audit observed that better coordination between NH and KWA could have ensured timely permission for road cutting prior to commencement of maintenance work.

⁷³ Urban Water Supply Scheme

⁷⁴ Rural Water Supply Scheme

⁷⁵ Clear Water Pumping Main

SAARK - WSS to Ollur and Edakkunni in Thrissur District

The AS for the work was accorded during August 2009 and works were scheduled to be completed by June 2012. The scheme was targeted to provide drinking water to 92,794 beneficiaries. The CWPM and distribution systems were not completed for want of road cutting permission from PWD. The KWA approached PWD only during January 2014 for the purpose.

Lack of co-ordination between KWA and PWD resulted in non-obtaining of road cutting sanction. Since the work relating to CWPM, distribution system and OHSR was still incomplete, the scheme could not become operational even after incurring an expenditure of ₹6.19 crore.

The MD, KWA replied (January 2016) that road cutting permission was yet to be received.

4.5.5.3 Permission for Rail crossing

SAARK - WSS to Feroke and Karuvanthuruthi villages in Kozhikkode District

The AS for the work was accorded during November 2010 for completion by 31 March 2013. The scheme was envisaged to provide drinking water to 50,277 beneficiaries. The main feeder line from the OH tank had to cross the railway line near Feroke railway station. A suitable location across railway track at Feroke yard was identified by the Railways and KWA was directed (August 2011) to submit the estimate of the work along with centage charges to Railways. Though KWA submitted detailed estimate for laying pipes across the railway track and remitted centage charges to Railways in August 2011, the Railways, after a lapse of three years informed (October 2014) that it was not permissible to cross the track at the proposed point due to technical reasons and suggested shifting the point of crossing to another location. Though KWA had agreed (December 2014) to this proposal, no further progress was achieved in the matter.

Audit observed that the failure of KWA to lay the distribution line across the railway track had resulted in potable water not being made available to the residents of Feroke and Karuvanthuruthi villages. An expenditure of ₹3.43 crore (March 2015) incurred on the scheme had remained unfruitful.

The reply of Executive Engineer (September 2015) stating that the permission for rail crossing was awaited was not acceptable as KWA had failed to obtain the same from Railways before commencement of work. Further, the MD, KWA replied (January 2016) that it was decided to supply water from gravity main of JICA and the above scheme was included in the State Plan and not in SAARK.

The reply was not correct as the AS for the work was accorded (November 2010) under SAARK by the MD, KWA.

Thus delay in getting permission from the government departments and other agencies resulted in non-completion of five schemes and the beneficiaries could not get potable water.

4.5.6 Delay in finalization of tenders

Government issued instructions (May 2007) that in order to avoid delay in tendering of works, the works should be tendered within three weeks after getting administrative sanction. Further, the MD, KWA directed (June 2008) that the entire tendering process in respect of works falling under NABARD should be completed within 60 days from the date of notification or date announced by his Office. This has been extended to those works taken up under SAARK with effect from November 2009. Audit scrutiny revealed that 48 to 69 months were taken to finalise the tenders as against 60 days prescribed by the Government resulting in delay in completion of three schemes.

4.5.6.1 NABARD - WSS to Nadapuram, Kozhikkode District

The AS for the scheme was accorded during August 2008 for ₹10.63 crore and the works were to be completed by 31 March 2011. The scheme was envisaged to provide drinking water to 79,036 beneficiaries. The work for RWPM⁷⁶, CWPM and Gravity main was first tendered on 26 August 2008 and submitted to MD on 04 November 2008. The MD forwarded it to the Government only on 24 January 2010. The Government ordered (31 January 2011) to retender the work due to high rate quoted by the contractor. The estimate for the work was revised based on SOR 2012 and retendered during November 2012.

Delay in finalising the tender in the above instances further led to delays in finalising the tender (July 2014) for supply and erection of transformer and allied works by 69 months. The work remained incomplete leading to unfruitful expenditure of ₹4.63 crore (March 2015).

The MD, KWA accepted (January 2016) the audit observations and stated that the transformer erection work was in progress.

4.5.6.2 NABARD - WSS to Kuttiyadi, Kozhikkode District

The AS for the scheme was accorded during August 2008 for ₹5.03 crore and the works were to be completed on 31 March 2011. The work for RWPM, CWPM and Gravity main was first tendered on 26 August 2008 and submitted to MD on 04 November 2008, who forwarded it for submission to Government only on 24 January 2010. The Government ordered (31 January 2011) to retender the work due to high rate quoted by the contractor. The estimate for the work was revised based on SOR 2010 and retendered during January 2012.

Delay in finalising the tender in the above instances further resulted in delay in finalising the tender (July 2014) of transformer work (common component with WSS to Nadapuram) by 69 months.

The MD, KWA, while confirming (January 2016) the audit observations stated that all works except transformer erection had been completed and the scheme was commissioned by connecting to an existing scheme.

⁷⁶ Raw Water Pumping Main

The reply, however, failed to explain retention of tender at the office of the MD, KWA for 26 months which resulted in delay in finalization of tender and escalation in costs, which calls for fixing of responsibility.

4.5.6.3 SAARK - RWSS to Belur, and adjoining villages in Kasargod District

The AS for the scheme was accorded during February 2011 for completion by March 2013 at an estimated cost of ₹17 crore. The scheme was envisaged to provide drinking water to 35,558 beneficiaries. Technical sanction for the work was issued by the Chief Engineer (North) on 23 August 2011 i.e. six months after issuance of AS. Tender for the work was invited on 27 July 2012. This had resulted in a delay of 16 months from the date of issuance of AS.

The KWA could not finalise the tender for erection of centrifugal pump sets even after inviting tenders four times due to lack of response. This had resulted in delay in finalising tender of pump sets by 48 months. The work remained incomplete leading to unfruitful expenditure of ₹11.23 crore.

The MD, KWA replied (January 2016) that rates for these pump sets fixed by KWA in 2011 had not been revised. The low rates fixed and stringent tender conditions regarding warranty, etc., had resulted in KWA finding it difficult to get competitive bidders for centrifugal pump set.

Failure of KWA to rectify the identified problems had resulted in its inability to complete the Scheme

The delay in tendering had resulted in the timelines set by NABARD and KWA for completion of WSS redundant.

4.5.7 Conclusion

The KWA had failed in obtaining hindrance free land, permissions for road cutting/rail crossing besides delaying finalization of tenders which led to non-completion/partial commissioning of various WSS. The delay in completing the schemes resulted in blocking of funds to the tune of ₹97.50 crore besides denying potable water to the targeted population of 8.21 lakh in respect of eight schemes which remain incomplete (January 2016).

FAILURE OF OVERSIGHT/ADMINISTRATIVE CONTROLS**HEALTH & FAMILY WELFARE DEPARTMENT****4.6 Misappropriation of Government Money in Ayurveda Dispensary, Cherpulassery**

Non-adherence to codal provisions and laxity in supervision resulted in misappropriation of ₹2.50 lakh.

Rule 92 a (ii) of the Kerala Treasury Code (KTC) stipulates that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the Head of the Office in token of check. Section 12 of the Kerala Indigenous Medicine Departmental Manual stipulates that the District Indigenous Medical Officers (DMO, ISM) shall make intensive annual inspection of hospitals and dispensaries under their jurisdictions.

The Medical Officers (MO) of Government Ayurveda Dispensaries are the Drawing and Disbursing Officers (DDO) in respect of both Government as well as the Local Self Government Institutions (LSGI) funds. In accordance with Government of Kerala (GOK) guidelines (September 1995), funds are released by LSGIs to hospitals under their control for purchase of medicines, maintenance of hospitals, etc. Guidelines issued (April 2006) by GOK on allocation and drawal of LSG funds require that the money drawn by DDOs from a non-banking treasury⁷⁷ must be deposited on the same day in the account opened in a nationalised bank. Payments were to be made by way of demand drafts on receipt of proper acknowledgement.

The MO, Government Ayurveda Dispensary (GAD) Cherpulassery withdrew Rupees Three lakh (Rupees One Lakh each was withdrawn on 27 October 2011, 27 March 2013 and 19 July 2013) provided by Cherpulassery Grama Panchayat from the Sub Treasury, Cherpulassery for purchase of Ayurveda medicines from Oushadhi⁷⁸. Audit examined the accounts of Oushadhi with reference to these transactions and noticed that between October 2011 and July 2013, the MO, GAD Cherpulassery had procured medicines worth Rupees One lakh only from Oushadhi.

Further, though Rupees One lakh drawn from the Sub Treasury on 27 October 2011 was shown as receipt in the Cash Book and paid to Oushadhi by way of demand draft for purchase of medicines, the money was neither deposited in the bank account maintained with State Bank of Travancore nor demand draft drawn for payment to Oushadhi. Also, Rupees One lakh drawn from the Sub Treasury on 19 July 2013 was not recorded as receipt in the cash book. Verification of bank account statements by Audit also did not show deposit of the money on 19 July

⁷⁷ Non-Banking Treasury is a Treasury which does not transact its cash business through the bank.

⁷⁸ A Public Sector Undertaking under the Department of Health & Family Welfare, Kerala engaged in the production and supply of Ayurveda medicines.

2013 or on subsequent days. Thus, Rupees two lakh was misappropriated by the MO.

Similarly, the MO withdrew (11 October 2013) ₹0.50 lakh from the treasury for purchase of computers. The amount was taken as receipt in the cash book and shown as expenditure on the same day for purchase of computers. However, records examined by Audit did not confirm any such purchase. No quotation, invoices and stock entries were available on record as evidence of purchase of the computers. Bank account statement also did not show any evidence of deposits and payment made to any firm towards the supply of computers. Moreover, monthly reconciliation of accounts were not found to be done with the bank/treasury. The MO, GAD also stated that no computers were available in the GAD which confirmed that the then MO had misappropriated ₹0.50 lakh.

Even though as per Rules, the DMO, ISM was required to make intensive annual inspection of hospitals and dispensaries under their jurisdictions, inspections were conducted only on three occasions (03.02.2010, 24.01.2011 and 12.09.2013) during the years 2009-14 against the required five. However, the DMO, ISM failed to identify the instances of misappropriation during the course of his inspections.

Thus, non-adherence to codal provisions by the MO and laxity on the part of the DMO, ISM in conducting periodical and intensive inspections as mandated in the Departmental Manual resulted in misappropriation of ₹2.50 lakh at the GAD, Cherpulassery.

It was observed by Audit that on the basis of audit findings, departmental enquiry was conducted by the department and the Director (ISM) had suspended (September 2014) the MO, GAD Cherpulassery from service. Confirming the audit findings, Government of Kerala stated (July 2015) that the MO had admitted the misappropriation and that action was being finalised at the Government level for imposing major penalty against the official.

HIGHER EDUCATION DEPARTMENT

4.7 Irregular payment for valuation of examination answer scripts by Universities

During 2010-14, three universities in the State made inadmissible payment of ₹5.28 crore to teachers towards valuation charges of answer scripts in violation of Government orders.

The University Grants Commission (UGC) notified (1998) the revision of pay scales, minimum qualifications for appointment of teachers in Universities, Colleges and other measures for the maintenance of standards. Government of Kerala (GOK) issued orders (December 1999) for implementation of the UGC Scheme in the State including revision of pay scales to College/University/Physical Education teachers/Librarians in the State with retrospective effect

from 01 January 1996. The scheme was fully funded⁷⁹ by GOK since April 2000.

While issuing orders for scheme implementation in December 1999, GOK required that examination work be reckoned as part of official duty and teacher's response for the examination work should be assessed in the Performance Appraisal Report. GOK also ordered (January 2001) that in accordance with the recommendations of the UGC scheme, teachers shall value the answer scripts of regular students as part of their duty and no separate remuneration shall be paid for the same. However, remuneration could be paid to serving as well as retired teachers in respect of valuation of answer sheets of private candidates. The UGC regulations of 2010 also laid down a Code of Professional Ethics which stipulated that teachers should cooperate and assist in the conduct of university and college examinations, including supervision, invigilation and evaluation.

Audit noticed that during 2010-14 in violation of GOK orders, teachers who were drawing pay and allowances according to UGC norms in three Universities viz. Cochin University of Science and Technology (CUSAT), Kannur and Calicut Universities were together paid ₹5.28 crore⁸⁰ towards valuation charges of answer scripts of regular students. Though the Kerala and Mahatma Gandhi Universities also stated that ₹16.30 crore had been paid towards valuation charges of answer scripts of regular students, Audit has not reckoned these due to inability of the Universities to segregate the remuneration paid to UGC and non-UGC teachers.

Failure of universities to implement the orders of GOK resulted in irregular payment of ₹5.28 crore during 2010-14.

Government stated (October 2015) that the concerned universities have been directed to place a resolution before their respective syndicates stating that no remuneration shall be paid to teachers drawing UGC scale of pay for valuation of answer scripts of regular students.

The reply of the Government was not acceptable as it is silent about the irregular payment of ₹5.28 crore already made to the teachers.

⁷⁹ The additional expenditure for implementing this scheme was to be shared by GOI and GOK in 80:20 ratio for the period January 1996 to March 2000. Thereafter the entire expenditure was to be borne by GOK.

⁸⁰ CUSAT: ₹1.38 crore, Kannur University: ₹1.36 crore, Calicut University: ₹2.54 crore

LOCAL SELF GOVERNMENT DEPARTMENT

4.8 Laxity in implementing a GOI funded poverty alleviation scheme for BPL women beneficiaries

Due to laxity in implementation of a GOI approved poverty alleviation scheme, 11,214 BPL women beneficiaries could not be benefitted despite availability of ₹2.80 crore which was parked irregularly in fixed deposits.

Government of India (GOI) accorded administrative approval (March 2005) to a project 'Promotion of Back Yard Breeding of Chicks in Kerala' at a total approved cost of ₹14.92 crore⁸¹. The project was proposed by Kerala State Poultry Development Corporation Ltd., (KEPCO)⁸² under the Swarnajayanti Grama Swarozgar Yojana (SGSY), a Centrally Sponsored Scheme. KEPCO was identified as the Project Implementation Agency (PIA) responsible for implementing the Scheme in the State. The scheme was implemented with the active participation of Local Self Government Institutions. The Block Panchayat authorities were to invite the applications and the beneficiary selection was to be finalised by them. The scheme envisaged alleviation of poverty among 40000 Below Poverty Line (BPL) women from 50 selected blocks of the State by providing each beneficiary with adequate training along with one time supply of wooden cage, 20 layer birds, 40 kg of Poultry feed and medicines worth ₹50. The Scheme was conceived as an ongoing scheme but without recurring assistance. An individual investment of ₹3730 on a beneficiary (inclusive of her contribution of ₹50 and Loan ₹120) was projected to generate an income of ₹26,793 over a period of five years.

GOI released ₹8.11 crore to KEPCO in two installments of ₹4.05 crore each during March 2005 and March 2009 respectively with directions to maintain a separate bank account and not to be parked in fixed deposits. KEPCO was also responsible for furnishing progress reports, utilization certificate, Audit certificate and other documents to GOI for claiming subsequent installments of funds. Proportionate assistance of ₹2.70 crore was released by GOK in two equal installments during March 2006 and April 2009 respectively.

The project was initially slated for completion by March 2007. As KEPCO/GOK sought (February 2008) extension of time by 18 months citing reasons such as outbreak of bird-flu/general elections, extension was granted (March 2009) by GOI up to 31.03.2009. KEPCO again requested GOI (April 2010) for further extension of project period till March 2011 citing difficulties in implementation and also asked for revision of rates of certain components under the project. In order to take a decision, GOI directed GOK (August 2010) to furnish the component wise expenditure details. Despite the Commissioner for Rural Development, GOK requesting KEPCO multiple times⁸³ to furnish the requisite information for onward transmission to GOI,

⁸¹ Government share: ₹13.52 crore to be shared between GOI and GOK in the ratio of 75:25 i.e. ₹10.14 crore and ₹3.38 crore respectively (State share routed through District Rural Development Agency); Bank credit: ₹1.20 crore and beneficiary contribution: ₹0.20 crore

⁸² A Government of Kerala undertaking

⁸³ Letters from the Commissioner of Rural Development, GOK to the Managing Director, KSPDC dated 29.10.2010, 25.11.2010, 28.02.2011, 16.07.2011, 04.11.2011

the information was not furnished by KEPCO. GOI neither granted extension of time nor released the third and final installment of ₹2.04 crore (March 2015). Meanwhile, GOI informed (October 2013) that the SGSY scheme had ceased to exist with effect from 01.04.2013.

In this regard, following observations are made in audit.

- KEPCO could cover only 28786 of the 40000 beneficiaries in 36 of the 50 blocks targeted to be covered during 2005-07, despite having adequate funds and obtaining extension of time for completion of the scheme till March 2009 from GOI.
- Unspent scheme funds of ₹3.37 crore (including interest on deposits) was parked with Banks including ₹2.80 crore in fixed deposits (March 2014) by KEPCO, in clear violation of GOI guidelines.

Audit had earlier reported in Para 5.8 of Report of the Comptroller and Auditor General of India on General and Social Sector for the year ended March 2014 that KEPCO had failed to implement a similar scheme for providing livelihood to unemployed Scheduled Castes resulting in blocking up of funds of ₹2.80 crore for a period of over three years. The persistent failure of KEPCO to successfully implement schemes despite availability of funds and resultant loss of GOI assistance is cause for concern.

Government accepted the audit observations and stated (October 2015) that KEPCO failed to achieve the target even during the extended period due to various reasons like discontinuance of supply of cages by M/s. Kerala Small Industries Corporation Ltd.⁸⁴, non-willingness of local banks to sanction loans, increase in production cost of birds and feeds and high transportation cost of birds from production centres to supply sites. It also stated that ₹2.80 crore was lying as unspent balance and was kept in bank account as fixed deposit.

The reply is not acceptable as GOK failed to explore other possible ways to overcome the known obstacles and implement the scheme.

REVENUE DEPARTMENT

4.9 Unfruitful expenditure on construction of a Regulator-cum-Bridge

Unfruitful expenditure of ₹87.52 lakh incurred on construction of a Regulator-cum-bridge.

In order to prevent flooding in the adjoining areas of Cherpu Panchayat at Ettumana, Thrissur, Government issued Administrative Sanction (February 2006) for constructing a Regulator-cum-Bridge (RCB) on the right bank of Karuvannur river at a total cost of ₹90 lakh which also stipulated that any cost overrun was to be met by the District Panchayat or Block Panchayat as no more funds would be provided from River Management Fund (RMF). The

⁸⁴ M/s. Kerala Small Industries Corporation Ltd., a GOK undertaking was engaged for supply of cages by KEPCO

RCB was intended to serve the purposes of distribution of water to *Kole*⁸⁵ lands in summer, preventing floods in monsoon and allow traffic through bund road in all seasons. The Chief Engineer, Irrigation & Administration issued Technical Sanction (October 2007), and the work was awarded to a contractor at an agreed Probable Amount of Contract (PAC) of ₹94.41 lakh. The work commenced in May 2008 and after completion of 92 *per cent* of civil works, the work was stopped. An amount of ₹87.52 lakh has been spent on the work. The mechanical work was yet to be taken up (March 2015). Additional funds were sought for by the Irrigation department which was not sanctioned by the State Level Committee. The Local Bodies were also not in a position to provide additional fund assistance.

In a meeting (January 2008) chaired by the District Collector in the presence of local MLA, it was decided to complete the civil works with the sanctioned amount and to complete the mechanical work by including it under some other schemes, which is yet to materialise. Thus, the work was commenced without ensuring adequate funds resulting in the expenditure of ₹87.52 lakh incurred on the project remaining unfruitful. The balance work including mechanical portion of the work costing ₹51 lakh as per 2010 SOR remained incomplete as of March 2015. The objective of the RCB to prevent flooding has thus not been achieved. Audit noticed that GOK expended ₹26.04 lakh during 2008-14 on construction of a bund and its maintenance to prevent flood waters from inundating the *Kole* lands.

GOK replied (November 2015) that it would analyse the problem meticulously and explore ways to complete the project without further delay.

4.10 Unproductive expenditure on construction of a check dam

Failure of GOK to accord revised sanction for the work has resulted in inability to complete the scheme despite incurring expenditure of ₹2.80 crore.

Government accorded (December 2007) Administrative Sanction (AS) for the construction of a check dam across the Bharathapuzha in Vallathole Nagar Panchayat in Thrissur district at an estimated cost of Rupees five crore meeting the expenditure from River Management Fund (RMF). The proposed date of completion was 19 May 2010 (18 months from the date of handing over of site). The objective of the scheme was to address the scarcity of drinking water in nearby areas along the riverbanks of the Bharathapuzha and for conservation of surface and sub-surface water in the river even during acute summer season. The work was awarded at 41.29 *per cent* (₹7.01 crore) above the Estimate Rate. The changes in design subsequently, necessitated revised estimate and the Government accorded fresh AS (February, 2011) revising the estimate cost as ₹9.24 crore including tender excess, to be met from the RMF.

⁸⁵ The *Kole* wetlands are low lying tracks located 0.5 to 1 metre below mean sea level and remain submerged for about six months from June to November. This area is used for particular cultivation method (*Kole* cultivation) adopted in wastelands in Thrissur district from December to May.

Audit found that though the contractor started the work in 2008, only 30 per cent of the work was completed as of May 2009 and the contractor was paid ₹2.80 crore (December 2013) against the up to date value of work done of Rupees three crore. Due to the death of the contractor, the work was foreclosed (April 2012) without risk and cost with reference to the revised estimate. Though revised estimate for the completion of the balance work for ₹14.50 crore (DSOR 2013) was submitted (December 2014) to Government, no sanction was obtained as of March 2015. The check dam originally scheduled for completion (May 2010) has not been completed even at the end of November 2015. The objective of the Scheme to address the scarcity of drinking water in nearby areas along the riverbanks of the Bharathapuzha has remained unachieved despite incurring expenditure of ₹2.80 crore.

The District Collector admitted (June 2015) that the practical difficulties faced during initial period of construction including changes in estimate due to variances in site conditions, resultant cost overrun and failure of GOK to accord revised sanction for the work had resulted in the scheme remaining incomplete.

Principal Secretary to Government, Revenue Department stated (November 2015) that the Finance Department had been requested for providing funds.

WATER RESOURCES DEPARTMENT

4.11 Avoidable expenditure on e-procurement services incurred by Kerala Water Authority

Kerala Water Authority incurred an avoidable expenditure of ₹1.42 crore due to failure to migrate to free e-tendering/e-procurement service offered by Government of Kerala.

The Kerala Water Authority (KWA) executed an agreement with Karnataka State Electronics Development Corporation (KEONICS) (December 2008) for publishing tender notices in the portal, uploading tender documents to the e-tendering site and assisting in contractor enrolment, bid submission and bid opening under the internet based tendering system. The contract was extended from February 2009 to January 2010 (one year), February 2010 to January 2012 (two years) and February 2012 to January 2015 (three years) and further extended till 31 July 2015.

Meanwhile, Kerala was selected (June 2008) as one of the pilot States for implementation of e-Government Procurement (e-GP), a Mission Mode Project under National e-Governance Plan of Government of India (GOI). The project aimed at enhancement of transparency and efficiency in public procurement activities and monitoring on real time basis. Subsequently, GOI informed that a standardised e-procurement system which was free for all departments and organizations under GOK was planned to be implemented using the e-procurement solution (GePNIC) developed by National

Informatics Centre (NIC). GOK recognising the benefits⁸⁶ to accrue out of the implementation of e-GP project directed (June 2011) all State Government departments to adopt the above system. It was also stated that those departments which had adopted a 3rd party solution were to migrate to the GePNIC solution as and when it was operational. GOK issued directions (December 2011) for implementation of the project and selected four⁸⁷ departments for inclusion in the pilot phase of the project. The system was to be rolled out to other government departments across the State on successful completion of pilot phase.

The free e-GP project became operational in the State on 7 December 2011. Audit noticed that KWA, instead of migrating to e-GP, extended its contract with KEONICS for a further period of three years from February 2012 to January 2015. KWA had incurred an expenditure of ₹1.42 crore being charges for service provided by KEONICS during the period May 2013 to May 2015. Meanwhile, the Departments of Public Works, Transport, Police and Irrigation (under Water Resources Department) implemented e-GP during December 2011 to October 2013.

The reluctance of KWA to migrate to e-GP and decision to continue with KEONICS is evident from the fact that it had sought (July 2013) the remarks of the Kerala State Information Technology Mission (KSITM) for continuing the usage of e-Tendering portal of KEONICS. KWA was advised by KSITM to reduce the exposure to the e-Tendering system of M/s. KEONICS and adopt the GePNIC solution of GOK in a phased manner. Audit noted that despite GOK setting deadline to migrate to e-GP, no steps were initiated by KWA until August 2014 when the High Level Committee of KWA decided to obtain the features of GePNIC solution from NIC. Justification was lacking on the part of KWA for extending the contract with KEONICS for a further period of three years from 2012 to 2015 when the free e-GP service offered by GOK was functional from December 2011.

To enable smooth transition to GePNIC solution, KWA could have extended its contract with KEONICS for one year 2012-13, instead of three years (2012-15). Due to its laxity in taking effective steps to migrate to the free e-GP solution offered by GOK and the inexplicable extension of contract with KEONICS for three years, KWA incurred an avoidable expenditure of ₹1.42 crore during the period 2013-15.

The Secretary, Water Resources Department (Secretary) stated (September 2015) that the Government Order of June 2011 to implement e-GP was communicated to KWA in October 2012, by which time extension of work order had already been given to KEONICS for three years and agreement executed in August 2012. It was also stated that NIC portal was then in its primitive form and that KWA had since switched over to e-GP for e-tendering in June 2015 after ascertaining its effectiveness.

⁸⁶ Complete project cost will be borne by GOI for two years, necessary back-end hardware and Software to be installed and maintenance of the National Data Centre by NICS, customization of e-procurement solution by NIC as per the States requirements, Manpower for training and hand holding support to be provided by empanelled agencies of NICS and Central help desk facilities by NICS for phone-e-mail support.

⁸⁷ Public Works, Water Resources, Transport and Police Departments

The reply of the Secretary is contrary to the facts since GOK, as early as in June 2011, besides directing all Government departments to adopt e-GP system also ordered all those departments using third party solutions to migrate to the e-GP. Moreover, Water Resources Department was identified by GOK in December 2011 as one of the four departments for inclusion in the pilot phase of the project with the Secretary nominated as a member of core committee for implementation of the project. Hence, the Secretary was aware of the e-GP solution offered by GOK when KWA decided to extend its contract with KEONICS for a further period of three years from 2012. The contention of the Secretary that the e-GP portal was in primitive mode was also misleading in view of the fact that while final extension of contract with KEONICS was made in August 2012, KWA decided to obtain the features of e-GP solution only in August 2014.



(N. NAGARAJAN)

**Principal Accountant General
(General and Social Sector Audit), Kerala**

**Thiruvananthapuram,
The**

Countersigned



**(SHASHI KANT SHARMA)
Comptroller and Auditor General of India**

**New Delhi,
The**

APPENDICES

Appendix 1.1

Year-wise break up of outstanding Inspection Reports (IRs) as on 30 June 2015

(Reference: Paragraph 1.7.1; Page: 9)

Year	Up to 2010-11	2011-12	2012-13	2013-14	2014-15	Total
GENERAL EDUCATION DEPARTMENT						
No. of IRs	751	84	33	68	54	990
No. of paragraphs	2796	407	227	336	249	4015
No. of IRs for which initial reply has not been received (no. of paragraphs)	(149)	(22)	(4)	(15)	(27)	(217)
HEALTH DEPARTMENT						
No. of IRs	553	92	99	180	220	1144
No. of paragraphs	2503	320	482	907	1348	5560
No. of IRs for which initial reply has not been received (no. of paragraphs)	64 (378)	19 (93)	21 (126)	62 (420)	128 (857)	294 (1874)
MEDICAL EDUCATION DEPARTMENT						
No. of IRs	99	10	24	17	20	170
No. of paragraphs	645	94	263	188	204	1394
No. of IRs for which initial reply has not been received (no. of paragraphs)	NIL	NIL	NIL	NIL	20 (204)	20 (204)

Appendix 1.2

Details of Action Taken Notes pending as of September 2015

(Reference: Paragraph 1.7.3; Page: 9)

Sl. No.	Department	2011-12	2012-13	2013-14	Total
1	General Education	-	2	1	3
2	Health & Family Welfare	-	-	4	4
3	Health & Family Welfare, Higher Education	-	-	1	1
4	Home	-	1	-	1
5	Housing	-	-	1	1
6	Information Technology	-	-	1	1
7	Revenue	-	3	-	3
8	Scheduled Castes/Scheduled Tribes Development	1	-	1	2
9	Water Resources	-	4	1	5
	Total	1	10	10	21

Appendix 1.3

Statement showing the details of paragraphs pending discussion by the
Public Accounts Committee as of September 2015

(Reference: Paragraph 1.7.4; Page: 9)

Sl. No.	Name of Department	2011-12	2012-13	2013-14	Total
1	General Education	-	2	1	3
2	Health and Family welfare	-	3	5	8
3	Cultural Affairs	-	-	1	1
4	Home	-	1	-	1
5	Housing	-	-	1	1
6	Information Technology	-	-	1	1
7	Labour and Skills	-	-	1	1
8	Revenue	-	4	-	4
9	Scheduled Castes/Scheduled Tribes Development	1	-	1	2
10	Sports and Youth Affairs	-	1	-	1
11	Water Resources	-	4	1	5
	Total	1	15	12	28

Appendix 2.1

List of Educational development schemes for SC students

(Reference: Paragraph 2.1; Page: 12)

Running/Providing of

1. Nursery Schools (89 Nos.)
2. Model Residential Schools (9 Nos.)
3. Model Residential Sports School (1)
4. Model Residential Polytechnic (1)
5. Pre-examination Training Centres (4 Nos.)
6. Post-matric Hostels (17 Nos.)
7. Pre-matric Hostels (86 Nos.)
8. Industrial Training Institutes (SC) (44 Nos.)
9. Para-medical Institute (4 Nos.)
10. Community College (1)
11. Centre for Research and Education for Social Transformation (CREST)
12. Vijnan Vadis (proposed 1000 Nos.)
13. Pre-matric and Post-matric studies – scholarships (GOI scheme), stipends, Lump-sum grant, reimbursement of fees and other Financial Assistances.
14. Special incentives to talented students
15. Book bank scheme
16. Babu Jagjeevanram Chathravas Yojana (construction of hostels)
17. Vision 2013 (Assistance for Medical/Engineering entrance exam coaching)
18. Institute of Civil Service Examination Training Society (ICETS)
19. Courses and programmes conducted by Other Agencies
20. Medical College, Palakkad
21. Distribution of laptops

Appendix 2.2

List of test checked Institutions

(Reference: Paragraph 2.5; Page: 13)

Sl. No.	Name of Institutions	Sl. No.	Name of Institutions	Sl. No.	Name of Institutions
I	Nursery Schools	II	Pre-matric Hostels (contd.)	III	Post-matric Hostels (contd.)
1	Enchapuri	38	Pottassery	75	Kannadi
2	Edakode	39	Agali	76	Kannur
3	Thalayil	40	Kumaranelur	IV	ITIs
4	Sreenivasapuram	41	Shoranur	77	Kanjiramkulam
5	Santhipuram	42	Manissery	78	Mariyapuram
6	Perumbazhuthur	43	Kadirur	79	Kadakampalli
7	Mariyapuram	44	Thalassery	80	Anchamada
8	Thirupuram	45	Azheekkode	81	Attipra
9	Muriyankara	46	Pazhayangadi	82	Perumala
10	Thonnakkal	47	Taliparambu	83	Varkala
11	Panavur	48	Mayyil	84	Edakode
12	Vilakkudy	49	Sreekandapuram	85	Shingarathope
13	Kadakkmon	50	Oachira	86	Oachira
14	Punalur	51	Poruvazhy	87	Kulakada
15	Kulakkada	52	Sasthamcotta	88	Vettikavala
16	Veliyam	53	Kunnathur	89	Palapuram
17	Chaloorakonam	54	Ezhukone	90	Mangalam
18	Chillithode	55	Punalur	91	Chittur
19	Ranikovil	56	Puthur	92	Madayi
20	Kollam Pattada	57	Chanthannur	V	MRS
21	Thenur	58	Neyyattinkara	93	Peerumade, Idukki
22	Masaparmbu	59	Nedumangad	94	Thrithala, Palakkad
23	Koottala	60	Kilimanoor	95	Kuzhalmannom, Palakkad
24	Paruthur	61	Venganur	96	Shree Ayyankali Memorial Government Model Residential Sports School, Thiruvananthapuram
25	Kattampally	62	Aruvikkara	VI	Paramedical Institute
26	Valapattanam	63	Venjaramood	97	Thiruvananthapuram
27	Vathilmada	64	Kattappana	98	Palakkad
II	Pre-matric Hostels	65	Koovapally	99	Kannur
28	Mundur	66	Karimannoor	VII	PETC
29	Mankara	67	Peermade	100	Thiruvananthapuram
30	Vadakkanchery	68	Munnar	101	Palakkad
31	Kottayi	III	Post-matric Hostels	102	ICETS, Thiruvananthapuram
32	Alathur	69	Vellayambalam 1	103	CREST, Kozhikkode
33	Puthunagaram	70	Vellayambalam 2	104	Community Collge, Palakkad
34	Kollengode	71	Poochedivila	105	Medical College, Palakkad
35	Kozhinjampara	72	Amruthakulam Boys	106	MR Polytechnic, Palakkad
36	Alanellur	73	Amruthakulam Girls		
37	Karakurussi	74	Palakkad		

Appendix 2.3

Strength of students in nurseries in the five test checked districts

(Reference: Paragraph 2.7; Page: 14)

Sl. No.	District	Nursery	2010-11	2011-12	2012-13	2013-14	2014-15	Average
1	Thiruvananthapuram	Enchapuri	13	13	13	18	16	15
2		Edakode	13	12	17	17	16	15
3		Thalayal	17	12	12	14	19	15
4		Sreenivasapuram	17	16	18	21	17	18
5		Santhipuram	8	8	32	43	44	27
6		Perumpazhuthur	30	20	15	13	10	18
7		Mariyapuram	22	17	15	10	11	15
8		Thirupuram	21	18	18	14	13	17
9		Muriyankara	25	20	15	15	12	17
10		Thonakkal	14	13	12	18	21	16
11		Panavoor	10	11	12	13	14	12
12	Kollam	Villakudy	20	20	17	14	18	18
13		Kadakamon	37	45	27	26	29	33
14		Punalur	17	15	17	17	18	17
15		Kulakkada	17	26	30	26	29	26
16		Velliyam	32	30	30	28	26	29
17		Chalurkonam	32	20	18	15	32	23
18	Idukki	Chillithode	19	16	15	16	18	17
19		Ranikovil	13	17	18	17	23	18
20		Kollampattada	19	19	18	17	18	18
21	Palakkad	Thenur	10	11	9	8	9	9
22		Masaparambu	20	10	13	13	20	15
23		Kuttala	26	25	25	26	25	25
24		Paruthur	19	18	13	11	13	15
25	Kannur	Kattampally	16	23	23	15	18	19
26		Valapattanam	12	21	15	18	18	17
27		Vathilmada	25	24	25	20	14	22

Appendix 2.4

Deficiencies in infrastructure – Nurseries
(‘X’ denotes deficiency noticed)

(Reference: Paragraph 2.7.1; Page: 14)

Sl. No.	Nursery	Leaking Roof/ Dilapidated Building	Non-availability/ Unclean Toilet	Non-Availability of Water source	Non-Availability of Electric connection	Non-Availability of Swing & slide
Thiruvananthapuram						
1	Muriyankara	X	X	X	X	X
2	Thalayal	--	--	X	--	X
3	Edakode	--	--	X	--	X
4	Sreenivasapuram	--	--	X	X	X
5	Santhipuram	--	--	X	--	X
6	Perumpazhuthur	X	--	--	--	X
7	Mariyapuram	--	--	--	--	X
8	Thirupuram	--	--	--	--	X
9	Enchapuri	--	--	X	--	X
10	Thonakkal	--	--	--	--	--
11	Panavoor	--	X	X	--	X
Kollam						
12	Villakudy	--	X	--	X	X
13	Kadakamon	--	X	--	X	X
14	Punalur	--	X	X	X	X
15	Kulakkada	--	--	--	X	--
16	Velliyam	--	--	--	--	--
17	Chalurkonam	--	--	--	--	--
Idukki						
18	Chillithode	--	--	--	--	--
19	Ranikovil	--	--	X	X	--
20	Kollampattada	--	--	X	--	X
Palakkad						
21	Thenur	--	--	--	X	--
22	Masaparambu	--	--	--	--	--
23	Kuttala	--	--	--	--	--
24	Paruthur	--	--	--	--	--
Kannur						
25	Kattampally	--	--	X	--	--
26	Valapattanam	--	--	--	--	--
27	Vathilmada	--	--	--	--	--

Appendix 2.5

**Inadequate infrastructural facilities in Pre-Matric Hostels in selected districts
['I' denotes Inadequate]**

(Reference: Paragraph 2.10.2.1; Page: 18)

Sl. No.	Name of Hostel	Sufficient Space	Cots	Table	Arm less Chair	Cupboard	Mattress	Mattress cover	Bed Sheet	Pillow	Mirror	Comb	Mat	Gas connection	Laundry facility	Sufficient electric connections	Computer	TV
1	Mundur		I												I	I	I	
2	Mankara	I	I	I	I	I	I	I	I	I	I	I	I		I	I		
3	Vadakkanchery		I							I					I	I	I	I
4	Kottayi										I		I		I	I		
5	Alathur						I				I	I			I	I		I
6	Puthunagaram			I											I		I	
7	Kollengode	I	I												I	I		
8	Kozhinjampara		I			I	I				I		I		I	I		
9	Alanellur	I	I		I	I	I				I	I			I	I		I
10	Karakurussi														I			
11	Pottassery										I		I		I	I		
12	Agali		I										I		I	I		I
13	Kumaranellur		I	I	I		I	I	I	I	I	I			I	I		
14	Shoranur		I												I	I		
15	Manissery			I	I										I	I	I	
16	Kadirur	I							I		I		I		I			
17	Thalassery														I			I
18	Azheekkode		I	I		I	I	I	I	I	I		I		I			
19	Pazhayangadi										I				I			
20	Taliparambu		I				I								I			
21	Mayyil			I		I					I		I		I			
22	Sreekandapuram	I	I	I	I	I	I	I		I	I		I	I	I			
23	Chathannur			I		I						I			I			
24	Oachira					I	I			I	I		I	I	I			
25	Poruvazhy			I										I	I		I	
26	Sasthamcotta													I	I	I	I	
27	Kunnathur													I	I			
28	Ezhukone		I	I		I							I	I	I			
29	Punalur		I			I	I				I	I	I	I	I	I		
30	Puthur		I											I	I			
31	Neyyattinkara	I			I						I	I	I		I			
32	Nedumangad				I	I		I			I				I			
33	Kilimanoor		I												I	I		

Sl. No.	Name of Hostel	Sufficient Space	Cots	Table	Arm less Chair	Cupboard	Mattress	Mattress cover	Bed Sheet	Pillow	Mirror	Comb	Mat	Gas connection	Laundry facility	Sufficient electric connections	Computer	TV
34	Venganur					I		I			I	I	I		I			
35	Aruvikkara					I					I	I	I		I			
36	Venjaramood	I	I	I	I	I		I			I	I	I		I	I		
37	Kattappana													I				
38	Koovapally	I					I		I	I						I		
39	Karimannoor	I												I				
40	Peermade				I	I			I	I	I			I				
41	Munnar		I															

Appendix 2.6

Details of intake capacity/enrolment/pass percentage in test checked ITIs

(Reference: Paragraph 2.11; Page: 20)

District	ITI	Trade	Total capacity for five years, 21 students per year	Total admission for five years	Appeared for examination	Pass out/ Percentage
Thiruvananthapuram	1. Kanjiramkulam	Plumber	105	73	56	8 (14)
	2. Mariapuram	Carpenter	105	56	42	3 (7)
	3. Katakampally	Plumber	105	100	60	31 (52)
	4. Anchamada	Electrician	105	105	79	47 (59)
		Electronic Mechanic	105	105	75	45 (60)
	5. Attipra	Surveyor	105	105	80	71 (89)
	6. Perumala	Plumber	105	73	45	12 (27)
	7. Varkala	Plumber	105	101	83	31 (37)
	8. Edakodu	Painter	105	104	64	43 (67)
9. Sinkarathopu	MMV	105	102	86	51 (59)	
Kollam	10. Oachira	Draftsman	105	105	84	58 (69)
		Plumber	105	105	74	18 (24)
	11. Kulakkada	Electrician	105	105	74	41 (55)
		Draftsman	105	105	80	41 (51)
12. Vettikavala	Carpenter	105	87	57	6 (11)	
Palakkad	13. Palappuram	Carpenter	105	105	83	46 (55)
	14. Mangalam	Draftsman	105	104	89	54 (61)
		Civil Plumber	105	104	91	42 (46)
15. Chittur	Surveyor	105	105	102	97 (95)	
Kannur	16. Madai	Painter	105	90	74	33 (45)
		Plumber	105	93	78	28 (36)
Total			2205	2032	1556	806 (52)

Appendix 2.7

List of schools where tuition/special fee was not reimbursed

(Reference: Paragraph 2.17.3; Page: 29)

Sl. No.	Name of school	SCDO	No. of students
	Thiruvananthapuram		
1.	Manampur Angel Montessori UPS	Varkala	4
2.	Little flower EMHS, Edava	Varkala	21
3.	KTCT Public school, Kaduvayil	Kilimanoor	7
4.	Angel LPS, Poovar	Parasala	48
5.	Holy Cross, Pottayicode	Parasala	14
6.	Christ Nagar EMHS, Vellayambalam	Thiruvananthapuram Corporation	9
7.	MMRHS, Neeramankara	Thiruvananthapuram Corporation	119
8.	Nirmala Bhavan Girls HS	Thiruvananthapuram Corporation	133
9.	Vidhyadhi Raja Vidya Mandir HS	Thiruvananthapuram Corporation	44
10.	Carmal Convent HS	Thiruvananthapuram Corporation	72
11.	Marthoma EMHS, Mukkolakkal	Thiruvananthapuram Corporation	24
12.	Jothinilayam HS	Thiruvananthapuram Corporation	71
13.	Al Uthuman EMHS, Kazhakkootam	Thiruvananthapuram Corporation	10
14.	Sarvodaya Vidhyala, Nalanchira	Thiruvananthapuram Corporation	3
15.	Cordova EMHS	Thiruvananthapuram Corporation	10
16.	Holy Trinity EMHS, Kattela	Thiruvananthapuram Corporation	85
17.	Sree Neelakanda VPHS, Chenkottukonam	Thiruvananthapuram Corporation	64
18.	Mary Giri EMHS, Kudappanakunnu	Thiruvananthapuram Corporation	8
19.	Thunchan Smaraka EMHS, Iranimuttom	Thiruvananthapuram Corporation	73
20.	SVM UPS, Koliyacode, Nemom	Thiruvananthapuram Corporation	4
21.	Muslim Association Model School, Thycaud	Thiruvananthapuram Corporation	22
22.	Mar Gregorious UPS, Nemom	Thiruvananthapuram Corporation	58
23.	Sree Vidhyadhiraja Vidyalayam, Kalippankulam	Thiruvananthapuram Corporation	6
24.	Bethlehem LPS, Sreekariyam	Thiruvananthapuram Corporation	50
25.	SRK STS UPS, Nettayam	Thiruvananthapuram Corporation	42
26.	St. Shantal LPS, Kowdiar	Thiruvananthapuram Corporation	47
27.	Jawahar Nagar EM LPS	Thiruvananthapuram Corporation	26
28.	St. Marys LPS, Pattom	Thiruvananthapuram Corporation	332
	Kollam		
29.	Pattazhy MGEM UPS	Pathanapuram	3
30.	Valiyakulangara SMEM HSS	Oachira	24
31.	Adinadu Vishnu Vidyakendra	Oachira	2
	Idukki		
32.	Peermade MEMHSS	Peermade	106
33.	Vandiperiyar SJUPS	Peermade	78

Sl. No.	Name of school	SCDO	No. of students
34.	PIUS Nagar SP UPS	Devikulam	104
35.	Karimannoor Winners English School	Elamdesam	4
36.	Puliyannala LF LPS	Kattappana	37
37.	Kattappana OEM HSS	Kattappana	23
	Palakkad		
38.	SDAHS Kanniyampuram	Ottappalam	3
39.	Mannam Memorial NSS EMHS, Ottappalam	Ottappalam	11
40.	UPMEM School, Kothakkurissi	Ottappalam	19
41.	Darul Athfal UPS, Koppam	Pattambi	6
42.	Al Huda EMHS, Ongallur	Pattambi	1
43.	Islahiya Orphanage LPS, Kumaranellur	Thrithala	3
44.	IES EMHS, Thrithala	Thrithala	1
45.	Model Central School, Alathur	Alathur	6
46.	NESMVPS, Vadakkenchery	Alathur	98
47.	LCV, Pirayiri	Palakkad block	51
48.	MESHS, Mundur	Palakkad block	18
49.	Mujahideen HS, Parali	Palakkad block	23
50.	AAHS Chindakky, Attapady	Mannarkkad	19
51.	MESKTM, Vattanapuram	Mannarkkad	2
52.	Irshad HS, Changaleeri	Mannarkkad	4
53.	Karuna CUPS, Vandithavalam	Chittur	20
54.	Ayyappa EI EMUPS, Kunnankattupathy	Chittur	6
	Total		2078

Appendix 3.1

Details of defunct schemes

(Reference: Paragraphs 3.7, 3.9; Pages: 37, 45)

Sl. No.	Name of scheme	Panchayat	Total HHs	Total cost (₹ in lakh)	Issues identified on site verification and Beneficiary Survey	Date completion	How long the scheme functioned
1	Thayamparambu	Vettom	41	4.21	Water not available in the source (open well) and not functioning since its commissioning	March 2006	Defunct since inception
2	Brahmaputhra	Erumapetty	39	6.34	Scheme became defunct due to source failure. Yield test (05/2005) recommended for five hours of daily pumping and warned that excess pumping will affect the long life of the source. But the BG stated that while running the scheme, pumping was done for 16 hours daily.	November 2006	Six years
3	Nila	Vallathol Nagar	20	3.12	Source failure in summer, BG unable to manage expenditure. KSEB disconnected electricity	May 2007	Seven years
4	Jalavahini	Vallathol Nagar	41	4.66	No water in source. Electricity connection withdrawn	April 2007	Two years
5	Padoor Manakkad	Kavasseri	38	5.90	Absence of water in source led to stoppage of the scheme	February 2006	Nine years
6	Nelluri	Tuneri	28	3.66	Constant power failure and voltage fluctuation led to damage of pumpset and main switch	February 2004	Ten years
7	Vandana	Vellarada	42	10.40	Scheme was not functioning due to non-installation of pumpsets with required capacity.	September 2008	Not working since inception
8	Kairali	Vellarada	50	7.96	Scheme defunct as pumping could not be made	September 2008	Not working since inception
9	Ganga Maduravellil Borewell	Kaduthurithy	51	6.53	Submersible pumpset in borewell was not functioning and the distribution lines were damaged. The BG did not make any rectification attempt.	December 2007	One year
10	Vadakkekara	Thachanattukara	20	2.81	Pumping main to reservoir and reservoir to distribution line not completed.	February 2006	Defunct since inception
11	Souhrida	Thachanattukara	23	2.75	Pumpset damage	December 2005	One year
12	Perumal Oothu (Moolagangal) Tribal	Sholayur	34	1.15	Damage to distribution line and BG inactive	October 2007	Eight years
13	Thusharam	Koduvalli	45	5.05	Selection of unsuitable pumpset led to stoppage	October 2006	One year
14	Multi BG scheme of 5 BGS (Brahmagiri, Sangamam, Triveni, Jyothi, Karunya)	Thirunelly	376	67.61	BG not able to bear the high operational cost.	October 2007	One year
15	Kandillappara	Chaliyar	29	6.65	BG was inactive due to financial constraints	February 2008	Defunct since inception
16	Vellakkulam Tribal	Sholayur	38	2.08	BG inactive to make rectification.	April 2004	Three years

Sl. No.	Name of scheme	Panchayat	Total HHs	Total cost (₹ in lakh)	Issues identified on site verification and Beneficiary Survey	Date completion	How long the scheme functioned
17	Adukkamala Koolippara	Madavoor	56	8.01	BG inactive	February 2005	Four years
18	Pidavoor East	Thalavoor	30	8.37	BG inactive to run the scheme	April 2008	Three years
19	Edarikode	Thalavoor	31	7.95	BG inactive in repair work on the distribution line.	September 2007	Five years
20	Kanakooth	Chaliyar	70	11.26	The RWH structures were the sources of water. None of the structures were used for storing water for drinking purpose.	April 2006	Not worked since inception
21	Peruvampadam	Chaliyar	90	14.48	The RWH structures were the sources of water. None of the structures were used for storing water for drinking purpose.	March 2006	Not worked since inception
Defunct schemes due to quality issues							
22	Kothaparamba	Vettom	88	8.43	Due to high salinity, water was not used	October 2005	Defunct since inception
23	Nandini	Vellarada	51	8.73	Soil near the outer boundary of the well collapsed and water is not fit to drink	September 2007	Six years
24	Nelikkattuparambu	Nenmara	38	6.92	Due to poor quality of water beneficiaries opted out scheme	January 2006	Six months after inception
25	Vannanthura Tribal	Sholayur	67	3.57	Inferior quality of water. Beneficiaries opted out	March 2005	One month after commissioning
26	Thazhe Sambarcode Tribal	Sholayur	68	1.78	Yellowish color and Iron taste	March 2005	Ten years
27	Pravaham	Koduvalli	48	8.80	Water tasted iron. Beneficiaries not interested	January 2007	Three years
28	Anaswara	Kaduthuruthi	42	5.03	Inferior quality of water	November 2006	Two years
29	Vanabandhu	Thirunelly	36	5.70	Brown colour and sediments and iron contents	April 2007	Defunct since inception
30	Lifeline	Tanur	115	7.60	Poor quality of water	July 2005	Two months
	TOTAL			247.51			

Appendix 3.2

Small water supply schemes functioning without addressing quality issues

(Reference: Paragraph 3.9; Page: 45)

Sl. No.	Scheme	Panchayat	No. of HH	Total cost (₹ in lakh)	Issue	Findings of Field survey, record verification and beneficiary group survey
1	Thiyyara Kunnummal	Tuneri	41	6.37	Poor quality of water	The source was open well constructed in a paddy field and marshy area. Water test result of the scheme revealed Low PH, excess turbidity, presence of E-coli and other coliform bacteria, excess iron in the water. KRWSA issued Exit order and the scheme commissioned without addressing the quality issue. BG is not adopting CPHEEO standards. No disinfection methods were adopted. Water quality test were not conducted regularly. No beneficiary out of 23 surveyed used the water for drinking purpose.
2	CCUP School Bhagam	Tuneri	40	5.76	Poor quality of water	The source an open well was located very near to paddy field. No precautionary measures like infiltration gallery were constructed to arrest contamination from paddy field. The well was constructed at a depth of four metre against 10 metre recommended by the hydro geologist. BG is not adopting CPHEEO standards. No disinfection methods were adopted. Water quality tests were not conducted regularly. One out of 25 beneficiaries surveyed used the water for drinking purpose.
3	Oottukkulam	Kadalundi	34	3.58	Yellowish colour and taste of iron	Beneficiaries complained of yellowish colour and excess iron which caused damage to vessels. Water quality result showed presence of iron. A water purification system was installed, but it could not provide iron free water. Iron Removal Plant should have been installed to remove the iron content in the water. Chlorination is done regularly. However, no methods were adopted to ensure the supply of iron free water. No beneficiary out of 25 surveyed used the water for drinking purpose.
4	Kalnadu	Nenmara	46	7.27	Inferior quality water	There was supply of inferior quality of water and it was not used for drinking or cooking. The water quality test was not conducted before commencement of the scheme. The KRWSA replied that quality issue could be mitigated by adopting proper treatment. No CPHEEO standards were followed before the supply of water. No regular quality checking is done. No beneficiary out of 25 surveyed used the water for drinking purpose.
5	Kandamkulam	Nenmara	44	3.35	Supply of inferior quality water	The supplied water was of poor quality due to severe iron taste and yellow color. Water quality test was not conducted before commencement of the scheme. The beneficiary group admitted that BG had not followed CPHEEO standards before the supply. No disinfection methods were adopted. Three beneficiaries out of 25 surveyed used the water for drinking purpose.
6	Pulippara	Thalavoor	42	4.21	Iron taste for water	Water quality test (11/2007) showed presence of iron (0.46 mg/litre) above the desirable limit (0.3 mg/litre). The scheme functioned without installation of IRP. Disinfection method using bleaching powder is adopted, but methods for supply for iron free water were not adopted by the BG. Three beneficiaries out of 25 surveyed used the water for drinking purpose.

Sl. No.	Scheme	Panchayat	No. of HH	Total cost (₹ in lakh)	Issue	Findings of Field survey, record verification and beneficiary group survey
7	Varsha	Vallathol Nagar	43	5.97	Poor quality of water	Quality test revealed the presence of iron 2.45 mg/litre against the permissible limit of 1 mg/litre and advised to go for iron removal methods before supply. IRP not installed properly. The BG was not making any treatment or disinfection of water before supply. No quality test of water is conducted. Eight beneficiaries out of 25 surveyed used the water for drinking purpose.
8	Olippara Junction	Ayilur	34	3.58	Due to bad color and taste, not taken for drinking	Borewell source. Water quality test results were not made available. The BG had not tested the water. The BG president stated that the water was not potable. However, disinfection by bleaching powder is adopted. Four beneficiaries out of 25 surveyed used the water for drinking purpose.
9	Padinjare Thiruvazhiyode	Ayilur	52	5.63	Possibility of contaminated water	The open well was located in the middle of paddy field. Cracks developed on the side walls of the well. The BG had not ensured CPHEEO standards before the supply of water. BG stated that chlorination is done. Four beneficiaries out of 25 surveyed used the water for drinking purpose.
10	Pulikkoth	Madavoor	43	6.16	Iron content in the water	KWA test result (03/2008) after implementation (05/2005) of the scheme shows high turbidity and iron content. But without addressing the issue, the scheme continued to operate. Further tests were not conducted. CPHEEO standards were not followed. Disinfection methods using bleaching powder was used, but no method adopted for supply of iron free water. No beneficiary out of 25 surveyed used the water for drinking purpose.
11	Areepramala	Madavoor	39	7.63	Iron content	KWA test result (07/2004) indicated high PH, presence of iron above the desirable limit and bacteria and recommended that water should be analysed for physical, chemical and bacteriological contamination once in a year. This was not done. Six beneficiaries out of 23 surveyed used the water for drinking purpose.

Appendix 3.3

Schemes in Phase I whose sources had dried up

(Reference: Paragraph 3.10.1; Page: 48)

Sl. No.	Name of District	Name of GP	Name of Scheme
1.	Malappuram	Nediyirippu	Musliyarangadi
2.	Malappuram	Nediyirippu	Kuttippalamkunnu
3.	Malappuram	Nediyirippu	Kalothu Kottiyamkandi
4.	Malappuram	Nediyirippu	Edakkodu Epplikodu
5.	Malappuram	Nediyirippu	Chundattuparamb
6.	Malappuram	Nediyirippu	Vattapparambu
7.	Malappuram	Nediyirippu	Panakapp arambu
8.	Malappuram	Nediyirippu	Kunnarthodi
9.	Malappuram	Nediyirippu	Varikalay
10.	Malappuram	Nediyirippu	Mathilvilall Kunnathuparambu
11.	Malappuram	Nediyirippu	Milyampadi Palekkode
12.	Malappuram	Nediyirippu	Kariyampurathu
13.	Malappuram	Nediyirippu	Parammel
14.	Malappuram	Porur GP	Dharma School Kunnu
15.	Malappuram	Pulikkal	Pulloorpurai
16.	Malappuram	Pulikkal	Nanmbarakunnu
17.	Malappuram	Pulikkal	Ishwarya WSS
18.	Malappuram	Pulikkal	Jalanidhi Alungal Thodiyil
19.	Malappuram	Edakkara	Nallemthanni
20.	Malappuram	Edakkara	Karunechi
21.	Malappuram	Edakkara	Mailadumkunnu
22.	Malappuram	Moothedam	Amruthavahini
23.	Malappuram	Moothedam	Karimbuzha Palakkara
24.	Malappuram	Moothedam	Shrothas WSS Chelakadavu
25.	Malappuram	Moothedam	Kottamala WSS
26.	Malappuram	Moothedam	Saphalam WSS
27.	Kozhikode	Madavoor	Puthuserimmal
28.	Kozhikode	Madavoor	Cooligam Adukkammala WSS
29.	Kozhikode	Madavoor	Paingattammel
30.	Kozhikode	Madavoor	Poyil WSS
31.	Kozhikode	Madavoor	Areepramala
32.	Kozhikode	Madavoor	Melathatte
33.	Kozhikode	Madavoor	Peedamparamala
34.	Kozhikode	Madavoor	Vellattummal
35.	Kozhikode	Madavoor	Parappara
36.	Kozhikode	Madavoor	Vadakepurayil
37.	Kozhikode	Madavoor	Gain Kozhiparamba
38.	Kozhikode	Thiruvambadi	Athulya Punnakkal (Urumi)
39.	Kozhikode	Thiruvambadi	Thushara
40.	Kozhikode	Thiruvambadi	Amruthavahini
41.	Kozhikode	Koodranji	Pattothu WSS
42.	Kozhikode	Koodranji	Hilvali WSS Muthuvambay
43.	Kozhikode	Koodranji	Pallikkunnu WSS
44.	Kozhikode	Koodranji	Kookara Sauhrudaya BG
45.	Kozhikode	Koodranji	Pulari WSS
46.	Kozhikode	Koodranji	Mundanmala WSS
47.	Kozhikode	Koodranji	Olimala WSS
48.	Kozhikode	Nochad	Edavanathara
49.	Kozhikode	Nochad	Muthukunnu
50.	Kozhikode	Nochad	Neelothu Nadukandi Meethal
51.	Kozhikode	Nochad	Illathupara WSS

Sl. No.	Name of District	Name of GP	Name of Scheme
52.	Kozhikode	Nochad	Meppattu Bhagam
53.	Kozhikode	Nochad	Chembranthara Jalopyoga Sangam
54.	Kozhikode	Kavilumpara	Kabani WSS
55.	Kozhikode	Chemanchery	Cheenalachiri
56.	Kozhikode	Chemanchery	Vikas Nagar
57.	Ernakulam	Palakkuzha	Podipara
58.	Ernakulam	Palakkuzha	SLEC Kozhippilly
59.	Ernakulam	Palakkuzha	Vettuparappuram
60.	Ernakulam	Palakkuzha	Neduvanchery
61.	Ernakulam	Palakkuzha	Kavumbhagam
62.	Thrissur	Panjal	Masjid Road
63.	Thrissur	Panjal	Changalapalam WSS
64.	Thrissur	Panjal	Shivaganga Jalapriya
65.	Thrissur	Panjal	Varsha
66.	Thrissur	Panjal	Puthuma
67.	Thrissur	Panjal	Keezhillam
68.	Palakkad	Kongad	Puliyankade SVS
69.	Palakkad	Kongad	Vettukulam
70.	Palakkad	Kongad	Varuna
71.	Palakkad	Kongad	Mancherikavu
72.	Palakkad	Kongad	Mahatmagandhi
73.	Palakkad	Kongad	Gandhi WSS
74.	Palakkad	Kongad	Sahrudha WSS
75.	Palakkad	Kongad	Thriveni
76.	Palakkad	Kongad	Yuvagana
77.	Palakkad	Kongad	Nellikunnu
78.	Palakkad	Kongad	Kasthurba
79.	Palakkad	Kongad	Akshaya
80.	Palakkad	Kongad	Cholakunnu
81.	Palakkad	Kongad	Ayyappankavu
82.	Palakkad	Kongad	Pavithram
83.	Palakkad	Kongad	Chundekadu
84.	Palakkad	Kongad	Janapriya WSS
85.	Palakkad	Kongad	Menashery

Appendix 4.1

List of works included in the 12th Five Year Plan but not taken up/completed

(Reference: Paragraph 4.2.3; Page: 57)

(*₹ in lakh*)

Name of Work	Amount earmarked	Amount allotted	Present status
Reel Paper godown at GP Mannanthala	35.00	40.00 (11/2012)	Completed
Reel Paper godown at GP Vazhoor	45.00	65.00 (11/2012)	Completed
Reel Paper godown at GP Ernakulam	40.00	20.00 (11/2012)	Not taken up
Reel Paper godown at GP Kozhikode	40.00	27.50 (11/2012)	Completed
Quarters for employees at GP Wayanad	200.00	0.00	Fund not allotted
Quarters for employees at GP Kannur	200.00	245.00 (11/2012)	Work going on
Quarters for employees at GP Shoranur (Reconstruction Works)	100.00	0.00	Fund not allotted
Compound Wall at GP Mannanthala	300.00	300.00 (09/2013)	Not taken up
Waste Paper Godown at GP Mannanthala	41.00	0.00	AS for ₹20.50 lakh (2011-12) and completed.
Waste Paper Godown at GP Vazhoor	45.00	0.00	Fund not allotted
Waste Paper Godown at GP Ernakulam	41.00	25.00 (11/2012)	Not taken up
Waste Paper Godown at GP Kozhikode	41.00	29.50 (11/2012)	Completed
Waste Paper Godown at GP Kannur	41.00	0.00	Fund not allotted
Waste Paper Godown at GP Wayanad	41.00	0.00	Fund not allotted
Warehouse at GCP Thiruvananthapuram	50.00	0.00	Fund not allotted
Water Storage Facility at GP Mannanthala	50.00	0.00	Fund not allotted
Water Storage Facility at GP Vazhoor	50.00	0.00	Fund not allotted
Water Storage Facility at GP Kannur	50.00	0.00	Fund not allotted
Water Storage Facility at GP Shoranur	50.00	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GCP Thiruvananthapuram	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Mannanthala	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at Stamp Manufactory, Thiruvananthapuram	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Vazhoor	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Shoranur	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Kozhikode	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Kannur	12.50	0.00	Fund not allotted
Maintenance of Electrical, Water Supply and Drainage System at GP Wayanad	12.50	0.00	Fund not allotted
Reconstruction of Damaged Compound Wall at GCP Thiruvananthapuram	47.50	0.00	Fund not allotted
Total amount	1607.50		

Appendix 4.2

Delay in rectification of complaints of modern machinery

(Reference: Paragraph 4.2.7; Page: 62)

Name of Press	Name of machinery	Period during which idling
Government Central Press, Thiruvananthapuram	Digital printer (RISO brand) No. 5	Under repair from 09/03/2011 onwards
	Digital printer (RISO brand) No. 8	Under repair from 09/2011 to 02/2012
	Digital printer (RISO brand) No. 9	Under repair from 02/08/2014 onwards
	Offset printing machine No. 1	Under repair from 08/2014 to 01/2015
	Double Colour Offset Printing Machine (No. 8)	One unit (out of two units) not functioning for long periods after an accident and machine is being used partially.
Government Press, Shoranur	Offset printing machine No. 5	Under repair from 08/08/2014 onwards
	Offset printing machine No. 7	Under repair from 01/05/2014
Government Press, Mannanthala	Digital printer (RISO brand)	Not working from 2011 onwards
	Four-Colour sheet fed offset printing machine	25/02/2012 onwards
	Five-colour sheet fed offset printing machine	One part not functioning from 10/2014
	3 Air Conditioners for DTP	Not working since 04/2014
Government Press, Vazhoor	Offset printing machine No. 25	One out of two machines not functioning from 09/10/2010 due to non-functioning of electronic control card damage

Appendix 4.3

Differences in rate of sand fixed by Kadavu Committees in Thrissur and Malappuram districts

(Reference: Paragraph 4.3.4.1; Page: 70)

District	Year	Rate fixed by KC/tonne (in ₹)	RMF & Local Body Share (in ₹)	Percentage of RMF & Local Body Share *	Rate fixed by PWD/tonne	Quantity of sand sold in tonne	Actual amount collected (in ₹)	Amount to be collected as per PWD rate (in ₹)	Difference (in ₹)
Thrissur	2010-11	292.63	126.25	43.14	951	259112	75822649	246415512	170592863
	2011-12	593.75	275.00	46.32	951	320968	189050152	305240568	116190416
	2012-13	588.75	275.00	46.71	1509	118184	69580830	178339656	108758826
	2013-14	593.75	275.00	46.32	767	17856	10512720	13695552	3182832
	2014-15	618.75	275.00	44.44	857	8200	5073750	7027400	1953650
Malappuram	2010-11	330.00	115.00	34.85	951	996058	328699140	947251158	618552018
	2011-12	330.00	115.00	34.85	951	927166	305964780	881734866	575770086
	2012-13	330.00	115.00	34.85	1509	868888	286733040	1311151992	1024418952
	2013-14	656.50	115.00	17.52	767	383882	252018533	294437494	42418961
	2014-15	845.25	115.00	13.61	851	300911	254345023	256075261	1730238
TOTAL						4201225	1777800617	4441369459	2663568842

Revenue foregone = ₹96.58 crore (36.26 per cent of ₹2663568842)

Amount due to RMF = ₹48.29 crore (being 50 per cent of the revenue foregone i.e. ₹96.58 crore)

* Average of the percentage of RMF & Local Body share = 36.26 per cent

* Percentage of Labour components etc., (100 - 36.26) = 63.74 per cent

Since Malappuram district did not furnish the actual amount collected, Audit worked out the figures based on rates fixed by DEC and quantity sold

Appendix 4.4

Differences in rate of sand fixed by Kadavu Committees in Ernakulam and Kollam districts

(Reference: Paragraph 4.3.4.1; Page: 70)

District	Year	Rate fixed by KC/tonne (in ₹)	Rate fixed by PWD/tonne	Quantity of sand sold (in tonne)	Actual amount collected (in ₹)	Amount to be collected as per PWD rate (in ₹)	Difference (in ₹)
Ernakulam	2010-11	709.12	951	210505.00	149273355	200190255	50916900
	2011-12	768.35	951	329120.00	252880593	312993120	60112527
	2012-13	828.50	1509	300417.50	248894506	453330008	204435502
	2013-14	886.92	828	219682.50	194840790	181897110	(-)12943680
	2014-15	1360.20	907	157727.50	214540762	143058843	(-)71481919
TOTAL (A)							231039330
Kollam	2010-11	634.00	951	132694.90	74238933	126192850	51953917
	2011-12	634.00	951	122182.50	73459758	116195558	42735800
	2012-13	634.00	1509	152557.80	92023490	230209720	138186230
	2013-14	634.00	822	73955.00	44524860	60791010	16266150
	2014-15	634.00	925	99889.40	63973633	92397695	28424062
TOTAL (B)							277566159
GRAND TOTAL				1798732.10	1408650680	1917256169	508605489

- In Ernakulam District, Kadavu rates were varied from kadavu to kadavu. In order to get a uniform rate per tonne, audit had worked out an average rate by dividing the gross amount collected with the total quantity sold in each year. This includes labour cost also. As cost of labour was not furnished to audit separately, audit presumed cost of sand as 36.26 per cent as in the case of Thrissur and Malappuram Districts (Appendix 4.3) to determine the loss to RMF. The loss thus worked out in Ernakulam and Kollam Districts during 2010-15 was ₹18,44,20,350 i.e. ₹18.44 crore (RMF share is ₹9.22 crore).
- In Kollam District, Kadavu rate was fixed based on a GO (June 2009) meant for sale of confiscated sand without considering the labour charges.

Appendix 4.5

List of Children's Homes, Observation Homes and Special Homes

(Reference: Paragraph 4.4.1; Page: 74)

Sl. No.	Name of Home
1. Children's Homes	
1.	Children's Home, Thiruvananthapuram
2.	Children's Home, Kollam
3.	Children's Home, Kottayam
4.	Children's Home, Alappuzha
5.	Children's Home, Thrissur
6.	Children's Home for Boys, Kozhikode
7.	Children's Home for Girls, Ernakulam
8.	Children's Home for Girls, Kozhikode
2. Observation Home cum Special Children's Homes	
1.	Observation Home cum Special Children's Home, Palakkad
2.	Observation Home cum Special Children's Home, Wayanad
3.	Observation Home cum Special Children's Home, Malappuram
4.	Observation Home cum Special Children's Home, Kannur
5.	Observation Home cum Special Children's Home, Kasaragod
6.	Observation Home cum Special Children's Home, Pathanamthitta
3. Observation Homes	
1.	Observation Home, Thiruvananthapuram
2.	Observation Home, Kollam
3.	Observation Home, Kottayam
4.	Observation Home, Alappuzha
5.	Observation Home, Ernakulam
6.	Observation Home, Thrissur
7.	Observation Home for boys, Kozhikode
8.	Observation Home for girls, Kozhikode
4. Special Homes	
1.	Special Home, Thiruvananthapuram
2.	Special Home for Girls, Kozhikode
5. Place of Safety, Thrissur	

Appendix 4.6

Status of infrastructure facilities in Government run Children's Homes in the selected districts

(Reference: Paragraph 4.4.7.1; Page: 84)

Facilities to be provided as per norms	Children's home, Thiruvananthapuram	Children's home, Alappuzha	Children's home, Thrissur	Children's home for Girls, Kozhikode	Children's home for boys, Kozhikode	CHMDC, Kozhikode	CHPDC, Alappuzha
1. Infrastructure							
Dormitory	Sufficient area available	Insufficient	Sufficient area available	Sufficient area available	Sufficient area available	Sufficient area available	Insufficient
Class Room	Available	No	Yes	Yes	No	Yes	No
Sick room/first aid room	No	Yes	Yes	Yes	No	Yes	Yes
Recreation Room	Yes	Yes	Yes	Yes	No	Yes	No
Library	Yes	Yes	Yes	Yes	Yes	No	No
Bathrooms	Yes	Not sufficient	Yes	Yes	Not sufficient	Yes	Yes
Counselling and guidance room	No	No	Yes	Yes	No	No	No
2. Bedding							
Mattress		No	Not given after 2011	Yes	No	No	No fund is provided for dressing. So given through sponsorship
Mosquito net		No	Yes	Yes	Yes	No	
Skirt and blouse or salwar kameez for girls				2 set/year instead of 5 set/year			
Inner wears				4/year instead of 6/year			
Shoes		No	No	Yes	No	No	
Shirts for boys		Yes	4/year instead of 5		4/year instead of 5	Yes	
Pants		3/year instead of 5	4/year instead of 5		4/year instead of 5	Yes	