

**Report of the
Comptroller and Auditor General of India
on
General & Social Sector
for the year ended March 2017**



Government of Telangana
Report No. 4 of 2018

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Preface

This Report pertaining to the State of Telangana for the year ended March 2017 has been prepared for submission to Governor of Telangana under Article 151 of the Constitution of India for being laid before the Legislature of the State.

This Report contains significant results of the Performance Audits of *Reproductive and Child Health under National Rural Health Mission* and *Implementation of Right of Children to Free and Compulsory Education Act, 2009 (RTE Act)* besides Compliance Audits of the Departments of the Government of Telangana under the General and Social Sector including Departments of Health, Medical and Family Welfare; Higher Education; Home; Municipal Administration & Urban Development; Scheduled Castes Development and Youth Advancement, Tourism and Culture.

The instances mentioned in this Report are those which came to notice in the course of test audit during the period 2016-17. The instances which came to notice in earlier years, but could not be reported in the previous Audit Reports have also been included. Further, those instances relating to the period subsequent to 2016-17 have also been included, wherever necessary.

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

Chapter I

Overview

1.1 About this Report

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

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

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

This Chapter explains planning and coverage of audit, provides a synopsis of important achievements and deficiencies in the implementation of selected schemes. In addition, significant audit observations made during audit of transactions and follow up action on previous Audit Reports are also brought out.

1.2 Profile of General and Social Sector

A summary of the expenditure incurred by Departments of Government of Telangana falling within General and Social Sector¹ is given below.

Table-1.1

(₹ in crore)

Sl. No.	Name of the Department	2014-15 [#]	2015-16	2016-17
A	General Sector			
1	Finance and Planning	13396.77	26251.70	40977.31
2	General Administration	212.91	553.45	677.69
3	Home	3032.41	4638.29	5176.55
4	Law	339.52	488.17	518.46
5	Revenue	1346.41	2316.21	2970.84
6	State Legislature	42.40	62.12	98.93
	Total (A)	18370.42	34309.94	50419.78

¹with effect from 2nd June 2014, i.e., after the State came into existence

Sl. No.	Name of the Department	2014-15 [#]	2015-16	2016-17
B	Social Sector			
1	Backward Classes Welfare	1090.51	1073.98	2831.81
2	Consumer Affairs, Food and Civil Supplies	817.49	1000.13	2089.36
3	Health, Medical and Family Welfare	2439.02	3294.76	4872.03
4	Higher Education	1146.48	1684.68	1765.14
5	Housing	402.18	2527.48	555.90
6	Labour, Employment, Training and Factories	217.12	516.56	490.63
7	Minorities Welfare	332.31	555.69	842.06
8	Municipal Administration and Urban Development	2248.41	4813.49	3111.31
9	Panchayat Raj [§]	3033.38	6050.61	7520.66
10	Rural Development [§]	3712.02	5610.97	5988.98
11	School Education	5938.81	8987.31	10568.26
12	Scheduled Castes Development	1254.77	2936.33	3172.43
13	Tribal Welfare	701.75	2148.84	2009.48
14	Women, Children, Disabled and Senior Citizens	820.06	1127.86	1204.04
15	Youth Advancement, Tourism and Culture	230.79	250.66	236.56
	Total (B)	24385.10	42579.35	47258.65
	Grand Total (A+B)	42755.52	76889.29	97678.43

Source: Appropriation Accounts of Government of Telangana for relevant years

[#]with effect from 2 June 2014 after the State came into existence; [§]under one Secretariat Department 'Panchayat Raj and Rural Development' (covered in a Audit Report on 'Local Bodies')

1.3 Office of Principal Accountant General (Audit)

Under directions of the CAG, Office of the Principal Accountant General (Audit), Telangana² conducts audit of 32 Departments³ and local bodies/public sector undertakings/autonomous bodies thereunder in the State of Telangana. Out of these, 20 Departments are covered under General and Social Sector Audit.



Offices of the Accountants' General

1.4 Authority for audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). The CAG conducts audit of expenditure of General and Social Sector Departments of Government of Telangana under Section 13⁴ of the DPC Act. The CAG is the sole auditor in respect of autonomous bodies/local bodies which are audited under

² Formed with effect from 1 April 2017 with the bifurcation of the erstwhile Office of the Principal Accountant General (General and Social Sector Audit) Andhra Pradesh & Telangana

³ including those pertaining to Economic and Revenue Sectors, Public Sector Undertakings

⁴ Audit of (i) all transactions from Consolidated Fund of State, (ii) all transactions relating to Contingency Fund and Public Account and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts kept in any Department of a State

Sections 19(2)⁵ and 20(1)⁶ of the DPC Act. In addition, CAG also conducts audit under Section 14⁷ of the DPC Act, of other autonomous bodies which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the CAG.

1.5 Planning and conduct of audit

The Audit process commences with assessment of risk in respect of Departments/organisations/autonomous bodies/schemes etc., based on certain criteria⁸. The criteria include assessment of internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, frequency and extent of audit are decided and an annual audit plan is formulated to conduct audit.

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

1.6 Response of Departments to Audit findings

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

As of 30 September 2017, 1716 IRs containing 11,428 paragraphs pertaining to the previous years were pending settlement as detailed below. Of these, first replies have not been received in respect of 233 IRs (3,047 paragraphs). Department-wise details are given in *Appendix-1.1*.

Table-1.2

Year	Number of IRs/Paragraphs pending settlement as of 30 September 2017		IRs/Paragraphs where even first replies have not been received	
	IRs	Paragraphs	IRs	Paragraphs
2012-13 & earlier years	1323	6309	43	183
2013-14	40	667	16	312
2014-15	126	1533	41	673
2015-16	113	1341	38	620
2016-17	114	1578	95	1259
Total	1716	11428	233	3047

⁵ Audit of accounts of Corporations (not being Companies) established by or under law made by State Legislature in accordance with provisions of the respective legislations

⁶ Audit of accounts of any body or authority on request of Governor, on such terms and conditions as may be agreed upon between CAG and Government

⁷ Audit of all (i) receipts and expenditure of a body/authority substantially financed by grants or loans from Consolidated Fund of State and (ii) all receipts and expenditure of any body or authority where grants or loans to such body or authority from Consolidated Fund of State in a financial year is not less than ₹one crore

⁸ which encompasses expenditure incurred, criticality/complexity of activities, priority accorded for the activity by Government, level of delegated financial powers

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

Audit reviewed the outstanding paras⁹ pertaining to Health, Medical and Family Welfare (HM&FW) Department and Education Department(s)¹⁰. As at the end of September 2017, 18 IRs (107 paragraphs) pertaining to HM&FW Department and 40 IRs (234 paragraphs) pertaining to Education Department(s) were outstanding. Of these, some of the following serious irregularities commented upon in these IRs remained unsettled as of September 2017.

Table-1.3

Nature of irregularities		Number of paragraphs	Amount (₹ in lakh)
Health, Medical and Family Welfare Department			
1	Non-utilisation/locking up of funds	14	3236.81
2	Infructuous/unfruitful expenditure	10	2359.91
3	Irregular/inadmissible/unauthorised payments	19	456.04
4	Diversion of funds	9	360.04
5	Loss/non-realisation of revenue	9	168.74
6	Avoidable expenditure	3	72.09
7	Non-remittance into Govt. account	4	34.27
8	Non-realisation/non-recovery of Govt. dues	11	23.00
Total		79	6710.90
School Education Department			
1	Non/short collection of fee	12	5791.13
2	Non-adjustment of advances	11	2882.52
3	Irregular/inadmissible/unauthorised payments	32	1891.46
4	Non-realisation/non-recovery of Govt. Dues	19	1327.45
5	Non-utilisation of funds	39	1131.59
6	Infructuous/unfruitful expenditure	22	877.29
7	Non-remittance into Govt. Account	33	662.12
8	Diversion of funds	15	540.70
9	Avoidable expenditure	7	204.24
10	Non-disbursement of scholarships	6	150.19
Total		196	15458.69

Administrative Departments are required to submit Explanatory Notes on paragraphs and performance audit reports included in Audit Reports¹¹, within three month of their presentation to Legislature duly indicating action taken or proposed to be taken. For this purpose, the Departments may not wait for any notice or call from Public Accounts

⁹ since formation of the State of Telangana

¹⁰ School Education and Higher Education Departments

¹¹ as per instructions issued by Finance and Planning Department in November 1993

Committee. Explanatory Notes¹² were yet to be received from 12 Departments¹³ in respect of 16 paragraphs/performance audit reports that featured in the Audit Reports for the years 2014-15 and 2015-16. Explanatory Notes were also yet to be received from nine¹⁴ Departments in respect of 20 paragraphs/performance audit reports relating to the period prior to bifurcation¹⁵. Details are given in *Appendix-1.2*.

Further, all Departments are required¹⁶ to send their responses to draft audit paragraphs proposed for inclusion in C&AG's Report within six weeks of their receipt. During 2017-18, two performance audits, one Follow up report and eleven draft paragraphs were forwarded to the Special Chief Secretaries/Principal Secretaries/Secretaries of the Departments¹⁷ concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. It was brought to their personal attention that these paragraphs and performance audits were likely to be included in the Audit Report of the Comptroller and Auditor General of India, which would be placed before the State Legislature. Accordingly, it would be desirable to include their comments/responses to the audit findings. Government replies have been received in respect of both the performance audits, Follow up report and all the Compliance Audit paragraphs as on the date of finalisation of this Report. The responses of the Government have been appropriately incorporated in the Report.

1.7 Significant Audit observations

This Report contains findings of Audit from a test-check of accounts and transactions of seven¹⁸ Departments of Government of Telangana during 2016-17. Audit focus during the year has been primarily on evaluating implementation of specific Government programmes and initiatives so as to aid Government in taking necessary corrective action to improve service delivery levels to citizens. Special focus was on the following:

- Strengthening of health systems, reproductive, maternal health, newborn, child & adolescent health and public health measures that lead to improved maternal and child survival and lower morbidity;
- Implementation of the provisions of the RTE Act through Sarva Shiksha Abhiyan (SSA);
- Efforts made by the State Government in augmenting sports performance/promotion among youth as envisaged in State's Sports Policy;

¹² with regard to the issues exclusively pertaining to the State of Telangana

¹³ from Backward Class Welfare; Women, Children, Disabled & Senior Citizens; Health, Medical and Family Welfare; Higher Education; Home; Information Technology, Electronics and Communications; Minority Welfare; Revenue; Scheduled Castes Development; School Education; Tribal Welfare

¹⁴ Finance; Health, Medical & Family Welfare; Home; Housing; Minority Welfare; Panchayat Raj and Rural Development; Tribal Welfare; Youth Advancement, Tourism & Culture; and Women, Children, Disabled & Senior Citizens

¹⁵ of the erstwhile State of Andhra Pradesh (i.e., those featured in Audit Reports for the years 2009-10 to 2013-14)

¹⁶ as per Finance Department's Handbook of Instructions and their U.O. dated 3 November 1993

¹⁷ Health, Medical and Family Welfare; School Education; Youth Advancement, Tourism & Culture; Scheduled Castes Development; Home; Higher Education; and Municipal Administration and Urban Development

¹⁸ covering Health, Medical & Family Welfare; School Education; Home; Scheduled Castes Development; Youth Advancement, Tourism & Culture; Higher Education; and Municipal Administration & Urban Development Departments

- Implementation of various Economic Support Schemes (ESS) to bring about the intended outcome of socio-economic upliftment of Scheduled Castes beneficiaries; and
- Follow up of the extent of implementation of recommendations made by Audit in the Performance Audit Report on *Functioning of State Disaster Response and Fire Services Department* that featured in C&AG's Audit of March 2012.

Two Performance Audit reports, one Follow up report and seven compliance audit paragraphs have been included in this Report.

The Performance Audits included in this Report are:

- ⇒ *Reproductive and Child Health under National Rural Health Mission* implemented by Health, Medical and Family Welfare Department; and
- ⇒ Implementation of Right of Children to Free and Compulsory Education Act, 2009 (RTE Act) concerning School Education Department.

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

1.7.1 Reproductive and Child Health under National Rural Health Mission

National Rural Health Mission (NRHM) was launched in India in April 2005 with a view to provide accessible, affordable and quality health care to rural population, especially the vulnerable sections. The Reproductive and Child Health (RCH) programme initiated under NRHM, emphasised *inter-alia*, care in pregnancy, all aspects of Essential Newborn Care, Immunisation, all aspects of prevention and management of malnutrition. It also included family planning services, management of anaemia. These public health measures were essential for enhanced maternal and child survival and lower RCH morbidity.

The NRHM Framework stressed upon upgradation of Community Health Centres as First Referral Units for dealing with Emergency Obstetric Care. It also included 24X7 delivery services at the Primary Health Centres, operationalising of Sub Centres. The Framework also sought to reduce the Maternal Mortality Ratio to 100 per one lakh live births, reduce Infant Mortality Rate to 25 per 1,000 live births and the Total Fertility Rate to 2.1 per woman, in the country.

The performance audit was conducted (during April to August 2017), covering the period from 2012-13 to 2016-17. Significant findings of this Performance Audit are summarised below:

Planning

The Department had not conducted Annual Facility level surveys, for identification and fixing of decentralised monitorable goals, indicators and gaps/deficiencies in the existing healthcare facilities and areas of interventions. Bottom-up and community owned approach to public health planning was also not followed in preparation of State Program Implementation Plans (SPIPs).

(Paragraphs 2.1.3.1 & 2.1.3.2)

Financial Management

- The Department had not utilised fully the funds released in any of the years under review; the utilisation ranged between 38 and 44 *per cent* only during 2012-14 and 39 and 46 *per cent* only during 2014-17.

(Paragraph 2.1.4.1)

- Under the ‘free essential drugs initiative’, against the allocation of ₹83.99 crore during 2014-17, the State incurred a meagre expenditure of ₹10.11 crore (12 *per cent*). As a result, essential medicines were not made available to patients.

(Paragraph 2.1.4.1)

- Shortfall in spending on maternal health ranged between 31 to 50 *per cent* during 2014-17. The expenditure on child health component did not exceed 26 *per cent* of the approved outlay in any year during the period 2014-17.

(Paragraph 2.1.4.2)

- The State did not utilise the amounts allocated for Quality Assurance and an amount of ₹3.12 crore (99 *per cent* of released funds) was lying with State Health Society.

(Paragraph 2.1.9.1)

Implementation of RCH services

- The institutional deliveries declined from 69 *per cent* (2013-14) to 42 *per cent* (2016-17) in public health facilities as compared to deliveries in private health facilities which registered an increase from 31 to 58 *per cent*. Telangana had a very high rate of Caesarean-section deliveries at 45 *per cent* out of the total deliveries reported in the State. In the private health institutions it was higher at 67 *per cent*.

(Paragraph 2.1.5.2)

- The female-male sex ratio at birth declined from 925 females (2012-13) to 915 females (2015-16) against 1,000 male live births. However, the ratio increased to 959:1000 in the year 2016-17.

(Paragraph 2.1.5.3)

- The State had achieved the target of 100 *per cent* immunisation (including ‘Mission Indradhanush’ for covering dropout children) of children of 0 – 1 year age group.

(Paragraph 2.1.5.5)

Health Care Infrastructure

- Nineteen (out of twenty one) Primary Health Centres constructed in the three¹⁹ sampled districts under 13th Finance Commission and NRHM grants during 2012-17, were not functioning due to non-deployment of manpower and equipment.

¹⁹ Medak, Nalgonda and Warangal

- Quality of health care was not given adequate attention thereby forcing the patients to go to private institutions for treatment.

(Paragraph 2.1.6.1)

Human Resource in Health facilities

There was 100 *per cent* shortage in availability of Male Health Workers in Sub-centres. The overall shortage of manpower in PHCs was 43 *per cent*.

(Paragraph 2.1.8.1)

Quality of health care

The State Quality Assurance Committee (SQAC) though constituted did not conduct meetings as stipulated. District Quality Assurance Committees (DQAC) at district level for strengthening quality assurance activities were not constituted. Thus, services delivered at the health facilities in the State during the period 2014-17 remained unassessed.

(Paragraph 2.1.9.1)

Management, Monitoring and Evaluation

The Department had not either conducted the Maternal Death Review (MDR) and the Infant Death Review (IDR) in the State or where conducted, these were ineffective. The causes leading to maternal and infant deaths could not be identified in order to take remedial measures for their elimination by NRHM.

(Paragraph 2.1.10.1)

Impact of NRHM on MMR, IMR and TFR

The rate of achievement on Maternal Mortality Ratio and Total Fertility Rate was satisfactory at State level. However, Maternal Mortality Ratio in tribal districts like Adilabad, Khammam and Mahabubnagar was very high at 152, 99 and 98 respectively as against 92 per one lakh live births in the State. Infant Mortality Rate stood at 28 per 1000 live births and was above the NRHM target rate of 25 per 1,000 live births during 2015-17.

(Paragraph 2.1.11.1)

Data collection, Management and Reporting

Information Technology (IT) infrastructure, networking and human resources in the sampled facilities were deficient. This hampered smooth and timely uploading of data to the Health Management Information System (HMIS) portal.

(Paragraph 2.1.12)

Indian Public Health Standards (IPHS) norms under all components of RCH were not met in the State. Adequate attention on availability of required physical as well as human infrastructure in the health facilities was not accorded. Ineffective implementation of Maternal and Child Health components contributed to heightened risk of maternal and infant deaths. Overall, the implementation of Reproductive and Child Health (RCH) under NRHM in the State was far from satisfactory.

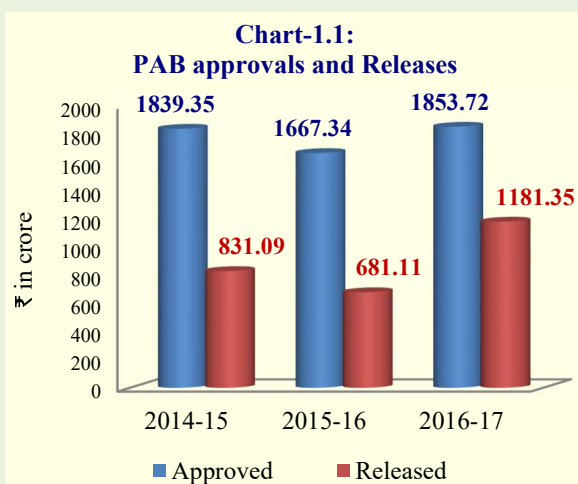
1.7.2 Implementation of Right of Children to Free and Compulsory Education Act, 2009 (RTE Act)

The Right of Children to Free and Compulsory Education Act, 2009, popularly known as Right to Education (RTE) Act, became operational with effect from 01 April 2010 to make elementary education (Class I to VIII) a fundamental right of all children. The RTE Act is implemented by the Ministry of Human Resource Development (MoHRD), Government of India (GoI) as a Centrally sponsored scheme. The RTE Act provides that all children in the age group of six to fourteen years have a right to free and compulsory education in a neighbourhood school within three years of the enactment of the Act. The Sarva Shiksha Abhiyan (SSA) run by GoI, is the main vehicle for implementing the provisions of the RTE Act.

Significant findings of this Performance Audit are summarised below:

Budget and Expenditure

There was significant shortfall (50 per cent) in release of funds by GoI and the State Government as compared to the budget approved by Project Approval Board (PAB) during 2014-17. Further, there were considerable delays in release of funds by GoI as well as the State Government to the Telangana Sarva Shiksha Abhiyan Society (TSSA). This resulted in non-implementation of important interventions intended for the benefit of eligible students in the State. (Paragraph 2.2.4.2)



Schools set up under Government and Private sectors and enrolment

- During the period of 2014-17, the number of Government (including Local Bodies and Aided) Primary Schools increased by only 0.42 per cent whereas Private Primary Schools increased by 12.75 per cent. Similarly, in case of Upper Primary Schools, the number of Government schools increased by only 2.89 per cent whereas Private Upper Primary Schools registered a growth of 10.09 per cent over the same period.
- In Government Primary Schools, the enrolment declined by 1.12 lakh (7.65 per cent) during 2014-17. On the other hand, in case of Private Primary Schools, enrolment increased by 0.61 lakh (3.67 per cent) during the same period. The enrolment in Government Upper Primary Schools decreased by 0.20 lakh (2.13 per cent), whereas enrolment increased by 0.03 lakh (0.38 per cent) in Private Upper Primary Schools.

(Paragraph 2.2.5.2)

Implementation of the Act

- There was high dropout rate of students during transition from Class I to VIII, particularly in respect of SC/ST boys and girls. This was stated to be due to

socio-economic factors like engagement of children in seasonal works by their parents, non-participation of community, migration of families, non-availability of teachers etc.

(Paragraph 2.2.5.3)

- Child tracking system was not in existence in the State and thereby continuity of education of the child could not be ensured.

(Paragraph 2.2.5.4)

- Failure to mainstream all the Out-of-School Children and provide them training, resulted in deprivation of education to at least 0.47 lakh children by the end of March 2017.
- Most of the Out-of-School Children belonged to madaras (religious schools). Very few children from madaras were mainstreamed as religious education was being imparted as per the choice of their parents.

(Paragraph 2.2.5.5)

- Under Inclusive Education to Children with Special Needs (CWSN) 35 *per cent* of funds approved by PAB were only spent during 2014-17. Thus, the identified CWSN had been deprived of their right to pursue free and compulsory elementary education envisaged in the Act.

(Paragraph 2.2.5.6)

- The State had not implemented provisions of RTE Act and the State Rules with regard to 25 *per cent* reservation for disadvantaged group children in private unaided schools. This led to non-achievement of objective of providing equal educational opportunities to children belonging to different socio-economic background.

(Paragraph 2.2.5.7)

- The benefit of transport allowance for attending neighbourhood schools was denied to 44,412 eligible/identified children in the State during 2014-15 and 2016-17. This was due to non/belated issue of Gazette notifications by State Government and consequent non-release of funds by GoI.

(Paragraph 2.2.5.8)

- The schools were largely deficient with regard to provision of basic infrastructural facilities/amenities. Seventy five *per cent* of the schools in the State had no basic infrastructural amenities. Forty five *per cent* of the schools did not have playground and 39 *per cent* lacked boundary wall or fencing. This was despite lapse of seven years since implementation of the RTE Act.

(Paragraph 2.2.5.10)

Management, Monitoring and Evaluation

State Advisory Council (SAC – to be chaired by Minister-in-charge of School Education) was not constituted by the Government. As a result, the implementation of the provisions of RTE Act could not be reviewed at the apex level. Consequently, corrective actions, if any, could not be suggested to the State Government for effective implementation of RTE Act in the State.

(Paragraph 2.2.6.1)

Proficiency levels in Reading, Writing and Simple arithmetic (3Rs)

Lack of proficiency levels of children in respect of 3R's, i.e., Reading, Writing and Simple arithmetic was as high as 38 *per cent* and 39 *per cent* for Classes II and III respectively. The overall lack of proficiency levels of Classes II to VIII for the year 2016-17 was 31 *per cent*.

(Paragraph 2.2.6.5)

Performance of Children

Fourteen to 26 *per cent* children at Primary level and 21 to 47 *per cent* in Upper Primary level scored less than 40 *per cent* during the years 2014-17. Further, children who scored between 91 and 100 *per cent* ranged from 5 to 10 *per cent* for Primary level. It was 2 to 6 *per cent* for Upper Primary level. This reflected poor competitive levels of children in academics in Government (including Local body and Aided) schools.

(Paragraph 2.2.6.5)

Shaala Siddhi (Evaluation for Improvement)

Against 29,549 Government and Aided schools (Primary, Upper Primary and High Schools) targeted in the State, 8585 schools had completed the 'Self Evaluation' (by schools themselves) and uploaded the data. The remaining 20,964 schools were not Self Evaluated. External Evaluation was also not conducted. Thus, the Department failed in its visualised goal of Self Improvement.

(Paragraph 2.2.6.5)

Majority of the provisions of the Act were not fully followed by the State Government. Very few children from madarasas were mainstreamed as religious education was being imparted as per the choice of their parents. The time frame of three years for completion of various infrastructural facilities such as school buildings, toilets and drinking water facilities had not been adhered to. The prescribed minimum proficiency levels of children for 3Rs, i.e., reading, writing and simple arithmetic were not achieved. The implementation of RTE Act overall suffered in the State even after the lapse of seven years of its coming into effect.

1.7.3 Compliance Audit Observations

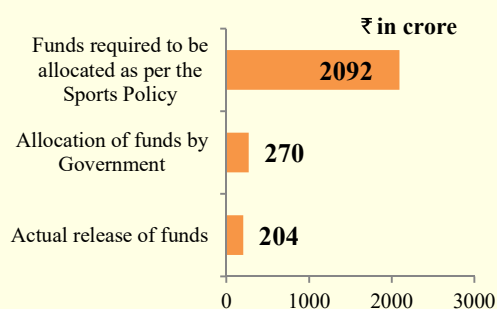
1.7.3.1 Promotion of Sports in Telangana State

Sports Authority of Telangana State (SATS) was established as a principal policy formulating body for promotion of sports in the State. Audit of the SATS to assess the adequacy of implementation of Sports Policy showed the following deficiencies:

- Sports promotion activities in the State lacked the required impetus in terms of direction. Proactive planning for promotion of sports and fully functional administrative set up was absent.

- SATS had not projected the requirement of funds (in Budget Estimates) as per the norm (0.50 % of State Budget) stipulated in the State Sports Policy. The allocation and the releases made by Government were still lower. Government did not also enforce the relevant Sports Policy provisions²⁰ for resource mobilisation for promotion of sports. This left the District Sports Authorities with no funds for sports promotion activities.

Chart-1.2: Allocation & release of funds for Sports Promotion (2014-17)



- There was no systematic planning to spot sports talent across the length and breadth of the State. Education and sports activities were not linked.
- SATS had not carried out gap analysis of availability of sports infrastructure at Mandal level. Playfields as envisaged in the Sports Policy, were not provided by the Government in each Mandal headquarters with standard sports infrastructure. The outdoor/indoor stadia were also not provided in each district.
- SATS did not ensure promotion of sports activities and availability of required sports infrastructure in the educational institutions. Sixteen *per cent* and 26 *per cent* sampled schools did not have playground facility and adequate sports equipment respectively. In 18 *per cent* of sampled schools, Physical Education Teachers (PET)/Physical Directors (PD) were not available for imparting sports coaching.
- In five out of 6 sports institutions in the State, adequate sports kits and equipment were not procured/provided to inmates and coaches during 2014-17. This was due to non-release of funds/non-supply of kits by SATS. Inmates had to utilise old/damaged sports kits and equipment after undertaking some repairs.
- The State had not implemented the two *per cent* sports reservation envisaged in the Sports Policy at any level of direct recruitments except in Home (Police) Department.

Overall, the Department had not made significant progress in achieving excellence in sports performance by producing the best sports persons in the country as envisaged in the Sports Policy.

(Paragraph 3.1)

1.7.3.2 Implementation of Economic Support Schemes for Scheduled Castes

The Scheduled Castes Development Department is dedicated to the integrated and overall development of Scheduled Castes (SC). The Telangana Scheduled Castes Cooperative Development Corporation Ltd. (Corporation), under the Department implements Economic Support Schemes (ESS). These are aimed at SC beneficiaries of poorest-of-poor (PoP) households, agricultural landless labourers, small and marginal farmers, leather artisans

²⁰ (a) additional surcharge of five *per cent* on Excise Duty on sale of liquor (b) additional cess of three *per cent* on all property taxes collected by all Gram Panchayats, Municipalities and Corporations; and (c) three *per cent* of revenue from quarrying of sand

and other vulnerable groups²¹. Audit of the implementation of ESS for SCs by the Corporation revealed the following deficiencies:

- The Corporation had prepared Annual Action Plans (AAPs) without obtaining inputs from the districts.

Industries Services Business (ISB) scheme

- The envisaged financial targets as well as targeted coverage of number of beneficiaries were not achieved during 2014-17.
- Banks insisted on Term Deposits from beneficiaries before releasing the loan component along with the subsidy sanctioned by the Corporation for establishing the Units. This defeated the purpose of providing financial assistance under ‘Industries Services Business’ (ISB) Scheme.
- The database in Online Beneficiary Monitoring & Management System (OBMMS) portal developed by the Corporation was found to be unreliable. This was due to lack of validity controls to weed out duplicate loan account numbers/duplicate Aadhaar numbers.
- Audit observed abnormal delays at every stage of start-up of business units, from date of application to sanction/release of funds.

Land Purchase Scheme (LPS)

Under LPS, landless married SC women beneficiaries belonging to below poverty line (BPL) households (with the Poorest-of-Poor category being given priority) were to be given up to three acres of land in the first phase. Other SC beneficiaries having small pieces of land were to be provided with balance extent of land to make them land owners of 3 acres each in subsequent phases.

- There were cases of faulty identification of lands, lapses in the process of selection of beneficiaries, absence of specific timelines for registration of land.
- Pattadar (land owner) pass books were not issued after registration and irrigation facilities were not provided to the beneficiaries after distribution of land.

The objective of providing valuable and permanent asset for income generation under LPS remained unachieved.

(Paragraph 3.2)

1.7.3.3 Follow up on Performance Audit of Functioning of State Disaster Response and Fire Services Department

A Performance Audit of functioning of State Disaster Response and Fire Services Department covering the period 2007-12 featured in the Report of the Comptroller and Auditor General (CAG) of India pertaining to the erstwhile combined State of Government of Andhra Pradesh for the year ended March 2012. Five recommendations were issued to the Government by the CAG and Government accepted (November 2012) all the recommendations.

²¹ through schemes without Bank linkage and Bank-linked Self-employment schemes

A Follow up Audit covering the period June 2014 – July 2017 was conducted to assess the extent of implementation of the recommendations. As of October 2017 none of the five recommendations made by Audit had been implemented in full by the Government, as detailed below:

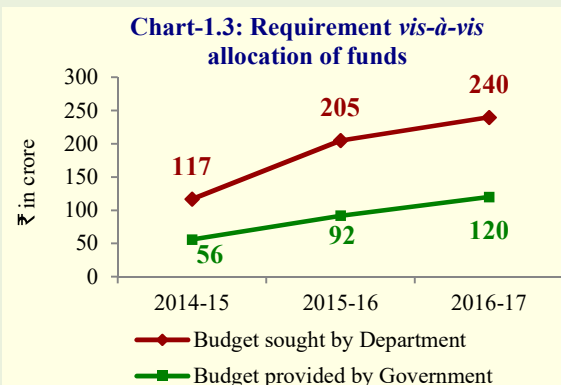
- State Government had not accorded adequate priority to the Department in terms of budgetary allocation to fulfill the envisaged role. It hampered the modernisation process of the Department.
- There were no long term strategic or perspective plan and annual action plans reflecting priorities relating to the Department.
- State Government did not implement any of the major recommendations of the Sub-Committee²² for strengthening the Department despite the lapse of over eight years.
- The Department had not adequately complied with the recommendations of Standing Fire Advisory Council with regard to setting up of fire stations, response time, infrastructure and equipment. Against the requirement of 2,596 fire stations, only 96 fire stations (shortfall: 96 *per cent*) existed in the State. Only two new fire stations (out of six sanctioned) were set up during the period 2014-17.
- This had a cascading effect on the response time, which went up to 93 minutes (as against the prescribed response time of below 5 minutes) for urban areas and 158 minutes (as against the prescribed response time of below 20 minutes) for rural areas, in the major fire incidents reviewed in Audit.
- Infrastructure and equipment in the existing fire stations was inadequate. The Department did not have adequate modern communication system.
- The Department was carrying out the fire fighting operations without full strength due to shortfall in key posts such as Fireman and Driver Operator. It adversely impacted the fire fighting efficiency of the Department.
- Department did not formulate a strategy to survey and conduct inspections of the hazard prone areas that need specific fire safety measures.

(Paragraph 3.3)

1.7.3.4 Non-functioning of Blood Component Separation Units

Three Blood Component Separation Units at Gadwal, Mahabubnagar and Tandur could not commence their operations for want of resources and equipment. As a result, equipment procured at a cost ₹94 lakh remained idle for periods ranging from two to five years.

(Paragraph 3.4)



²² constituted by the State Government

1.7.3.5 Establishment of ‘Telugu Talli Pranganam’ did not take off

The establishment of ‘Telugu Talli Pranganam’, a campus of Sree Potti Sreeramulu Telugu University, did not take off even after lapse of six years despite availability of sufficient land and finances. This was due to non-utilisation/non-availment of ₹8.79 crore (out of ₹10.62 crore allocated by University Grants Commission) during the XI Plan/extended plan period.

(Paragraph 3.5)

1.7.3.6 Unproductive outlay on incomplete buildings

Expenditure of ₹6.20 crore on Administrative building and Fine Arts building of Potti Sreeramulu Telugu University was rendered unproductive due to abandonment of the work by the contractor. This was due to non-settlement of contractor’s claims in time by the University.

(Paragraph 3.6)

1.7.3.7 Avoidable expenditure of ₹5.17 crore on rerouting of Underground Power Cable

Hyderabad Metropolitan Water Supply and Sewerage Board (HMWS&SB) did not coordinate and communicate in advance the route of pipeline to Telangana State Southern Power Distribution Company Limited (TSSPDCL) for execution of their Krishna Water Supply (Phase III) Project. As a result, excavation work was initiated in a location in which an underground cable had already been laid. This cable was damaged and HMWS&SB had to incur an extra expenditure of ₹5.17 crore which was avoidable.

(Paragraph 3.7)

1.7.3.8 Leasing of Commercial Complexes

Hyderabad Metropolitan Development Authority sustained a revenue loss of ₹20.95 crore due to non-allotment of 355 shops in five commercial complexes, for periods ranging from 5 to 105 months. Besides, rental arrears of ₹6.16 crore remained to be collected.

(Paragraph 3.8)

Chapter II

Performance Audits

Health, Medical and Family Welfare Department

2.1 Reproductive and Child Health under National Rural Health Mission

Executive Summary

The Reproductive and Child Health (RCH) programme initiated under NRHM emphasised public health measures essential for enhanced maternal and child survival and lower RCH morbidity. The performance audit of Reproductive and Child Health under National Rural Health Mission was conducted (during April to August 2017), covering the period from 2012-13 to 2016-17.

Annual Facility level surveys for identification and fixing of decentralised monitorable goals, indicators and gaps/deficiencies in the existing healthcare facilities and areas of interventions were not conducted. Bottom-up and community owned approach to public health planning was also not followed in preparation of State Program Implementation Plans (SPIPs).

The Department had not utilised fully the funds released in any of the years under review. Utilisation ranged between 38 and 44 per cent only during 2012-14 and between 39 and 46 per cent only during 2014-17. Shortfall in spending on maternal health ranged between 31 to 50 per cent during 2014-17. The expenditure on child health component did not exceed 26 per cent of the approved outlay in any year during the period 2014-17.

The institutional deliveries declined from 69 per cent (2013-14) to 42 per cent (2016-17) in public health facilities as compared to deliveries in private health facilities which registered an increase from 31 to 58 per cent. Telangana had a very high rate of Caesarean-section deliveries at 45 per cent out of the total deliveries reported in the State. In private health institutions it was higher at 67 per cent. Adequate attention on availability of required physical as well as human infrastructure in the health facilities was not accorded. Maternal Death Review (MDR) and the Infant Death Review (IDR) were largely not conducted. In other cases, these Reviews were ineffective. The State had achieved 100 per cent immunisation of children of 0 – 1 year age group. Maternal Mortality Ratio and Total Fertility Rate was satisfactory at State level.

2.1.1 Introduction

National Rural Health Mission (NRHM)¹ was launched in India in April 2005 with a view to provide accessible, affordable and quality health care to rural population, especially the vulnerable sections. NRHM is an umbrella programme subsuming the existing programmes

¹ The National Urban Health Mission (NUHM) as a Sub-mission of an over-arching National Health Mission (NHM) was launched on 20th January 2014, with NRHM being the other sub-Mission of National Health Mission

of health and family welfare. It comprises the components of health systems' strengthening, reproductive, maternal health, newborn, child & adolescent health and national disease control programmes.

The Reproductive and Child Health (RCH) programme initiated under NRHM emphasised² all public health measures were essential for enhanced maternal and child survival and lower RCH morbidity.

For the implementation of the above activities under RCH, the NRHM Framework (2005-12) underlined the need for upgradation of Community Health Centres (CHCs) as First Referral Units (FRUs) for dealing with Emergency Obstetric Care³, 24X7 delivery services at the Primary Health Centres (PHCs) and operationalising of Sub-Centres⁴ (SCs). As per NRHM Framework (2012-17), NRHM seeks to reduce the Maternal Mortality Ratio (MMR) in the country to 100 per one lakh live births, reduce Infant Mortality Rate (IMR) to 25 per 1000 live births and reduce the Total Fertility Rate (TFR) to 2.1 per woman.

2.1.1.1 Organisational Setup

At the Central level, the Mission Steering Group (MSG) headed by the Union Minister of Health and Family Welfare provides policy direction to the Mission.

At the State level, the Mission functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The State Program Management Unit (SPMU) acts as the Secretariat to the State Health Mission. The State Society was headed by an Executive Director/Mission Director. Every district has a District Health Society (DHS), which is headed by the District Collector.

Primary Health Centre (PHC) is the first contact point between village community and the medical officer. The PHCs were envisaged to provide an integrated curative and preventive health care to the rural population with emphasis on preventive and promotional aspects of health care. The Community Health Centres (CHCs), constituting the secondary level of health care, were designed to provide referral as well as specialist health care to the rural population. Similarly, specialist services in providing emergency obstetrics care and neonatal care are to be made available in Area Hospitals (AHs) and District Hospitals (DHs).

NRHM would seek to empower the Panchayati Raj Institutions (PRIs) at each level, i.e., Gram Panchayat, Panchayat Samiti (Block) and Zilla Parishad (District). This was to take leadership to control and manage the public health infrastructure at district and sub-district levels. The Sub-Centre (SC) is the most peripheral and first contact point between the primary health care system and the community. The organisational structure of NRHM in the State is shown in Organogram below.

² care in pregnancy, all aspects of Essential Newborn Care, Immunisation, all aspects of prevention and management of malnutrition, family planning services, identification and management of anaemia

³ cases of emergency with respect to the management of normal and complicated pregnancy, delivery and the postpartum period

⁴ Sub-Centre is the first contact point between the primary health care system and the community

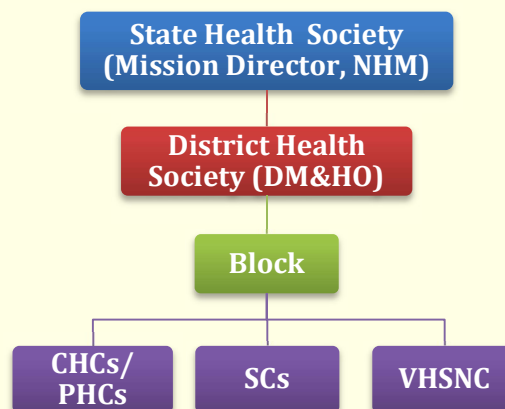
2.1.2 Audit Framework

2.1.2.1 Audit objectives

Performance audit of the RCH Programme under NRHM was carried out to assess

- the impact of NRHM on improving Reproductive and Child Health in the State by evaluating the extent of availability of physical infrastructure, the extent of availability of health care professionals and quality of health care provided,
- the mechanism of data collection, management and reporting which serve as indicators of performance.

Organisational structure of NRHM in the State



CHCs: Community Health Centres; **PHCs:** Primary Health Centres; **SCs:** Sub-Centres; **VHSNC:** Village Health Sanitation and Nutrition Committee

Source: 'NRHM Operational guidelines for Financial Management', January 2012

2.1.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

- ⇒ Indian Public Health Standards (IPHS) – Guidelines (Revised 2012);
- ⇒ NHM Framework for Implementation (2012-17);
- ⇒ NRHM Operational Guidelines for Financial Management, 2012;
- ⇒ Guidelines of Janani Suraksha Yojana (JSY), 2005; Janani Shishu Suraksha Karyakram (JSSK), 2011; Rashtriya Bal Swasthya Karyakram (RBSK), 2013 etc.;
- ⇒ Operational guidelines for Quality Assurance in Public Health Facilities 2013;
- ⇒ Health Management Information System⁵ (HMIS) data;
- ⇒ Assessor's Guidebook for Quality Assurance in District Hospitals 2013; Community Health Centres (First Referral Unit) 2014; Primary Health Centres (24 x 7) 2014;
- ⇒ Orders, circulars, etc., issued by the State Government from time to time; and
- ⇒ Sustainable Development Goals as envisioned by the United Nations.

2.1.2.3 Audit Scope and Methodology

The performance audit was conducted (during April to August 2017), covering the period from 2012-13 to 2016-17. It involved test-check of records in the State Health Society (SHS)/Commissionerate, at the State level. At the field level, three⁶ District Health Societies, three District Hospitals (DHs) (out of six), nine Community Health Centres (CHCs)/Area Hospitals (AHs) (out of 157), 27 Primary Health Centres (PHCs) (out of 836) and 81 Sub-Centres (SCs) (out of 4,745) were also test-checked.

⁵ Web based monitoring system maintained by Ministry of Health and Family Welfare, GoI

⁶ Medak, Nalgonda and Warangal

Audit Sample

The districts were selected by Simple Random Sampling without replacement method (SRSWOR) method. In each sampled district, one DH along with three AHs/CHCs, nine PHCs and 27 SCs were selected for test-check under SRSWOR method. Details of sampled units are given *Appendix-2.1*.

Entry conference was held (April 2017) with the Special Chief Secretary to Government and the Mission Director, NHM, wherein audit objectives and criteria were explained. An Exit Conference was held with Government representatives in January 2018 to discuss Audit findings. Replies of the DMHOs/Medical Superintendent (DHs/AHs and CHCs)/ Medical Officer (PHCs) and the Commissioner of Health and Family Welfare (Mission Director, NHM) wherever available have been considered/incorporated at appropriate places in the Report. Views expressed by the Government during the Exit Conference and their responses in written replies have also been incorporated at appropriate places in the report.

Acknowledgement

We acknowledge the cooperation and assistance rendered by the officials of the Health, Medical and Family Welfare Department during the conduct of the Performance Audit.

Audit findings

2.1.3 Planning

2.1.3.1 Annual facility level surveys

Under NRHM guidelines, every health facility centre has to identify gaps in health care facilities, areas of interventions, etc., that would be required for providing quality health care. Every SHS will have to conduct an Annual Facility survey to finalise an annual plan of activities for creation and strengthening of infrastructure in health care facilities.

Audit, however, observed that no annual facility level surveys were conducted in the State. Therefore, identification and fixing of decentralised monitorable goals, indicators and gaps/deficiencies in the existing health care facilities, areas of interventions, etc. required for providing quality health care was not possible.

In their reply (January 2018) Government stated that proposals for conducting Annual Facility survey had been submitted to GoI in Program Implementation Plan (PIP) for the year 2017-18. The sanction for the same was awaited from GoI.

2.1.3.2 State Program Implementation Plans

The NRHM envisaged a bottom-up, decentralised and community owned approach to public health planning. The process begins at the block level, which prepares the 'Block Health Action Plan (BHAP)' and sends it to district. This is based on inputs/discussions with the implementing units. These BHAPs are then aggregated to form an Integrated District Health Action Plan (IDHAP). IDHAP is further sent to the State level. State Program Implementation Plan (SPIP) is to be prepared on the basis of District Health Action Plans (DHAPs).

Audit noticed that the SPIPs were prepared without obtaining any inputs from district/ village level authorities/committees during 2012-17. The Mission was thus being

implemented in the State without following the bottom-up approach. The gaps in services, areas of interventions, probable investment in each area, requirement and the availability of resources were also not identified.

Government accepted the audit observation and stated (January 2018) that in view of reorganisation of 10 districts into 31 districts in 2016, the inputs from districts and block level committees could not be considered. It was further stated that the same would be followed while preparing SPIPs from 2017-18 onwards.

2.1.4 Financial Management

2.1.4.1 Budget and Expenditure

NRHM is being implemented as a Centrally sponsored scheme and the funding was in the ratio 75:25 by GoI and State Government up to 2014-15 and revised to 60:40 from 2015-16 onwards. NRHM Funds are pooled together under a “Mission Flexi Pool” which is further divided into

- ‘RCH’ component for activities such as maternal health, child health, family planning, etc.
- ‘Additionalities under NRHM’ component for any additional activities like ASHA⁷, RKS⁸, Untied funds, annual maintenance grants, etc.
- ‘Immunization’ component for routine immunization and pulse polio activities and
- National Disease Control Programmes.

The funds received by the State are further disbursed to the District Health Societies in accordance with the requirements stated in the respective District Health Annual Plans (DHAPs). The district authority disburses funds to the blocks which in turn disburse funds to various implementing units (CHCs/PHCs/SCs/VHSNCs) for programme implementation activities. The year-wise details of funds released by the Ministry, State share released *vis-à-vis* the expenditure incurred during the last five years were as under:

Table-2.1

(₹ in crore)

Year	Opening balance	Central Share released	State share credited	Total fund available	Expenditure	Unspent balance (%)
2012-13	583.42	529.94	506.78	1620.14	720.25	899.89 (56)
2013-14	899.89	498.35	225.75	1623.99	617.44	1006.55 (62)
2014-15 (1 June 2014)	1006.55	0.03	21.48	1028.06	48.81	979.25* (95)
2014-15 (2 June 2014 to March 2015)	354.98*	278.83	142.36	776.17	315.80	460.37 (59)
2015-16	460.37	118.68	94.08	673.13	308.16	364.97 (54)
2016-17	364.97	423.52	433.37	1221.86	473.01	748.85 (61)

Source: Records of State Health Society

* The erstwhile State of Andhra Pradesh was bifurcated into AP and Telangana w.e.f. 2 June 2014. The unspent balance for 2014-15 as allocated to Telangana State, was adopted

⁷ Accredited Social Health Activist

⁸ Rogi Kalyan Samiti

The year-wise utilisation was poor and non-utilisation ranged between 56 and 62 *per cent* during 2012-14 (composite State of Andhra Pradesh) and 54 and 61 *per cent* during 2014-17. Government replied (January 2018) that as the funds were received during last quarter of the financial years and carried forward to the next financial year for the purpose for which the fund had been released. Due to this reason huge unspent balances were available with SHS.

Substantial unspent balances calls for rationalising the procedure for timely release of funds by the Government to SHS.

(i) Utilisation of funds under free essential drugs initiative

Free essential drugs initiative was introduced under NRHM for ensuring uninterrupted availability of drugs in the public health system and relief to the patients in reducing the out-of-pocket expenditure on purchase of drugs.

The State incurred a meagre expenditure of ₹10.11 crore (12 *per cent*) against the allocation of ₹83.99 crore during 2014-17 on provision of free essential drugs as shown in Table-2.2.

The unspent balances ranged from 55 to 100 *per cent* during 2014-17. Government accepted the audit observation and promised to look into the matter.

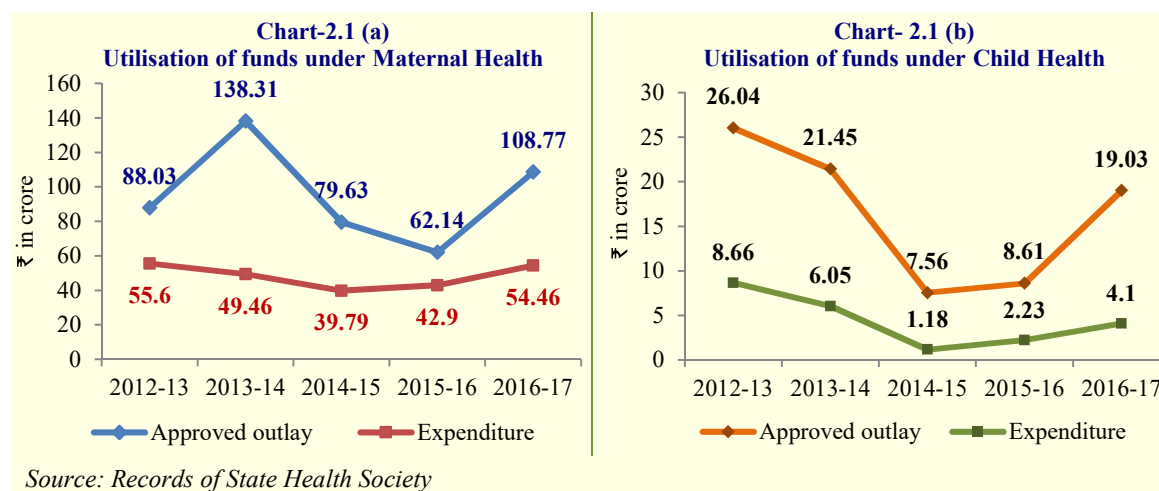
Table-2.2		(₹ in crore)	
Year	Allocation	Expenditure	Unspent (%)
2014-15	40.00	Nil	40.00 (100)
2015-16	23.89	1.07	22.82 (96)
2016-17	20.00	9.04	10.96 (55)
Total	83.99	10.11	73.88 (88)

Source: Records of State Health Society

Non-utilisation of funds on procurement of generic medicines for supply to public health facilities resulted in non-availability of essential medicines to patients.

2.1.4.2 Utilisation of funds under Maternal Health and Child Health

NRHM-RCH Flexible Pool is one of the components of NRHM funding, under which Audit examined two sub-components of Maternal Health and Child Health. Scrutiny of approved projected outlay, i.e., State Program Implementation Plan (SPIP) *vis-à-vis* the expenditure under the two components of Maternal Health and Child Health revealed that expenditure on projected outlays under maternal health and child health was very poor.



The shortfall in spending on maternal health ranged between 31 to 50 *per cent* during 2014-17 whereas the expenditure on child health component had not exceeded 26 *per cent* of the approved outlay in any year during the period 2014-17. Shortfall in utilisation of funds under maternal and child health components showed ineffective implementation of RCH programmes and enhanced the risk of maternal and infant deaths.

Government replied (January 2018) that the facility-wise analysis on utilisation of RCH funds would be conducted immediately.

2.1.4.3 Selection of an ineligible NGO

Area Hospital, Siddipet, of erstwhile Medak district entered (February 2015) into an agreement with an NGO⁹ for providing vehicles for referral services at the rate of ₹8 per kilometre and drop back services to pregnant women and delivered mothers at agreed rate of ₹250 per case.

Audit observed that, the NGO did not have any motor fleet for executing the above services and the said services were performed by private individuals. An amount of ₹10.85 lakh towards payment for the above services¹⁰ from JSSK funds had been released to an outside agency¹¹ (fuel filling station) not connected either with NGO or the owner of the vehicle.

Thus, agreement was entered into with one agency (NGO), vehicles were being operated by other agency (Hospital) and payments were released to a third agency (fuel filling station) which amounted to misutilisation of scheme funds. The matter calls for a probe by the Department.

Government replied (January 2018) that the DMHO would be asked to conduct a detailed enquiry and submit a report through the District Collector.

2.1.5 Implementation of Reproductive and Child Health services

Majority of pregnancy complications can be averted by preventive care of pregnant women, such as antenatal check-ups, early detection of risks, appropriate and timely management of obstetric complications, postnatal care, etc.

2.1.5.1 Antenatal Care (ANC)

Antenatal Care (ANC) to pregnant women (PW) required important considerations regarding diet, life-style and drug therapies to achieve a good foetal outcome with minimal maternal morbidity and mortality. Good ANC reduces the risk of childbirth complications. The World Health Organisation recommends that PW should receive four antenatal check-ups. Guidelines¹² also aimed to provide four ANCs to all PW for ensuring proper investigations like haemoglobin, blood grouping, urine examination, administration of two doses of Tetanus Toxoid (TT) and supply of 100 Iron Folic Acid (IFA) tablets. The first ANC was to be provided within 12 weeks, second within 14-26 weeks, third within 28-34 weeks and fourth check-up within 36 weeks up to term of pregnancy to monitor the progress.

⁹ NGO named CARPED

¹⁰ for Referral transport @ ₹8 per km and Dropback services @ ₹250 per case

¹¹ Sai Ranga filling station

¹² for Antenatal Care and Skilled Attendance at Birth, 2010 issued by MoH&FW

The data pertaining to the first three ANC check-ups to pregnant women for the period 2012-17 was not available with SHS. In their reply, Government confirmed (January 2018) that during 2014-17 the data of ANC check-ups was not captured in HMIS¹³ data, although it was done at field level.

Iron Folic Acid (IFA) administration

Anaemia is considered as the leading cause of maternal mortality. Reproductive and Child Health (RCH) programme under NRHM, therefore, emphasised administration of IFA tablets for pregnant women for a period of 100 days.

During 2012-17, SHS reported that 41.93 lakh pregnant women were registered for ANC. Further, it was seen that during the period 2012-15, up to 97 *per cent* and during 2015-17, *per cent* ANC registered women were given IFA tablets.

Audit, however, noticed that anaemia cases increased from 1.42 lakh in 2012-13 to 2.93 lakh in 2016-17. Similarly, severe anaemia cases also increased from 11,373 cases (2012-13) to 14,848 cases (2016-17) with maximum of 28,182 cases in 2015-16. Reasons for increase in cases of severe anaemia were not stated by Government.

In the three sampled districts, it was seen that the shortfall in administration of IFA tablets ranged from 2 to 19 *per cent*. Further, in Warangal district, the cases of severe anaemia increased drastically from 109 cases in 2012-13 to 2121 cases in 2016-17 despite the administration of IFA tablets up to 97 *per cent* of the registered ANC.

DMHO Warangal has assured that although the awareness about the consumption of IFA tablets by PW is a continuous programme at sub-centre level, all efforts would be made to improve the consumption of IFA tablets by PW.

Government replied (January 2018) that previously pregnant women were given only 100 IFA tablets during pregnancy but from 2016-17 all the pregnant women received 180 tablets (from 2nd trimester till delivery) and moderate to severe anaemia were given double the dosage (360 tablets). The reply is, however, not acceptable as the rise in anaemic cases during the period was contrary to the claim made by Government.

2.1.5.2 Deliveries

Institutional deliveries

Out of 41.93 lakh pregnant women registered for ANC during 2012-17, only 21.34 lakh (51 *per cent*) deliveries were reported by SHS. The data pertaining to the remaining 20.61 lakh women including any Medical Termination of Pregnancies (MTPs) was not furnished to Audit.

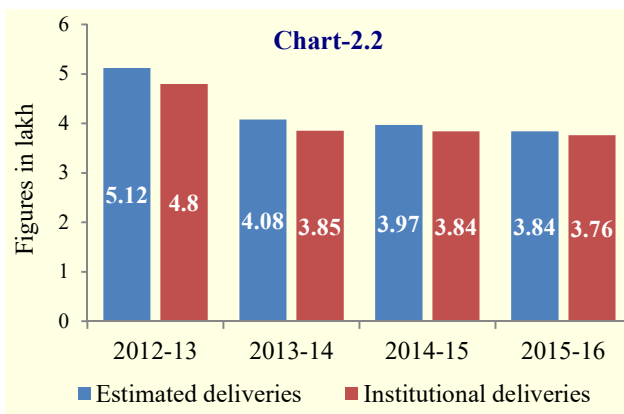
Achievement of Institutional deliveries against those targeted ranged from 94 to 98 *per cent* during the period 2012-13 to 2015-16¹⁴.

¹³ Health Management Information System

¹⁴ data for Targeted deliveries for the period 2016-17 was not furnished by SHS

The number of deliveries in the year 2016-17 was 5.08 lakh. However, the target for Institutional deliveries for the year 2016-17 was not furnished to Audit.

As per SHS data, the institutional deliveries in public health facilities decreased from 69 per cent (2013-14) to 42 per cent (2016-17) against the total institutional deliveries in the State.



Source: Records of State Health Society

Deliveries in Private and Public Institutions are indicated in Table-2.3.

Table-2.3

Year	Total deliveries	Public (per cent)	Private (per cent)
2013-14	385435	265113 (69)	120322 (31)
2014-15	384287	240548 (63)	143739 (37)
2015-16	375957	193412 (51)	182545 (49)
2016-17	507896	211384 (42)	296512 (58)

Source: SHS data

The deliveries in public institutions declined from 69 to 42 per cent and whereas in private health institutions it increased from 31 to 58 per cent. It was observed that there was a shortage of health centres like CHCs, shortage of manpower in PHCs, non-functional PHCs which led the public to prefer private hospitals in anticipation of better infrastructure and health care which are discussed in detail in *Paras 2.1.6 and 2.1.8*.

Caesarean section deliveries

In order to manage the complications developing during delivery/child birth, deliveries are made through a surgical incision called Caesarean section (C-section) as an emergency procedure.

Telangana State, with 45 per cent, had a very high C-section rate in the country. Audit noticed from SHS data that C-section deliveries increased from 33 per cent (2013-14) to 45 per cent (2016-17). This indicated the ineffective Antenatal care provided in the State which resulted in an increase in C-section deliveries. **It was further observed that C-section deliveries at private institutions were on higher side (67 per cent) as compared to those at public health facility centres (33 per cent).**

As per World Health Organisation (WHO), C-sections are effective in saving maternal and infant lives, but only when they are required for medically indicated reasons. The ideal rate for C-Sections should be between 10 and 15 per cent

Due to shortage of gynaecologists, anaesthetists, and general surgeon in Public Health Facilities, people were forced to go to private health facilities for C-section deliveries.

Government during Exit Conference (January 2018) admitted the fact of higher side of C-section deliveries in Private institutions. Government, in its written reply (January 2018) also stated that special trainings would be given to Medical Officers and Staff Nurses to conduct normal deliveries.

The State had failed to put in place a mechanism to discourage higher incidences of C-section deliveries in private institutions.

2.1.5.3 Postnatal care

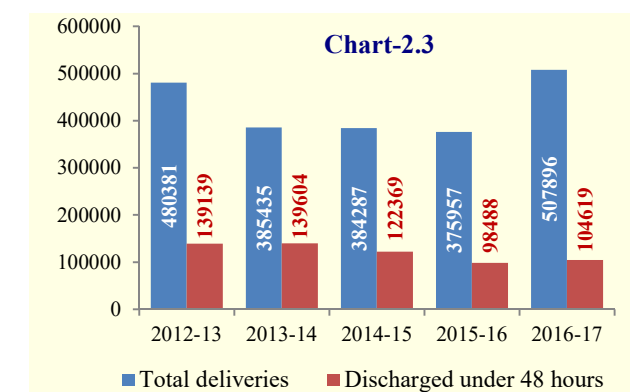
Discharging of mothers within 48 hours of delivery

As per RMNCH+A¹⁵ guidelines, obstetric complications and maternal deaths occur during delivery and intra-partum period¹⁶, a critical time for recognising and responding to obstetric complications and seeking emergency care to prevent maternal deaths.

Audit noticed that in 21 to 36 per cent cases of reported Institutional deliveries during 2012-17, mothers were discharged within 48 hours of delivery.

In the sampled districts, it was seen that the percentage of discharge of delivered mothers within 48 hours of delivery ranged from 1 to as high as 70 per cent in Medak, from 10 to 18 per cent in Nalgonda and up to 48 per cent in Warangal, during 2012-17.

This maximised the risk of maternal and infant deaths due to complications arising during *intra-partum* period.



Source: Records of State Health Society

In their reply (January 2018), Government stated that mothers who delivered without C-Section would prefer to go home within 48 hours as there was no support system for them at home to take care of their other children. It was, however, stated that the Audit observation would be addressed.

Post-partum check-up

National Rural Health Mission guidelines state that the first 48 hours of the post-partum (PP)¹⁷ period followed by first one week are the most crucial period for the health and survival, of both the mother and her newborn. Further, most of the fatal and near-fatal maternal and neo-natal complications occur during the post-partum period. Ensuring post natal care during this period is hence, important for identification and management of emergencies.

¹⁵ Reproductive, Maternal, Newborn, Child and Adolescent Health

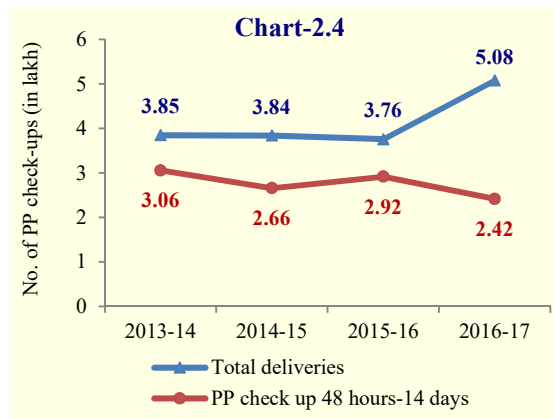
¹⁶ the first 48 hours after childbirth

¹⁷ A Postpartum(or postnatal) period begins immediately after the birth of a child and extends for about six weeks, as the mother's body, including hormone levels and uterus size, returns to a non-pregnant state

Audit noticed that during 2013-17, 21 to 52 per cent of delivered mothers had not received the PP check-up between 7 and 14 days of the delivery.

The above shortage in the stipulated PP check-ups put the mothers at the risk of fatal complications.

Government in their reply (January 2018) stated that steps were being taken to ensure 100 per cent reporting for PP check-ups.



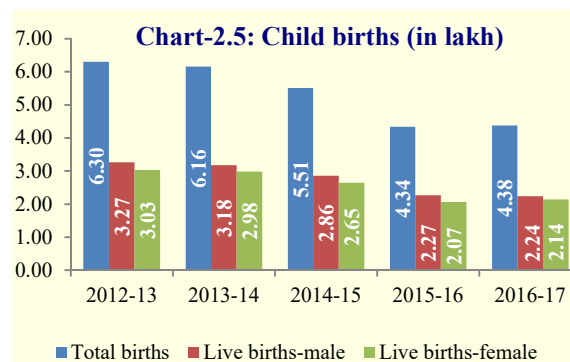
Source: Records of State Health Society

During Exit Conference, it was further stated that Telangana stood 2nd in the country in respect of newborn care and was the best as far as IMR and MMR was concerned.

Live births & weight of newborn

Gender inequalities & child sex ratio

Sex selective abortions result in declining sex ratio at birth. Preventing illegal sex determination and sex selective abortions require implementation of the provisions of Pre-Conception & Pre-Natal Diagnostic Technique Act (PC&PNDT) and Medical Termination of Pregnancy (MTP) Act so as to safeguard the rights of women to access safe and comprehensive abortion care services.



Source: Records of State Health Society

During 2012-17, reported total live births were 26.70 lakh. Of these, rate of male child birth continued to be at 52 per cent while the rate of female child birth stood at 48 per cent. The rate of female-male sex ratio at birth declined from 925 females (2012-13) to 915 females (2015-16) against 1,000 male live births. However, the ratio in 2016-17 increased to 959:1000.

The SHS attributed (October 2017) the decline in birth of female child during 2012-13 to 2016-17 to (a) the male preferences in the families; (b) the religious beliefs and faiths; (c) increase in illiteracy even though huge government's efforts were on to improve the literacy rate in the State, and (d) non-awareness about the importance of gender equality, etc. It was further stated that measures were being taken to identify unregistered machines/clinics/hospitals outside the list of registered centres through regular inspections by the district health authorities. Detailed list of registered centres under PC&PNDT Act was, however, not yet published.

Government replied (January 2018) that advertisements were floated in radio and electronic media, kalajatar, role plays, etc. regarding the consequences of illegal activity relating to disclosure of sex of the foetus.

However, the comparatively lower rate of female births reported is a matter of serious concern, indicative of ineffective enforcement of MTP and PC&PNDT Acts in the State.

Low birth weight children

Low Birth Weight (LBW) is closely associated with foetal and neonatal mortality and morbidity, inhibited growth and cognitive development, and chronic diseases later in life. In order to strengthen the care of LBW newborns, Special Newborn Care Units (SNCU) were to be established¹⁸ at District Hospitals and tertiary care hospitals.

Audit observed that 7 to 18 *per cent* of live births during the period 2012-17 were not weighed within 24 hours of birth. Audit further observed that during the period, seven *per cent* of the newborns weighed were identified as LBW, i.e., having less than 2.5 kilograms at birth. Further, in the test-checked AHs/CHCs, four out of nine hospitals lacked the facility for identification and management of such LBW infants.

Thus, non-identification of LBW children among the live births is fraught with the risk of impaired growth, higher mortality and risk of chronic adult diseases.

Government while accepting the audit observations stated (January 2018) that reorientation training would be provided to staff working at delivery points.

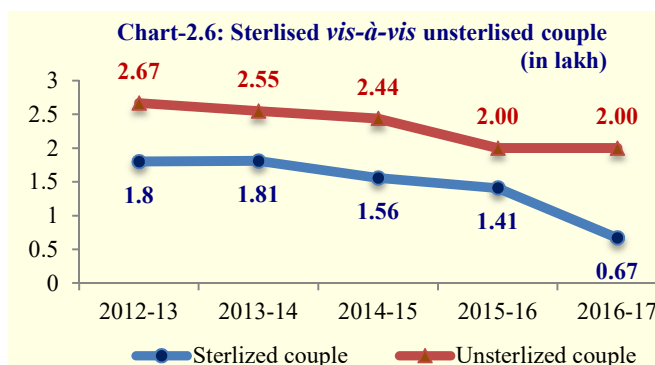
2.1.5.4 Family planning

As per RMNCH+A guidelines, family planning services would be utilised as a key strategy to reduce maternal and child morbidities and mortalities in addition to stabilising population. A target-free approach based on unmet needs for contraception; equal emphasis on spacing and limiting methods; and promoting 'children by choice' in the context of reproductive health are the key approaches to be adopted for promotion of family planning and improving reproductive health.

Limiting methods

The limiting methods to be adopted by females include Laparoscopy (Tubectomy), Minilap procedures etc. while those by males include Conventional/Non-Scalpel Vasectomy.

Audit noticed that out of 11.66 lakh estimated unsterilised eligible couples, 7.25 lakh (62 *per cent*) had undergone sterilisation procedure during the period 2012-17. The total sterilisations on the whole during the period showed a decreasing trend which ranged from 67 *per cent* (2012-13) to 33 *per cent* (2016-17).



Source: Records of State Health Society

¹⁸ As per WHO and NHM guidelines

The female sterilisations constituted the majority, i.e., 95 *per cent* of the total procedures in 2014-17, while the number of male sterilisations constituted only 5 *per cent*. State Health Society cited (December 2017) scarcity of trained Non-Scalpel Vasectomy (NSV) Surgeons as the reason for the above.

Government in their reply (January 2018) stated that IEC¹⁹ and BCC²⁰ activities were being conducted on World Population Day and Vasectomy Fortnight to promote the family planning sterilisations to achieve the stipulated targets.

Spacing methods

Oral pills, condoms and Intra Uterine Device (IUD) insertions are the three prevailing spacing methods of family planning to regulate fertility and promote couple protection rate.

Audit noticed a declining trend in usage of IUD insertions. The shortfall ranged from 41 to 60 *per cent* of targeted users of family planning methods. Similarly, the shortfall in the usage of oral pills increased from 59 to 75 *per cent* against the targeted users and usage of condoms from 60 to 78 *per cent*.

Thus, the implementation of family planning programme in the State was inadequate.

Government accepted the audit observation and stated (January 2018) that intensive campaigns and IEC activities would be taken up to address the issue in low performing areas.

2.1.5.5 Immunization

Universal Immunization Programme (UIP), 1985 of GoI aims to reduce mortality and morbidity due to Vaccine Preventable Diseases (VPDs), particularly for children in preventable diseases.

Immunization of children in 0 to 1 year age group

Bacillus Calmette Guerin (BCG), measles, Diphtheria Pertusis Tetanus (DPT) and Oral Polio Vaccine (OPV) for protection against childhood diseases like tuberculosis, measles, diphtheria, pertusis, tetanus and polio respectively, are given to children up to one year of age.

The target of full immunization of children of 0 to 1 year age group has been achieved during 2012-14 exhibiting full compliance to Government stipulations.

Audit observed that phase wise coverage (in four phases) of Mission Indradhanush²¹ to administer full immunization to the left out children was implemented during April 2015 to April 2017 covering 100 *per cent* of the children.

¹⁹ Information Education and Communication

²⁰ Behaviour Change Communication

²¹ Mission Indradhanush is a GoI initiative launched on 25 December 2014 to ensure full immunisation of all children in India

2.1.6 Health Care Infrastructure

2.1.6.1 Physical Infrastructure

NRHM envisages establishing functional health facilities through revitalisation of existing infrastructure and new construction or renovation wherever required. The Mission developed comprehensive Indian Public Health Standards (IPHS) in the year 2012 defining infrastructural standards for different levels of health facilities.

Availability of health centres against requirement

As per the Indian Public Health Standards (IPHS) norms prescribed by GoI, the requirement of SC, PHC and CHC are based on population as given in Table 2.4.

The norm prescribed *vis-à-vis* availability of health facilities is indicated in the Table-2.5.

Table-2.4

Type of health centre	Population norms	
	Plain area	Hilly/tribal/difficult area
Sub-centre	5,000	3,000
Primary Health Centre	30,000	20,000
Community Health Centre	1,20,000	80,000

Source: Records of SHS and Socio-economic outlook 2017 of Telangana

Table-2.5

Type of health centre	Required	Available
Sub-centre	4320	4745
Primary Health Centre	720	836
Community Health Centre	180	126

Note: Calculated on the basis of rural population of Telangana at 2.16 crore; Source: SHS data

It is seen from the above that shortage of CHCs was 30 per cent.

Thus, provision of referral health care for cases from PHCs level and specialist care to those approaching the centre directly was not met for rural public to that extent.

Government during Exit Conference (January 2018) stated that the State had sufficient health care facilities. However, the CHCs which are the First Referral Units were not sufficient in number.

Non-functional newly constructed PHCs

In April 2012, Government sanctioned establishment of 55²² new PHCs in the State. In the sampled districts, 19 PHCs (Medak: 9²³; Nalgonda: 2²⁴ and Warangal: 8²⁵) were constructed at a cost of ₹11.19 crore²⁶ during 2014-17. However, Audit observed that these PHCs were not functioning as of June 2017 due to non-deployment of manpower and equipment. The PHC-wise details are given in *Appendix-2.2*.

The Department accepted (October 2017) that the health centres were yet to be made operational even though they were completed 9 to 33 months ago due to non-filling up of posts. It was further stated that orders to fill the posts were awaited from the Government. This deprived the public of the intended benefits of health facilities.

²² construction of 3 PHCs not commenced due to site problems (status of PHCs yet to be furnished by SHS)

²³ Medak: PHCs at Chintamadaka; Markuku; Ramakkapeta; Sirigipally; Rajgopalapet; Akkannapet; Bollaram; Turkapally and Jagdevpur

²⁴ Nalgonda: PHCs at Thangadpally and Boddupally

²⁵ Warangal: PHCs at Malyala; Thatikonda; Pidipalli; Kundaparthi; Siddapur; Ippaguda; Obula Kesavapur and Kuravi

²⁶ Medak: ₹5.65 crore; Nalgonda: ₹0.90 crore and Warangal: ₹4.64 crore

Location of health facilities

As per Indian Public Health Standards (IPHS) norms, SCs are to be located within the village for providing easy access to the people and visit by Auxiliary Nurse and Midwife (ANM). Further, it should be so located that a person is required to travel not more than 3 kilometres to reach there. Sub-Centres should also have proper facility of road communication/public transport/telephone. Similarly, PHCs and CHCs should be centrally located in an easily accessible area.

The position of SCs in the sampled districts is given as below.

Table-2.6

Sl. No.	Factors found deficient	SCs	
		Number	%
1.	Distance of more than three kilometres from the remotest village	53	65
2.	Not accessible by public transport	13	16
3.	Centre located more than 30 min walking distance from the remotest village	43	53

Source: Records of test-checked SCs

The above position indicated that Mission could not ensure location of health centres to ensure easy access for people.

Government in their reply stated (January 2018) that the mapping of districts and Sub-centres (SCs) was still under process due to reorganisation of districts in the State. It was further stated that after completion of the reorganisation, the actual distance and location of SCs would be ascertained.

Infrastructure in health facilities

For effective delivery of RCH services, IPHS laid down norms for infrastructure in SCs, PHCs and CHCs, apart from basic amenities such as provision for own building, electricity, water supply, vehicles for referral services, etc.

In the test-checked health facility centres, 43 per cent of SCs had no own buildings, 44 per cent had no water supply and 27 per cent had no power supply. Similarly, in the selected PHCs there was no functional labour room (19 per cent) and newborn care corners (37 per cent) respectively. The test-checked CHCs/AHs had no newborn care facilities (33 per cent), separate wards for male and female (11 per cent) and operation theatre (11 per cent) respectively. The status of availability of infrastructure in the test-checked health facilities is given in *Appendix-2.3*.

Thus, quality of health care was not given adequate attention thereby forcing the patients to go to private institutions for treatment. Government did not offer any specific reply.

2.1.7 Medicines and equipment

Financial support is provided to States under NRHM to strengthen the health system including supply of drugs.

2.1.7.1 Availability of essential medicines

The IPHS norms and the State Government orders prescribed certain types of drugs/ medicines for each type of health facility depending upon its requirement.

Audit observed shortage in availability of essential medicines at test-checked CHCs, AHs and DHs which ranged from 10 to 75 *per cent* during 2014-17 as shown in *Appendix-2.4*. Government in their reply (January 2018) accepted the audit observations and promised to suitably address the issue in the larger public interest.

Due to non-availability of drugs, the patients were either deprived of the medications or had to purchase the medicines from open market thereby not fulfilling the objective of NRHM.

2.1.7.2 Provision of equipment for RCH services

As per Indian Public Health Standards (IPHS), for PHC, the necessary equipment viz. normal delivery kit, equipment for assisted deliveries, standard surgical set, etc., to deliver the assured services, were envisaged. The CHC should be provided with standard surgical set of various types, normal delivery kit, imaging equipment, etc. The equipment norms were different for each grade of DH. In all DHs, certain essential equipment viz. imaging equipment, SNCU equipment, blood storage unit, etc. were to be made available.

Scrutiny of relevant records of test-checked health facilities revealed severe shortages of essential equipment as stipulated in IPHS norms (*Appendix-2.5*).

As a result, patients were denied the provision of required services like diagnostics, X-ray services, ECG tests, etc., free of cost. Further, the patients were forced to get the above services from private agencies out of their pocket.

Government replied (January 2018) that as part of ongoing standardisation of labour rooms, all necessary equipment for labour rooms and hospitals would be supplied.

2.1.8 Human Resource in health facilities

The Mission aimed at ensuring uninterrupted and quality health care by increasing the availability of doctors, specialists, paramedical staff, ANMs²⁷ and ASHAs. State Government was to fill up the existing vacancies by new contractual appointments for which GoI provides funds. Audit analysis of the staffing requirements as per IPHS/ sanctioned strength *vis-à-vis* those positions across various facilities is presented below:

2.1.8.1 Manpower in SCs and PHCs

As per Indian Public Health Standards (IPHS) norms, each Sub Centre is required to be manned by at least one auxiliary nurse midwife (ANM)/female health worker and one male health worker.

²⁷ Auxiliary Nurse Midwife

Audit noticed 100 *per cent* shortfall in availability of Male Health Workers, i.e., 4,745 in SCs in the State. The post of Male Health Assistant was neither sanctioned nor posted in any SC in the State.

As per minimum requirement, a PHC is to be manned by a Medical Officer supported by 12 paramedical and other staff. There was, however, shortfall in availability of manpower in PHCs at 4,775, i.e., at 43 *per cent*²⁸. Further, posts of Data entry operator were not filled in any PHC in the State.

Further, out of 27 test-checked PHCs, seven PHCs²⁹ were functioning without a lab technician, eight PHCs³⁰ without Pharmacist and one PHC³¹ without Staff Nurse (June 2017).

Due to the severe shortages in manpower especially in critical areas as discussed above, proper functioning of above PHCs was doubtful which affected delivery of health care services.

Government during Exit Conference (January 2018) stated that the recruitment of doctors and paramedical staff was under process.

2.1.8.2 Specialists in CHCs/AHs/DHs

As per IPHS norms, five specialists in specialities of Surgery, Medicine, Obstetrics & Gynaecology (O&G), Paediatrics and Anaesthetist for RCH programmes are to be positioned in CHCs. Specialist services in above fields were to be made available.

Shortage of Specialists³² for RCH programme in the test-checked hospitals ranged from 23 to as high as 73 *per cent* in CHCs/AHs/DHs.

Further, 71 (48 *per cent*) Anaesthetists were only available in the State as against requirement of 169 Anaesthetists as per IPHS norms. Similarly, other specialist services were also not available in the State as required. The shortage of specialist services in General Medicine was at 117 (69 *per cent*); General Surgeon at 123 (73 *per cent*); O&G at 41 (23 *per cent*) and Paediatrics at 88 (50 *per cent*). The details of shortages are given in Appendix-2.6.

Shortfall in availability of specialists in Government hospitals resulted in denial of speciality services as envisaged under RCH programme.

Government replied (January 2018) that the recruitment of specialist doctors was under process.

2.1.8.3 Paramedical Staff in CHCs/AHs/DHs

Shortage of paramedical staff in CHCs, AHs and DHs ranged from 17 to as high as 100 *per cent* against the IPHS norms. Further, shortage of Staff Nurses at 17 *per cent*, Pharmacists at 18 *per cent*, Laboratory Technicians at 79 *per cent* and Radiographers at

²⁸ Accountant:836; Staff Nurse: 33; Pharmacist: 251; Lab Technician: 311; ANM: 836; Group D workers:1672; Watchman: 836

²⁹ Medak: 1; Nalgonda: 5; Warangal: 1

³⁰ Medak: 2; Nalgonda: 4; Warangal: 2

³¹ Warangal: 1

³² in disciplines of General Medicine, General Surgeon, Obstetrician & Gynaecologist and Anaesthetist

60 per cent against the IPHS norms was also noticed in the above hospitals (*Appendix-2.6 refers*). In the sampled districts, the shortages of paramedical staff *vis-à-vis* the sanctioned strength in CHCs, AHs and DHs were - Staff Nurses: 6 per cent; Pharmacists: 32 per cent; Laboratory Technicians: 30 per cent and Radiographers: 25 per cent. Government replied (January 2018) that the recruitment of the paramedical staff was under process.

Thus, patients were deprived of support for emergency services in Public Health Institutions.

2.1.9 Quality of health care

2.1.9.1 Allocation of funds for Quality Assurance and its utilisation

States are responsible for including the requirement of funds for Quality Assurance (QA) Programme in the annual State Programme Implementation Plan (SPIP).

Audit noticed that the amount of ₹3.14 crore, released during 2014-17, was almost not utilised by the State (spent only ₹0.02 crore, i.e., less than one per cent) on the quality assurance and the amount of ₹3.12 crore was lying with SHS.

The low utilisation of funds was attributed (May 2017) by SHS to non-recruitment of required manpower. This coupled with non-conduct of envisaged training for health personnel also contributed to low spending.

Government stated (January 2018) that recruitment of necessary human resource in the State was under process.

Quality Assurance Committee/State Quality Assurance Unit/District Quality Assurance Committee and District Quality Team/Internal Quality Assurance Teams

As per Operational Guidelines for Quality Assurance in Public Health Facility 2013, State Level Quality Assurance Committee was to be constituted to oversee the quality assurance activities across the State for providing overall guidance, mentoring and monitoring of quality assurance efforts in the State.

Although State Quality Assurance Committee (SQAC) was constituted in March 2015, no meetings were conducted as of July 2017. Thus, reviewing and discussion of Key Performance Indicators (KPIs) of RCH was totally absent in the State during 2014-17.

Similarly, State Quality Assurance Unit (SQAU) was to be constituted to provide support to SQAC for implementation of quality assurance activities in the State. However, it was observed that SQAU was not constituted in the State as of July 2017.

Test-check also revealed that District Quality Assurance Committees were not constituted till November 2017 in Medak and Nalgonda districts. It was also seen that IQATs were not constituted in 19 out of 27 test-checked PHCs (70 per cent) and 7 (out of 9) test-checked CHCs/AHs.

Thus, quality of services delivered at the health facilities in the State during the period 2014-17 remained unassessed.

Government stated (January 2018) that SQAC meetings would be held in February 2018 to review of KPIs, RMNCH+A services, gaps observed in quality interventions, etc.

2.1.10 Management, Monitoring and Evaluation

2.1.10.1 Review of maternal and infant death cases

Maternal Death Review

Maternal Death Review (MDR) is an important strategy to improve the quality of obstetric care and reduce maternal mortality³³. Every health facility is required to conduct death audit for all deaths happening in the facility. The facility should also report the data relating to maternal and infant deaths to DQAU on monthly basis. DQAU in turn are to report the maternal deaths in the district to SQAC.

Against 1,375 maternal deaths that occurred in the State (during 2013-17), 1,129 deaths were stated to have been reviewed. However, the review of 246 deaths was not carried out by the health facilities.

In the three sampled districts, 310³⁴ maternal deaths were reported during 2013-17 and in 151 of the cases the envisaged review was not carried out by the facilities. Further, the districts did not report any death case to SQAU. Specific reasons for non-conduct of MDR in the State was not furnished.

Due to non-conduct of MDR, the delays and gaps that contribute to maternal deaths at various levels and the information used to adopt measures to fill the gaps in service could not be identified. ***Thus, quality of obstetric care was not ensured.***

Government in their reply stated (January 2018) that since SQAC has now been formed in Telangana, MDR would henceforth be regularly conducted.

Infant Death Review

Reducing infant mortality is one of the key goals under NRHM. Infant Death Review is an important strategy to understand the geographical variation in causes leading to newborn and child deaths, and thereby initiating State-specific child health interventions. Analysis of child deaths provides information about the medical causes of death, helps to identify the gaps in health service delivery and social factors that contribute to child deaths.

Information on infant deaths in the State and the status of review was not made available by SHS. In the sampled districts, 7,538³⁵ infant death cases were reported during the period 2013-17. However, none of the deaths was reviewed. Thus, initiating remedial measures for their elimination by NRHM was not possible.

Government replied (January 2018) that training for Trainer of Trainers (ToTs) for conducting Infant Death Reviews in most of the districts had been completed. It was further stated that training of various cadres was in progress.

³³ as per Maternal Death Review (MDR) guide book

³⁴ Medak:128; Nalgonda: 94 and Warangal: 88

³⁵ Medak: 3,051; Nalgonda: 2,838; Warangal: 1,649

Monitoring of Key Performance Indicators (KPIs)

Hospital Managers are required to collate critical data from the departments and calculate KPIs to monitor them on monthly basis and report these indicators to DQAC and SQAC.

In selected districts, the DMHOs replied (July 2017) that the KPIs were not being monitored.

Since KPIs were not captured at the facility level, the monitoring of indicators pertaining to RCH viz., mothers receiving antenatal care, institutional deliveries, safe delivery and mothers receiving postnatal care and immunisation coverage could not be monitored by DQAC and SQAC for evaluation and remedial measures.

Government replied (January 2018) that the process of collecting KPIs in 7 CHCs (out of 126) and in 86 PHCs (out of 836) was started from August 2017.

2.1.11 Impact of NRHM on MMR, IMR and TFR

2.1.11.1 Millennium Development Goals

Ministry of Health and Family Welfare (MoHFW), GoI in the 'Framework for Implementation (2005-2012)' and subsequent revised 'Framework for Implementation (2012-17)' had laid down certain expected outcomes (National Targets) to be achieved in line with the Millennium Development Goals outlined by the United Nations in the year 2000.

Table-2.7

Sl. No.	Framework of Implementation (2005-2012)	Framework of Implementation (2012-17)	Millennium Development Goals (2015)
1	Infant Mortality Rate (IMR) reduced to 30/1,000 per 1,000 live births by 2012.	Reduce IMR to 25/1,000 live births	Reduce IMR to 27 per 1,000 live births
2	Maternal Mortality Ratio (MMR) reduced to 100 per 1,00,000 live births by 2012.	Reduce MMR to 100/1,00,000 live births	Reduce MMR to 109 per 1,00,000 live births
3	Total Fertility Rate (TFR) to 2.1 by 2012.	Reduce TFR to 2.1	--

Source: GoI Guidelines

IMR, MMR and TFR

The year-wise targets and achievements during 2012-17 were as given in Table-2.8 below.

Table-2.8

Year	IMR		MMR		TFR	
	Target	Achievement	Target	Achievement	Target	Achievement
2015-16	25	28	100	92	2.1	1.8
2016-17	25	28	100	80	1.8	1.8

Note: Data for the years 2012-13 to 2014-15 was not made available to Audit

Source: Records of State Health Society

The rate of achievement on MMR and TFR was satisfactory at State level. However, MMR in tribal districts like Adilabad, Khammam and Mahabubnagar was very high at 152, 99 and 98 respectively as against 92 in the State. Increased trend of MMR in the above districts was an area of concern. The increase of MMR in tribal districts was mainly due to

non-availability of outreach RCH services on account of meagre spending (22 to 71 per cent of the fund allocations during 2014-17) on the services.

Audit further observed that IMR was above the rate of ceiling of 25 during 2015-17. As per SRS³⁶ 2016, IMR was 35 in rural areas of Telangana State. However, SHS did not furnish the details of infant deaths that occurred in the State during 2012-17. Hence, IMR figures claimed as being achieved could not be verified in Audit.

Government during Exit Conference (January 2018) stated that the levels of IMR in the State were reduced from 35 (in 2014) to 28 (in 2017). However, the NRHM target (for IMR) of 25/1,000 live births by the year 2017 had not been achieved.

2.1.12 Data collection, Management and Reporting

The interventions to ensure fundamental corrections in the existing health care delivery system have increased the demand for data on population and health for use in both micro-level planning and programme implementation. A continuous flow of good quality information on inputs, outputs and outcome indicators facilitate monitoring of the objectives of NRHM.

In the test-checked districts, it was noticed that computers were either not available or not functional in 12 out of 27 PHCs. Further, DEOs were not available in PHCs. This was one of the contributing factors for incomplete reporting by the health facility centres to HMIS portal meant for quality information on inputs, outputs and outcome indicators. Thus, deficient IT infrastructure and networking compounded the problem preventing timely updation and smooth flow of data.

In their reply (January 2018) Government stated that DEOs would be positioned in health facilities shortly. It was further stated that all health facilities would be provided with computers along with internet connection.

2.1.13 Conclusion

The State has achieved the goals of Maternal Mortality Ratio (MMR) and Total Fertility Rate (TFR). The State has also achieved the target of immunisation of children of 0 to 1 year age group. However, the implementation of Reproductive and Child Health (RCH) overall under NRHM in the State was far from satisfactory. The MMR in certain tribal districts like Adilabad and Khammam was much below the targets. IPHS norms under all components of RCH were not met. This was mainly due to the State Government not being able to utilise the Central grant fully as approved under RCH programme.

Annual facility level surveys intended for identification of gaps/deficiencies in the existing health care facilities, areas of interventions, etc. for ensuring quality health care, were not conducted. State Program Implementation Plans (SPIPs) were prepared without the inputs from Block and District Health authorities as a result of which funds available could not be fully utilised. Adequate attention on availability of required physical as well as human infrastructure in the health facilities was not accorded.

³⁶ Sample Registration System

Female-male sex ratio at birth declined during 2012-16 due to ineffective implementation of PC&PNDT and Medical Termination of Pregnancy Acts. There was increasing trend in ANC registrations. However, the institutional deliveries in public health facilities declined. Ineffective implementation of Maternal and Child Health components contributed to heightened risk of maternal and infant deaths. State Health Society did not maintain the accurate data on health indicators. Key Performance indicators were not captured at facility level and were not monitored for evaluation and remedial measures. This was mainly due to non-constitution of State Quality Assurance Committee which was formed only in March 2015. However, no requisite meetings were conducted as of January 2018. The computers and networking was deficient and adversely affected timely updation of data.

2.1.14 Recommendations

- (i) The Department should conduct annual facility surveys for identifying and bridging the gaps/deficiencies in provision of health care facilities;
- (ii) Government should put in place an effective mechanism to facilitate effective monitoring of the GoI allocations/releases as well as the spendings to ensure full utilisation of grant as approved by GoI for implementation of RCH programmes;
- (iii) Government should give priority to augmenting the physical as well as human infrastructure across all levels of the healthcare system for effective implementation of RCH programme. This would ensure quality health care at public health institutions;
- (iv) Government need to create awareness through Electronic and Print Media on advantages of natural deliveries and disadvantages of C-Sections;
- (v) Vacant posts of Obstetricians and Gynaecologists (O&G) in CHCs/AHs/DHs should be filled up so as to reduce C-Section deliveries in Private Hospitals; and
- (vi) State Quality Assurance Committee/District Quality Assurance Committees/Internal Quality Assurance Teams should strengthen their activity on reviewing and discussion of key performance indicators of RCH programme.

During Exit Conference, Government assured of remedial action on the points raised by Audit. The recommendations made by Audit were also discussed and accepted by Government.

School Education Department

2.2 Implementation of Right of Children to Free and Compulsory Education Act, 2009 (RTE Act)

Executive Summary

The Right of Children to Free and Compulsory Education Act, 2009 (RTE Act) became operational with effect from 01 April 2010 to make elementary education (Class I to VIII) a fundamental right of all children. The Act provides that all children in the age group of six to fourteen years have a right to free and compulsory education in a neighbourhood school within three years of the enactment of the Act. The Performance Audit of implementation of the RTE Act was conducted (April - July 2017) covering the period from 2012-13 to 2016-17.

There was significant shortfall (50 per cent) in release of funds by GoI and the State Government as compared to the budget approved by Project Approval Board (PAB) during 2014-17. There were considerable delays in release of funds by GoI as well as the State Government to the Telangana Sarva Shiksha Abhiyan Society (TSSA).

In Government Primary Schools, the enrolment declined by 1.12 lakh during 2014-17. On the other hand, in case of Private Primary Schools, enrolment increased by 0.61 lakh during the same period. The enrolment in Government Upper Primary Schools decreased by 0.20 lakh, whereas enrolment increased by 0.03 lakh in Private Upper Primary Schools. There was high dropout rate of students during transition from class I to VIII in respect of SC/ST boys and girls. Fourteen to 26 per cent children at Primary level and 21 to 47 per cent in Upper Primary level scored less than 40 per cent during the years 2014-17.

Child tracking system was not in existence in the State and thereby continuity of education of children in one school or other could not be ensured. Under Inclusive Education to Children with Special Needs (CWSN) ₹15.42 crore (35 per cent) of funds approved by PAB were only spent during 2014-17. The State had not implemented provisions of RTE Act and the State Rules with regard to 25 per cent reservation for disadvantaged group children in private unaided schools.

The benefit of transport allowance for attending neighbourhood schools was denied to 44,412 eligible/identified children in the State during 2014-15 and 2016-17. The schools were largely deficient in basic infrastructural facilities/amenities. Seventy five per cent of the schools in the State had no basic infrastructural amenities.

2.2.1 Introduction

The Right of Children to Free and Compulsory Education Act, 2009, popularly known as Right to Education (RTE)³⁷ Act, became operational with effect from 1 April 2010 to make elementary education (Class I to VIII) a fundamental right of all children. The RTE Act is

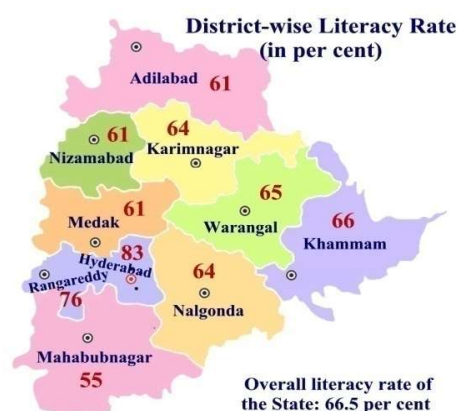
³⁷ along with the enabling Article 21A of the Constitution of India

implemented by the Ministry of Human Resource Development (MoHRD), Government of India (GoI) as a Centrally Sponsored Scheme.

The RTE Act provides that all children in the age group of six to fourteen years have a right to free³⁸ and compulsory education³⁹ in a neighbourhood school⁴⁰ within three years of the enactment of the Act. The Sarva Shiksha Abhiyan (SSA) run by GoI, is the main vehicle for implementing the provisions of the RTE Act.

The State of Telangana came into existence as a separate State with effect from 2 June 2014 as per the Andhra Pradesh Reorganisation Act, 2014. The erstwhile Government of Andhra Pradesh issued the Andhra Pradesh Right of Children to Free and Compulsory Education (AP RTE) Rules, 2010, which came into effect from 1 April 2010. The AP RTE Rules were deemed to have been adapted⁴¹ to the State of Telangana with effect from 2 June 2014.

The total population of the children in the age group of 6 to 14 years in the State was 45,76,393 (Boys: 23,50,757 and Girls: 22,25,636) for year 2016-17. As per census 2011, the overall literacy rate of the State of Telangana was 66.5 per cent (Rural: 57 and Urban: 81 per cent). In pursuance of RTE Act, 2009, the Government was to take various initiatives, for universalisation of elementary education. These included strengthening of existing schools, opening of new primary schools and provision of transport facility in remote and un-served habitations in the State.



Source: Educational statistics 2015-16, SSA

During 2014-17, the Gross Enrolment Ratio (GER) ranged from 115 to 126 per cent at Primary level. At Upper Primary level, the GER ranged from 85 to 100 per cent.

2.2.1.1 Organisational Setup

The Organisational setup from Government level to School level is as depicted below.

State Government	<ul style="list-style-type: none"> • Special Chief Secretary to Government • School Education Department
Head of the Department	<ul style="list-style-type: none"> • Commissioner & Director of School Education and Ex- Officio State Project Director, Telangana Sarva Shiksha Abhiyan Society
District	<ul style="list-style-type: none"> • District Educational Officer and Ex- Officio District Project Officer, Telangana Sarva Shiksha Abhiyan Society
Mandal	<ul style="list-style-type: none"> • Mandal Educational Officer
School	<ul style="list-style-type: none"> • School Management Committee • Head Master

³⁸ as per the SSA Framework for Implementation 'free education' is defined as 'removal of any financial barrier by the State that prevents a child from completing eight years of schooling'

³⁹ as per the SSA Framework for Implementation 'compulsory education' is defined as 'obligation of appropriate government to provide free elementary education and ensure compulsory admission, attendance and completion of elementary education to every child in the six to fourteen years age group'

⁴⁰ school within a walking distance of 1 km and 3 km of neighbourhood for Classes I to V and VI to VIII respectively

⁴¹ as per Section 101 of the AP Reorganisation Act read with GO Ms No.45 dated 1 June 2016 issued by Law Department, Government of Telangana

2.2.2 Audit Framework

2.2.2.1 Audit objectives

Performance audit of the RTE Act was carried out to verify whether

- the RTE Act achieved its objective of making elementary education as a fundamental right for all children between age group of 6-14 years by 31 March 2013 (in districts of Telangana region of erstwhile combined State);
- the funds allocated were utilised in an economic and efficient manner;
- the RTE Act was implemented and monitored in a planned manner; and
- the associated Sustainable Development Goal (SDG) Indicators were tracked.

2.2.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

- Right of Children to Free and Compulsory Education Act, 2009
- Telangana State Right of Children to Free and Compulsory Education Rules, 2010 (State RTE Rules)
- Orders, Notifications, Circulars, Instructions and Guidelines issued by MoHRD (GoI)/ State Government with respect to RTE Act/RTE Rules
- Annual Work Plans and Budgets prepared by the Telangana Sarva Shiksha Abhiyan Society (TSSA)
- Unified District Information System for Education (UDISE) data
- Financial Code, Budget Manual
- Goal 4 of Sustainable Development Goals as envisioned by the United Nations

2.2.2.3 Audit Scope and Methodology

The Performance Audit was conducted during April-July 2017 covering the period 2014-15 to 2016-17 (in the sampled districts, however, for the period 2012-13 to 2016-17). Audit methodology involved scrutiny of records of:

- Commissioner and Director of School Education and Ex-officio State Project Director (SPD), TSSA (hereinafter referred to C&DSE)
- District Educational Offices (DEOs) and Ex-Officio District Project Offices (DPOs) of three selected erstwhile districts of Khammam, Rangareddy and Warangal
- Four Mandal Educational Offices (MEOs) (three rural & one urban) and 30 schools (20 Government/Specified Category⁴² schools and 10 Aided schools) in each sampled district (*Appendix-2.7*).

Physical verification of the 90 test-checked schools⁴³ was also conducted. Audit also collected information from offices of the Secretariat department at Government level and the State Council of Education Research and Training (SCERT).

⁴² in relation to a school means the residential schools including KGBVs, TREIS, Telangana State Model Schools, etc.

⁴³ two sampled Aided schools were non-functional during 2014-17 in Khammam district

An Entry Conference was held with C&DSE in December 2016 wherein audit objectives, methodology, scope, criteria and audit sample were explained. An Exit Conference was held with Government representatives in December 2017 to discuss the audit findings. The responses of C&DSE and the Government have been incorporated at appropriate places in the report.

Audit Sample

The districts were selected by Probability Proportional to Size without Replacement (PPSWOR) method. In each sampled district, three rural and one urban mandals along with 30 schools⁴⁴ were selected for test-check using Simple Random Sampling without Replacement (SRSWOR) method.

Acknowledgement

We acknowledge the cooperation and assistance rendered by the officials of the School Education Department during the conduct of the Performance Audit.

Audit findings

2.2.3 Planning

The budget proposals under SSA are prepared in the form of Annual Work Plan & Budget (AWP&B), covering all the interventions specified in the SSA norms. Annual Work Plans, to achieve the goal of universalisation of elementary education, were to be prepared from the district level. The District and State Annual Work Plans were to be prepared based on the guidelines of the MoHRD, GoI with reference to the Act. Preparation of Annual Work Plan should be based on identification of problems through a household survey conducted by the School Management Committee (SMC). The AWP&B of each State/UT is then reviewed and approved by the Project Approval Board (PAB) constituted by the MoHRD.

Audit observed in the three test-checked districts that all the districts prepared the annual plans based on household surveys every year and submitted them to the C&DSE. It was further observed that the State Government had prepared AWP&B and submitted them to PAB in time annually.

2.2.4 Financial Outlay

2.2.4.1 Budget and Expenditure

The fund sharing ratio between the Government of India and State Government was 65:35 up to the year 2014-15 which was revised to 60:40 from 2015-16. Budget is allocated under SSA. The approved amount of fund was released directly by the Central/State Government to State Implementing Societies⁴⁵ (SISs) up to the year 2013-14. From the year 2014-15 onwards, the Central share is released to the State. The State Government releases it along with their matching share to TSSA Society. The Society in turn releases to District Offices and therefrom to Unit Offices⁴⁶ through RTGS/NEFT⁴⁷. The fund flow chart is given below.

⁴⁴ 70 per cent of Primary/Upper Primary schools and 30 per cent of High Schools

⁴⁵ it is a TSSA society created under Sarva Shiksha Abhiyan (SSA) Programme and functions under the administrative and financial supervision of State Government

⁴⁶ i.e. Mandal Resources Centres (MRCs), Cluster Resource Centres (CRCs) and Schools/SMCs

⁴⁷ Real Time Gross Settlement/National Electronic Fund Transfer



As per RTE Act, after approval of AWP&B of States by PAB, the Ministry (MoHRD) releases first instalment of Central assistance in April/May. The second instalment is released in September/October based on progress of expenditure incurred out of the first instalment.

During the period 2012-14, PAB approved a budget of ₹7,834.34 crore. Against this, ₹5,054.48 crore was released by the erstwhile Government of Andhra Pradesh to SSA Society. Out of this, the Society utilised an amount of ₹6,055.16 crore. Post-bifurcation (2014-17), against ₹2,693.55 crore released (PAB approved Budget: ₹5,360.41 crore) by the Telangana Government to TSSA, an amount of ₹2,851.01 crore had been utilised. The excess expenditure was met from out of the unspent funds in the previous years carried over to subsequent years. These included interest earned and retrieval of funds from subordinate offices/schools.

The year-wise details of funds made available as well as the expenditure under SSA during the period 2012-14 and 2014-17 are given in table below.

Table-2.9

(₹ in crore)

Year	Budget approved by PAB			Releases			Expenditure by SSA/TSSA Society
	GoI share	State share	Total	GoI	State	Total	
Combined State of AP							
2012-13	3084.81	1661.05	4745.86	1360.49	745.23	2105.72	3144.30
2013-14	2007.51	1080.97	3088.48	1797.15	1151.61	2948.76	2910.86
Total	5092.32	2742.02	7834.34	3157.64	1896.84	5054.48	6055.16
Telangana							
2014-15 (w.e.f. 2 June 2014)	1231.80*	607.55	1839.35	506.40 [#]	324.69	831.09	846.03
2015-16	1000.40	666.94	1667.34	428.84	252.27	681.11	759.15
2016-17	1112.23	741.49	1853.72	417.76	763.59	1181.35	1245.83
Total	3344.43	2015.98	5360.41	1353.00	1340.55	2693.55	2851.01

* includes ₹103.50 crore under General Head from 13th Finance Commission (FC) award proposed;

[#] includes ₹86.28 crore from 13th FC award

Source: Figures furnished by the C&DSE

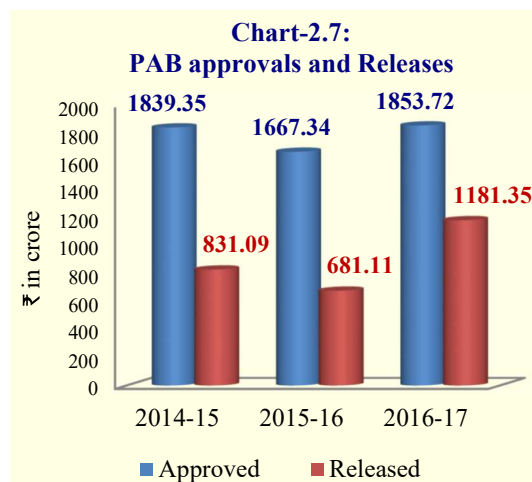
There was significant shortfall (50 per cent) in release of funds by GoI and the State Government as compared to the budget approved by PAB during 2014-17. Further, Audit observed that there were considerable delays in release of funds by GoI as well as the State Government to the TSSA Society. This resulted in the important interventions intended for benefit of eligible students in the State not being implemented as envisaged in the RTE Act, as discussed in *Paras 2.2.4.2 and 2.2.4.3* of this Report. The Department attributed (July 2017) the short release of funds to policy decisions of GoI and the State Government.

During Exit Conference (December 2017), Government accepted the Audit observation and attributed the short releases to the ways and means position of the Government.

2.2.4.2 Short release and delay in release of funds by GoI and State

It can be seen from Table-2.9 and the graph alongside that during the period 2014-17, ₹2,693.55 crore was released by GoI and the State Government, against ₹5,360.41 crore approved by the PAB. This resulted in short release of ₹2,666.86 crore (50 per cent) by GoI (₹1,991.43 crore) and State Government (₹675.43 crore).

The C&DSE replied (July 2017) that the short releases were due to policy decisions of GoI and the State Government.



GoI releases funds to Finance department of State Government which in turn releases funds along with State share to TSSA Society. Further, as per the norm, State Government is to release its corresponding share within one month of the receipt of the Central share.

During the period 2014-17, there were delays of up to seven months in release of funds⁴⁸ from the date of receipt of funds in Finance department of State Government to the date of receipt of funds by TSSA. There were also delays up to six months in release of State share of the funds. Government accepted (December 2017) the delays in release of funds but have not cited specific reasons for the same.

Audit observed that due to short/belated release of funds, the important quality interventions could not be implemented fully. These included Computer Aided Education, Trainings, Academic support, Interventions for Children with Special Needs (CWSN), Community Mobilisation, Special Training for Mainstreaming of Out of School Children (OoSC), Learning Enhancement Programme (LEP) and Research Evaluation Monitoring and Supervision (REMS) as discussed in subsequent paragraphs.

2.2.4.3 Major expenditure on Salaries, KGBVs and Civil works

All expenditure on quality education is bound to have a multiplier effect on learning outcomes. Out of total expenditure of ₹2,851.01 crore incurred during 2014-17, the major share of ₹2,108.76 crore (74 per cent) was on salaries, KGBVs and civil works (Appendix-2.8). Only ₹742.25 crore (26 per cent) was utilised on other quality interventions referred to in Para 2.2.4.2 above. The Department attributed this (July 2017) to short release of Central share and State share for the programme implementation.

Meagre expenditure on quality interventions has had the adverse impact on quality education. This resulted in low proficiency levels of children (Para 2.2.6.5 infra refers).

⁴⁸ both GoI and State shares in lumpsum

During Exit Conference Government cited short releases as being the reason for the low spending on quality interventions. It was, however, stated that funds were targeted towards priority interventions despite short releases from GoI.

2.2.5 Implementation of the Act

The activities/interventions to be implemented under SSA are to be aligned with the provisions of RTE Act as mandated in SSA framework, viz.

Category-I: Reimbursement against admissions under Section 12(1)(c) of RTE Act, free textbooks, provision of two sets of free uniforms, Inclusive Education, School Grant, Project Management, KGBVs⁴⁹ etc.;

Category-2: Transport allowance to children attending neighbourhood schools, Transport/Escort facility to CWSN, Special Training to OoSC, In-service Teacher Training, LEP, REMS, Community Mobilisation etc.; and

Category-3: Teachers' salary and Civil Works, etc.

2.2.5.1 Coverage of Schools

As per Section 3(1) of the RTE Act and sub-rule (1) and (4) below Rule 5 of State RTE Rules, the State Government shall establish a school within a walking distance of one and three kilometres of the neighbourhood for children in Classes I to V and Classes VI to VIII respectively.

Out of total 25,660 habitations in the State, 556 (2 per cent) habitations with 4,909 identified children did not have Primary Schools (PS) within the prescribed distance of one kilometre of their neighbourhood as of March 2017. Similarly, 1709 (7 per cent) habitations with 19,380 identified children had no Upper Primary Schools (UPS) within the prescribed distance of three kilometres.

Government in its reply stated (December 2017) that since the above habitations in the State were having less than 20 children in the prescribed age groups, they could not be considered for setting up of schools as per existing stipulations. Government further stated that these children were attending other nearby schools and residential schools.

Audit, however, observed that during 2016-17, neither any effort was made to club habitations and provide transport nor was any transport allowance provided to children to attend neighbourhood school (*Para 2.2.5.8 refers*). Thus, the objective of establishment of neighbourhood schools was not fully achieved even after seven years of the commencement of the RTE Act.

2.2.5.2 Schools under Government and Private sectors

As of March 2017, 48.18 lakh⁵⁰ children in the age group of 6-14 years were enrolled in Government (including Local Bodies and Aided Schools) and Private Primary/Upper Primary Schools in the State. The year-wise details are given in table below.

⁴⁹ Kasturba Gandhi Balika Vidyalaya

⁵⁰ includes 38,777 children enrolled in other schools like National Child Labour Project Schools, Urban Residential Schools, Madarsas, etc.

Table-2.10

Year	Schools with Primary Sections (Primary Schools) and enrolment				Schools with Upper Primary Sections (Upper Primary Schools) and enrolment			
	No. of Govt. PS	Enrolment in Govt. PS (in lakh)	No. of Private PS	Enrolment in Private PS (in lakh)	No. of Govt. Upper Primary Schools	Enrolment in Govt. Upper Primary Schools (in lakh)	No. of Private Upper Primary Schools	Enrolment in Private Upper Primary Schools (in lakh)
2014-15	24047	14.64	9014	16.64	9381	9.37	8957	7.82
2015-16	23910	14.17	9532	17.62	9402	9.33	9230	8.14
2016-17	24149	13.52	10163	17.25	9652	9.17	9861	7.85
Percentage change (+/-)	+0.42	-7.65	+12.75	+3.67	+2.89	-2.13	+10.09	+0.38

Note: (+)ve marked figures denote increase in percentage while (-)ve figures denote its decrease in the year 2016-17 with respect to the year 2014-15

Source: Records of C&DSE

It can be seen from the above table that:

- During the period of 2014-17, the number of Government (including Local Bodies and Aided) Primary Schools increased by only 0.42 *per cent* whereas Private Primary Schools increased by 12.75 *per cent*. However, in Government Primary Schools, the enrolment decreased by 1.12 lakh (7.65 *per cent*) during the period. On the other hand, in case of Private Primary Schools, enrolment increased by 0.61 lakh (3.67 *per cent*) during same period;
- Similarly, in case of Upper Primary Schools the number of Government schools increased by only 2.89 *per cent* whereas Private Upper Primary Schools registered a growth of 10.09 *per cent* over the same period. However, the enrolment in Government Upper Primary Schools decreased by 0.20 lakh (2.13 *per cent*), whereas enrolment increased by 0.03 lakh (0.38 *per cent*) in Private Upper Primary Schools.

Thus, the enrolment in Government schools was low when compared to Private Schools.

Government in their reply stated that Government Primary Schools had better coverage than their Private counterparts. The reply is not correct since the enrolment in Private Primary Schools was quite high as compared to Government Primary Schools as evident from the Table-2.10.

2.2.5.3 Retention, Dropout and Transition rates

Retention of children in school in general refers to the proportion of children continuing their school education through various stages. Dropout rate is the proportion of children who cease to continue their schooling due to various reasons personal or otherwise. Rate of Transition indicates the rate of up-gradation of children to the next grade after successful completion of the present grade.

As per the AWP&B for the year 2017-18, the retention, dropout and transition rates for the year 2016-17 (as per UDISE 2016-17) were as follows:

- The retention rate at Primary level was 92 *per cent* and Upper Primary level was 94 *per cent* in general. The retention rate of SC community was 95 *per cent* at Primary level and 97 *per cent* at Upper Primary level. In respect of children of ST community the retention was only 88 *per cent* at Primary level and 93 *per cent* at Upper Primary level;

- As regards the dropout rate, it was 8 *per cent* at Primary level and 6 *per cent* at the Upper Primary level. The dropout rate of SC community was 5 *per cent* at Primary level and 3 *per cent* at Upper Primary level. In respect of children of ST community, the dropout rate was high at 12 *per cent* at Primary level and 7 *per cent* at Upper Primary level;
- With regard to transition of children from Primary to Upper Primary level, it was 92 *per cent* in the State. It was 90 *per cent* in Rural areas and 96 *per cent* in Urban areas. In case of SCs the transition rate from Primary to Upper Primary level was 95 *per cent* while in case of STs it was 108 *per cent*⁵¹. Similarly, the transition rate for SC community in Rural areas was 89 *per cent* while the same for ST community was only 83 *per cent*.

High dropout rate of SC/ST children during transition from Class I to VIII

A high dropout rate was registered among SC/ST Girls and Boys during the transition from Class I to Class VIII as discussed below:

- The children who enrolled during 2010-11 and 2011-12 in Class I were to continue up to Class V (Primary level) during 2014-15 and 2015-16 respectively. Audit observed that the dropout rate at this level ranged from 16.10 *per cent* (girls) to 19.52 *per cent* (boys) in general. For ST boys and girls, it was as high as 38.19 *per cent* and 42.57 *per cent*. For SC boys and girls, it was as high as 22.40 *per cent* and 21.30 *per cent* respectively during the period 2014-15 to 2015-16 (*Appendix-2.9(i)*); and
- Similarly, the children who enrolled during 2007-08 and 2008-09 in Class I should have continued up to Class VIII (Upper Primary level) during 2014-15 and 2015-16 respectively. It was observed that the dropout rate at this level ranged from 28.93 *per cent* (girls) to 31.93 *per cent* (boys) in general. For ST boys and girls, it was as high as 52.89 *per cent* and 54.81 *per cent*. For SC boys and girls, it was as high as 32.58 *per cent* and 31.38 *per cent* respectively during the same period (*Appendix-2.9(ii)*).

Thus, the high dropout rate of students, particularly in respect of SC/ST boys and girls, defeated the main objective of RTE Act, i.e., enrolment, retention and providing quality education to maximum children in the targeted age group of 6-14 years.

During Exit Conference Government attributed the high dropout rate to socio-economic factors⁵². It was stated that seasonal hostels have been opened in places where parents migrate for their livelihood, to provide children uninterrupted education and suitable residential facility. Further, Government assured that a detailed study would be taken up in coordination with Tribal Welfare Department to reduce the dropouts.

⁵¹ more than 100 *per cent* was due to enrolment of children irrespective of their age group

⁵² engagement of children in seasonal works by their parents, problem of language faced by children of primitive tribal groups, non-participation of the community, lack of awareness among the parents on the importance of education, migration of families, non-availability of toilet facility in schools, non-availability of teachers in schools etc. It was further stated that the Headmasters and MEOs of all mandals were instructed to enrol the students in hostels to overcome the problem of children going out for earning

2.2.5.4 Child tracking system

According to State RTE Rules⁵³, Government may in consultation with the C&DSE evolve a child tracking system. This would monitor not only the academic progress of children in the schools, but also their retention, transition and migration.

The child tracking system was, however, not in existence in the State as of May 2017. Thus, there was no mechanism in place to monitor academic progress of children, their retention, transition and migration. As a result, continuity of education of the child in the same school or other could not be ensured. Further, his/her transition to higher grades could also not be tracked.

Best Practice

During 2016-17, Government initiated collecting child-wise information of all students using the AADHAAR. Information regarding 45 lakh children enrolled in Classes I to VIII has been collected and 42 lakh children (93 per cent) have been linked with their respective Aadhaar numbers. This facilitated in massive data cleaning, i.e., identifying and removing overlapping enrolment figures of 1.87 lakh children (4 per cent) out of 45 lakh children. The data cleaning exercise is also expected to arrest overlapping of expenditure on uniforms, textbooks, Mid-day Meal, etc.

However, child tracking system using AADHAAR as unique ID of a child was not in existence.

2.2.5.5 Mainstreaming and Training of Out-of-School Children

As per Section 4 of Act, where a child above six years of age has not been admitted in any school or though admitted, could not complete his or her elementary education (commonly referred to as Out-of-School Children (OoSC)), then he or she shall be admitted in a class appropriate to his or her age. The Act further provides for Special Training in such manner and within such timelines as prescribed. Rule 4(1) of State RTE Rules mandates that the School Management Committee/Local authority⁵⁴ shall identify children requiring special training and organise such trainings.

During 2014-17, out of 0.54 lakh OoSC mainstreamed, 0.28 lakh were not provided training. Thus, as at the end of 2016-17, only 0.17 lakh (27 per cent) of identified OoSCs were mainstreamed by the Department in a class appropriate to his/her age as shown in Table-2.11.

Table-2.11

Year	Number of OoSC identified	Number of OoSC		
		mainstreamed by providing training	mainstreamed without training	not mainstreamed (per cent)
2014-15	78507	12483	4975	61049 (78)
2015-16	87600	9787	9782	68031 (78)
2016-17	64941	3575	13889	47477 (73)

Source: Records of C&DSE

Thus, failure to mainstream all the OoSC and provide them training, resulted in deprivation of education to 0.47 lakh children by the end of March 2017.

⁵³ sub-rule (6), (7), (8), (9) below Rule 7

⁵⁴ means Mandal Praja Parishads and Gram Panchayats as the case may be in their respective jurisdictions

During Exit Conference, Government stated that most of the OoSC belonged to madarsas. It was further stated that very few children from madarsas were mainstreamed as religious education was being imparted as per the choice of their parents.

2.2.5.6 Inclusive Education to Children with Special Needs

For Children with disabilities, the Government/Local Authority shall⁵⁵ endeavour to make appropriate and safe transportation arrangements for them to attend school and complete elementary education. Under Inclusive Education programme for Children with Special Needs (CWSN) the PAB approves important interventions⁵⁶ for strengthening of academic support to CWSN.

Against ₹43.51 crore approved by PAB, a meagre amount of ₹15.42 crore (35 per cent) only was released and the same was spent by the department during 2014-17. With regard to coverage of CWSN in the State, number of CWSN/teachers approved by PAB vis-à-vis the achievement under different sub-components is tabulated below.

Table-2.12

Intervention	Year	Number of CWSN approved by PAB	Number of CWSN covered	Number of CWSN not covered (per cent)
Transport allowance (@₹250 per month for 10 months in each academic year)	2014-15	8459	3077	5382 (64)
	2015-16	9537	6975	2562 (27)
	2016-17	11788	7260	4528 (38)
	Total	29784	17312	12472 (42)
Escort allowance (@₹250 per month for 10 months in each academic year)	2014-15	16767	3870	12897 (77)
	2015-16	10000	5364	4636 (46)
	2016-17	7000	5622	1378 (20)
	Total	33767	14856	18911 (56)
Aids & appliances	2014-15	17323	0	17323 (100)
	2015-16	11368	6355	5013 (44)
	2016-17	6953	0	6953 (100)
	Total	35644	6355	29289 (82)
Intervention	Year	Number of teachers approved by PAB	Number of teachers covered	Number of teachers not covered (per cent)
Training to teachers for CWSN	2014-15	22155	5586	16569 (75)
	2015-16	8671	4472	4199 (48)
	2016-17	7290	0	7290 (100)
	Total	38116	10058	28058 (74)

Source: Records of TSSA/Minutes of PAB meeting

It can be seen from above table, during 2014-17, transport allowance was not provided to 42 per cent and escort allowance to 56 per cent of CWSN. Further, aids & appliances were not provided at all to CWSN during the years 2014-15 and 2016-17. Training was not provided to 74 per cent of the teachers for CWSN.

⁵⁵ Section 3 of RTE Act read with Rule 5 (7) of State RTE Rules

⁵⁶ supply of Aids & Appliances including ICT (Information and Communication Technology) material, Transport allowance and/or Escort allowance payable @₹250/month for ten months in an academic year, Training to teachers, etc.

During Exit Conference (December 2017) Government stated that expenditure for CWSN was incurred to the extent of availability of budget. It was further stated that non-issue of pro-forma invoice by ALIMCO⁵⁷ for supply of aids & appliances in 2016-17 affected the implementation of the programme.

Thus, non-implementation of important interventions (under Inclusive Education scheme) to the identified CWSN deprived them of their right to pursue free and compulsory elementary education as envisaged in the Act.

2.2.5.7 Implementation of RTE Act (25 per cent reservation) in private unaided schools

The Act⁵⁸ and Rules framed there under stipulate that private un-aided schools shall admit in Class-I, to the extent of at least twenty-five per cent of the strength of that class, children belonging to the weaker sections⁵⁹ and disadvantaged groups⁶⁰ in the neighbourhood and provide free and compulsory elementary education till its completion.

In compliance of the Act provisions and the State RTE Rules, Government issued (July 2010)⁶¹ orders prescribing twenty-five *per cent* reservation of seats to the above category of children⁶². Government further specified quantum of fee⁶³ of ₹9,000 per annum for Urban and ₹7,800 per annum for Rural per child. Government would reimburse this fee to Schools in respect of the reserved seats.

During the period 2014-17, it was noticed that no expenditure was incurred by the Government towards reimbursement of fee in respect of disadvantaged group children studying in such schools. In fact, C&DSE had not even included the proposals in AWP&B.

Government in their reply (December 2017) expressed its inability to enforce the above stipulation as it would have an adverse impact on the enrolment, infrastructure and services of teachers in Government schools. It was stated that this involved a recurring financial burden of at least ₹218 crore per annum on State exchequer. Further, the request of State Government to review the provisions of the Act on the above cited grounds was stated to be pending with GoI.

The fact, however, remained that the provisions of the RTE Act as well as the Government orders with respect to 25 *per cent* reservation remained unimplemented in the State. In this context, Audit reviewed the position in other States. It was seen that these provisions of the Act were successfully being implemented in several other States like Bihar, Chhattisgarh, NCT of Delhi, Karnataka, Madhya Pradesh, Rajasthan, Tamil Nadu and Uttarakhand.

⁵⁷ Artificial Limbs Manufacturing Corporation of India

⁵⁸ Section 12(1)(c) read with Section 2(n)(iii) & (iv) of the Act

⁵⁹ refers to a child belonging to BC, Minorities and includes OCs whose parents' income does not exceed ₹60,000 per annum

⁶⁰ refers to a child belonging to the Scheduled Caste, Scheduled Tribe, orphans, migrant and street children, Children With Special Needs and HIV affected/infected children

⁶¹ GOs. Ms No.42 and 44 SE (PE Prog I) Department dated 30 July 2010

⁶² viz. Scheduled Castes (10 *per cent*); Scheduled Tribes (4 *per cent*) and to Orphans, HIV affected and disabled (5 *per cent*) and at the rate of 6 *per cent* to Weaker Sections viz. Backward Castes, Minorities and Other Castes whose annual income does not exceed ₹60,000 per annum

⁶³ fee being the same for both Primary and Upper Primary levels

2.2.5.8 Provision of transport facility to children attending neighbourhood schools

For children from small hamlets or any other place as identified by the State Government/Local Authority, where no school exists within the area or limits of neighbourhood specified in State RTE Rules⁶⁴, the Government/Local Authority shall make adequate arrangements. These inter alia included free transportation in relaxation of the limits specified in the Rules.

Transport allowance for attending neighbourhood schools has been fixed at ₹300 per month payable for 10 months in a year. The State Project Director (SPD) releases funds to the district authorities who in turn release them to SMCs. The transport charges are disbursed in cash to the parents of children from Classes I to VIII. The SPD requested (December 2015) the district authorities to take the opinion of parents with regard to supply of bicycles to the children of Classes VI to VIII in lieu of cash.

Best Practice

Audit observed in Warangal district (test-checked) that during 2015-16, the District Collector implemented the orders of SPD (April 2016) to provide bicycles free of cost to students of Classes VI to VIII. This will be as a one-time measure in lieu of providing transport allowance in cash as an innovative exercise to encourage them to attend school.

Out of 2,520 students identified for this purpose, 2,094 students were provided bicycles while 426 students (Class I to V) were paid in cash.

Audit observed the following:

- During the year 2014-15, the State identified 26,281 children for provision of transportation and submitted proposals to PAB for approval. However, due to non-issue of the notification by the State Government, no transport allowance was approved by the PAB;
- During 2015-16, transport facility for 15,406 children only was provided (funds released and utilised: ₹1.48 crore (32 per cent)) against the approved budget of ₹4.62 crore. The department attributed the non-utilisation of full budgeted funds to short release of funds from GoI/State Government.
- During 2016-17, 18,131 children were identified towards provision of transportation charges. The necessary notification⁶⁵ declaring 1,517 habitations as not having neighbourhood schools, was issued by the State Government in September 2016. However, GoI did not release funds for the purpose.

Government, during Exit Conference, admitted that transport facility could not be provided to the children for the years 2014-15 and 2016-17 due to non/belated issue of Gazette notifications by State Government and hence non-release of funds by GoI.

Thus, lack of concern on the part of the Governments in providing the envisaged transport facility to all 44,412⁶⁶ eligible/identified children led to denial of the benefit of transport facility to them.

⁶⁴ sub-rule (1) below Rule 5

⁶⁵ GO Rt No.129 SE (Prog I) Department dated 12 September 2016

⁶⁶ 2014-15: 26,281 students and 2016-17: 18,131 students

2.2.5.9 Pupil-Teacher Ratio

As per Section 25 of RTE Act, Government should, within three years from the date of commencement of the Act, ensure maintaining the prescribed Pupil-Teacher Ratio (PTR). PTR should be at one teacher for every 30 children for classes I to V and one teacher for every 35 children for classes VI to VIII in each school.

The overall PTR in the State was satisfactory, i.e., 1:22 for Primary Schools⁶⁷ and 1:20 for Upper Primary Schools⁶⁸, during 2016-17. However, an adverse PTR was reported to GoI through AWP&B for 2017-18, in 1,991 Primary Schools⁶⁹ and in 1,181 Upper Primary Schools⁷⁰. Further, in 5,806 PS there were 3,313 surplus teachers and in 4,433 Upper Primary Schools, there was shortage of 1,041 teachers.

Government in its reply stated that teachers from zero enrolment schools were redeployed to schools with high enrolment and 9,397 Vidya Volunteers were appointed during 2016-17 to mitigate the situation.

2.2.5.10 Creation of physical and educational infrastructure facility

Section 19(2) of the Act⁷¹ stipulated provision of separate toilets for boys and girls, at least one classroom for every teacher, a room for headmaster, barrier-free access, drinking water facilities, boundary wall and playground. Government shall take steps to fulfil such norms and standards at its own expenses, within a period of three years (i.e., by March 2013) from the date of implementation of the Act.

Physical infrastructure - Civil Works

Scrutiny of records of the C&DSE revealed that the time frame of three years for completion of various infrastructural facilities⁷² had not been adhered to. Out of 91,199 sanctioned civil works during 2001-02 to 2016-17, an aggregate of 21,564 works⁷³ (24 per cent) remained incomplete, of which 7,014 works relating to toilets and drinking water were in progress (March 2017).

As regards the status of spill over works (as of March 2017), C&DSE stated (July 2017) that the details (both physical and financial) would be obtained from district authorities and necessary action taken thereon.

Government in its reply quoted shortage of funds as the reason for non-completion of works in time.

Thus, the schools where the above works were incomplete still suffer from lack of basic physical infrastructure even after a period of seven years of the RTE Act coming into force.

⁶⁷ Class I to V - Number of children: 11.90 lakh and Number of teachers: 0.53 lakh

⁶⁸ Class VI to VIII - Number of children: 6.72 lakh and Number of teachers: 0.34 lakh

⁶⁹ out of 23,622 Primary Schools, i.e., 8 per cent

⁷⁰ out of 8,796 Upper Primary Schools, i.e., 13 per cent

⁷¹ where a school established before the commencement of the Act does not fulfill the said norms

⁷² school buildings, toilets, drinking water facilities, special lavatories for CWSN and Headmaster's room

⁷³ a total number of works-in-progress: 8,828 and number of works not yet commenced: 12,736

Availability of basic amenities

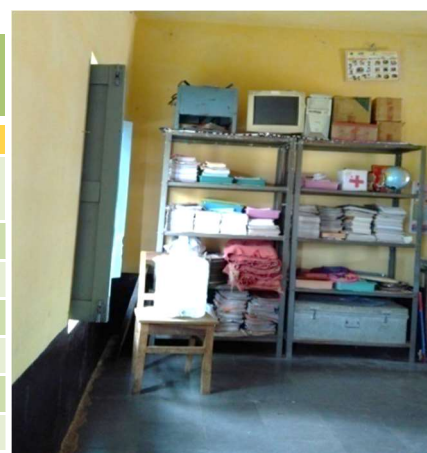
As per Schedule to Section 19 of RTE Act, no school shall be established or recognised by Government unless it fulfils the norms and standards specified therein.

The number of schools (out of 28,606 Government including Local Body schools) lacking basic amenities as of March 2017 is shown in the Table-2.13 below.

Table-2.13

Name of the amenity	No. of schools where facility did not exist (%)
<i>(as against a total of 28,606 schools)</i>	
At least one class room for every teacher and an Office-cum-Store	6643 (23)
Barrier-free access (ramps & hand-rails)	21547 (75)
Toilets	1261 (4)
Safe and adequate drinking water facility	0 (0)
Kitchen where Mid-Day-Meal is cooked in school	9192 (32)
Playground	12768 (45)
Boundary wall or fencing	11028 (39)
Library	888 (3)

Source: Records of C&DSE



Library in MPPS, Dandumailaram, Ibrahimpatnam mandal (9 June 2017)

It is seen from the above details that 75 per cent of the schools in the State did not have basic infrastructural amenities like *ramps and hand-rails*. Further, 45 per cent of the schools did not have playground and 39 per cent lacked boundary wall or fencing. The schools were, however, allowed to continue to function in violation of the provisions of the Act. Government claimed existence of library facility in 97 per cent of schools. It was, however, seen that the infrastructure provided in the libraries was poor without adequate study tables, closed cupboards and proper lighting.

Further, Audit found the following deficiencies in provision of basic infrastructural amenities in 88 test-checked schools in the sampled districts *vis-à-vis* UDISE data as given in Table-2.14 below.

Table-2.14

Audit findings	As per UDISE data		
Schools with at least one class room for every teacher and an Office-cum-Head Teacher's room not made available: 35 (40 per cent)	Not available		
Schools without barrier-free access (ramps & hand-rails): 66 (75 per cent)	66 (75 per cent)		
Schools without separate toilets for boys and girls: 22 (25 per cent)	Facility	Boys	Girls
	Toilets	5	2
	Urinals	28	23
	Running water in toilets	43	38
Schools without safe drinking water: 38 (43 per cent) However, C&DSE claimed that safe drinking water facility was provided to all the Government and Local Body schools (28,606) in the State	15 (17 per cent)		

Audit findings	As per UDISE data
Schools without play ground: 32 (36 per cent)	30 (34 per cent)
Schools without pucca boundary wall: 20 (23 per cent)	34 (39 per cent)
Schools without library facility: 14 (16 per cent)	3 (3 per cent)
Schools without electricity: 22 (25 per cent)	18 (20 per cent)

Source: Audit findings in test-checked schools and UDISE data

Thus, despite the lapse of seven years since implementation of the RTE Act, a large number of schools were deficient with regard to provision of basic infrastructural facilities/amenities.

Construction of kitchen-cum-store rooms

In 1,435 schools out of 25,991 schools in the State, Mid-Day Meal (MDM) was being served through centralised kitchens. In 24,556 schools MDM was being cooked in the school premises. Of the 24,556 schools, kitchen-cum-store rooms were available only in 14,138 (58 per cent) schools. Thus, 10,418 (42 per cent) schools did not have kitchen-cum-store rooms as of March 2017.

The Government decided to take up the construction of kitchen-cum-store rooms in rural areas under MGNREGS⁷⁴. Accordingly, the Finance department released (December 2016) ₹80.38 crore by adjustment to PD account of Panchayat Raj and Rural Development (PR&RD) Department. Similarly, ₹11.87 crore was released to savings account of SPD, SSA for construction of kitchen-cum-store rooms in urban areas. However, online status of MGNREGS reported a meagre expenditure of ₹93.61 lakh (for 700 works-in-progress) was incurred as of June 2017.

Government in its reply (December 2017) stated that works could not be taken up in 2014-15 and 2015-16 owing to the bifurcation of State. In 2016-17, the Government tied up with MGNREGS for construction works. It was observed that out of 7,674 kitchen-cum-store-rooms sanctioned in the year 2016-17, construction of as many as 7,398 rooms⁷⁵ (96 per cent) was pending. Government attributed this to delay in release of MGNREGS funds by Panchayat Raj Department.

In the sampled districts, 41 out of 88 test-checked schools (47 per cent) did not have a kitchen for cooking. The MDM was being cooked in the open under unhygienic conditions.

Thus, due to non-construction of kitchen-cum-store rooms, the objective of cooking food in a hygienic environment was unfulfilled.



In ZPHS (Boys), Edulabad, Rangareddy district MDM being cooked in open unhygienically (21 June 2017)

⁷⁴ Mahatma Gandhi National Rural Employment Guarantee Scheme

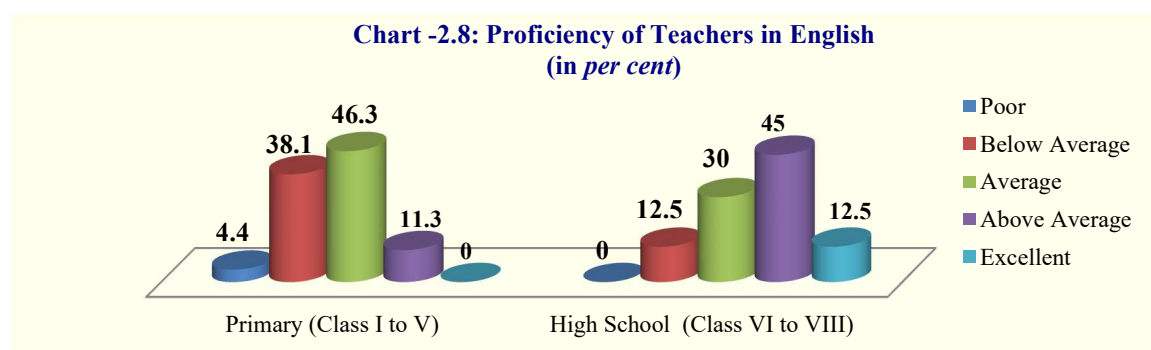
⁷⁵ In progress: 1,927 works and construction not commenced: 5,471

2.2.5.11 Shortfall in Teachers' Training

As per Section 9 of RTE Act, it is the responsibility of the local authority to provide training facility for teachers. As per Rule 25(2)(b) of State RTE Rules, the academic authority (SCERT) is to develop an In-service Teacher Training Design. As per Rule 22(3)(a), it is the duty of the teacher to participate in training programmes to improve his/her teaching skills for providing quality education to children.

Further, as per RTE roadmap⁷⁶, training of teachers should be completed within five years from the commencement of RTE Act.

Audit, however, observed shortfalls in teacher trainings which ranged from 20 to 40 per cent (Appendix-2.10).



Source: Study on the Proficiency levels of Teachers and Children in English Language

There was a Study on the Proficiency levels of Teachers and Children in English Language at Elementary Level (submitted⁷⁷ to TSSA Society for the year 2014-15). The overall proficiency level of the Teachers as per the report is depicted above.

It is evident from the above chart that 89 per cent of the Primary School teachers and 43 per cent of High School teachers had Average/Below Average/Poor proficiency levels.

Government during Exit Conference (December 2017) attributed the non-achievement of In-service Teacher Trainings to short release of funds by GoI and the State Government. Further, Government in its written reply, accepted the audit observation and stated (December 2017) that as most of the teachers recruited were from Telugu background, they lacked proficiency levels in English language. However, as a positive step in this regard, 14,914 teachers were trained in English language by SCERT⁷⁸ in the year 2016-17.

2.2.5.12 Zero enrolment and single teacher schools

As per the prime objective of RTE Act, Government should take effective steps for increasing enrolment for universalisation of primary education.

However, the number of schools with zero enrolment and those with enrolment of less than 15 and 30 students increased during 2014-17 as shown in Table-2.15 below.

⁷⁶ Para 1.5 of SSA Framework

⁷⁷ by Dr. R.V. Anuradha (Sr. Asst. Professor), Department of Education, The English and Foreign Languages University, Hyderabad

⁷⁸ State Council of Educational Research and Training

Table-2.15

Year	No. of schools with zero enrolment		No. of schools with enrolment of less than 15 students		No. of Schools with enrolment of less than 30 students		No. of schools with single teacher	
	PS	UPS	PS	UPS	PS	UPS	PS	UPS
2015-16	492	153	3043	864	8777	2179	1960	532
2016-17	559	234	3720	1140	9565	2511	2235	535
Increase in %	14	53	22	32	9	15	14	0.56

PS: Primary Schools; UPS: Upper Primary Schools. Source: Minutes of 248th PAB meeting dated 12 May 2017

In its reply (August/December 2017) the Department indicated the steps taken to increase the enrolment rate in schools. These are (i) a special enrolment drive was conducted in June 2017 and English medium sections were started on the demand of parents; (ii) teachers were being redeployed to schools with adverse PTR; (iii) Vidya Volunteers were engaged in single teacher schools and schools with adverse PTR⁷⁹ during the academic year 2017-18 and (iv) a proposal to merge schools based on enrolment to maintain PTR was moved but there was resistance to the concept at field level.

The steps taken by Government to increase the rate of enrolment in schools were yet to yield the desired results (December 2017).

2.2.5.13 Early childhood care and education not provided

RTE Act⁸⁰ mandates that Government have to make arrangements for providing free pre-school education for children above the age of three years. This is to prepare them for elementary education and to provide them early childhood care and education until they complete the age of six years.

The children in the age group of 3-6 years were taken care of by Anganwadi centres under the control of Women Development and Child Welfare Department (WD&CWD). Accordingly, pre-primary schools were not established by the Government. Government, through WD&CWD issued instructions (May 2017) for relocation of Anganwadi centres to Primary School premises to improve learning conditions of the children.

As of July 2017, 11,831 such Anganwadi centres (out of total 31,414 centres) were relocated to Primary School premises based on the Government orders. This is an innovation that ensures a school environment will be created for the children of Anganwadi centres.

2.2.6 Management, Monitoring and Evaluation

The RTE Act entrusts responsibility to the Department for providing schools, infrastructure, trained teachers, curriculum and teaching/learning materials. SAC⁸¹ at the State level and School Management Committee (SMC) at school level are to monitor the implementation of provisions of the Act.

⁷⁹ i.e., schools with high enrolment

⁸⁰ Section 11

⁸¹ State Advisory Council

2.2.6.1 State Advisory Council not constituted

The State Government shall constitute⁸² SAC (to be chaired by Minister-in-charge of School Education) consisting of members⁸³ from amongst persons having knowledge and practical experience in the field of elementary education and child development. SAC shall advise the State Government on implementation of the provisions of the Act in an effective manner. Business of the council mandates a meeting once in three months.

Audit, however, observed that SAC was not constituted by the Government as of December 2017.

As a result, the implementation of the provisions of RTE Act could not be reviewed at the apex level and corrective actions, if any, could not be suggested to the State Government for effective implementation of RTE Act in the State.

2.2.6.2 School Management Committees

A school shall constitute⁸⁴ SMC consisting of elected, ex-officio and co-opted representatives⁸⁵. As per State RTE Rules⁸⁶, SMC meetings are to be conducted once in two months and minutes and decisions of the meetings are to be properly recorded.

Out of 88 test-checked schools, in 62 schools, 509 SMC meetings (55 per cent) were not conducted against 930 meetings to be conducted as per norms during 2014-17. Thus, the mandate of SMC was not fulfilled to a great extent. Further, in the test-checked schools, only the MEOs and CRPs visited the schools and no other authority⁸⁷ inspected the schools.

Non-conducting of SMC meetings/non-inspection by DEO/Dy. EO limited the department's capability to assess the effectiveness of the implementation of RTE Act.

Government accepted the audit observation and attributed non-conduct of meetings as stipulated and non-conduct of inspections to insufficient monitoring staff.

2.2.6.3 Collection of exorbitant fee by Private schools

Government issued orders (April 2016) for conducting inspection of private schools on the issue of collection of fee from students. The C&DSE, based on the High Court order

Best Practice

*In pursuance of Rule 27(2) (vi) of State RTE Rules, 2010, the erstwhile Government of Andhra Pradesh initiated and established (October 2011) a **Child Rights Cell (CRC) with Toll free No 1800-425-3525** in the Office of the SPD, TSSA, Hyderabad (whose activities are maintained by an NGO) to receive representations/grievances from public relating to problems being faced by the children and solve them.*

During the period 2014-17, 385 complaint calls were received over the toll free number from aggrieved parties. Audit, however, observed that 376 complaints were shown as settled although some of them were not fully resolved.

⁸² as per Section 34 of the RTE Act and Rule 28 of State RTE Rules

⁸³ not exceeding 15

⁸⁴ as per Section 21 of RTE Act

⁸⁵ **Elected:** three parents/guardians elected by parents/guardians of children in each class; **Ex-officio:** Head Teacher or in-charge-Head Teacher; **Co-opted:** two school supporters (educationists/philanthropists)

⁸⁶ sub-rule (5) (a) below Rule 19

⁸⁷ DEO, Dy. EO, Academic Monitoring Officer (AMO)

identified (April 2016) 174 private schools in Hyderabad, Rangareddy and Medak districts who collected exorbitant fee and submitted a report (March 2017) to the Government. The report stated the following:

- The schools were collecting fee⁸⁸ on various pretexts⁸⁹ apart from regular tuition fee and they were not incurring expenditure as per extant Government rules⁹⁰.
- None of the schools submitted its Annual Administrative Reports and Audited Accounts.

Show cause notices were issued (February 2016 to March 2017) to 91 schools. The final outcome was still awaited (December 2017).

Audit also found cases of conducting screening tests, collection of one time capitation fee and huge tuition fee, etc. constituting breach of provisions of the RTE Act. This also reflected lack of control of Government over the private unaided schools.

The above violations reflected the lack of regular inspections of the private schools and poor monitoring at C&DSE as well as Government level. This showed a deficient internal control mechanism in the department.

2.2.6.4 Submission of Annual Administrative Reports by private unaided schools

The Educational agency, i.e., Private unaided school shall submit⁹¹ Annual Administrative Report (AAR) to the competent authority every financial year by 30th September.

Audit, however, observed that the AARs were not submitted by any of the 3,791 private unaided schools in Khammam (474), Rangareddy (2,542) and Warangal (775).

Government accepted the audit observation. Government stated (December 2017) that instructions had been issued to DEOs to initiate action against the managements of private unaided schools who failed to submit AARs. Non-submission of AARs by private unaided schools and non-inspection of schools by inspecting authorities at regular intervals showed deficient internal controls.

2.2.6.5 Tracking of Sustainable Development Goal Indicators

The vision of the United Nations Sustainable Development Goal (SDG 4) is to ensure inclusive and quality education to all. To achieve the Sustainable Development Goal, the Department of School Education prescribed minimum proficiency levels for reading, writing and simple arithmetic (referred to as 3Rs) for the children of Classes II and III. Subject-wise minimum proficiency levels at the end of the Primary level and up to Class X were also prescribed.

⁸⁸ tuition fee collected per annum was ranged from ₹16,500 to ₹5.42 lakh and one-time Admission fee ranged from ₹30,000 to ₹1.00 lakh

⁸⁹ caution fee, admission fee, activity fee, lab and annual fee, etc. in contravention of the fee prescribed vide GO Ms No. 91 dated 6 August 2009

⁹⁰ prescribed vide GO Ms No. 1 Education dated 1 January 1994

⁹¹ as per Rule 20 of the Andhra Pradesh Educational Institutions (Establishment, Recognition, Administration and Control of Schools under Private Management) Rules, 1993 (GO Ms No.1 Education (PS-2) Department, dated 1 January 1994)

Proficiency levels in Reading, Writing and Simple arithmetic

School Education Department, after reopening of schools every year in the month of June, conducts a pre-test for all children. Remedial teaching would be organised thereon for the children who did not achieve the prescribed 3R's level of proficiency.

Audit observed that lack of proficiency levels in respect of 3R's was as high as 38 *per cent* and 39 *per cent* for Classes II and III respectively. The overall lack of proficiency levels of Classes II to VIII for the year 2016-17 was 31 *per cent*.

Government replied (December 2017) that remedial teaching was being conducted in all schools to the children who had not achieved proficiency levels under Learning Enhancement Programme.

A non-government organisation⁹² conducted voluntarily a household analysis in nine rural areas of nine districts (i.e., except Hyderabad) in the academic year 2016. The Annual Status of Education Report (ASER) brought out by it contained an analysis on the academic skills acquired by pupil in the rural government and private schools in the State. Their findings on the reading and arithmetic skills of students were as follows:

- With respect to Reading skills in Telugu, only 47 *per cent* children of Class V could read Class II level Telugu text. Only 76 *per cent* of children of Class VIII could read the same text. In respect of Reading skills in English, only 23 *per cent* children of Class V could read simple words and only 11 *per cent* of Class VIII children could read simple words.
- Children by grade and arithmetic level: Only 3 to 43 *per cent* of students of Classes I to VIII could do subtraction and 1 to 55 *per cent* could do division. Only 27 *per cent* of students of Class VIII could do subtraction and 55 *per cent* of them could do division.

Thus, learning level of children was not at par with the required levels putting the academic future of children in jeopardy.

Thus, much needed to be done by the Department to improve the proficiency levels of children in order to conform to the standards set up under SDG.

Government replied that a special 60 day programme known as Learning Enhancement Programme (LEP)-3R was designed for low performance children and implemented in the beginning of the academic year. Under this, remedial classes for children lacking 3Rs would be taken by teachers. During Exit Conference, Government stated that the performance of teachers was being evaluated every year and awards given to deserving teachers on Teachers' Day.

Performance of Children

Under Padhe Bharat Badhe Bharat scheme for Classes I to VIII all children are to score⁹³ 40 per cent or above in all the subjects. Minimum grade-wise proficiency levels required for children in reading and mathematics have been prescribed in the scheme.

⁹² PRATHAM – website: img.asercentre.org

⁹³ as per State Achievement Survey and National Achievement Survey

Scrutiny of the data related to 'Performance of Children' (Appendix-2.11) showed that 14 to 26 per cent of children at Primary level and 21 to 47 per cent of children in Upper Primary level scored less than 40 per cent during the years 2014-17. Further, children who scored between 91 to 100 per cent ranged from 5 to 10 per cent for Primary level. It was 2 to 6 per cent for Upper Primary level. This reflected poor competitive levels of children in academics in Government (including Local body and Aided) schools. The Department accepted that there was lack of minimum proficiency levels of children in various subjects.

Thus, the objective of conforming to the standards set by the State Government, remained largely unachieved.

Shaala Siddhi (Evaluation for improvement)

Shaala Siddhi⁹⁴ is an instrument for school evaluation developed by NUEPA⁹⁵, MoHRD. The programme visualises 'School Evaluation' as the means and 'School Improvement' as the goal. It provided a clear road-map for each school to embark on a journey of Self Evaluation and External Evaluation, leading towards incremental school improvement with accountability. While the school as a whole should engage in the self-evaluation process, external evaluation is entrusted by the department to academic persons/institutes of their choice. It is to be implemented in all the Government and Aided schools in 2016-17. For the year 2016-17, PAB approved a budget of ₹2.33 crore. Against this, a meagre amount of ₹0.65 lakh only was spent.

Audit observed that as of December 2017, out of 29,549 Government and Aided schools (Primary, Upper Primary and High Schools) targeted in the State, 'Self Evaluation' (by schools themselves) was completed and the data uploaded in respect of only 8,585 schools. The remaining 20,964 schools had not Self Evaluated. Further, although inspections of schools were being conducted (with significant shortfalls) no 'External Evaluation' was conducted by the Department in any of the schools. Government in their reply stated that NUEPA would enable External Evaluation only after January 2018.

Thus, the implementation of Shaala Siddhi programme was very unsatisfactory despite availability of funds as the Department failed in its visualised goal of School Improvement.

2.2.7 Conclusion

The efforts made by the State Government in ensuring unique identity of children through AADHAAR authentication, establishment of a Child Rights Cell to address their grievances are innovative and commendable. Nevertheless, the implementation of RTE Act overall suffered in the State even after the lapse of seven years of its coming into effect. Majority of the provisions of the Act were not fully followed by the State Government. Only 50 per cent of the PAB approved funds (2014-17) were released under Sarva Shiksha Abhiyan – the main vehicle for implementation of the Act. Majority (74 per cent) of the total expenditure was incurred on Salaries, KGBVs and Civil Works; only 26 per cent was utilised on quality and other interventions under the programme.

⁹⁴ National Programme on School Standards and Evaluation (NPSSE) launched by GoI in November 2015

⁹⁵ National University of Educational Planning and Administration

Reservation of 25 per cent for disadvantaged groups and weaker sections envisaged in private un-aided schools was not implemented/enforced by the State Government. The Department could not mainstream all the Out-of-School Children and failed to provide special training to them as targeted which denied education to large number of children. Little progress was made by Government in setting up new schools which resulted in dependency on and flourishing of private schools. In this context, shifting the Anganwadi to school premises is an innovation that could raise the enrolment in Primary Schools.

The time frame of three years for completion of various infrastructural facilities such as school buildings, toilets, drinking water facilities, etc. had not been adhered to.

Enrolment in Government schools during the period 2014-17 showed a declining trend. The dropout rate in respect of SC/ST children was a matter of concern. State Advisory Council intended to advise the Government on implementation of the Act was not constituted in the State. School Management Committee meetings were not conducted regularly. Child tracking system was not in existence in any of the schools in the State. There was thus no mechanism in place to monitor academic progress of children, their retention, transition and migration. The prescribed minimum proficiency levels for 3Rs, i.e., reading, writing and simple arithmetic were not achieved.

2.2.8 Recommendations

- (i) The department should review all infrastructure plans to ensure completion of the pending works within reasonable time;
- (ii) The department should ensure a functional child tracking system to monitor academic progress, retention, transition and migration of children;
- (iii) State Government should pursue with GoI for timely/adequate release of funds and release its own matching funds. Priority should be given to incur expenditure on quality interventions;
- (iv) The department should ensure effective implementation of the Learning Enhancement Programme (3R's) for enhancing the minimum proficiency levels of children; and
- (v) The department should ensure regular monitoring/inspection of schools and conduct meetings of School Management Committees as prescribed.

During Exit Conference, Government assured of remedial action on the points raised by Audit. The recommendations made by Audit were also discussed and accepted by Government.

Chapter III

Compliance Audit Observations

Youth Advancement, Tourism & Culture (Sports) Department

3.1 Promotion of Sports in Telangana State

3.1.1 Introduction

In furtherance of the intention that sports should be an essential element in human resource development strategy, Government formulated (April 2000) Andhra Pradesh Sports Policy¹. This policy proposes to broad base the sports for youth², in school or in higher education while providing special opportunities for the socially deprived and women. Apart from universalisation of sports opportunities, it proposes to unearth latent sports talent in youth and lead them towards peaks of sports excellence.

After formation of Telangana State, the Government continued implementation of Andhra Pradesh Sports Policy, 2000. Further, Government adopted³ (January 2016) the existing Andhra Pradesh Sports Authorities Act, 1988 (Act). Accordingly, Sports Authority of Telangana State (SATS) was established as a principal policy formulating body for sports and entrusted with various duties⁴ for promotion of sports in the State.

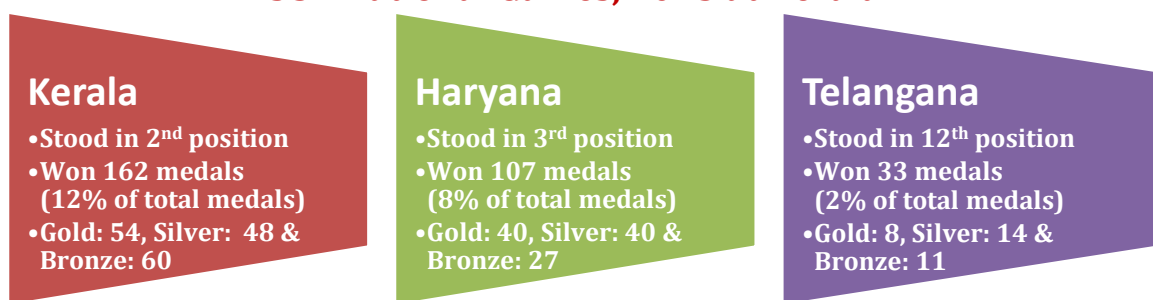
SATS functions under the overall control of the Principal Secretary of Youth Advancement, Tourism & Culture (Sports) Department. SATS consists of a Chairman, seven other members⁵ and a Vice-Chairman and Managing Director⁶ (ex-officio VC&MD).

Performance of State in National Games

The performance of the State⁷ in National Games was, however, discouraging when compared to other smaller States⁸ like Kerala and Haryana.

The State represented in the National Games held (January/February 2015) at Kerala with 197 players. The State participated only in 15 out of 35 disciplines and was able to win 33 medals (2 per cent of total medals awarded) in nine disciplines, as visualised below.

35th National Games, 2015 at Kerala



(Total no. of medals awarded: 1,334)

¹ Vision 2020 (Long term policy for promotion of sports) in the combined State

² whether rural or urban

³ retrospectively from the date of formation of the new State, i.e., June 2014

⁴ *inter alia* (i) Approval of Sports Calendar of the State; (ii) Implementation of all the sports programmes of GoI through District Sports Authorities (DSAs) and Mandal Sports Authorities (MSAs); (iii) Co-ordination of all games, sports and physical education activities in all educational institutions; (iv) Creation of sports infrastructure at State, District and Mandal level; (v) Creation of posts in SATS; (vi) Augmentation of revenue from sports activities, leasing out properties; etc.

⁵ nominated by Government

⁶ who is the chief executive of the Authority

⁷ being the 12th most populated State with population of 3.53 crore (2.97 per cent) as per Census 2011

⁸ Population of 3.33 crore (Kerala) and 2.54 crore (Haryana) as per Census 2011

In this backdrop, Audit analysed the activities of the State in firming up/augmenting sports performance among youth as envisaged in Sports Policy.

3.1.2 Audit Framework

Audit of the SATS was carried out between March – July 2017 covering the period June 2014 to June 2017 to assess the adequacy of implementation of Sports Policy in terms of:

- ⇒ allocation of funds/resource mobilisation and its utilisation for nurturing sports excellence, infrastructure and self sufficiency of sports administering bodies;
- ⇒ efforts made for promotion of sports activities to achieve universalised participation and excellence in sports performance; and
- ⇒ universal access to sports infrastructure.

Audit methodology involved examination of records of the SATS and four⁹ out of 10 DSAs¹⁰. Audit also carried out scrutiny of records and joint physical verification of all the existing three¹¹ Sports Schools, two¹² Sports Academies and lone Regional Sports Hostel, Warangal in the State. Besides, Audit conducted physical verification of 61¹³ sampled educational institutions in the four sampled districts to assess adequacy of participation in sports, sports infrastructure and coaches in the institutions.

Audit findings were benchmarked against the criteria sourced from Sports Policy, Act, as adopted by Telangana State and Government instructions issued from time to time.

Replies of VC&MD and the Government to the Audit observations have been considered/ incorporated at appropriate places in the report.

Audit findings

3.1.3 Planning

- (i) *SATS is an apex institution of the Government engaged in promotion of sports in the State. As per Section 3 of the Act, a full-fledged governing body¹⁴ shall be appointed to the SATS. Further, as per Sections 7 & 10 of the Act and Para 13 of the Sports Policy, the administrative structure shall have roots from VSAs¹⁵, MSAs¹⁶, DSAs¹⁷ and extend to State level authority (i.e., SATS).*

Audit observed that the Government appointed Chairman to SATS only in October 2016. Other members (except VC&MD) were yet to be appointed as of January 2018.

⁹ Hyderabad, Medak, Nizamabad and Warangal

¹⁰ Districts were reorganised into 31 districts with effect from October 2016

¹¹ Telangana State Sports Schools, Hakimpet (Rangareddy district) and Adilabad; and Regional Sports School, Karimnagar

¹² Cycling & Wrestling Academy, Hyderabad and Athletics Academy (Boys), Khammam

¹³ Being one *per cent* of total educational institutions (including Government, private (aided), private (un-aided), Zilla Praja Parishad and Mandal Praja Parishad schools) in the sampled districts viz., Hyderabad (16), Medak (15), Nizamabad (13) and Warangal (17)

¹⁴ Consisting of a Chairman, an Ex-Officio VC&MD and seven other members selected out of outstanding personnel in the field of sports and physical education

¹⁵ Village Sports Authorities

¹⁶ Mandal Sports Authorities

¹⁷ District Sports Authorities

In the four sampled districts, the DSAs were functioning without eminent sports personalities as members of the DSAs as required under the Act. Further, the VSAs and the MSAs were not constituted by the Government as of January 2018.

Government replied (February 2018) that an Adhoc Body¹⁸ was constituted (November 2017) and functioning at the apex level in the SATS. It was further stated that instructions were issued to all the District Collectors to form MSAs and VSAs so as to take development measures in sports for spotting talent from grassroot level.

Specific reasons for non-constitution of a full-fledged governing body¹⁹ including the outstanding personnel in the field of sports and physical education were, however, not furnished by Government.

Thus, fully functional administrative structure at apex level and root level functionaries were absent in the Sports Authority. This adversely impacted on the sports promotion and creation of infrastructure, as discussed in the succeeding paragraphs.

- (ii) *As per Section 4 of the Act, the SATS being the principal policy formulating body in the State shall approve the Sports Calendar of the State.*

During 2014-17, SATS, however, did not prepare the annual sports calendar for the State. SATS was confined to approving annual sports activities to be organised and submitted by individual sports associations and was releasing financial assistance to them. ***Thus, there was no proactive planning for promotion of sports in the State.***

SATS attributed (March 2017) non-preparation of State Sports Calendar to absence of a full-fledged governing body.

- (iii) *As per Para 15 of Sports Policy, there should be a data bank of all sports persons along with their performance graphs at SATS with the objective to achieve sports excellence. Further, SATS should computerise the data of all sports persons above the district level.*

Audit, however, observed that SATS did not maintain any comprehensive data bank consisting of details of all sports persons along with their performance. It was also observed that none of the DSAs of sampled districts had maintained data bank (either in physical form or computerised data) with regard to sports personnel and their performance.

In the absence of data bank of sports persons and evaluation of their performance, career improvement of sports persons was not possible in an organised and planned manner.

Government replied (February 2018) that the newly formed sports associations in the State were unable to provide details of players and their achievements at various levels/tournaments. It was further stated that necessary steps would be taken to

¹⁸ consisting of Secretary to Government, Youth Advancement, Tourism & Culture (Sports) Department, Secretary to Government (IF)/Additional Secretary to Government, Finance Department and VC&MD, SATS

¹⁹ as stipulated in the Act

maintain a comprehensive computerised databank of sports persons including their performance from the district level.

3.1.4 Allocation of funds and mobilisation of resources

Government's long-term strategy (Vision 2020)

To make all administering bodies financially sound and self-sufficient in promoting games and sports at respective levels

3.1.4.1 Budget allocation and utilisation of funds

Para 12 of the Sports Policy stipulates that Government allocate 0.50 per cent of annual State Budget for implementation of Sports Policy.

For implementation of Sports Policy, a sum of ₹2,091.56 crore (i.e., 0.50 per cent of State Budget of ₹4,18,310 crore) was required to be allocated for the period 2014-17. Government, however, allocated a measly 0.06 per cent (₹269.54 crore) of the total State Budget. Further, the allocation was on decreasing trend from 0.12 per cent (2014-15) to 0.04 per cent (2016-17).

It was further seen that even the allocated funds were not released in full; only ₹203.54 crore (76 per cent) were released and these were utilised by SATS. Budget allocation *vis-à-vis* the utilisation during the three year period 2014-17 is shown in Table-3.1 below.

Table-3.1

(₹ in crore)

Year	Total State Budget (TSB)	Allocation to be made (0.50% of TSB)	Proposals made by SATS	Actual allocation (% to TSB)	Releases (% to allocation)	Utilisation
2014-15	106681	533.41	351.74	127.83 (0.12)	93.28 (73)	93.28
2015-16	139360	696.80	424.68	68.12 (0.05)	50.91 (75)	50.91
2016-17	172269	861.35	418.15	73.59 (0.04)	59.35 (81)	59.35
Total	418310	2091.56	1194.57	269.54 (0.06)	203.54 (76)	203.54

Source: Appropriation Accounts of respective years and records of SATS

It can be seen from the above Table that SATS failed to project the requirement of funds in Budget Estimates (BEs) as per the norms stipulated in the Sports Policy. It is to be noted that the requirement projected by SATS in BEs year after year was abysmally less than the stipulated norm of 0.50 per cent of total State Budget. Specific reasons for such low projection of requirements in BEs and the basis on which the requirements were sought were not furnished by SATS.

Government replied (February 2018) that it had given priority for sanction of budget for development of agriculture, irrigation, electricity and other public welfare programmes. Hence, the budget allocation for development of sports was restricted. It was further stated that SATS had submitted budget proposals for 2018-19 as per the norms stipulated in the sports policy for promotion of sports, with due allocations to DSAs in the State.

Audit scrutiny of records further showed the following:

- During 2014-15, an amount of ₹3.94 crore allocated for conducting tournaments, grants to DSAs, assistance to Academies, etc. were not utilised within the financial year due to release of funds at the fag end of the financial year.
- For salaries/pensions and other administrative expenses SATS projected a requirement of ₹18.65 crore (2015-16) and ₹21.32 crore (2016-17) in BEs. Against this, only ₹7.63 crore and ₹9.58 crore respectively were released. The requirement over and above the releases under these heads were met by diverting the grants released for conducting tournaments, grants to DSAs and assistance to Academies.
- SATS did not sanction any grants to DSAs during 2014-17 for promoting games and sports at respective levels.

SATS attributed (July 2017) non-provision of grants to DSAs to insufficient Budget allocation by the Government.

Thus, the related sports activities including creation of infrastructure in sports schools/ DSAs suffered in the State (Paragraphs 3.1.6 and 3.1.7 also refer).

Government accepted the Audit observations. It was stated (February 2018) that efforts were being made for allocation of sufficient budget and to release grants to DSAs during the next financial year. It was further stated that efforts would also be made to avoid diversion of funds.

3.1.4.2 Resource Mobilisation

Government is to provide²⁰ adequate funding and make scope for resource mobilisation so as to make SATS financially sound and self sufficient in promoting games and sports at respective levels. Further, funds from different sources are required to be mobilised by the Government for implementation of Sports Policy in the State.

Audit scrutiny of records showed the following:

Source of funding provided in the Sports Policy	Audit findings
(i) <i>As per Para 12 (f) of the Sports Policy, there should be corpus funds for all Village, Mandal, District Sports Authorities for maintenance and promotion of sport activities.</i>	Scrutiny of records at SATS/sampled DSAs, however, showed that envisaged corpus fund was not created at any level in the State during 2014-17.
(ii) <i>As per Para 12 (c) of the Sports Policy, an additional surcharge of five per cent is to be imposed on Excise Duty on sale of liquor, which is to be adjusted by Excise Department directly to SATS.</i>	During 2014-17, an amount of ₹28.60 crore ²¹ being the additional surcharge on Excise Duty was collected by the State Excise Department towards implementing Sports Policy. The same was, however, not remitted to SATS as of November 2017.

²⁰ As per the Paras 4 & 12 of the Sports Policy

²¹ 2014-15: ₹7.76 crore, 2015-16: ₹10.42 crore and 2016-17: ₹10.42 crore

	SATS replied (November 2017) that it was pursuing with the Government for releasing the amount for promotion of sports.
(iii) <i>As per Para 12 (d) of the Sports Policy, all Gram Panchayats, Municipalities and Corporations should collect an additional cess of three per cent on all property taxes, proceeds of which should be credited to the respective sports authorities for expending within the same area.</i>	<p>During 2014-17, no amounts in the form of additional cess on property tax were credited to SATS/DSAs for promotion of sports.</p> <ul style="list-style-type: none"> • Audit observed that three Municipal Corporations (i.e., except Warangal) in the sampled districts did not collect three <i>per cent</i> additional cess (i.e., ₹101 crore) on property tax collected (₹3,365 crore²²) during 2014-17. • Greater Warangal Municipal Corporation had collected ₹2.10 crore being the 1.5 <i>per cent</i> cess (instead of three <i>per cent</i>) on property tax. It was, however, not remitted to DSA. • In Nizamabad district, additional cess of three <i>per cent</i>, i.e., ₹1.35 crore intended for sports promotion was not levied in the property tax collected (₹45 crore) by Gram Panchayats in the district during 2014-17. • Similarly, in Medak and Warangal districts, additional cess had not been levied in the property tax collected²³ by Gram Panchayats during 2014-17.
(iv) <i>As per Para 12 (e) of the Sports Policy, District Panchayat Officers should allocate three per cent of revenue from quarrying of sand for sports activities and distribute the same among the Village, Mandal, District level Sports Authorities in the prescribed ratio.</i>	<ul style="list-style-type: none"> • During 2014-17, an amount of ₹54 crore was realised from quarrying of sand in the State. Three <i>per cent</i> of such revenue, i.e., ₹1.62 crore was, however, not distributed to DSAs, as envisaged. • In Nizamabad district, revenue realised, i.e., ₹4.33 lakh from quarrying of sand during 2015-16 was allocated/released by Zilla Praja Parishad to DSA. There was, however, no such allocation during 2014-15 and 2016-17.

Thus, adequate Budget allocation was not made by the Government nor did it enforce the relevant Sports Policy provisions for resource mobilisation for promotion of sports. This indicated lack of Government's commitment towards promotion of sports in the State especially at grassroot level.

Government replied (February 2018) that the issue relating to remittance of additional surcharge on Excise Duty collected by the State Excise Department to SATS for promotion

²² Greater Hyderabad Municipal Corporation: ₹3309.76 crore, Sangareddy Municipal Corporation: ₹12.58 crore and Nizamabad Municipal Corporation: ₹42.55 crore

²³ Details with regard to the quantum of amount collected through property tax during 2014-17 was not furnished to Audit by the District Panchayat Offices concerned

of sports was under consideration. It was further stated that SATS had requested concerned authorities²⁴ to issue suitable instructions²⁵ to collect additional cess on all property taxes, quarrying of sand and to remit the same to the respective sports authorities. Instructions were also issued to create a corpus fund for promotion of sports activities at grassroot level.

3.1.4.3 Augmentation of income

As per Section 4 of the Act, SATS has the power to augment revenue inter alia by leasing out its properties.

For augmentation of income, SATS allocates existing stadia for sports and non-sports activities in the State as per the rules framed by the Government. Besides, the shops constructed in the stadia are also to be leased out as per the agreements. Following are the Audit observations:

Allotment of stadia for sporting and non-sporting activities

As per the Sports Authority Rules²⁶, 2012, base rate per day for allotment of stadium for sporting events to private agencies/organisations is one and half times of normal base rate. Different higher base rates are applicable for non-sporting activities. If the sporting events are conducted on commercial lines or by generating revenues²⁷, separate order specifying the rates should be issued for this category. In addition to maintenance fee, 10 per cent of gross revenue from sale of gate tickets/advertisements, etc. is to be paid to Sports Authority.

Audit scrutiny of records of SATS relating to allotment of four stadia²⁸ in Hyderabad showed the following:

- An amount of ₹43.52 lakh²⁹ was due (as of August 2017) from the 10 organisers for the events conducted in four stadia in Hyderabad during 2008 to 2016. Of this, an amount of ₹36.85 lakh (85 per cent) was due from Badminton Association of Telangana (BAT) for allotment of GMCB indoor stadium, Gachibowli during 2016. SATS did not, however, collect arrears from the event organisers including BAT.

SATS replied (November 2017) that although it had issued notices to BAT there was no remittance of dues by it. It was further stated that it would take necessary steps to collect the arrears from BAT.

- The GMCB indoor stadium was allotted to two private agencies³⁰ for conducting Kabaddi competitions under the category of sporting events. It was observed that the event was organised on commercial lines. SATS, however, collected charges as applicable under sporting category, contrary to rules with regard to allotment of stadia for commercial events. A separate order specifying the rates for commercial events which generate revenues through gate ticket, telecast rights, advertisements was not

²⁴ In Panchayat Raj & Rural Development and Municipal Administration & Urban Development Departments

²⁵ to Gram Panchayats and Municipalities

²⁶ for procedure for allotment of sports stadia for sporting and non-sporting activities

²⁷ through gate ticket, telecast rights, advertisement

²⁸ LB Stadium (Sports stadium and Indoor stadium); GMCB Stadium, Gachibowli; KVBR Indoor Stadium; and Saroornagar Indoor Stadium

²⁹ 2008: ₹0.60 lakh, 2014: ₹1.62 lakh, 2015: ₹3.69 lakh and 2016: ₹37.61 lakh

³⁰ M/s Veera Sports (June/July 2016) and M/s. Events Now Private Ltd. (July 2016)

issued as stipulated. In the absence of specific rate for the sports events which was conducted on commercial lines, Audit could not assess the revenue lost by SATS.

Government did not offer (February 2018) any justification for collection of base rate charges by SATS for allotment of stadium for sports activities conducted on commercial lines.

Further, SATS did not assess its share (10 *per cent*) of actual revenue earned by event organisers through sale of gate tickets and advertisements, though stipulated in the rules. Instead it accepted (December 2016) the payment of a lumpsum amount of ₹5 lakh each from two private agencies.

Government replied (February 2018) that the action of SATS for acceptance of a lumpsum amount of ₹5 lakh each from the two private agencies had been ratified. However, specific reasons for acceptance of lumpsum amount by SATS instead of 10 *per cent* of revenue share as stipulated in the Rules, were not forthcoming from the reply.

Leasing out of shops in stadia

In LB Stadium Complex at Hyderabad, shops and cubicles were leased out to various tenants during 1968. There were 43 shops, 27 cubicles and Fateh Maidan Club (FMC) occupying the stadium complex. Sports Authority enhanced (March 2009) the monthly lease rentals for shops/cubicles/FMC based on the report (September 2008) of a consultant engaged for evaluating rentals of the premises. The rate fixed was subject to enhancement every three years.

Audit scrutiny of records of Estate Wing of SATS showed the following:

- All the lease rental agreements had lapsed (as of August 2017) in respect of all the 43 shops and 27 cubicles in the stadium. SATS, however, allowed them to continue without having any agreements renewed. Out of 43 shops, agreements of 28 shops lapsed over 35 years ago. Further, there were cases of illegal occupation by the persons other than original allottees in respect of 12 shops and 11 cubicles.

Government replied (February 2018) that SATS had issued notices to all the shops and cubicles for renewal of agreements and increase of rents. On this issue, occupants of the shops and cubicles had however, approached the Hon'ble High court and City Civil court and the cases were pending. It was further stated that legal steps were being taken to vacate illegal occupants of shops and cubicles.

- As of October 2017, rental arrears mounted to ₹43.62 crore and of this ₹35.14 crore (81 *per cent*) was due from Fateh Maidan Club (FMC) alone. For FMC, Sports Authority enhanced the monthly lease rental from ₹16,000 to ₹18.30 lakh (i.e., ₹45 per sq. ft. @ 40,665.25 sq. ft.) with effect from April 2009. FMC had, however, been continuing to pay only ₹16,000 (i.e., ₹0.39 per sq. ft.) per month ever since 1993. There was no recorded evidence (2009-17) of the Sports Authority having taken appropriate steps to recover the rental arrears by taking it up with the Government.

It was further observed that the annual rents accrued (₹22 lakh) from FMC and other shops/cubicles were too meagre and not even sufficient to pay the annual property tax (₹36 lakh) of the stadium.

Government replied (February 2018) that SATS had issued notices to all the occupants including FMC for remittance of rental arrears along with 18 *per cent* interest per annum on rental arrears. It was further stated that appropriate steps would be taken to resolve the issue.

Non-accrual of projected revenue

DSA, Warangal proposed (2004) to construct commercial complex (adjacent to Indoor Stadium at Hanamkonda) on its land for enhancing their revenues. An MoU was entered with the Kakatiya Urban Development Authority (KUDA) in 2011 for sharing the revenue equally. As per the MoU, the cost of construction was to be borne by KUDA and the construction scheduled to be completed by 2012-13.

It was observed that the construction of the complex was, however, not completed as of August 2017. The DSA did not monitor the completion of the construction of the complex with KUDA.

As per the project report, after completion of construction, annual rent of ₹39.84 lakh would be realised. ***Non-completion of construction of commercial complex despite the lapse of over four years, resulted in non-accrual of projected revenue of over ₹80 lakh³¹.***

On the matter being pointed out in Audit, DSA replied (April 2017) that, the issue would be pursued with the KUDA.

Government replied (February 2018) that the matter was being pursued with KUDA for early completion of the construction of commercial complex.

3.1.5 Universal participation in sports

**Government's
long-term strategy
(Vision: 2020)**

To universalise participation in sports by linking education and sports so as to ensure that each citizen plays at least one sport during his youth

3.1.5.1 Conducting of sports competitions for spotting talent

According to the provisions of Para 9 of Sports Policy, systematic processes planning from remotest rural areas to the well developed urban areas should spot sports talent. Talent should be spotted in the categories of school students, college students and non-student youth in rural and urban areas. The systems for talent spotting should be a coordinated affair between School Education, Youth & Sports and Panchayat Raj Departments.

Audit scrutiny of records at SATS and sampled DSAs showed the following:

- Summer camps only were conducted in some rural areas. However, SATS did not organise sports activities/selections of candidates for admission into sports institutions from remotest rural areas/villages. In all the four sampled districts, the DSAs did not conduct games competitions from village level in schools, colleges and non-student youth category.

³¹ up to July 2017

Government replied (February 2018) that efforts were being made to form the VSAs and MSAs to conduct sporting activities in rural areas. It was further stated sufficient budget allotment would be ensured for development of sports in the remotest rural areas/developed urban areas for spotting talent from grassroot level.

- Similarly, games sponsored by GoI³² were also not conducted (2014-17) right from Mandal level in six³³ out of 10 districts in the State in violation of scheme guidelines. Instead, competitions were conducted from district level.

Government replied (February 2018) that proper care would be taken to monitor conducting of competitions right from Mandal level as per the guidelines issued by GoI. It was further stated that SATS had issued instructions to all the DSAs in this regard.

- There was no evidence on record (with SATS) to show that coordinated action among School Education, Youth & Sports and Panchayat Raj Departments was secured for talent spotting activities. Twenty eight (46 *per cent*) out of 61 sampled schools did not participate in the competitions organised by SATS. In Warangal district, Headmasters of the sampled schools replied (July 2017) that no communication was ever received (2014-17) from SATS regarding promotion/conducting of sports.

Government replied (February 2018) that the issue relating to linking up education with sports would be taken up with the concerned Departments³⁴ to ensure that each citizen play at least one sport during his period of education. It was further stated that presently School Education Department was organising the sports competitions in all the schools in the State. SATS would provide the required facilities *viz.*, sparing of coaches, play fields for conducting of sports.

- *As per the Sports Policy, practice of Yoga is to be universalised among all ages of population.* It was, however, observed that no such activities were organised by DSAs, Medak and Warangal. DSA, Hyderabad organised Yoga activities only on Yoga Day every year. DSA, Nizamabad organised these activities without the coach.

Thus, there was no systematic planning to spot sports talent across the length and breadth of the State.

3.1.5.2 Linking Education and Sports

As per Para 8 of Sports Policy, students are to be encouraged to play at least one sport from Class VI up to Intermediate (+2) stage. All Educational institutions were to provide specialised coaching for talented students by appointing PET/Coach at their cost. A playground with facilities to play at least three sports is also to be provided. All schools and private youth organisations are to be provided with Sports Kits for this purpose.

Audit scrutiny³⁵ showed that SATS failed to coordinate with Education Department to ensure promotion of sports activities and availability of required sports infrastructure in the sampled educational institutions.

³² Rajiv Gandhi Khel Abhiyan (RGKA)/Khelo India Sports

³³ Hyderabad, Medak, Mahabubnagar, Nalgonda, Warangal and Khammam

³⁴ School Education and Panchayat Raj and Rural Development Departments

³⁵ including joint physical verification of sampled educational institutions

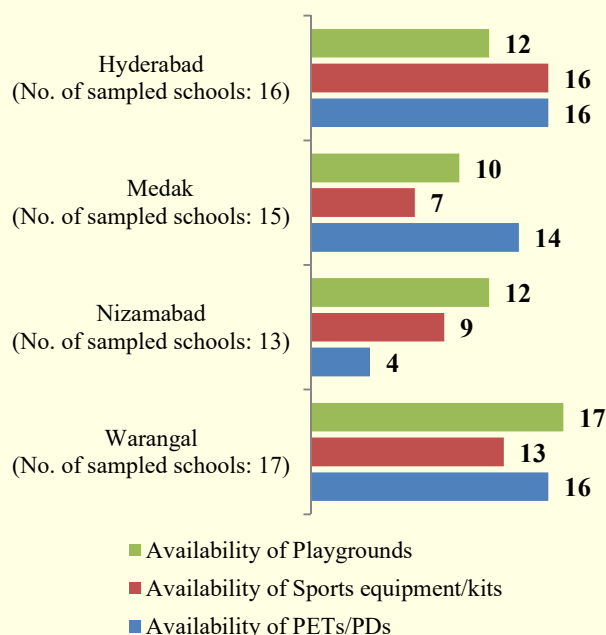
In the 61 educational institutions in the four sampled districts, Audit found that 16 and 26 *per cent* of schools did not have playground facility and adequate sports equipment respectively. In 18 *per cent* of schools, Physical Education Teachers (PET)/Physical Directors (PD) were not available for imparting sports coaching. Details are shown in Chart-3.1.

Even out of 45 schools (that had sports equipment), in 44³⁶ schools, neither SATS nor the Government supplied sports equipment/kits during 2014-17. As a result, the school authorities had to make their own arrangements for procuring them.

Government replied (February 2018) that suitable instructions³⁷ were being issued

to all the educational institutions to link up education with sports. It was further stated that Institutions were being instructed to ensure adequate playground facilities, sports infrastructure and PETs to facilitate the students to play at least three games in each school.

Chart-3.1: Availability of Sports infrastructure and coaches in sampled schools



Source: Data furnished by test-checked Schools

3.1.6 Universal Access to Sports Infrastructure

Government's long-term strategy (Vision 2020)

To universalise sports infrastructure, providing opportunity for all the youth in urban, rural, tribal areas to pursue sport of their choice

3.1.6.1 Creation of Sports Infrastructure

As per Paras 4 & 7 of the Sports Policy, Government committed to develop suitable play fields in all villages, Mandal and District headquarters by 2020. Further, in each district, outdoor, indoor stadia and swimming pool with national standard infrastructure was to be provided by 2005.

Audit scrutiny of records of SATS, however, showed the following:

- After formation of the State, SATS had not carried out any gap analysis of availability of sports infrastructure at Mandal level to the sportspersons in the State. Playfields were not provided with standard sports infrastructure by the Government in each Mandal headquarters. The outdoor/indoor stadia and swimming pool with national standard infrastructure were also not provided in each district. In three sampled districts, playfields/mini stadia were available only in 27³⁸ (20 *per cent*) out of 133 mandals.

³⁶ i.e., except Zilla Parishad High School, Neela, Nizamabad district

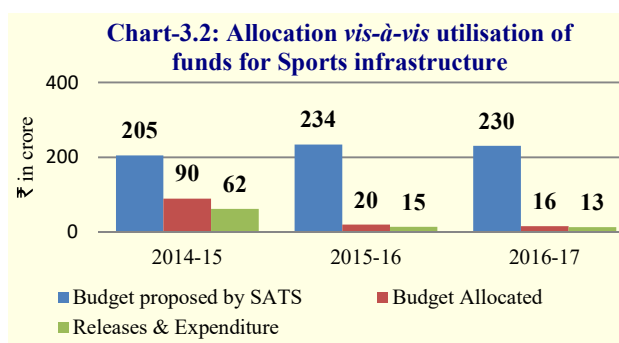
³⁷ through School Education and Panchayat Raj Departments

³⁸ Medak: 12 out of 46, Nizamabad: 12 out of 36 and Warangal: 3 out of 51

SATS replied (November 2017) that it was taking steps to form Mandal Sports Authorities (MSAs) and once these were formed, it would conduct the gap analysis with regard to availability of sports equipment.

Government replied (February 2018) that efforts were being made for identifying the required land in each Mandal/District headquarters for development of sports infrastructure in a phased manner.

- SATS did not ensure creation of sports infrastructure at Mandal level with the involvement of local community as envisaged in Sports Policy. Further, Government did not provide any funds to match with the contribution to be made by local community towards creation of sports infrastructure during 2014-17.
- For creation of sports infrastructure in the State, during 2014-17, Government allocated a meagre ₹126 crore (19 per cent) against the requirement of ₹669 crore proposed by SATS. Of this, only ₹90 crore was released and these funds were utilised by SATS.



As can be seen from the Chart-3.2, the allocations and the utilisation of funds for creation of sports infrastructure were on decreasing trend during 2014-17. This led to a many of the construction (infrastructure) works not being completed as discussed in the succeeding paragraphs.

In their reply (February 2018) Government admitted the fact of non-completion of construction works relating to creation/development of sports infrastructure. Government attributed the delay to restricting the budget allocation for development of sports on account of assigning priority to other sectors.

- During 2012-17 Government took up 137 works³⁹ including construction/upgradation of 91⁴⁰ stadia (project cost: ₹216.43 crore) in 91 out of 119 Assembly Constituencies. The works were being executed by various agencies viz., Panchayat Raj, Roads and Buildings Departments, etc. As of July 2017, an aggregate expenditure of ₹90 crore was incurred on these works. The status of construction/upgradation works of 91 stadia is given in the Table-3.2 below.

Table-3.2

	Number of works				
	Taken up	Complete	Under progress	Not Started	Stopped
Mini-stadia	71	10	26	33	2
Green Field	3	0	0	3	0
Sports Stadia	9	3	3	3	0
Indore Stadia	8	2	2	4	0
Total	91	15	31	43	2

Source: Records of SATS

³⁹ Construction/modernisation/renovation works, improvement of infrastructure in existing stadia, etc.

⁴⁰ Mini Stadia: 71, Green field Stadia: 3, Indoor Stadia: 8, Sports Stadia: 9

Out of 91 stadia, works related to 43 stadia (47 *per cent*) (cost: ₹105 crore) were not commenced due to non-finalisation of site, non-alienation of land, etc. as of June 2017. It is to be noted that an expenditure of ₹24.04 crore (31 *per cent*) was incurred on 31 ongoing works against the requirement of ₹78.14 crore. Majority (19) of these works were sanctioned during 2012-13.

SATS attributed (July 2017) non-completion of the works to meagre allocation/release of funds. It was further stated that SATS had no mechanism to monitor the progress of works and thus not aware of the reasons for the delay in completion of works.

SATS is the apex institution of Government engaged in promotion of Sports in the State. Hence, it should have monitored the progress of construction activities and creation of sports infrastructure in the State through periodical progress reports from the executing agencies. Further, SATS should have pursued with the Government for allocation and release of adequate funds for smooth completion/creation of sports infrastructure. The present status was only reflective of SATS's ineffective pursuance with the Government in this regard. Hence, the reply was not acceptable.

Government replied (February 2018) that proposal for strengthening the Engineering Wing of SATS by providing required staff to monitor progress of works was under consideration.

Out of 15 completed stadia, five stadia were put to use and seven stadia were yet to be inaugurated. The remaining three stadia were occupied by District Armed Police (Asifabad and Suryapet) and by Municipal Authorities (Wanaparthi) for their temporary accommodation. The sports infrastructure (value: ₹4.28 crore) created in these three stadia thus remained unavailable for sporting activities.



Stadium at Suryapet occupied by Police Department (June 2017)

It was observed that the proposed Sports Academy at Wanaparthi could not commence its activities due to occupation of the stadium by Municipal Authorities. In Asifabad, Police forces erected certain poles in the stadium as per their needs and made the play field as a parking place. This defeated the objective and very purpose of construction of sports stadia.

SATS confirmed (November 2017) that since the other departments occupied the stadia for their temporary accommodation, there was no scope to conduct sports events in the three stadia. Government replied (February 2018) that the three stadia would be vacated soon after an alternative arrangement was made for accommodation of existing offices.

- Audit scrutiny and physical verification of four construction works showed that there was ineffective monitoring by SATS as well as by DSAs, as detailed below.

Description of the work	Audit observations
<p><i>Construction of academic and residential blocks in Sports School, Karimnagar</i></p> <p>The work was awarded (April 2007) at ₹2.28 crore with a stipulation to complete the work within one year.</p>	<p>The work was stopped (2008) after incurring an expenditure of ₹1.39 crore due to non-release of funds by the erstwhile AP Sports Authority even after repeated requests made by the DSA. Revised estimates for ₹2.91 crore to complete incomplete works were prepared (April 2017) and the works were being taken up.</p> <p><i>Due to non-completion of the construction, the school was being run in Dr. B.R. Ambedkar Stadium with limited facilities.</i></p> <p>Government replied that the construction works would be completed by the end of May 2018 and that the school would function with all the facilities from ensuing academic year.</p>
<p><i>Construction of compound wall around the Sports School, Hakimpet (area: 206 acres)</i></p> <p>The work was entrusted (October 2015) to the contractor for ₹2.42 crore. The work was to be completed by April 2016.</p>	<p>The contract was terminated (April 2017) after incurring an expenditure of ₹0.72 crore due to slow progress of work. The remaining work was awarded (June 2017) to another contractor for ₹1.60 crore.</p> <p>SATS did not ensure clearance of pending land disputes with neighbouring habitations before entrustment of the construction work on both the occasions to the contractor.</p> <p><i>Thus, security to inmates of the school was compromised. Further, the objective of preventing encroachments of land remained unachieved.</i></p> <p>Government replied (February 2018) that action had been initiated to clear pending land disputes and to complete the construction work of compound wall.</p>
<p><i>Construction of seating arrangement at swimming pool, Nizamabad</i></p> <p>The work for construction (length of 35.5 metres) of seating arrangement was awarded to a contractor at an estimated cost of ₹5 lakh.</p>	<p>The work was stopped midway after construction of seven metres length. However, the entire amount of ₹5 lakh meant for construction of 35.5 meters length was incurred (April 2015).</p> <p>While reviewing the work under progress, the District Collector ordered (October 2015) to probe the issue. Action taken on the District Collector's orders was, however, not on record with the DSA.</p>
<p><i>Repairs and renovation of indoor stadium at Nagaram, Nizamabad</i></p>	<p>The indoor stadium was not in use for over 10 years. However, in April 2015 an amount of ₹5.84 lakh was incurred towards repairs and renovation. The stadium was, however, kept locked and not put to use even after two years of completion of repairs and renovation.</p> <p>Government replied (February 2018) that since the stadium was far away (8 km) from the district headquarters, only sports competitions were being held.</p>

3.1.7 Excellence in Sports performance

Government's long-term strategy (Vision 2020)

To achieve excellence in sports performance in selected sports/games and produce the best sports persons in the country by 2010, and to produce internationally renowned sports persons by 2020

3.1.7.1 Nurturing Sports Excellence

As per Para 10 of Sports Policy, promising sports persons selected will be provided admission in sports schools and academies for specialised coaching. Sports academies will be offered for adoption to reputed corporate bodies who undertake to finance their development and for providing expert coaching, training material and sponsoring.

Sports Schools and Academies

Audit scrutiny of records/physical verification of sports institutions showed the following:

- In the State, only three⁴¹ Sports Schools, two⁴² Sports Academies and one Sports Hostel⁴³ were functioning under SATS. These six sports institutions with sanctioned strength of 963 were catering specialised coaching needs of the young sports persons of the entire State. Further, the existing two Academies offered seats for boys only.
- Due to non-provision of funds, two Sports Academies viz., Centre of Excellence (Volleyball), Hyderabad and Badminton Academy, Khammam discontinued their activities (in the disciplines) in 2014 and 2016 respectively. Further, Football and Handball Academy at Hyderabad was proposed to be started in August 2015. It, however, did not materialise, again due to non-provision of funds.

Government replied (February 2018) that the three sports academies would be resumed in the financial year 2018-19.

- There was no proposal with SATS for adoption of any sports academy by corporate house/societies of repute for bringing the Academy up to international standards.
- *Inmates and coaches of Sports Schools are required to be provided with a sports kit⁴⁴ and sports equipment for practicing and participating in tournaments.*

In the Sports School, Hakimpet, sports kits and equipment were not procured/provided to inmates and coaches during 2014-16. During 2016-17, only one pair of track suit and shoes were provided to inmates leaving other items of sports kit. In three sports institutions⁴⁵, the inmates were not supplied the required sports kits and equipment during 2014-17. This was attributed to non-release of funds/non-supply of kits by SATS. Inmates had to utilise old/damaged sports kits and equipment after undertaking some repairs.

⁴¹ Telangana State Sports Schools, Hakimpet, Rangareddy district (Sanctioned strength: 450) and Adilabad (120); and Regional Sports School, Karimnagar (210)

⁴² Cycling & Wrestling Academy, Hyderabad (Sanctioned strength: 45) and Athletics Academy (Boys), Khammam (20)

⁴³ At Warangal (Sanctioned strength: 118)

⁴⁴ consisting of track suits (2 pairs), wind shitter, T shirts & shorts (2 pairs), shoes (2 pairs), socks (2 pairs), etc.

⁴⁵ Sports School, Karimnagar, Athletics Academy (Boys), Khammam, Cycling & Wrestling Academy, Hyderabad

In Sports School, Adilabad (established in 2016-17), most of the items of sports kit were, however, provided to inmates of the school during 2016-17.

In Sports Hostel, Warangal, sports kits, participation dress and daily needs were not provided to the inmates during the last six year period. Further, no sports material had been supplied by the SATS nor purchased by Hostel authorities during 2014-17.

Government replied (February 2018) that sports kits would be provided in the financial year 2018-19.

- *Admissions into Sports Schools at Class IV will be made⁴⁶ on the basis of prescribed age limit of 8 years and performance in battery tests⁴⁷ conducted at Mandal, District and State levels.*

In State Sports School, Hakimpet, 27⁴⁸ students studying Class IV to X were allowed temporary admission (2015-16 and 2016-17), bypassing Mandal, District and State level selections envisaged in the guidelines. Test-check of evaluation and physical tests reports of 24 students showed that 20 students secured very poor/poor/average points. They were, however, admitted under observation category for six months and they were being continued thereafter. This clearly constituted a violation of rules of admission into Sports School without proper evaluation of students.

School Authorities replied (April 2017) that the matter would be examined and necessary action taken in due course. It was further replied (November 2017) that nine students from the observation category were weeded out in view of their poor performance.

Coaches

In the State as a whole, eleven coaches (20 *per cent*) were available (August 2017) against the required strength of 54⁴⁹ Grade I, II III coaches in various sports schools, academies, sports hostel and stadia under the jurisdiction of SATS.

Non-availability of coaches adversely affects the quality of sports training.

In Sports Academy, Khammam, admissions were not made in football discipline during 2015-16 and 2016-17 due to non-availability of coach. Further, selection process was completed for admission into Badminton discipline for 2016-17. The sport discipline was, however, discontinued due to non-availability of coach.

Government replied (February 2018) that proposals made⁵⁰ by SATS for filling up the vacancies of coaches in sports schools/academies, etc. were under consideration of the Government.

⁴⁶ as per the guidelines issued by SATS

⁴⁷ a group of fitness tests that closely represents the various physiological demands of sport or event

⁴⁸ 2015-16: 11 and 2016-17: 16

⁴⁹ Grade-I (Sanctioned strength: 11/Existing: 5), Grade-II: (5/5) and Grade-III: (38/1). Further, 35 temporary coaches were engaged on contract basis against 37 vacant posts of Grade III coaches

⁵⁰ in March and November 2017

3.1.7.2 Job Security to players

Job security is provided⁵¹ for sports persons of national and international standards and incentives are provided in self-employment ventures for all who reach State level. Government also provided two per cent sports reservation for direct recruitment in Government at all levels.

Audit, however, observed that, except in Home (Police) Department, Government did not implement the envisaged two *per cent* sports reservation at any level of direct recruitments. Further, SATS had not made any analysis of recruitment.

Government replied (February 2018) that the issue relating to implementation of the sports quota reservations in all recruitments was under consideration. It was further stated that necessary steps would be taken for providing job security/incentives to the sports persons as per the Sports Policy.

3.1.7.3 Financial assistance to Sports Associations

As per Para 14 of Sports Policy, incentives may be given to Sports/Games Associations for organising official tournaments.

The erstwhile AP Sports Authority decided (July 2005) that Sports Authorities might extend financial assistance of ₹3 lakh to recognised sports associations to conduct national championships. The Government enhanced (February 2016) the financial assistance ranging from ₹5 to ₹15 lakh (based on discipline of the sport) for conduct of national championships with prospective effect without opening earlier cases.

Audit observed that five sports associations⁵² conducted national championships prior⁵³ to February 2016. Thus, these sports associations were eligible for financial assistance of ₹3 lakh each totalling to ₹15 lakh. Audit, however, observed that financial assistance of ₹90 lakh (as detailed in *Appendix 3.1*) was given to these five sports associations. As a result, excess financial assistance of ₹75 lakh was given to them.

Government replied (February 2018) that additional financial assistance was extended to some sports associations as a special case.

However, no justification was on record with SATS for sanctioning of financial assistance over and above the revised rates to the sports associations and for extending the benefit to past events.

3.1.8 Monitoring

As per the existing instructions (March 2010) of the Government, DSAs are required to conduct monthly meetings to review the functions and sports activities undertaken in the respective districts.

⁵¹ as per Paras 5 & 11 of Sports Policy

⁵² Medak District volley ball association, Telangana Handball Association, Telangana Rowing Association, Telangana Ball Badminton Association and Telangana State Table Tennis Association

⁵³ during January 2015 to January 2016

It was, however, observed that the DSAs of sampled districts did not conduct (2014-17) the monthly meetings to help monitoring and co-ordination of the sport activities. Further, MSAs and VSAs were not yet constituted (January 2018) (*Paragraph 3.1.3 also refers*).

Thus, there was lack of adequate monitoring mechanism both at District and the Mandal level. It adversely affected the sports promotion and creation of infrastructure at Mandal/District level in the State as discussed in the paragraphs supra.

Government replied (February 2018) that necessary instructions would be issued to the DSAs to conduct the monthly meetings as stipulated for monitoring and coordination of the sports activities in the districts.

3.1.9 Conclusion

Sports promotion activities in the State lacked the required impetus in terms of direction. This was due to absence of proactive planning for promotion of sports and fully functional administrative set up and coordination of the sports activities. Education and sports activities were not linked. There was no systematic planning to spot sports talent across the length and breadth of the State. SATS failed to project the requirement of funds (in Budget Estimates) as per the norm stipulated in the State Sports Policy. The allocation and the releases made by Government were even lower. This left the District Sports Authorities with no funds for sports promotion activities (except under GoI schemes).

None of the strategic goals aimed in the year 2000 viz., universalised participation in sports, sports infrastructure, excellence in sports performance, self sufficiency of administering bodies, etc. were achieved even after seventeen years. As a result, there was no significant progress in achieving excellence in sports performance.

Government replied (February 2018) that the strategic goals aimed in the Sports Policy, 2000 would be achieved shortly.

Scheduled Castes Development Department

3.2 Implementation of Economic Support Schemes for Scheduled Castes

3.2.1 Introduction

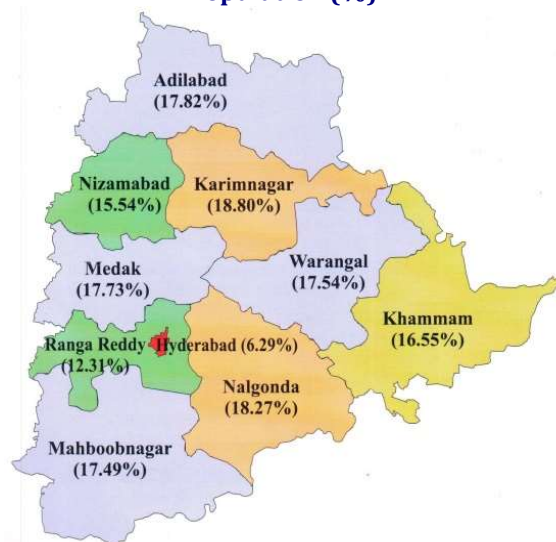
Scheduled Castes Development Department is dedicated to the integrated and overall development of Scheduled Castes (SC). The State of Telangana has SC population of 54.33 lakh (15 per cent) out of total population of 351.94 lakh as per 2011 Census.

The Telangana Scheduled Castes Cooperative Development Corporation Ltd. (Corporation), under the Department⁵⁴ implements Economic Support Schemes (ESS) which are aimed at SC beneficiaries of poorest-of-poor (PoP) households, agricultural landless labourers, small & marginal farmers, leather artisans and other vulnerable groups. The ESS schemes can be broadly categorised into two:

- Part I: Schemes without Bank linkage which includes the Land Purchase Scheme (LPS) as the flagship programme, under which land is distributed to the families. Other schemes include Land Development Schemes and Training programmes (skill development and skill upgradation).
- Part II: Bank-linked Self-employment/ESS under Industries Service Business (ISB) Sector and ESS for Vulnerable Groups⁵⁵ which assist the beneficiaries to set up business units.

Scheduled Castes Development Department functions under the overall control of the Special Chief Secretary. The Corporation is headed by a Vice Chairman & Managing Director (VC&MD), assisted by General Managers, Executive Officers and other supporting staff. The Corporation has 10 District⁵⁶ Scheduled Castes (SC) Societies to function at the district level. Executive Directors (EDs) are in charge of the District SC Societies. The District Collector is the Chairman of District SC Societies.

District-wise Spatial Distribution of SC Population (%)



Source: Corporation SC Action Plan for 2015-16

⁵⁴ the main objectives are: educational advancement, socio-economic development, welfare and protection of Scheduled Castes and implementation of various Government schemes targeting SC population, issues of implementation of rule of reservation, Bonded Labour and Scavengers and House sites to Weaker Sections

⁵⁵ refers to Sanitation workers, Jogins, Bonded labour, Atrocity victims, Manual Scavengers, etc.

⁵⁶ consequent upon reorganisation of erstwhile 10 Districts of Telangana State into 31 Districts in October 2016, the 10 District Societies too were similarly reorganised into 31 District SC Societies to function accordingly

3.2.1.1 Audit Framework

Audit of the Corporation was carried out between January and May 2017 covering the period 2014-15 to 2016-17 to assess whether:

- Action Plans were formulated for providing financial assistance under ESS and LPS Schemes;
- adequate financial provision was made and released in a timely fashion; and
- the schemes were implemented effectively and efficiently bringing about the intended outcomes.

Audit scrutiny involved examination of records and analysis of data obtained from the offices of the VC&MD of the Corporation and the EDs of the three sampled⁵⁷ District SC Societies⁵⁸ of Karimnagar, Mahabubnagar and Rangareddy in the State. Audit also conducted beneficiary survey in the three selected districts in the presence of departmental officials. Three mandals⁵⁹ in each district were selected based on the highest number of beneficiaries.

Audit findings were benchmarked against the criteria sourced from Budget Release Orders, Annual Action Plans of Corporation, Financial Code, Scheme/Programme guidelines as well as Circulars/Orders/Instructions issued by the Government of India, State Government and the Corporation from time to time. The replies of the VC&MD and the Government to the Audit observations have suitably been incorporated in the report.

Audit Findings

3.2.2 Preparation of Annual Action Plans

The Corporation prepares Annual Action Plans (AAPs). After due approval by Government, the AAPs are communicated by the Corporation to the District Societies for implementation of the programme.

Audit observed the following:

- The scheme guidelines stipulated preparation of District Action Plan at district level. But AAPs were not prepared at the district level. It was noticed that the AAPs were prepared by the Corporation without obtaining inputs from the districts. The targets (in AAPs) fixed by the Corporation were thus thrust upon the District SC Societies.
- AAPs were approved by the Government with significant delays⁶⁰, i.e., after 4 to 11 months of commencement of the year.

⁵⁷ based on highest SC population

⁵⁸ the three test-checked District SC Societies of Mahabubnagar, Karimnagar and Rangareddy were later reorganised into 11 District SC Societies consequent upon reorganisation of districts of Telangana State

⁵⁹ Rangareddy district – Pudur, Marpalle and Bantaram mandals; Mahabubnagar district – Veepangandla, Mahabubnagar (Urban) and Atmakur mandals; Karimnagar district – Ellanthakunta, Ramagundam (Urban) and Veenavanka mandals

⁶⁰ 2014-15 (February 2015 – 11 months); 2015-16 (September 2015 – 6 months); 2016-17 (July 2016 – 4 months)

The delay in finalisation of AAPs during 2014-17 resulted in shortfalls in achievement (i.e., disbursal of subsidy) as detailed in Table-3.3 below.

Table-3.3

Name of the scheme	Year	Target		Achievement		Shortfall in units (percent)
		Units	Outlay (subsidy) (₹ in crore)	Units	Outlay (subsidy) (₹ in crore)	
Economic Support Scheme	2014-15	8980	81.25	5498	44.21	3482 (39%)
	2015-16	32715	37.61	3082	34.92	29633 (91%)
	2016-17	41494	526.05	38021	411.28	3473 (8%)
	Total	83189	978.91	46601	490.42	
Land Purchase Scheme	2014-15	6000	900.00	778	74.68	5222 (87%)
	2015-16	3334	500.10	1827	199.12	1507 (45%)
	2016-17	3253	487.88	261	32.20	2992 (92%)
	Total	12587	1887.98	2866	306.01	

Source: AAPs of respective years

In Industries Service Business (ISB) Scheme, the shortfall ranged from 8 to as high as 91 *per cent*. In Land Purchase Scheme (LPS), it ranged from 45 to 92 *per cent* during the period 2014-17 in the State as discussed in the succeeding paragraphs.

District SC Societies (February/March 2017) confirmed that there was no practice of submission of AAPs to Corporation Head Office at Hyderabad. The Corporation attributed (June 2017) the delays to bifurcation of the State, reorganisation of Telangana districts and adoption of new funding pattern. The reply is not tenable as the State of Telangana was formed in June 2014 and the funding pattern remained the same for 2015-16 and 2016-17.

Thus, preparation of AAPs by the Corporation at State level without obtaining inputs from the districts rendered the exercise meaningless. Along with delays, it resulted in shortfalls in achieving stated objectives of the schemes.

3.2.3 Fund Management

Government allocates funds to Scheduled Castes Sub Plan (SCSP) for implementation of ESS every year. Government of India (GoI) releases Special Central Assistance (SCA) for SCSP every year to State Government. These funds are credited to PD Account of the Corporation for implementation of ESS.

Against the total budget provision of ₹3,247.79 crore (including GoI releases under SCA), during the three year period 2014-17, an amount of ₹1,214.76 crore was released to the Corporation (Table-3.4). The releases amounted to a meagre 25 *per cent* of the budget provision during 2014-15, 2015-16 and 50 *per cent* during 2016-17. The actual expenditure incurred (₹1,039.13 crore) by the Corporation was 85 *per cent* of the releases; an amount of ₹79.10 crore was lying with the Corporation unutilised (March 2017).

Table-3.4

(₹ in crore)

Year	Economic Support Schemes					Special Central Assistance				
	BE	OB	Releases	Exp.	CB	BE	OB	Releases	Exp.	CB
2014-15	1000.00	43.17*	224.81	237.80	30.18	96.00	17.19*	71.82	22.91	66.10
2015-16	1000.00	30.18	250.00	144.70	135.48 [#]	0.00	66.10	22.33	67.02	21.41 [#]
2016-17	1247.79	0.00	623.89	551.04	72.85	25.00	0.00	21.91	15.66	6.25
Total			1098.70	933.54				116.06	105.59	

Source: Records of Corporation and Outcome Budgets

Note: **BE:** Budget Estimates, **OB:** Opening Balance, **Exp.:** Expenditure and **CB:** Closing Balance

*amount of ₹66.81 crore received on 02 June 2014 was apportioned as: ₹43.17 crore (ESS) ₹17.19 crore (SCA) + ₹6.45 crore (others)

[#] ₹163.34 crore lapsed to Government as per Government Order of 31 March 2016. The amount includes ₹135.48 crore (ESS) + ₹21.41 crore (SCA) + ₹6.45 crore (others). Bills for ₹135 crore (ESS component) were submitted but were not yet adjusted to PD Account of Corporation pending clearance from the Finance Department

Audit scrutiny of relevant records showed the following.

- There were delays up to 19 months in releasing the SCA funds, by the State Government. Thus, delays in approval of the AAP and delays in release of assistance, together led to reduced utilisation and therefore reduced achievement of targets;
- Unspent balances of SCA were reported at the end of each year. The State Government, however, submitted Utilisation Certificates (UCs) to GoI and depicted the entire amount as expended, which amounted to misreporting.
- On the instructions⁶¹ (March 2016) of the Finance Department, the entire balance amount of ₹163.34 crore as on 31 March 2016 (including SCA of ₹21.41 crore) available in PD account had lapsed. Thus, the funds provided could not be spent for implementation of schemes (*Para 3.2.4.1 further refers*). It was seen that the amount was allowed to lapse in spite of pendency of bills to that extent for approval with the Finance Department. This goes contrary to the spirit of Government's commitment to overall development of Scheduled Castes.

The Corporation requested (November 2016) the Government to provide the SCA component of ₹21.41 crore. The amount was, however, made available to the Corporation only in October 2017.

3.2.4 Implementation of Economic Support Schemes (ESS)

3.2.4.1 Industries Service Business (ISB)

Under ISB scheme, the Corporation releases subsidy to various categories⁶² of SC households for establishing business units. The subsidy is calculated with respect to the unit cost⁶³ as specified in Government orders; the balance amount is expected to be

⁶¹ GO Ms No. 42 issued by Finance (DCM) Department to all departments of State Government directing them to lapse all deposits which remained unspent as on 31 March 2016

⁶² viz. educated unemployed youth, rural/urban women, agricultural landless labourers, leather artisans, sanitation workers, bonded labourers, jogins, manual scavengers etc.

⁶³ unit cost for various categories under ISB were fixed on rural, sub-urban and urban basis and range from ₹one lakh to ₹10 lakh

arranged by the District SC Societies as bank loan. The schemes are to be mapped to identified beneficiaries on the basis of local needs, market feasibility and economic viability and as per beneficiaries' choice from the list of recommended viable schemes.

The Online Beneficiary Monitoring & Management System (OBMMS) software package was developed⁶⁴ to meet the planning and monitoring needs in administering the scheme. The OBMMS was also expected to avoid duplication and curtail delays in the implementation of the schemes.

However, during the period 2014-17, shortcomings/deficiencies were noticed in identification of SC beneficiaries as well as in process of providing them financial support. There were no validity controls in OBMMS software. The lapses noticed in implementation of ISB are discussed below:

Identification of beneficiaries

As per the guidelines of the scheme, eligible/deserving beneficiaries should be identified through Gram Sabha in rural areas and Ward Sabha in urban areas. Such identification was to be made with the aid of database on PoP households maintained by SERP/MEPMA⁶⁵, applications received from interested beneficiaries, registrations through OBMMS portal, representations received from elected representatives, information from Grievances Cell etc., The beneficiaries were to meet eligibility criteria viz. age group, income limit, undertaking towards availing the scheme for first time, etc.

During the period 2014-17, against 83,189 beneficiary groups (units) targeted to be covered at an outlay of ₹978.91 crore, a total number of 46,601 units only were covered (shortfall: 44 per cent) under ISB scheme. The corresponding disbursement of the subsidy component was to an extent of ₹490.41 crore (shortfall: 50 per cent). As discussed in Para 3.2.2 & 3.2.3, delay in finalisation of AAPs coupled with short release of funds led to such shortfall in coverage of beneficiaries.

Audit scrutiny showed the following:

- Of the three test-checked districts, the database of SERP/MEPMA was not utilised except in Rangareddy district. As a result, the cross-checking with the survey results was not conducted as envisaged in the scheme guidelines.
- The AAPs fixed targets with respect to vulnerable groups, but no units were sanctioned by the District Societies for the benefit of these groups during 2014-17. The District Societies stated (February - April 2017) that no such proposals for vulnerable groups were received from the Mandal Parishad Development Officers (MPDOs). The Corporation, however, cited (May 2017) lack of funds as the reason. The reply is not acceptable as there were unspent balances lying with the Corporation at the end of every year during 2014-17.

⁶⁴ with the assistance of the Centre for Good Governance (CGG)

⁶⁵ Society for Elimination of Rural Poverty/Mission for Elimination of Poverty in Municipal Areas who conduct a survey of households

- Age criteria⁶⁶ was fixed for the agricultural and other sectors in the AAPs for sanction of subsidy. Scrutiny of OBMMS data, however, showed that during the years 2014-17, a total subsidy of ₹44.41 lakh was sanctioned to 48 ineligible beneficiaries who were above the prescribed age limit. Government in their reply (February 2018) stated that the audit observations were well taken. It was further stated that instructions had been issued to all the District Societies in the State to observe the eligibility criteria while identifying the eligible beneficiaries under SC Action Plan 2017-18.
- The EDs were required to create awareness on the schemes in all the mandals, predominantly in SC localities/habitations through awareness/publicity camps. The Corporation did not provide to Audit the information with regard to number of awareness camps conducted by each district and utilisation particulars thereof etc. for the period 2014-17 (September 2017).

The above shortcomings/deficiencies adversely impacted the implementation of the scheme.

Financial support to SC beneficiaries

Funding pattern for the ISB during 2014-15 to 2016-17 is as follows.

Table-3.5

Scheme	Subsidy		Bank loan
	2014-15	2015-16 and 2016-17	
Bank – linked self employment/ economic support schemes (ISB)	60% limited to maximum of ₹one lakh	Category-I: 80% (unit cost up to ₹ one lakh) Category-II: 70% (unit cost from ₹1.01 lakh to ₹2 lakh) Category-III: 60% (unit cost from ₹2.01 lakh to ₹10 lakh limited to ₹5 lakh)	Balance amount as bank loan

Source: AAPs of the Corporation and GOs issued by Government of Telangana

The EDs were required to upload two separate bank account numbers of every sanctioned beneficiary along with the IFSC code of respective bank branch into OBMMS viz.,

- Non-operative Savings Bank Account number - meant for direct online transfer of subsidy amount by the Corporation and;
- Loan Account number - for release of loan component by the Bank.

As per the guidelines, following identification of the beneficiaries, the subsidy component is to be transferred into individual non-operative bank accounts of the beneficiaries. This amount is released by the bank along with the loan component (balance amount) to the third party⁶⁷ as and when the units are started up. This is followed by the bank submitting the photograph of the established unit along with the UC for the amount involved, to the Corporation.

⁶⁶ Agricultural sector: 21 – 60 years; Allied sectors: 21 – 50 years

⁶⁷ the source or seller/provider from whom the beneficiary obtains the necessary goods/articles for setting up of units and to whom the bank releases payment directly

Scrutiny of OBMMS data revealed the following:

- The unit cost was to be fixed according to set parameters laid down in the AAP. However, the unit cost allowed by the EDs for a particular unit type was higher than that stipulated in AAPs⁶⁸. This resulted in sanction of higher amount of subsidy. The excess payment of subsidy amounted to ₹6.50 crore in respect of 1,016 beneficiaries (including 215 beneficiaries in the test-checked districts) during the period 2014-17 (details are given in *Appendix-3.2*). Audit also noticed wide variation in unit cost for the same type of unit⁶⁹.

Further, a total of 784 units⁷⁰ out of 1,016 units (subsidy involved: ₹5.32 crore)⁷¹ received the subsidy but had not commenced operations. As a result, the subsidy amount was lying idle in the non-operative bank accounts as of May 2017.

Government in their reply (February 2018) stated that the unit cost fixed was flexible in nature and could be revised at the time of selection of beneficiaries by the selection committee with the consent of the bankers. The reply was not acceptable as there were huge variations for similar type of units. Further, the release of higher quantum of subsidies to a fewer number of beneficiaries had actually deprived other eligible beneficiaries.

- Bank loans were to be raised to bridge the gaps in funding (after release of subsidy) through agreements between the Corporation and the banks. It was, however, observed that the banks insisted on term deposits as surety for release of the loan component under ISB. The beneficiaries being poorest-of-poor (PoPs) were thus forced to borrow money from money lenders at higher rate of interest for depositing the amount in banks. In the event of the beneficiary not being able to invest in term deposit, the banks released only the subsidy component, and the loan component was treated as fixed term deposit.

Beneficiary survey in the test-checked districts showed that out of 105 beneficiaries surveyed, 45⁷² beneficiaries were asked to deposit amounts as fixed term deposits before release of the loan component.

The above irregular practice by banks of insisting on term deposits from PoP beneficiaries defeated the very purpose of the scheme of providing financial assistance to them. On being pointed out in Audit, the EDs of sampled districts replied (April 2017) that instructions were already issued in the past by the District Collectors to all Bank Managers not to insist/collect fixed deposits in lieu of bank loan component from the beneficiaries. Clearly, this aspect was not followed up with Banks by the District Societies.

⁶⁸ unit cost was inflated up to 425 *per cent* for Electrical shop; 400 *per cent* for books and stationery unit; 350 *per cent* for cloth and readymade garments unit; 300 *per cent* for chicken centre and 200 *per cent* for Centering unit

⁶⁹ e.g. for the same type of unit, unit cost was variedly fixed at the rates ranging from ₹2 to 10 lakh for sheep rearing (20+1) unit, Jute bags and products; from ₹3 to 10 lakh for Bio-pesticide Fertilizer shop and from ₹2 to 8.5 lakh for Electrical shop etc.

⁷⁰ 2014-15: 01 unit; 2015-16: 112 units and 2016-17: 671 units

⁷¹ 2014-15: ₹0.50 lakh; 2015-16: ₹0.65 crore and 2016-17: ₹4.66 crore

⁷² Karimnagar-7; Mahabubnagar-10 and Rangareddy-28

Absence of validity controls

OBMMS package was to capture the data comprehensively covering details of sanction proceedings by District Collector, two bank accounts (Non-operative S/B Account and Loan Account), details of start-up of units and collection of utilisation certificates etc. The process would be treated as complete only after the entries of the utilisation certificates of established units along with photographs are uploaded in OBMMS software.

Audit observed the following:

- Loan account was to be different for each beneficiary. The same loan account number was, however, allotted up to nine beneficiaries. Similarly, 293 loan account numbers were repeated multiple times in the case of 747 beneficiaries in the State.
- Eleven duplicate non-operative account numbers were found in the database involving 27 beneficiaries. In the absence of correct Account number, it could not be ascertained in Audit as to whether the subsidy was released to correct beneficiary.
- Aadhaar number is unique identity for every beneficiary. However, there was a repetition of six Aadhaar numbers in respect of 12 beneficiaries. Further, in respect of 414 beneficiaries, the Aadhaar numbers were mentioned as 'Zero'.
- There were 'Blanks' in place of Bank Loan account numbers (12 cases)/non-operative account numbers (05 cases).

Absence of minimum validity controls in OBMMS software to recognise and check duplicate loan account numbers/duplicate Aadhaar Card numbers/non-operative account numbers indicated the poor design and development of the software. This rendered the whole database unreliable.

Government accepted (February 2018) the audit observations and stated that appropriate action would be taken to sort out the issue of duplication of loan accounts, Aadhaar numbers and non-operative bank accounts. It was further stated that efforts were on to rectify the anomalies by taking up the issue with CGG for rectifying/strengthening the OBMMS portal.

Commencement of operations by units

The Corporation required the units to start functioning within 15 days from the date of release of subsidy. Audit scrutiny of OBMMS data and beneficiary survey disclosed the following:

- Subsidy of ₹26.50 crore in respect of 4,597 units (62 per cent)⁷³ and ₹56.61 crore in respect of 5,937 units (78 per cent)⁷⁴ was released during 2014-15 and 2015-16 respectively. No photographs, however, were uploaded by the District SC Societies even after one year of sanction of the units.

Thus, there was no assurance that the units were set up;

⁷³ out of 7,412 units

⁷⁴ out of 7,569 units

- There was (i) a gap of more than one year between the date of receipt of application from the beneficiary and date of sanction in respect of 7,192 cases, (ii) a gap of more than six months between date of sanction to release of funds in respect of 12,972 cases and (iii) a gap of more than three months between the dates of release of funds and commencement of the units in respect of 5,436 cases against the stipulation of 15 days, during 2014-17.

The above issues indicated that there were delays at every stage of the start-up of units. The time limit of 15 days appeared too optimistic to be adhered to. The observations in respect of test-checked districts are given in *Appendix-3.3*. The Corporation accepted (May 2017) the delays in start-up of units to unavoidable and lengthy official procedure involved in the sanction of funds.

Government accepted the audit observation and stated (February 2018) that a fixed time schedule was incorporated in the SC Action Plan 2017-18 right from identification of beneficiaries to setting-up of units. It was further stated that the schedule would henceforth be maintained and reviewed regularly.

Beneficiary survey of 105 units in the three sampled districts revealed the following:

- 21 units⁷⁵ which were sanctioned subsidy and started during the year 2015-16 were not actually in existence.
- In respect of three⁷⁶ beneficiaries across two districts, the type of unit sanctioned and the type of unit actually set up were different.

EDs accepted the audit observations and stated (February - April 2017) that amounts involved therein would be recovered in due course after verification.

3.2.4.2 Land Purchase & Land Development

The Land Purchase Scheme (LPS) is a flagship programme of the Corporation. Landless married SC women beneficiaries belonging to below poverty line (BPL) households (with the PoP category being given priority) were to be given up to three acres of land in the first phase. Other SC beneficiaries having small pieces of land were to be provided with balance extent of land to make them land owners of 3 acres each in subsequent phases.

A comprehensive package was envisaged to include provision of irrigation/drip facilities, seed, cost of cultivation, fertilizers, pesticides, ploughing, micro-irrigation, energisation⁷⁷ of pump sets etc. for one crop-year. In addition, providing funds for land development, preparation of nursery and agricultural inputs was also envisaged. The amounts for meeting the cost of cultivation etc. were to be directly transferred into the beneficiary's account. LPS is implemented with 100 *per cent* subsidy and without any contribution from the beneficiaries and without any bank linkage.

The District Collectors are given powers to purchase agricultural land for the above purpose at a cost ranging from ₹2 lakh to ₹7 lakh per acre in nine erstwhile districts (i.e., except

⁷⁵ Karimnagar – 19 units and Mahabubnagar - 2 units

⁷⁶ Karimnagar – 1 beneficiary and Mahabubnagar – 2 beneficiaries

⁷⁷ providing electrical connection to service line or to a power source

Hyderabad) of Telangana State. The funds were released to the accounts of District Societies through RTGS⁷⁸ for incurring the expenditure towards purchase of lands & other specified items. The expenditure particulars were uploaded in the LPLDS⁷⁹ package for monitoring the expenditure.

During the period 2014-17, against a total targeted outlay of ₹1,887.98 crore set for the Corporation, an amount of ₹412.72 crore (representing less than 22 *per cent* of the outlay) was released to district societies towards subsidy under LPS. The corresponding disbursal of subsidy was ₹306 crore leaving a shortfall of 84 *per cent* against the total outlay.

The Government in their reply (February 2018) attributed the shortfalls due to reorganisation of the State as well as districts.

The reply of the Government is not tenable since the State was bifurcated in June 2014 and sufficient time had elapsed since then. Further, with the reorganisation of the districts (October 2016), the efficiency in execution of the schemes was expected to enhance.

Identification of land

As per the standard procedure outlined under LPS, the land to be distributed was to be identified considering several parameters viz., irrigation potential, litigation if any, availability of ground water, etc. Price should be finalised by the Committee⁸⁰ constituted at district level after negotiations with Pattadars and also considering the basic value of land as per records. After receipt of consent from beneficiaries, the land should be registered in the name of the women beneficiaries. After satisfaction of Pattadar regarding the price, payments should be made to him after completion of due process of registration of the land.

Audit observed faulty identification of land without proper verification as illustrated below:

- The District Collector, Mahabubnagar sanctioned (October 2015) purchase of 150 acres of land from four Pattadars. This was at a total cost of ₹4.50 crore at the rate of ₹3 lakh per acre for distribution to 50 SC landless agriculture labourers of Kistapur village⁸¹. The same was registered in the name of beneficiaries in October 2015.

Subsequently, based on adverse news in media, the District Collector conducted an enquiry and found (February 2016) that the land registered was different from the land identified by the Purchase Committee. Out of 150 acres of land registered, only 36 acres land was found to be cultivable and the balance 114 acres land was uneven and uncultivable. Further, the Collector observed that the value of the registered land was overpriced (purchased at the rate of ₹3 lakh per acre while its value was only about ₹40,000 per acre).

Taking cognizance of the irregularities, the Collector declared the transaction *null and void* and ordered (February 2016) reversal of the registration process. However, as of

⁷⁸ Real Time Gross Settlement – a system for transfer of funds online

⁷⁹ Land Purchase and Land Distribution Scheme

⁸⁰ under the chairmanship of District Collectors with concerned Executive Director of SC Society along with two more members nominated by the District Collectors

⁸¹ of Dhanwada mandal

February 2018, neither were the lands de-registered and the amounts recovered from the Pattadars nor was any alternative land offered to the 50 beneficiaries.

Government while accepting (February 2018) the audit observation stated that steps were being taken to cancel the sale deeds.

Thus, the Department purchased and registered uncultivable land different from the land identified by the purchase committee at overpriced rates. This resulted in locking of plan funds amounting to ₹4.50 crore with the land owners for more than two years. This deprived the landless poor beneficiaries of the intended benefits.

- RDO, Sircilla (Karimnagar district) submitted proposals (March 2016) to the ED, District SC Society, for purchase of 26 acres of land for ₹1.35 crore⁸². This was intended for distribution to nine SC landless women agricultural labourers at Thadagonda village. The Mandal Agriculture Officer (MAO), Assistant Project Manager (Indira Kranthi Patham programme) and Tahsildar of Boinpalli mandal had certified (March 2016) that the land was free from mortgage.

At the time of registration, however, it was brought to notice that some of the identified land was under mortgage to Banks. The administrative sanction was given and funds were released (July 2016) to the District Society, but the land was not registered in favour of beneficiaries even as of August 2017.

Thus, false certification by MAO and Tahsildar, resulted in the amount of ₹1.35 crore lying idle with the District SC Society for more than a year besides non-allotment of land to beneficiaries.

- Tahsildar, Dharur (Rangareddy district) identified (April 2015) 20 acres and 39 guntas of land for distribution to seven out of fifteen PoP beneficiaries identified from SERP data.

At the time of registration, the Registrar refused (May 2015) to register 4 acres and 39 guntas of land valuing ₹18.16 lakh stating that the Pattadar was a minor. Further, the land, though represented by a legal or natural guardian, should not be registered without permission of the Court.

Thus, faulty identification of land resulted in an amount of ₹18.16 lakh remaining idle with the District SC Society for over two years.

Selection of beneficiaries

As per scheme guidelines, only women of landless agricultural dependant SC households in PoP category are eligible. Beneficiaries shortlisted by Mandal Level Committee are approved by District Level Committee. During the period 2014-17, against the target of 12,587 beneficiaries, 2,866 beneficiaries could be covered under LPS scheme, indicating a shortfall of 77 per cent.

⁸² @ ₹5.20 lakh per acre

Government attributed (February 2018) the shortfall to bifurcation of the State (June 2014) which was not acceptable as three years had elapsed since then.

Audit further observed the following:

- Based on the proposals of the RDO, the District Collector, Karimnagar sanctioned (March 2016)⁸³ an amount of ₹1.69 crore⁸⁴ for purchase of 26 acres and 01 gunta⁸⁵ of land. This was intended for distribution to nine SC landless agriculture labourers of Korem village. Initially, RDO, Sircilla confirmed (April 2016) that all nine beneficiaries identified by Gram Sabha were eligible for distribution of land under LPS. Later, based on complaints, RDO re-examined the cases and stated that eight out of nine beneficiaries were ineligible for distribution of land under LPS. As of April 2017, no action was, however, taken to identify the beneficiaries afresh. Meanwhile, due to the delay in the process, the Pattadars sold away their lands.

Thus, false certification by RDO (without utilising the SERP data) led to incorrect selection of beneficiaries. This resulted in an amount of ₹1.69 crore lying idle⁸⁶ with the Society besides non-achievement of the objective.

Government accepted (February 2018) the audit observation and stated that ED, Karimnagar had been instructed to identify the eligible beneficiaries.

- As per the extant orders⁸⁷, in the first phase of implementation, the land should be allotted to absolutely landless beneficiaries. The District Collector, Mahabubnagar sanctioned (February 2016) ₹3.52 crore towards purchase of 92 acres and 28 guntas⁸⁸ of land for distribution to 31 landless women SC agricultural labourers of Veltoor village. It was, however, seen that seven beneficiaries were already in possession of some land. These beneficiaries, however, were again considered for allotment of land statedly as per District Collector's orders of March 2016. ED, Mahabubnagar SC Society replied (April 2017) that a detailed report will be obtained from the Tahsildar concerned.

Thus, the process of selection of beneficiaries was faulty. This deprived the genuine beneficiaries from possession of land. Further, the objective of providing cultivable land to the landless poor remained unachieved.

In their reply (February 2018) Government stated that under LPS, SC families who possessed less than 3 acres of land would also be covered by providing balance extent up to 3 acres of land. However, the guidelines specified that land in the first phase should be allotted to the landless. Those holding some extent of land should be covered only after the landless families had been exhausted. In view of this, the reply was not tenable.

⁸³ amount received in July 2016

⁸⁴ @ ₹6.50 lakh per acre

⁸⁵ 40 guntas = 1 acre

⁸⁶ for 10 months w.e.f. July 2016 to April 2017

⁸⁷ GO Ms No.1 dated 26 July 2014 of Scheduled Castes Development (SCP) Department

⁸⁸ @ ₹3.80 lakh per acre

Registration of lands

The procedure approved by Government for release of funds under LPS Scheme contained a requirement to upload the sanction proceedings on the government website⁸⁹ with details of beneficiaries and land to be purchased. After receiving funds from the Corporation, the ED should take necessary steps for timely registration of lands in favour of proposed beneficiaries and release the cost of land to Pattadars.

- It was observed that beneficiaries were identified and land sanctioned. Out of 3,728 beneficiaries who were sanctioned land in the State during 2014-17, land was not registered in respect of 862 (23 per cent) beneficiaries as of May 2017. In the three test-checked districts, lands were yet to be registered in favour of 144 beneficiaries (15 per cent) out of 943 sanctioned beneficiaries.

The Corporation, while accepting (July 2017) the audit observation attributed the delay in registrations to some Pattadars either not turning up for registrations or approaching the Courts. Government in their reply, however, stated (February 2018) that the registration of land to sanctioned beneficiaries had been completed. The details were, however, not uploaded in LPLDS portal due to heavy work load of the District Officials and insufficient staff. The reply was in contradiction to the response of the Corporation as well as the factual position as evidenced from the beneficiary survey conducted by Audit.

Thus, the delay in registrations led to non-handing over of land to the selected beneficiaries and loss of intended benefits.

- In Rangareddy district, land for allotment to eight beneficiaries to the extent of 20 acres and 18 guntas was identified (May 2015) in Ravulapally village. However, notification regarding registration of the same was given to the Pattadar, only in August 2016, i.e., after a delay of about 15 months.

There was delay in obtaining clearance from Ground Water⁹⁰ and Revenue⁹¹ Departments. There was also delay in release (July 2016) of funds by the Corporation. As a result, the Pattadar withdrew from the deal.

Thus, the sanctioned amount of ₹97.14 lakh remained idle⁹² with the District SC Society for more than a year (August 2017).

Further, the Beneficiary survey by Audit revealed the following:

- Out of 45 beneficiaries surveyed in the three test-checked districts, lands were registered with a delay ranging from 100 days to 418 days in respect of 18⁹³ beneficiaries. This resulted in loss of assistance to beneficiaries for one crop-year consisting of at least two crop seasons viz., rabi and kharif.

⁸⁹ <https://lplds.cgg.gov.in>

⁹⁰ received in October 2015

⁹¹ received in January 2016

⁹² due to absence of any timeframe fixed by the Government in LPS guidelines for clearance from the Revenue and Ground Water Departments

⁹³ Mahabubnagar-10 and Karimnagar-8

- In Karimnagar district, Pattas of Government land was issued to 12 landless beneficiaries in Dacharam village of Ellanthakunta mandal in January 2016. However, demarcated lands were not handed over to the beneficiaries even after a year. During physical verification, it was observed that the entire land (24 acres) was unfit for cultivation as it was uneven and filled with bushes and boulders.



*Government land in Dacharam village
(Survey No.738/1) uneven and unfit
for cultivation (18 April 2017)*

Thus, the purpose of distributing cultivable land to beneficiaries for their livelihood was defeated.

- As per the Government Orders of July 2014, the entire 3 acres of land allotted to the beneficiary should be at a single location. It was, however, seen that the land was distributed to five⁹⁴ beneficiaries at various locations.

The District SC Societies did not furnish reasons for the above lapses.

Thus, absence of specific timelines in the LPS Guidelines for registration of land and for clearance from partnering Departments led to delay in registration of lands and the Pattadars withdrawing from the land deal. The intended purpose of timely assistance to beneficiaries remained unaccomplished, in these cases.

Non-issuance of Pattadar pass books after registration

The A.P. Rights in Land and Pattadar Pass Books Act 1971 lays down that after handing over the physical possession of land to the beneficiaries, a Pattadar passbook should be issued to the beneficiaries indicating the land allotted by the Government and that the land should not be sold/transferred/alienated to others. Pattadar pass books help the farmers in securing loans based on the entries without approaching the village level functionaries each time.

Audit observed the following:

- Out of land registered/distributed in favour of 2,866 beneficiaries in the State under LPS during 2014-17, Pattadar Pass Books for 578 beneficiaries (20 per cent) were not issued as of May 2017.
- In the three test-checked districts of Mahabubnagar, Karimnagar and Rangareddy, Pattadar pass books and title deeds were not issued to 180 out of 799 beneficiaries to whom land was allotted. During the beneficiary survey, it was confirmed that Pattadar pass books were not issued to 13 beneficiaries⁹⁵ out of 36 beneficiaries to whom land was allotted.

Delay in issue of pass books may lead to delay in securing loans by farmers.

⁹⁴ Mahabubnagar-2 and Karimnagar-3

⁹⁵ Mahabubnagar-10 and Karimnagar-3

On this being pointed out, it was replied (April 2017) by concerned EDs of District SC Societies that the Pattadar pass books could not be issued due to pre-occupation of officials on account of reorganisation of districts as also the shortage of pass books.

Government while accepting (February 2018) the audit observations stated that the District Collectors concerned would be instructed to issue Pattadar pass books and the title deeds to the remaining beneficiaries.

Irrigation facilities not provided

Government orders of August 2014 stipulated that the lands distributed under LPS should be provided with irrigation facilities which included the cost of electric motors & pump sets as well as cost of electrification. Out of 7,486 acres and 10 guntas of land distributed to 2,866 beneficiaries in the State during 2014-17, 3,210 acres and 33 guntas of land (relating to 1,202 beneficiaries) were classified as rain fed⁹⁶, for which irrigation facilities were required to be provided.

Audit observed the following:

- In the three test-checked districts, out of the rain fed lands⁹⁷ registered in favour of 386 beneficiaries⁹⁸, only 42 per cent (431 acres⁹⁹) of the land distributed in the years 2014-17 had irrigation facilities.
- During the beneficiary survey, it was observed that lands allotted to nine out of 22 beneficiaries surveyed in erstwhile Karimnagar district were categorised as ‘rain fed’. Of these, though bore wells were dug in lands belonging to five beneficiaries, motor and pump sets as stipulated were not provided.

Specific reasons were not furnished for non-provision of motor and pump sets.

Thus, irrigation facilities as stipulated in the scheme were not provided in more than 50 per cent of the cases where land was distributed, defeating the objective of providing an asset ready for income generation.

Government in their reply (February 2018) stated that the details of irrigation facilities provided to beneficiaries were not uploaded to LPLDS portal due to heavy work load of the District Officials and insufficient staff. However, the beneficiary survey conducted by Audit showed that all the nine beneficiaries covered in Audit were not provided with the required irrigation facilities. Hence, the reply was not acceptable.

One crop-year assistance

The Government orders of July 2014 contained a provision for assistance for one crop-year towards irrigation/drip facilities, seed, cost of cultivation, fertilizers, pesticides, energisation of pump sets, etc.

⁹⁶ totally dependent on rains for irrigation

⁹⁷ 1,023 acres and 28 guntas

⁹⁸ Karimnagar: 224; Mahabubnagar: 124 and Rangareddy: 38

⁹⁹ Karimnagar: 240 acres and 36 guntas; Mahabubnagar: 172 acres and 13 guntas and Rangareddy: 18 acres

Audit observed the following:

- Though land was registered/distributed to 2,866 beneficiaries in the State during 2014-17, 'one crop-year assistance' to 870 beneficiaries (30 per cent) was not yet provided (May 2017).

The Corporation replied (May 2017) that due to non-receipt of the proposals from EDs of respective District SC Societies along with recommendation of the Agriculture Department, amounts were not sanctioned. Government also accepted (February 2018) the audit observation.

This indicated lax control/monitoring at Corporation level.

- In the test-checked districts, it was observed that 2,145 acres and 38 guntas of land was registered/distributed to 799 beneficiaries during the period 2014-17. However, 'one crop-year assistance' was not provided to 888 acres of land belonging to 292 beneficiaries (36 per cent).

The District Societies replied (March/April 2017) that action would be taken to provide the assistance.

- All the 27 eligible beneficiaries covered by Audit in the beneficiary survey in the three test-checked districts, were not provided with 'one crop-year assistance'.
- The crop assistance was required to be released at the beginning of the crop season to benefit the farmer. In all the sampled districts, however, there were delays ranging from nine days to as high as 208 days in releasing the crop assistance.
- A large variation¹⁰⁰ was observed in quantum of one crop-year assistance released for the same crop in different districts. For instance, the one crop-year assistance provided for cotton crop ranged from ₹6,300 per acre (Rangareddy) to ₹30,500 per acre (Khammam). For Red gram it ranged from ₹3,935 per acre (Mahabubnagar) to ₹11,500 per acre (Khammam). For Chilli it ranged from ₹15,150 per acre (Mahabubnagar) to ₹56,000 per acre (Khammam). Further, no basis could be found in records for calculation of the amount of crop assistance for a particular crop.

Government in their reply (February 2018) stated that the quantum of assistance would vary from place to place based on the category of soil, topography of land and other geographical conditions. The reply was not acceptable as major variation in expenditure for the same crop in different regions of the State was noticed.

Thus, the beneficiaries either did not receive the assistance or received it belatedly. This defeated the purpose of the scheme. This gap would call for strengthening of monitoring and coordination at the Corporation level.

¹⁰⁰The financial impact could not be quantified as it was observed that in certain cases, two or more crops were clubbed for the same beneficiary without furnishing the crop-wise extent of land cultivated; in certain other cases, only the extent of land was furnished without naming the type of crop cultivated

3.2.5 Monitoring and Complaint Redressal mechanism

The Annual Action Plan stipulated constitution of a District Level Monitoring Committee (DLMC) in each district under the chairmanship of the District Collector. The DLMC was to monitor the implementation of schemes in the districts, convene meetings in order to expedite the process of sanction of funds for ISB scheme and review the progress of the scheme at frequent intervals. The DLMC should also examine any complaints received in the process of selection of beneficiary and start-up of schemes. Further, as per guidelines, at the end of each financial year the verification of commenced/started-up units/assets should be done at mandal/municipality level by constituting special teams.

Scrutiny, however, showed that neither the DLMC was formed at district level nor a special team constituted at mandal/municipality level as envisaged. During the period 2014-17, a total of 1,786 grievances of the beneficiaries were disposed of at the district level by the EDs as settled and closed without addressing the issues. The complaints received were directly forwarded to the concerned officials like MPDOs. Follow up action taken by MPDOs was also not being pursued.

Further, evaluation or impact study of the schemes by a third party to assess the effectiveness of implementation was not conducted during the period 2014-17.

3.2.6 Conclusion

The implementation of Economic Support Schemes for Scheduled Castes suffered in the State as the envisaged financial targets as well as targeted coverage of number of beneficiaries were not achieved during 2014-17.

The Corporation had prepared the Annual action plans without obtaining inputs from the districts. The purpose of providing financial assistance under 'Industries Services Business' scheme was not fulfilled. This was due to the insistence by Banks on Term Deposits from poorest-of-poor (PoP) towards the loan component which was to be released along with the subsidy sanctioned by Government for establishing the Units.

The database in OBMMS software portal developed by the Corporation was found to be unreliable due to lack of validity controls to weed out duplicate loan account numbers/ duplicate Aadhaar card numbers.

Audit observed abnormal delays at every stage of the start-up of Units right from day of application to sanction/release of funds. Under Land Purchase Scheme, there were cases of faulty identification of lands, lapses in the process of selection of beneficiaries and absence of specific timelines for registration of land. Non-issuance of Pattadar pass books after registration and non-provision of irrigation facilities after distribution of land to the beneficiaries were also observed. The objective of providing valuable and permanent asset for income generation thus remained unachieved.

Home Department

3.3 Follow up on Performance Audit of Functioning of State Disaster Response and Fire Services Department

3.3.1 Introduction

The Fire Services Department was originally formed in 1957. It was renamed as 'Fire and Emergency Services Department' in 2004 and thereafter as 'State Disaster Response and Fire Services Department' in July 2009. The Department was identified as a multi hazard first responder and entrusted with the task of safeguarding life and property during fire, floods, cyclones, earthquakes, etc.

The Department is entrusted with following main functions:

- prevent loss of life and property and undertake rescue operations when fire breaks;
- provide fire protective cover during large public gatherings/functions/VVIP visits;
- impart training in fire fighting operations;
- prescribe mandatory fire safety measures;
- create fire safety awareness and sensitise the public about prevention and dealing with fire accidents; and
- enforce fire safety measures stipulated in multi-storied buildings Regulations, 1981; Telangana Fire Service Act¹⁰¹, 1999; and Telangana Fire and Emergency Operations and Levy of Fee (TF&EO and LF) Rules, 2006.

The Department functions under the overall control of the Secretary in Home Department. The Director General of State Disaster Response and Fire Services (DG) is the Administrative Head of the Department. There are 10 divisions in the State consisting of 96 fire stations and 16 fire out posts to cater to fire, emergency and rescue needs. Besides, State Fire Service and Civil Defence Training Institute headed by a Divisional Fire Officer (DFO) rank officer, imparts training to the staff in performing departmental functions.

A Performance Audit of functioning of State Disaster Response and Fire Services Department covering the period 2007-12 featured in the Report of the Comptroller and Auditor General (CAG) of India pertaining to the erstwhile Government of combined Andhra Pradesh for the year ended March 2012. Five recommendations were issued to the Government by the CAG and Government accepted (November 2012) all the recommendations.

A Follow up Audit was conducted (May - July 2017) to assess the extent of implementation of the recommendations. Audit test-checked the records of Home Department, Director General of State Disaster Response and Fire Services and three¹⁰² Divisional Fire Offices covering 37¹⁰³ fire stations pertaining to the period June 2014 – July 2017. Joint physical

¹⁰¹ Government adopted (November 2015) AP Fire Service Act, 1999 and AP Fire and Emergency Operations and Levy of Fee Rules, 2006

¹⁰² Hyderabad, Mahabubnagar and Rangareddy (being the earlier sampled districts)

¹⁰³ Hyderabad: 15 (excluding one non-functional fire Station i.e. Turn Table Ladder), Mahabubnagar: 8 and Rangareddy: 14

verification of 13 (out of 37) sampled fire stations and certain important public buildings was also conducted along with the Department officials. Photographic evidence was taken to substantiate audit findings, where necessary.

Out of the five recommendations accepted by the Government, only one recommendation was partially implemented. Government took insignificant or no steps to implement the remaining four recommendations. The Audit findings are discussed in the following paragraphs.

3.3.2 Insignificant or no progress

1. Gist of observations made in earlier Audit Report	<p>Annual Plans of the State Government did not include plans/priorities relating to the Department. The DG had also not outlined the infrastructural and other institutional requirements along with a detailed timeframe for fulfilling them through any strategic or perspective plan. There were no annual action plans in any of the sampled districts indicating the local level requirements and proposed mode of achieving them. The Department did not have comprehensive operational database.</p> <p>Further, the State Government had not implemented any of the major recommendation of the Sub-Committee constituted by the State Government.</p> <p style="text-align: right;"><i>(Paragraphs 2.3.1 to 2.3.3)</i></p>
CAG's Recommendation (Sl. No. 1)	<p><i>Government should take appropriate steps to formulate a long term perspective plan and annual action plans to ensure that the functioning of the Department is streamlined and modernised to deliver the envisaged services to public.</i></p>
Findings in follow up audit and current status	<p>Audit scrutiny revealed the following:</p> <ul style="list-style-type: none"> • It was only in May 2017, the Department prepared a perspective plan for 10 years period for improving its efficiency in service delivery to the citizens through up-gradation/modernisation of the Department. Approval of the Government was awaited as of October 2017. • In the three sampled divisions viz., Hyderabad, Mahabubnagar and Rangareddy no annual action plans were prepared indicating the local level requirements. • Government did not take concrete steps to implement any of the major recommendations (February 2009) of the Sub-Committee constituted by the State Government with regard to: <ul style="list-style-type: none"> ⇒ establishment of new fire stations in the Assembly constituencies/segments where not a single fire station existed;

	<p>⇒ formation of search and rescue teams at district and sub-divisional headquarters level;</p> <p>⇒ formation of Nuclear, Biological and Chemical (NBC) Search and Rescue Team;</p> <p>⇒ provision of State-wide modern communication system, etc.</p> <p>⇒ allocation of 20 <i>per cent</i> of the Calamity Relief Fund for procurement of specialised equipment: and</p> <p>⇒ allocation of 3 <i>per cent</i> of property tax collected by Municipal Authorities towards implementation of modernisation scheme.</p> <ul style="list-style-type: none"> As of October 2017, the Department did not have a comprehensive database¹⁰⁴ except details relating to jurisdiction of fire stations, water source in the vicinity, etc. Further, the Department did not develop any Standard Operating Procedures (SOP) for combating fire in high rise buildings, earthquakes and other natural disasters.
Replies/Comments of Government	<p>Government admitted (May/July 2017) the fact of non-preparation of action plans at State level and non-implementation of recommendations of Sub-Committee. It was further stated (November 2017) that a perspective plan for the 10 years period for up-gradation/modernisation of the Department was under consideration of the Government.</p>
Further comments of Audit	<p>In the absence of a perspective plan/action plan, priorities could not be identified. Further, no specific measures were undertaken in a planned manner to achieve the objectives of the Department.</p> <p>Non-implementation of Sub-Committee recommendations even after the lapse of eight years of their acceptance by Government hampered the strengthening of the Department. Adequate fire stations, modern equipment, manpower and budgetary support were not provided as discussed in the subsequent paragraphs.</p>
2. Gist of observations made in earlier Audit Report	<p>The Department had not complied with the norms of Standing Fire Advisory Council (SFAC) and the recommendations of the Sub-Committee¹⁰⁵ with regard to infrastructure. It was ill equipped to handle the fire related exigencies in the State.</p> <ul style="list-style-type: none"> Establishment of fire stations: No new fire stations had come up during the period 2007-12. The shortfall in this regard stood at 95 <i>per cent</i>. This had a cascading effect on the response time.

¹⁰⁴ containing the details relating to area-wise distribution of population, service area villages and houses with category of premises (like hazardous/non-hazardous), fire stations and their location, geographical mapping of distances between places, short/traffic free routes, etc. within the jurisdiction of a fire station

¹⁰⁵ constituted by the State Government

	<ul style="list-style-type: none"> • Infrastructure facilities: Infrastructure facilities in the existing fire stations were inadequate. Twenty <i>per cent</i> of the fire stations in the sampled districts were in a dilapidated condition. Availability of water source within the vicinity of fire stations was not ensured. Housing requirements of staff were not met. • Equipment: There was significant gap between the requirement and availability of equipment like fire tenders, rescue vans, etc. An outdated communication system adversely affected the preparedness of the Department in dealing with emergencies. <p style="text-align: right;"><i>(Paragraph 2.5.1)</i></p>
CAG's Recommendation (Sl. No.3)	<i>Recommendations/norms of SFAC should be complied with scrupulously with regard to setting up fire stations, response time, infrastructure, equipment, etc.</i>
Findings in follow up audit and current status	<p>There was no perceptible improvement in establishment of new fire stations and provision of infrastructure facilities and equipment in the fire stations as discussed below:</p> <p><i>Establishment of fire stations</i></p> <p>SFAC recommended a scale of one fire station for 10 sq. km radius for towns and one for 50 sq. km radius in rural/open areas. As per this norm, the requirement of fire stations in the State would work out to 2,596.</p> <p>Against this, there were only 96 fire stations (shortfall: 96 <i>per cent</i>) in the State to cover an area of 1.15 lakh sq. km¹⁰⁶. One fire station covered 3.67 lakh population on an average as against 50,000 population, stipulated in SFAC norms. Out of 119 assembly constituencies in the State, 45 did not have a fire station (details are given in <i>Appendix-3.4</i>) as of October 2017.</p> <p>During 2014-17, DG had been periodically submitting proposals to the Government for establishment of new fire stations in the State. However, only six new fire stations were sanctioned by the Government during the period. Of which, two¹⁰⁷ fire stations were put to operation and the remaining four¹⁰⁸ stations were not yet operationalised as of October 2017.</p> <p>Government allocated (2014-17) an amount of ₹3.50 crore for construction of the four¹⁰⁹ (out of the six mentioned above) fire stations. However, the funds were not released by the Government</p>

¹⁰⁶ Rural: 1,11,105 sq. km, Urban: 3,735sq. km as per Census of India, 2011

¹⁰⁷ Rangareddy division: IKP Knowledge Park and Cherlapally

¹⁰⁸ Medak division: Gajwel, Dubbaka and Peddasherampet and Nalgonda division: Yadagirigutta

¹⁰⁹ Gajwel, Dubbaka, Peddasherampet and Yadagirigutta

during 2016-17. As a result, construction of intended buildings for the four fire stations was not taken up.

For the five¹¹⁰ (out of six mentioned above) fire stations, an amount of ₹4.39 crore was allocated during 2016-17 towards procurement of fire fighting and rescue equipment. Against this, ₹3.68 crore only was released. DG, however, procured (March 2017) fire fighting equipment worth only ₹0.94 crore. Of this, the equipment worth ₹0.38 crore was supplied to the two existing¹¹¹ fire stations. The remaining equipment worth ₹0.56 crore meant for three fire stations was, however, kept idle as the intended fire stations had not come up.

Thus, for want of timely release of sanctioned funds, fire stations were not constructed in the State facing shortage (96 per cent) of fire stations. Besides, the equipment procured for the new fire stations remained unutilised.

Infrastructure facilities

Land: As per TF&EO and LF Rules¹¹², 2006, every fire station is to be provided with land measuring two acres with a building and accommodation. This would ensure safe custody of fire vehicles, appliances and equipment as well as accommodation for staff.

It was seen that only one out of the 37 fire stations in the three sampled divisions had two acres of land as prescribed in the norms as shown in Table-3.6 below.

Table-3.6

Sampled division	Total No. of fire stations	Number of fire stations having land			
		Two acres	Between one and two acres	Less than one acre	No land
Hyderabad	15	--	--	6	9
Mahabubnagar	8	1	4	1	2
Rangareddy	14	--	4	8	2
Total	37	1	8	15	13

Source: Records of DFOs

Buildings: As per TF&EO and LF Rules, 2006, every fire station is to be provided with permanent building to house fire vehicles, appliances and equipment under safe custody.

It was seen that out of 96 fire stations in the State, 19 fire stations were functioning without permanent buildings. Of these, four fire station buildings were under construction as of October 2017. In the

¹¹⁰ Gajwel, Peddashankerampet, Yadagirigutta, IKP Knowledge Park and Cherlapally

¹¹¹ IKP Knowledge Park and Cherlapally

¹¹² Telangana Fire and Emergency Operations and Levy of Fee (TF&EO and LF) Rules, 2006

three sampled divisions, 7 out of the 37 fire stations (19 *per cent*) were in dilapidated condition. In another six¹¹³ fire stations, there was no shelter for fire tenders, as can be seen below.



Fire tenders parked in the open at High Court Fire Station, Hyderabad (May 2017)



Fire tenders parked in the open at Tandur Fire Station (June 2017)

It was further observed that during 2014-17, the Government had not provided requisite funds for construction of permanent buildings for fire stations.

Water Source: SFAC norms stipulate availability of continuous water supply as a prerequisite for the functioning of a fire station. It is an essential requirement to have a static water tank of 25,000 litres capacity in each fire station with bore well and electric motor for its effective functioning.

Out of 96 fire stations in the State, 35 fire stations (36 *per cent*) had no bore well facility and no water source within the premises. Only 16 out of the 37 fire stations (43 *per cent*) in the three sampled divisions had a water source within their premises. Twenty one fire stations (57 *per cent*) were drawing water from canals, irrigation channels, etc. which were located up to 8 km away from the fire stations.

Staff quarters: SFAC norms prescribe allotment of quarters to all the fire personnel within the premises of fire stations to ensure their availability at all times.

It was, however, seen that there were no residential quarters for the Department in the State. Further, no funds were sanctioned for provision of residential quarters for the staff during 2014-17.

Equipment

One of the key components for combating fire incidents effectively is adequacy and preparedness of fire fighting equipment.

Fire tenders: SFAC norms prescribe one fire tender for every 50,000 population and one rescue van for 3 lakh population with another rescue van for an additional 10 lakh population.

¹¹³ Hyderabad division: Legislative Assembly and High Court; Mahabubnagar division: Mahabubnagar and Kollapur; Rangareddy division: Maheswaram and Tandur

In the three sampled divisions, however, only 72 fire tenders were available (shortfall: 77 per cent) against the total requirement of 312 fire tenders. Only two rescue vans were available against the requirement of 17 as shown in Table-3.7:

Table-3.7

Sampled division	Population* (in lakh)	Fire Tenders			Rescue Vans		
		R	A	S	R	A	S
Hyderabad	68	136	38	98	7	0	7
Mahabubnagar	35	70	10	60	4	0	4
Rangareddy	53	106	24	82	6	2	4
		312	72	240	17	2	15

*As per Census 2011; **R:** Required as per SFAC norms; **A:** Available; **S:** Shortfall
Source: Records of DFOs

It was observed that there were 32 old water tenders (procured 15 years ago) in the State. The old vehicles whenever turned out to any fire call were developing mechanical problems¹¹⁴ causing delay in responding to fire calls. Despite the heavy shortfall, adequate funds were not allocated by the Government for procurement of fire fighting and rescue equipment during 2016-17.

Communication System: The efficiency of Fire Services Department depends to a large extent on its ability to reach the fire accident site within the shortest possible time. SFAC norms prescribed a maximum response time of 5 minutes in urban and 20 minutes in rural areas.

It was seen that the Department did not have adequate modern communication system¹¹⁵. Further, Global Positioning System (GPS) to identify the exact location of fire premises, was not available with the Department. In the two sampled divisions, i.e., Mahabubnagar and Rangareddy, VHF sets were not yet installed/not available in 10¹¹⁶ fire stations. In three fire stations of Rangareddy division, VHF sets did not function. Funds were not sanctioned for establishment of VHF network with communication system.

Response to fire calls

SFAC recommended a maximum response time of 5 minutes for built up urban areas and 20 minutes for non-built up open and rural areas.

¹¹⁴ including break down on the road

¹¹⁵ Very High Frequency (VHF), Ultra High Frequency (UHF) and High Frequency (HF)

¹¹⁶ Mahabubnagar division: 8 and Rangareddy division: 2

In the three sampled divisions, Audit reviewed 62 major and serious fire incidents¹¹⁷ in urban areas. The response time in 19 (31 *per cent*) incidents was within the prescribed norms (i.e., below 5 minutes) and in the remaining 43 cases, the response time ranged from 6 to 93 minutes (Mahabubnagar).

In rural areas, in 73 fire incidents reviewed by Audit, the response time was within the prescribed norms (i.e., below 20 minutes) in 29 (40 *per cent*) incidents. In the remaining 44 cases, the response time ranged from 21 minutes to 158 minutes (Achampet). The year-wise details of the cases in urban and rural areas are given below.

Table-3.8

Urban Areas

Year	No. of cases test-checked	Cases within stipulated response time (below 5 minutes) (%)	Belated response cases			
			6 – 10 minutes (%)	11 – 20 minutes (%)	21 – 30 minutes (%)	Above 30 minutes (%)
2014	15	4 (27)	3 (20)	2 (13)	2 (13)	4 (27)
2015	19	6 (32)	4 (21)	7 (37)	0	2 (11)
2016	19	5 (26)	5 (26)	6 (32)	1 (5)	2 (11)
2017	9	4 (44)	0	2 (22)	2 (22)	1 (11)
Total	62	19 (31)	12 (19)	17 (27)	5 (8)	9 (15)

Source: Records of DFOs

Rural Areas

Year	No. of cases test-checked	Cases within stipulated response time (below 20 minutes) (%)	Belated response cases		
			21– 30 minutes (%)	31 – 60 minutes (%)	Above 60 minutes (%)
2014	27	10 (37)	9 (33)	7 (26)	1 (4)
2015	25	11 (44)	4 (16)	7 (28)	3 (12)
2016	19	7 (37)	2 (11)	6 (32)	4 (21)
2017	2	1 (50)	1 (50)	0	0
Total	73	29 (40)	16 (22)	20 (27)	8 (11)

Source: Records of DFOs

DG attributed (May 2017) the increase of response time for reaching the incident spot to traffic congestion in the metropolitan cities and urban areas. It was further stated that proposals were submitted (May 2017) for establishment of more number of fire stations in those areas.

Replies/Comments of Government

The Government replied (July/November 2017) that proposal to accord sanction for establishment of 47 new fire stations and conversion of 16 fire outposts into fire stations was under

¹¹⁷ Serious fire incidents: property loss of ₹10 lakh to ₹25 lakh (or) human loss irrespective of property loss; Major fire incidents: property loss of ₹25 lakh and above

	consideration. All efforts were made for establishment of new fire stations, provision of vehicles and fire fighting equipment as per SFAC norms. Instructions were issued (October 2017) to concerned DFOs to furnish proposals to District Collectors for allotment of land for construction of fire station buildings. Replacement of old water tenders in the existing fire stations was also under process.															
Further comments of Audit	Recommendations/norms of SFAC were not adequately complied with by the Department with regard to setting up of fire stations, response time, infrastructure and equipment. This had a cascading adverse effect on strengthening of the Fire Services Department at all levels to effectively respond to emergencies and search and rescue calls during disasters.															
3. Gist of observations made in earlier Audit Report	<p>There was considerable shortfall in key posts such as Fireman and Driver operator, which impacted the efficiency of fire fighting operations. Fire fighting operations were carried out without full strength in all the sampled districts. Training and skill development programmes were not given adequate thrust. The State Training School did not have specific action plan for imparting training courses during the period 2007-12.</p> <p style="text-align: right;"><i>(Paragraphs 2.6.1 to 2.6.3)</i></p>															
CAG's Recommendation (Sl. No. 4)	<i>Vacancies in all the key areas should be filled and skills of fire service personnel should be upgraded with appropriate trainings at regular intervals.</i>															
Findings in follow up audit and current status	<ul style="list-style-type: none">• Manpower: Significant shortfall in key posts such as Fireman and Driver Operator still existed as of October 2017 as depicted in Chart-3.3 below. <div><p style="text-align: center;">Chart-3.3 Manpower sanctioned vis-à-vis men-in-position</p><table><tr><th>Post</th><th>Sanctioned Strength</th><th>Men-in-position</th></tr><tr><td>Station Fire Officer</td><td>128</td><td>105</td></tr><tr><td>Leading Fireman</td><td>231</td><td>217</td></tr><tr><td>Driver Operator</td><td>339</td><td>217</td></tr><tr><td>Fireman</td><td>1115</td><td>587</td></tr></table><p style="text-align: center;">■ Sanctioned Strength ■ Men-in-position</p></div> <p>Source: Records of DG</p> <p>The Department suffered with vacancies in key posts such as Fireman (47 per cent) and Driver Operator (36 per cent) as detailed in Chart-3.3. This affected its operational efficiency adversely. The posts of three DFOs and nine Assistant DFOs were also vacant (October 2017).</p>	Post	Sanctioned Strength	Men-in-position	Station Fire Officer	128	105	Leading Fireman	231	217	Driver Operator	339	217	Fireman	1115	587
Post	Sanctioned Strength	Men-in-position														
Station Fire Officer	128	105														
Leading Fireman	231	217														
Driver Operator	339	217														
Fireman	1115	587														

	<ul style="list-style-type: none"> • Riding strength: Audit scrutinised fire reports of 108 fire accidents during 2014-17 in the three sampled divisions. Scrutiny showed that fire fighting operations were carried out without the full complement of Staff¹¹⁸ required to quell the fire. Out of 108 test-checked cases, in 19 cases, there was only one Fireman and in 32 cases, two firemen accompanied against three required. In two cases, no Fireman accompanied the fire tender. • Training of fire services staff: The State Fire Service and Civil Defence Training Institute did not have annual action plan (Training Calendar) for imparting training during the period 2015-17. During 2014-17, only 47 Leading Firemen out of 217 and 45 Driver Operators out of 217 were covered for training leaving a significant shortfall of 78 and 79 per cent respectively.
Replies/Comments of Government	The Government admitted (November 2017) that the operational efficiency of the Department was affected adversely due to vacancies in key posts. The recruitment to the posts of Station Fire Officer (9 posts) and Fireman (416 posts) was under process whereas notification for the post of Driver Operator (85 posts) was yet to be issued.
Further comments of Audit	Due to shortfall in key posts such as Fireman and Driver Operator, fire fighting operations had to be carried out without full strength which adversely impacted fire fighting efficiency of the Department.
4. Gist of observations made in earlier Audit Report	<p>State Government had not accorded adequate priority to the Department in terms of budgetary allocation to fulfill the envisaged role. Further, non-release of funds from Calamity Relief Fund as prescribed by the GoI, hampered the modernisation process in the Department.</p> <p style="text-align: right;"><i>(Paragraphs 2.4 and 2.4.1)</i></p>
CAG's Recommendation (Sl. No. 5)	<i>Government should allocate adequate funds to meet the requirements of the Fire Services Department. Funds should also be released from Calamity Relief Fund as prescribed by GoI to augment the search and rescue operations and equip the Department with modern gadgets required for effective fire fighting services.</i>

¹¹⁸ one Leading Fireman, One Driver Operator and three Firemen along with Station Fire Officer concerned as per the Fire Service Manual

Findings in follow up audit and current status

Budgetary Support

Audit scrutiny of Budget allocation and utilisation of funds during 2014-17 revealed that allocations by the Government constituted only 45 to 50 *per cent* of the requirement sought by the Department in all the years as shown in Table-3.9.

Table-3.9

(₹ in crore)

Year	Budget sought by DG	Budget provided* (per cent)	Expenditure	Funds unutilised (-)/ Excess (+)
2014-15	117	56 (48)	56	0
2015-16	205	92 (45)	86	(-) 6
2016-17	240	120 (50)	100	(-) 20
	562	268	242	(-) 26

* Net appropriation

Source: Appropriation Accounts of Government for the relevant years and data furnished by DG

Audit scrutiny further showed the following:

- During 2014-17, DG had been submitting budget proposals every year for construction of permanent buildings for fire stations. However, requisite funds were not provided by the Government in any of the years during the period covered by Audit except for spill over works for the existing buildings.

Government initially allocated ₹17.69 crore (2014-15) and ₹40 crore (2015-16) towards construction of fire station buildings. Later, the entire allocation was, however, withdrawn by the Government due to non-commencement of works for want of administrative sanction (2015-16) and unspecified reasons (2014-15).

- During 2016-17, DG projected a requirement of ₹40 crore for procurement of fire fighting and rescue equipment. Government, however, restricted¹¹⁹ the final allocation to a meagre ₹7.76 crore (which was utilised).
- For establishment of new fire stations, Government initially allocated ₹47.30 crore during 2016-17 against ₹75.20 crore sought by DG. However, the allocation was subsequently restricted to ₹20.19 crore. Of this, a meagre ₹0.94 crore only was utilised.

¹¹⁹ by imposing freezing of budget

	<p><i>Capacity Building for Disaster Response activities</i></p> <p>Government of Telangana was apportioned ₹9.81 crore for undertaking activities of CBDR out of grant¹²⁰ of the XIII Finance Commission. The Government in turn released¹²¹ the same to DG during 2014-16.</p> <p>The DG forwarded (July 2014) proposals to the Government for creating State Disaster Response Force (SDRF) to incur expenditure under CBDR.</p> <p>The DG also requested the Government for constituting SDRF consisting of six teams¹²² with 90 personnel drawn from Fire Services and 192 personnel from Police Department.</p> <p>It was, however, observed that out of ₹9.81 crore allocated, an amount of ₹3.46 crore was only utilised by the Department. Further, the expenditure of ₹1.72 crore remained unfruitful as discussed below:</p> <ul style="list-style-type: none"> • The DFO building renovated at a cost of ₹0.77 crore at Hyderabad, intended to house SDRF had been lying idle for over two years. • The construction work of building for search and rescue team at Bhadrachalam was entrusted to Police Housing Corporation (PHC). An amount of ₹0.95 crore was paid (October 2016) to the executing agency as advance. The site was not handed over to PHC and the amount was kept idle with the executing agency. <p>Audit further observed that the balance amount of ₹6.35 crore¹²³ remained unspent as of August 2017 as the SDRF, proposed by the DG, had not been constituted by the State Government.</p> <p><i>Thus, the benefit of modernised fire fighting equipment and trained work force for the disaster response activities did not accrue to the State despite availability of funds.</i></p>
Replies/Comments of Government	Government admitted (November 2017) non-release of funds for construction of new fire stations and non-constitution of SDRF. It did not offer specific remarks on the other issues pointed out above.
Further comments of Audit	Due to non-allocation/release of adequate funds by the Government the establishment of new fire stations as well as the process of modernisation was hampered.

¹²⁰ consequent to the bifurcation of the State

¹²¹ ₹2.50 crore (May 2014), ₹2.44 crore (January 2015), ₹2.44 crore (April 2015) and ₹2.43 crore (May 2015) from XIII Finance Commission grants

¹²² at Bhadrachalam, Cyberabad, Hyderabad, Karimnagar, Nizamabad and Warangal

¹²³ lying in the current account of DG (i.e., outside the Government account) with State Bank of India, MC Branch, Tank Bund, Hyderabad

3.3.3 Recommendations partially implemented

1. Gist of observations made in earlier Audit Report	<p>The District Fire Officers¹²⁴ (DFOs) did not identify the hazardous premises through any survey or in coordination with other departments¹²⁵ for obtaining the details of hazardous premises under their control. DFOs did not take action against the defaulters despite violation of specific fire safety norms and non-enforcement of fire precautionary measures. There were several violations of fire safety norms in public places such as Government buildings, hospitals, educational institutions, theatres, etc.</p> <p style="text-align: right;"><i>(Paragraph 2.5.2.2)</i></p>
CAG's Recommendation (Sl. No. 2)	<p><i>The Department should chalk out a strategy to survey the hazard prone areas that need specific fire safety measures and an action plan to cover the other areas. Fire preventive inspections should be carried out at prescribed intervals and prompt action should be taken to address the deviations and violations.</i></p>
Findings in follow up audit and current status	<p>Audit observed the following:</p> <p><i>Inspection and issue of licence to hazardous premises</i></p> <p>Audit observed that the DFOs had not made any concrete efforts to identify the hazardous premises through any survey for obtaining the details of hazardous premises under their control. Further, the details of number of hazardous premises inspected by them during 2014-17 were not furnished.</p> <p>As of now, the Department was issuing licences (hazardous premises) to the buildings/structures intended for the sale/storage of fire crackers only. In May 2017 only, a proposal has been submitted to Government for issue of fire licence¹²⁶ to all hazardous premises through Fire Commissionerates¹²⁷. The proposal was stated to be under consideration of the Government.</p> <p><i>Inspections and issue of NOCs¹²⁸ to high-rise buildings</i></p> <p>During the process of construction of a high-rise building, the Director General is to depute a member of the service to conduct inspection¹²⁹ of the construction and note the deviations from Provisional NOC/National Building Code (NBC). Such deviations are to be brought to the notice of the owners¹³⁰ of the concerned buildings for rectification.</p>

¹²⁴ now Divisional Fire Officers

¹²⁵ such as Medical, Education, Industries and Factories, etc.

¹²⁶ to ensure life and fire safety of the occupants of the premises

¹²⁷ at all Municipal Corporations

¹²⁸ No Objection Certificates

¹²⁹ as per the Rule 15 (4) of TF&EO and LF Rules, 2006

¹³⁰ who shall be responsible for full compliance with stipulations of the National Building Code or any other building rules in force

- The Department issued Provisional NOCs for construction of 2,034 high-rise buildings in the State during 1996 to 2017. However, the Department had not conducted inspections of construction of these buildings. Further, the owners of these buildings had not obtained final NOC for occupation. In the absence of pursuance (by the Department) of construction activity after issuing the provisional NOCs the compliance of fire safety measures in high-rise buildings remained unchecked.
- DG assured (May 2017) Audit that inspection of multi-storied buildings for which provisional NOC was issued would be conducted.
- Since May 2016, the Department had been conducting periodical inspections of the buildings for which NOC for occupancy were issued, to ensure compliance with fire safety measures. Buildings were randomly picked up twice in a month for inspection. During May 2016 to September 2017, 544 inspections were conducted. Of this, in 66 cases, prosecution orders were issued against violators of NOC for occupancy conditions and non-functioning of fire safety systems.

Fire Prevention wings

In March 2007, Government decided¹³¹ to create fire prevention wings¹³² in all the Municipal Corporations. However, fire prevention wings were not created in three (Karimnagar, Nizamabad and Ramagundam) out of six Municipal Corporations as of October 2017.

Fire safety installations

Violations of fire safety measures in the places of public congregation were highlighted in the earlier Audit Report. In response to the Audit observations, Government stated (July 2017) that prosecutions were being made¹³³ against the management of the establishments for violation of specific fire safety norms.

Audit carried out a joint physical verification¹³⁴ (May 2017) of the important public buildings¹³⁵ to see adequacy of fire safety measures in the places of public congregation pursuant to the corrective action initiated by the Department.

It was observed that there was improvement in ensuring fire safety measures in private establishments. With regard to Government

¹³¹ in pursuance of recommendations (December 2006) of High Power Committee

¹³² to scrutinise the plans of all buildings (other than those covered under Section 13 of the AP Fire Services Act, 1999) under their jurisdiction and conduct inspections to ensure fire safety compliant to NBC

¹³³ based on the inspection reports (2006-11) of the DFOs

¹³⁴ along with the departmental officers

¹³⁵ including those covered in earlier Audit

buildings, however, no action was taken to ensure that adequate fire safety measures were in place even in respect of some of the most sensitive places like Telangana Secretariat, Jubilee Hall at Legislative Assembly, etc. as discussed below:

- **Government Buildings**

⇒ **Telangana Secretariat:** The Department had requested (October 2014 & 2016) the Government to rectify deficiencies in fire safety arrangements with regard to open space/means of escape. Provision of fire fighting equipment in the Secretariat¹³⁶ was also sought. The fire safety measures were, however, not in place in State Secretariat as of October 2017.

⇒ **Ravindra Bharathi**¹³⁷, **Jubilee Hall**¹³⁸ at Legislative Assembly and **Gagan Vihar**¹³⁹, Hyderabad did not have fire NOC. Fire safety violations¹⁴⁰ still persisted such as non-availability/non-functioning of fire extinguishers, Hydrant system, smoke detectors, alarm system; inadequate means of escape, etc.

- **Hospitals and Educational Institutions**

⇒ Out of two hospitals inspected by Audit, in Nizam's Institute of Medical Sciences (NIMS), Hyderabad, certain deficiencies were found. Fire fighting equipment was not provided in Core Block. Hydrant System was not functioning in Super Specialty Block and Accidental Trauma and Emergency Block. Fire extinguishers were not refilled after their date of expiry in these Blocks. In Yashoda Hospital, Secunderabad, however, most of the fire safety measures were being followed.

⇒ In Shadan Junior and Degree College¹⁴¹, Hyderabad, there was no provision for the fire tenders to move on three sides of the building. Stair cases were also small.

- **Shopping Malls and Theaters**

In Hyderabad Central¹⁴², Carnival¹⁴³ and M/s Prasad Multiplex theatre at Hyderabad, it was found that most of the fire safety measures were ensured.

¹³⁶ in A, B, C, D, H (North & South), J, K, and L Blocks

¹³⁷ a prestigious National theatre of Arts

¹³⁸ an architectural masterpiece

¹³⁹ 14-storied MSB which accommodates Government Offices

¹⁴⁰ as highlighted in the earlier Audit Report

¹⁴¹ consisting of two blocks of 10 and 11 floors

¹⁴² multi-storied shopping mall/multiplex theatre

¹⁴³ earlier M/s Adlabs Pvt. Limited - shopping mall/multiplex theatre

Replies/Comments of Government	<p>Government admitted (July/November 2017) non-identification of the hazardous premises. It was stated that due to insufficient number of inspecting officers it was not possible to inspect all hazardous premises. It was further stated that a proposal for creation of fire prevention wings in the Municipal Corporations at Karimnagar, Nizamabad and Ramagundam was under consideration of the Government.</p> <p>Further, Government admitted (July 2017) persistent deficiencies in fire safety measures in the Government establishments such as Secretariat, Jubilee Hall, Ravindra Bharathi, Gagan Vihar, etc. Prosecution was initiated against management of NIMS hospital for non-adherence of prescribed fire safety measures as per the NOC for occupancy. Further, Shadan Junior and Degree College was directed to restrict the usage of 9th and 10th floors¹⁴⁴ in the building.</p>
Further comments of Audit	<p>Improvement of fire safety provisions in the private establishments was evident as discussed above. Fire preventive inspections were carried out randomly twice a month. However, the Department did not formulate a strategy to survey and conduct inspections of the hazard prone areas that need specific fire safety measures.</p>

3.3.4 Recommendations fully implemented

As of October 2017 none of the five recommendations made by Audit has been implemented in full by the Government.

3.3.5 Conclusion

Performance Audit conducted earlier in the year 2012 highlighted the deficiencies in functioning of State Disaster Response and Fire Services Department. Though the Government had accepted all the recommendations, none of the recommendations has been fully implemented even after a lapse of five years.

The Department has been carrying out fire preventive inspections randomly twice a month. Government had not initiated appropriate measures for strengthening/modernisation of the Department. The Sub-Committee's¹⁴⁵ recommendations and Standing Fire Advisory Council (SFAC) recommendations/norms with regard to adequate fire stations, modern equipment, manpower and budgetary support were not implemented. Thus, adequate budgetary support needs to be given by the Government so as to ensure fire safety coverage and efficient service delivery to the citizens through up-gradation/modernisation of the Department.

¹⁴⁴ which were above the permissible height for educational institutions

¹⁴⁵ constituted by State Government

Health, Medical and Family Welfare Department

3.4 Non-functioning of Blood Component Separation Units

Three Blood Component Separation Units at Gadwal, Mahabubnagar and Tandur could not commence their operations for want of resources and equipment. As a result, the equipment bought at a cost ₹94 lakh remained idle for periods ranging from two to five years

Blood Banks¹⁴⁶ and Blood Component Separation Units¹⁴⁷ (BCSUs) are regulated under the Drugs and Cosmetics Act, 1940 and Rules framed thereunder. As per the Rule 122-G, 122-I and 122-P, adequate accommodation¹⁴⁸, equipment¹⁴⁹, technical/trained staff¹⁵⁰, etc. are required to be provided¹⁵¹ to a BCSU for obtaining licence for its operations. The licence is granted by State Licensing and Central Licensing authorities. The Heads of the Department¹⁵² (HoDs) are required to ensure provision of essential requirements including the licence for the Blood Banks/BCSUs.

Audit scrutinised (January/October 2017) the records of Director, Drugs Control Administration (DCA - State Licensing authority) and three¹⁵³ (out of 27¹⁵⁴) test-checked Blood Banks in the State. The objective was to assess the compliance of the mandatory requirements by the BCSUs proposed to function in the Blood Banks.

For establishing three BCSUs¹⁵⁵ at District Hospital Blood Banks at Gadwal, Mahabubnagar and Tandur, the Department had supplied¹⁵⁶ (January 2013 - September 2017) certain essential equipment costing ₹94 lakh¹⁵⁷.

Audit scrutiny showed that the three proposed BCSUs were not put into operation due to non-provision of various essential equipment¹⁵⁸ and technical/trained staff¹⁵⁹. As a result,

¹⁴⁶ Blood Bank carries out all or any of the operations for collection, apheresis, storage, processing and distribution of Whole Human Blood drawn from donors and/or for preparation, storage and distribution of blood components

¹⁴⁷ Blood Component Separation Unit (as a part of Blood Bank services) carries out separation of whole blood into its constituent components viz., red cells, platelets and plasma for use when these specific components are required

¹⁴⁸ an area of 50 sq. meters for preparation of blood components (in addition to 100 sq. meters for Blood Bank operations)

¹⁴⁹ Air conditioner; Laminar air flow bench; suitable Refrigerated Centrifuge, Plasma expresser; Clipper and clips and/or dielectric sealer; Weighing device; Dry rubber balancing material; Artery forceps, scissors; Refrigerator (to maintain 2°C to 6°C temperature), Platelet agitator with incubator, Deep freezers (to maintain -30°C to -40°C and -75°C to -80°C temperature); Refrigerated Water bath for Plasma Thawing; Insulated blood bag containers; etc.

¹⁵⁰ Whole time Medical Officer, Technical Supervisor, Blood Bank Technicians and Registered Nurses

¹⁵¹ as stipulated in the Schedule F, Part XII B of Drugs and Cosmetics Rules, 1945

¹⁵² Commissioner, TVVP, Director of Medical Education and Director of Public Health and Family Welfare

¹⁵³ District Hospital Blood Banks at Gadwal, Mahabubnagar (Mahabubnagar district) and Tandur (Rangareddy district)

¹⁵⁴ functioning under Government sector

¹⁵⁵ for strengthening hospital services to combat the Dengue and other viral fevers

¹⁵⁶ Through Andhra Pradesh Medical Services and Infrastructure Development Corporation (APMSIDC - now TSMSIDC for Telangana State) and Andhra Pradesh State AIDS Control Society

¹⁵⁷ District Hospitals, **Gadwal** (cost: ₹29.81 lakh/supplied: June - September 2015); **Mahabubnagar** (₹33.44 lakh/January 2013 to September 2017) and **Tandur** (₹30.33 lakh/February 2013 - September 2015)

¹⁵⁸ **BCSU, Gadwal:** 40 Kv Generator; Air Conditioners; Blood Bags Weighing Device; Dry Rubber balancing material; Artery forceps, scissors; Blood Bank Refrigerators, Insulated Blood bag containers, Temperature Recorder System (CMS), Stop Watch/Timer Clock Digital and Electronic/Laboratory Thermometers and **BCSU, Mahabubnagar:** Air Conditioner, Laminar air flow bench, Dry rubber balancing material, Artery forceps, Deep freezers (minus 75 to 80), Blood collection Monitor, Test tube racks, Coagula Meter and Single Donor Platelet

¹⁵⁹ **BCSU, Mahabubnagar:** Technical staff were not provided; **BCSUs, Gadwal:** Professional staff were not sanctioned; and **Tandur:** Technical staff were provided. However, Medical Officer and Lab Technicians were not trained

the entire equipment already supplied (cost: ₹94 lakh) were lying idle for the periods ranging from two¹⁶⁰ to five years in the three Blood Banks.



Refrigerated Centrifuge kept idle at BCSU, Gadwal (October 2017)



Platelet agitator, Refrigerated Centrifuge, and Deep freezer kept idle at BCSU, Mahabubnagar (October 2017)

It was further seen that the District Hospitals¹⁶¹ repeatedly requested for meeting the gaps in equipment and trained staff, but these were not provided by the Department. Thus, procurement of essential equipment and positioning of trained manpower were not simultaneously ensured for commencement of the BCSUs. DCA confirmed (July 2017) non-compliance of the mandatory requirements for the BCSUs.

The DCA/CDSCO¹⁶² had in fact, issued licences to the three BCSUs¹⁶³ for their operations, pending provision of essential equipment, technical/trained staff, etc.

In their reply (September 2017), the Commissioner, Telangana Vaidya Vidhana Parishad (TVVP) and the Government stated (January 2018)¹⁶⁴ that all the three BCSUs were functioning.

Audit conducted (26 to 28 October 2017) joint physical verification of the BCSUs along with hospital authorities concerned. It was, however, found that the BCSUs were still not functioning due to non-provision of certain other essential equipment and trained technical staff. Hence, the reply of the Commissioner/Government was not acceptable.

Thus, due to lack of resources the three BCSUs could not commence their operations. This led to the equipment (cost: ₹94 lakh) already supplied remaining idle for the periods ranging from two to five years. This deprived needy patients of easy access to safe blood/blood components appropriate to their clinical needs. With efflux of time, the equipment may become dysfunctional.

As these findings emerged only from a test-check by Audit, it is unlikely that these findings were confined to the aforementioned BCSUs only. According to DCA (July 2017), certain other Government hospitals also had not provided all the essential requirements for functioning of Blood Banks. In this context, it is recommended that Government review the functioning of all the Blood Banks/BCSUs in the State.

¹⁶⁰ One month in the case of equipment, i.e., 'Cell Counter' which was received in September 2017 in BCSU, Mahabubnagar

¹⁶¹ Gadwal and Mahabubnagar

¹⁶² Central Drugs Standard Control Organisation (Central Licensing authority)

¹⁶³ **Gadwal:** August 2016 (based on the assurance given by the Blood Bank authorities for compliance of mandatory requirements), **Tandur:** September 2016 and **Mahabubnagar:** June 2017

¹⁶⁴ while forwarding the response (20 October 2017) of the Commissioner indicating the status of BCSUs

**Higher Education Department
(Potti Sreeramulu Telugu University)**

3.5 Non-establishment of 'Telugu Talli Pranganam'

The establishment of 'Telugu Talli Pranganam', a campus of Sree Potti Sreeramulu Telugu University, did not take off even after lapse of six years despite availability of sufficient land and finances. This was due to non-utilisation/non-availment of ₹8.79 crore (out of ₹10.62 crore allocated by University Grants Commission) during the XI Plan/extended plan period

The Potti Sreeramulu Telugu University was established in 1985 with a main objective to preserve, promote and propagate Telugu culture, language, literature, fine arts, performing arts and history. The University has been functioning with 12 departments¹⁶⁵ and four divisions¹⁶⁶ in a building¹⁶⁷ meant for a Museum, which is inadequate for its administrative requirements as well as academic activities. The University was allotted 100¹⁶⁸ acres of land in 2003 by the then State Government to develop its campus named 'Telugu Talli Pranganam'. A Master Plan¹⁶⁹ for developing infrastructure at an estimated cost of ₹50 crore was prepared (April 2005) by the University.

The University forwarded proposals (June 2007) to the University Grants Commission (UGC) for developing infrastructure in the allotted land of 100 acres. UGC provided financial assistance (July 2009 and December 2010) of ₹10.62 crore during the XI Plan (2007-12) as recommended by the Visiting Committee (December 2008) of the UGC. The allocated grant of ₹10.62 crore was intended towards General Development Assistance Scheme (GDAS - ₹6.09 crore) and for Merged Schemes (MS - ₹4.53 crore) as detailed in *Appendix-3.5*. While releasing the grant, UGC stipulated that in case of the allocated amounts remaining unspent during the Plan/extended period, the University should refund the amount with a simple interest of 10 *per cent* per annum.

Audit scrutiny of the records of the University showed that against ₹5.31 crore¹⁷⁰ released by the UGC, the University could utilise only ₹2.26 crore¹⁷¹. An amount of ₹3.48 crore¹⁷² remained unutilised even after grant of extension of time by the UGC¹⁷³.

¹⁶⁵ Departments of (i) Linguistics (ii) Lexicography (iii) Music (iv) Theatre Arts (v) Paintings and Sculpture (vi) Dance (vii) Folk Arts (viii) Culture and Tourism (ix) Communication and Journalism (x) Jyothisham (xi) Comparative Studies and (xii) Translation

¹⁶⁶ (i) Centre for Distance Education (ii) Centre for Encyclopedia (iii) International Telugu Centre (iv) Central Library

¹⁶⁷ situated in Public Gardens, Hyderabad

¹⁶⁸ at Bachupally, Rangareddy district

¹⁶⁹ Administrative Building, School of Fine Arts, School of Social and other Sciences, School of Language Development and other Departmental Buildings, Library, Auditorium, Guest House, Men's Hostel, Women's Hostel, VC Lodge, Departmental Stores, Building for Indoor Games, Quarters for all categories of staff and campus development such as Roads, Play Ground, Street Lighting, etc.

¹⁷⁰ out of ₹10.62 crore allocated

¹⁷¹ GDAS: ₹1.85 crore + MS: ₹0.41 crore

¹⁷² ₹3.05 crore + ₹0.43 crore (expenditure disallowed by the UGC)

¹⁷³ till September 2012 and March 2014 for Merged Schemes and for GDAS respectively

Audit analysis further showed the following:

- The University did not submit plans and drawings for six buildings¹⁷⁴ within the stipulated time (March 2012) for approval of UGC.
- Prior concurrence was not obtained from the State Government for continuation of academic Staff (Lecturer Posts sanctioned by UGC: 10) after the cessation of the UGC grant.
- The University was advised (by the UGC) to seek re-appropriation of the grant of rupees one crore already released under the staff component, for any other approved items under any scheme. This opportunity was, however, not utilised.
- The University did not initiate action for construction of regional centres at Srisailam and Kuchipudi despite release (December 2010) of ₹0.50 crore¹⁷⁵.
- The construction of Women's Hostel building had not commenced as of August 2017 despite release (December 2010) of ₹0.60 crore.

Thus, except for purchase of equipment¹⁷⁶ and purchase of books¹⁷⁷, no other significant activity (proposed under UGC grant) was taken up by the University. These lapses/shortcomings resulted in the University having to refund the unspent amount of ₹3.48 crore¹⁷⁸. Further, there was a liability of ₹1.98 crore¹⁷⁹ towards interest on the unspent amounts. Apart from this, the balance UGC assistance of ₹5.31 crore could not be availed due to non-utilisation of the released grants by the end of the Plan/extended Plan period.

Government accepted (February 2018) the audit observation. It was stated that the allocated funds could not be utilised in full during the Plan/extended period due to unavoidable administrative and technical reasons. The Government, however, did not elaborate on these reasons.

Thus, the establishment of 'Telugu Talli Pranganam' did not take off even after the lapse of six years despite availability of land and resources. This resulted in the loss of UGC assistance of ₹8.79 crore¹⁸⁰ besides denying quality education to students.

¹⁷⁴ (i) Academic block of School of Language Development (ii) compound wall (iii) student amenities (iv) Amphitheatre (v) Audio-Video centre (vi) Bank and (vii) post office

¹⁷⁵ out of rupees one crore allocated under Special Development Grant for Universities in Backward Areas

¹⁷⁶ total allocated grant of ₹1.25 crore was spent

¹⁷⁷ ₹0.16 crore spent out of total released grant of ₹0.25 crore

¹⁷⁸ refunded ₹1.61 crore in October 2014 and ₹1.87 crore in April 2017

¹⁷⁹ ₹1.61 crore x 61/12 x 10% = ₹81,84,166 + ₹1.87 crore x 72/12 x 10% = ₹1,16,87,500 = ₹1.98 crore (rounded to)

¹⁸⁰ ₹3.48 crore + ₹5.31 crore

3.6 Unproductive outlay on incomplete buildings

Expenditure of ₹6.20 crore on Administrative building and Fine Arts building of Potti Sreeramulu Telugu University was rendered unproductive due to abandonment of the work by the contractor. This was due to non-settlement of contractor's claims in time by the University

The present campus of Potti Sreeramulu Telugu University, established in 1985, is centrally located in Hyderabad. The University was allotted 100 acres of land at Bachupally village (Rangareddy district) for development of a new campus because of acute shortage of space. Work on construction of Administrative Block (August 2006) and a building for department of Fine Arts (August 2007) was taken up at an estimated contract value (ECV) of ₹2.90 crore and ₹4.09 crore respectively. For this purpose, the University earmarked an amount of ₹7.69 crore out of 'Other Grants in Aid' of ₹12.93 crore released by State Government during the period 2005-11. Contracts were awarded (August 2006/August 2007) to the same contractor¹⁸¹ at contract values of ₹2.93 crore¹⁸² (Administrative Block) and ₹4.15 crore¹⁸³ (Building of Fine Arts). The buildings were scheduled to be completed by August 2007 and August 2009 respectively so as to shift to new campus by the academic year 2011-12.

Audit scrutiny (March 2017) of the records and information obtained subsequently, however, showed that the construction of both the buildings was not completed (October 2017). This was despite the lapse of over 10 years and even after incurring an expenditure of ₹6.20 crore. The work was stalled after the Contractor abandoned the works in June 2011. The main reason was that his claims were not settled timely.

Audit further observed the following:

- The scope of works on several aspects¹⁸⁴ was changed considerably after conclusion of the agreement and handing over of the site which resulted in inordinate delay in construction. Further, the Engineering Department of the University (ED) did not take action on the related grievances of the Contractor.
- During the period of construction, the Contractor claimed price adjustments (March 2009) of ₹0.64 crore (for Administrative Block) and ₹0.80 crore (for Fine Arts building). Price adjustment was permissible¹⁸⁵ for all ongoing works. It was further noticed that Government released (August 2010) an additional grant of ₹3.29 crore towards clearing of outstanding dues to the Contractor. Despite release of funds by the Government, the University did not make the payment to the contractor for a period of two years. After a prolonged delay, however, the University approached the Government in April 2011 seeking specific permission for allowing price adjustments.

¹⁸¹ M/s Chabra Associates, Hyderabad

¹⁸² 0.90% excess over ECV

¹⁸³ 1.53% excess over ECV

¹⁸⁴ included (a) change of location of the proposed administrative block from plain to hilly terrain, leveling of which took eight months for the Contractor, (b) additional Cellar area which became feasible due to sloping terrain in the new location, (c) work on approach road to the new location (not included in the original estimate of the administrative block), (d) for the building of Fine Arts, removal of boulders found in foundations and increased depth thereof

¹⁸⁵ As per Government Orders of April 2008 and January 2009

- In July 2011, the Government permitted the University to allow the price adjustments. In the meantime, the Contractor stopped the work in June 2011. The University made (November 2012) a part payment towards price adjustments (only ₹0.65 crore against ₹0.80 crore claimed by the Contractor) in respect of the building of Fine Arts. For the ‘Administrative Block’, however, the price adjustment was not allowed (June 2012) by the Executive Council on the ground that there was no such a clause in the agreement. The payment of balance¹⁸⁶ amount towards price adjustment was not made. The University, however, requested (June 2016) the contractor to resume the work who refused. Instead, the Contractor insisted that the valuation of contracts should be done on the basis of current SSRs and escalation of contract price.

In their reply forwarded by the Government (February 2018), the University confirmed the fact of non-completion of the two buildings. With regard to the belated payments to the contractor it was stated that during the period there was severe stress on the finances of the University even to meet the minimum requirements and keep the institution running.

The reply of the University was not acceptable as the University had delayed the payments (November 2012) to the contractor for about one and half years even after release (August 2010) of funds by the Government.

Thus, expenditure of ₹6.20 crore on the administrative and Fine Arts buildings was rendered unproductive due to stoppage of work by contractor and as the contractor’s claims were not settled timely. Consequently, the objective to shift academic and administrative activities of the University to the new spacious campus remained unachieved.

Municipal Administration & Urban Development Department (Hyderabad Metropolitan Water Supply and Sewerage Board (HMWS&SB))

3.7 Avoidable expenditure of ₹5.17 crore on rerouting of Underground Power Cable

Absence of coordination between HMWS&SB and Telangana State Southern Power Distribution Company Limited (TSSPDCL) during the execution of a project resulted in avoidable expenditure of ₹5.17 crore

Hyderabad Metropolitan Water Supply and Sewerage Board provides potable water in the area of Greater Hyderabad Municipal Corporation (GHMC). In order to augment water supply in its service area, the Board undertook a number of projects¹⁸⁷. Prior to undertaking digging work for the projects, the Board obtains permission/No Objection Certificate¹⁸⁸

¹⁸⁶ ₹0.64 crore + ₹0.15 crore (0.80 – 0.65)

¹⁸⁷ Godavari Drinking Water Supply Project and Krishna Drinking Water Supply Project in multiple phases

¹⁸⁸ for road cutting, road restoration, way leave charges and licence fee

from relevant authorities¹⁸⁹ on payment of fees/charges. The Board also has to inform other public utilities¹⁹⁰ in advance, of the route of the pipe line and associated digging work. This would alert other public utilities whose cables/utilities might have been already laid in the same route. This would also ensure no damage to their existing cables and smooth completion of the project in an economical manner.

The Board accorded administrative sanction (August 2012) to Phase III of the Krishna Drinking Water Supply Project (KDWSP) at an estimated cost of ₹1,670 crore¹⁹¹. The project was aimed at augmenting water supply to Greater Hyderabad city. The project, executed in ten packages, was completed and commissioned in December 2015. Contract of Package IX¹⁹² of the project was awarded (February 2013) at a contract price of ₹186 crore¹⁹³. The work was completed (2015) at a cost of ₹227.54 crore¹⁹⁴.

Audit scrutiny (June 2015) of the records of the Board¹⁹⁵ and relevant information obtained (September 2017) showed that the administrative sanction for KDWSP was issued in August 2012. The Board, however, did not immediately inform the power distribution utility, i.e., TSSPDCL of the upcoming water pipe line. In March 2013, the TSSPDCL, unaware of the sanction of water pipeline work¹⁹⁶, laid underground power cable on the same route at a cost of ₹5.58 crore. The power cable got damaged (January 2014) during digging of trial pits for laying the water pipeline by the Board.

A joint inspection by the Board and TSSPDCL found (December 2014) that it would not be possible to accommodate both power cable and water pipe in a stretch of 6.3 km. The Board, therefore, requested TSSPDCL to reroute the newly laid underground power cable. The Board also committed to bear the cost of the rerouting the power cable. Accordingly, the Board paid (December 2014) ₹5.17 crore¹⁹⁷ on the basis of a demand raised by TSSPDCL.

The Board informed (February 2014) the TSSPDCL only when the contractor damaged the underground power cable. The Board could have saved the expenditure of ₹5.17 crore by intimating the Power Utility of the proposed water pipeline immediately after the administrative sanction. This lapse resulted in wasteful expenditure of ₹5.17 crore on rerouting the power cable. This also indicated absence of coordination and exchange of information between the two organisations about their projects.

Thus, lack of proper coordination and exchange of information on common areas between two public utilities while executing their works resulted in avoidable expenditure of ₹5.17 crore. The Board needs to probe the issue to fix accountability and responsibility for the lapse.

¹⁸⁹ Greater Hyderabad Municipal Corporation (GHMC), Road and Buildings (R&B) Department and Railways

¹⁹⁰ Bharat Sanchar Nigam Ltd (BSNL), TSSPDCL etc.

¹⁹¹ revised to ₹1800.26 crore (May 2016) due to increased cost of VAT, Labour Cess, Cutting deposits and Price adjustments

¹⁹² commissioning of 1500 MM dia Gravity main water pipeline from Saheb Nagar to Mailardevpally and 1400 dia MS pumping main from Mailardevpally to Prashasannagar and construction of 9 ML capacity Clear Water Reservoir

¹⁹³ inclusive of VAT ₹5 crore

¹⁹⁴ 13.77 per cent excess over the sanctioned estimate amount

¹⁹⁵ Chief General Manager (Engineering) Project Construction Circle-I, Hyderabad

¹⁹⁶ 6.3 km from P.V. Narasimha Rao Express Highway Pillar No. 117 (Karwan Sub-Station) to Pillar No. 293 (Sivarampally)

¹⁹⁷ Material cost ₹4.07 crore + Labour cost ₹1.10 crore exclusive of road cutting charges payable to GHMC/R&B

In their reply (January 2018) Government confirmed the facts and figures. It was stated that in future, precautions would be taken as suggested by Audit.

It is recommended that public utilities which use common areas for executing projects particularly in relation to digging, should put in place a mechanism to provide advance intimation of their project plans to one another. A display should also be made at appropriate places regarding the details of the project works, to save public money.

Municipal Administration & Urban Development Department (Hyderabad Metropolitan Development Authority (HMDA))

3.8 Leasing of Commercial Complexes

Hyderabad Metropolitan Development Authority sustained a revenue loss of ₹20.95 crore due to non-allotment of 355 shops in five commercial complexes, for periods ranging from 5 to 105 months. Besides, rental arrears of ₹6.16 crore remained to be collected

Hyderabad Metropolitan Development Authority (HMDA)¹⁹⁸ owns five¹⁹⁹ full-fledged commercial complexes situated in the prime locality of Hyderabad city. Rent from commercial shops, leased out under the 1996 regulations of HUDA²⁰⁰, is one of the sources²⁰¹ of income to the Authority. Estate Management (Commercial) Unit of the Authority is entrusted with the allotment of shops and collection of rents from the lessees. The Authority outsources maintenance of the complexes on annual contract basis, the cost of which is recovered from the lessees.

For effective maintenance and collection of revenues from the Complexes, the Regulations, *inter alia* stipulate that the Authority is to fix an upset rent²⁰² or any amount duly recording the reasons thereof. The Committee must, for fixing upset rent, take into account, from time to time, all the relevant factors such as market demand in the complex and in surrounding areas. The Vice-Chairman has the right to cancel the lease on a month's notice if the tenant defaults in the payment of rent for a period of three months. Rental arrears and other amounts shall be recovered under Revenue Recovery Act, 1864.

¹⁹⁸ formed in 2008 for securing planned and orderly development of the Hyderabad Metropolitan Region and formerly known as Hyderabad Urban Development Authority (HUDA)

¹⁹⁹ (i) Swarna Jayanthi Commercial complex (ii) Maitrivihar Commercial Complex (iii) Hermitage Commercial Complex (iv) Maitrivanam Commercial Complex (v) Tarnaka Commercial Complex

²⁰⁰ Hyderabad Urban Development Authority

²⁰¹ Sources of income include: Development charges for layouts; Land Regularisation Scheme (LRS); building permissions; rents from Commercial Complexes, parks and interest on investments/fixed deposits

²⁰² means Basic rent recommended by Rent Fixation committee consisting of the Chief Engineer, Resource and Development Officer (Convenor), Executive Engineer (Maintenance), Chief Accounts Officer, Public Relations Officer and Secretary & Member, Estates of the Authority

Audit scrutiny (July 2017) of records of HMDA showed that although the complexes are located in prime business locations, 32 *per cent* of total space (91 shops) in the five commercial complexes remained vacant. The vacancy period ranged from 5 months to 105 months which resulted in revenue loss of ₹20.95 crore. The Complex-wise details are given in *Appendix-3.6*.

The audit scrutiny further showed that rental arrears amounting to ₹6.16 crore remained to be recovered from lessees as of March 2017. The rental arrears include ₹1.65 crore from 15 Government Offices²⁰³ and ₹4.51 crore from private parties²⁰⁴.

The matter was pointed out in Audit, and the Authority attributed (July 2017) the prolonged vacancy of shops to:

- lack of response to the tender notices;
- recession in the market;
- bifurcation of State; and
- lower rentals in the surrounding areas

The Authority further stated that the Government was addressed (June 2017) to designate Tahsildar working with the Authority as Recovery Officer²⁰⁵ for recovering the rental arrears from private parties.

Audit observed that prolonged vacancy of shops was, *inter alia*, due to poor maintenance of the complexes. Further, the upset rent per square foot was fixed two to four and half times more than the market rates.

Audit further observed that there was no proper system in place for

- pursuing and promptly collecting the rents on due dates from the lessees both private as well as the Government Departments
- initiating, without undue delay, the processes prescribed under the regulations in respect of defaulters of rent with regard to the levy of interest on belated payments, cancellation of lease and for eviction of the defaulters.

The above lapses resulted in the shops remaining vacant for periods ranging up to eight years (105 months) and accumulation of arrears of rents.

Thus, the Hyderabad Metropolitan Development Authority sustained a revenue loss of ₹20.95 crore due to non-allotment of 355 shops in five commercial complexes, for periods ranging from 5 to 105 months. Besides, rental arrears of ₹6.16 crore remained to be collected.

²⁰³ occupying 65 shops in four commercial complexes

²⁰⁴ occupying 199 shops in five commercial complexes

²⁰⁵ under Revenue Recovery Act, 1864

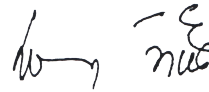
In their reply (January 2018), Government elaborated on the powers/procedures vested with the HMDA with regard to fixing the rents, cancellation of lease, recovery of rents and damages, if any, from the lessees. Government did not, however, offer their remarks for prolonged vacancy of shops and the consequential revenue loss and mounting rental arrears.



(AJAIB SINGH)
Principal Accountant General (Audit)
Telangana

Hyderabad
The

Countersigned



(RAJIV MEHRISHI)
Comptroller and Auditor General of India

New Delhi
The

Appendices

Appendix-1.1
(Reference to paragraph 1.6 page 3)

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

Department	Number of IRs/Paragraphs pending as of 30 September 2017	
	IRs	Paragraphs
Backward Classes Welfare	47	275
Consumer Affairs, Food and Civil Supplies	21	142
Finance	1	6
General Administration	9	62
Health, Medical and Family Welfare	359	2649
Higher Education	376	2621
Home	89	530
Labour, Employment, Training and Factories	75	375
Law	27	88
Minorities Welfare	10	70
Municipal Administration and Urban Development	136	872
Planning	8	81
Revenue	42	385
Scheduled Castes Development	65	369
School Education	105	1147
Tribal Welfare	55	275
Women, Children, Disabled and Senior Citizens	232	981
Youth Advancement, Tourism and Culture	59	500
Total	1716	11428

Appendix-1.2
(Reference to paragraph 1.6 page 5)

Explanatory Notes to be received
(issues exclusively pertaining to the State of Telangana)

Department	2014-15	2015-16	Total
Backward classes Welfare	1	-	1
Health, Medical and Family Welfare	-	2	2
Higher Education	-	1	1
Home	-	1	1
Information Technology, Electronics and Communications	1	-	1
Minorities Welfare	1	-	1
Revenue	-	1	1
Scheduled Castes Development	1	-	1
School Education	-	1	1
Tribal Welfare	1	-	1
Youth Advancement, Tourism and Culture	-	2	2
Women, Children, Disabled and Senior Citizens	-	3	3
Total	5	11	16

Explanatory Notes to be received
(issues common to both the States of Andhra Pradesh and Telangana)

Department	2009-10 (Civil)	2010-11 (Civil)	2011-12 (G&SSA)	2012-13 (G&SSA)	2013-14 (G&SSA)	Total
Finance	1*	-	1	1	-	3
Health, Medical and Family Welfare	-	-	-	-	2	2
Home	-	-	1	1	1	3
Housing	-	-	-	3	-	3
Minorities Welfare	-	-	1	-	1	2
Panchayat Raj and Rural Development	-	-	1	1	-	2
Tribal Welfare	-	1	1	-	1	3
Youth Advancement, Tourism and Culture	-	-	-	-	1	1
Department for Women, Children, Disabled & Senior Citizens	-	-	-	-	1	1
Total	1	1	5	6	7	20

* in respect of Audit Report on Revenue Receipts

Appendix-2.1
(Reference to paragraph 2.1.2.3 page 20)

List of sampled hospitals and health centres

Sampled District	District hospital sampled	CHC/SDH sampled	PHCs sampled	Sub-Centres sampled
Medak district	District Hospital, Sangareddy	CHC, Narsapur	PHC, Chintalacheru	SC, Chintalacheru
				SC, Royyapally
				SC, Sadullanagar
			PHC, Hathnoora	SC, Konyal
				SC, Siripuram
				SC, Hathnoora A
		AH, Patancheru	PHC, Gummadidala	SC, Gummadidala B
				SC, Annaram
				SC, Gummadidala A
			PHC, Khanukunta	SC, Khanukunta
				SC, Kothapalli
				SC, Nallavalli
		AH, Siddipet	PHC, Kondapak	SC, Srisinagandla
				SC, Kondapak B
				SC, Kondapak A
			PHC, Kuknoorpally	SC, Thipparam
				SC, Kodakandla
				SC, Thimmareddypally
			PHC, Mirdoddi	SC, Alwal
				SC, Andey
				SC, Mallapally
			PHC, Reddypally	SC, Narsapur-C
				SC, Narsapur-B
				SC, Pedda Chinthakunta
			PHC, Kalher	SC, Krishnapur
				SC, Bachepalle
				SC, Nagdhar
Nalgonda district	District Hospital, Nalgonda	CHC, Nadigudem	PHC, Munagala	SC, Mukundapuram
				SC, Munagala
				SC, Akupamula
			PHC, Repala	SC, Madhavaram
				SC, Repale
				SC, Kalkova
		AH, Ramannapeta	PHC, Valigonda	SC, Puligilla
				SC, Redlarapaka
				SC, Valigonda
			PHC, Vemulakonda	SC, Vemulakonda
				SC, Velvarthy
				SC, Aroor
		CHC, Thungathurthy	PHC, Arvapally	SC, Arvapally
				SC, Thimmapuram
				SC, Kasarlapahad

Sampled District	District hospital sampled	CHC/SDH sampled	PHCs sampled	Sub-Centres sampled
			PHC, Nagaram	SC, D Kothapally
				SC, Nagaram
				SC, Vardhamankota
			PHC, Bibinagar	SC, Ragavapuram
				SC, Chinaravulapally
				SC, Bibinagar
			PHC, Nampally	SC, Pasnoor
				SC, Mustipally
				SC, Narsimulaguda
			PHC, Kapugal	SC, Kommarabanda
				SC, Gudibanda
				SC, Togalrai
Warangal district	District Hospital, Janagaon	AH, Mahabubabad	PHC, Alankanipeta	SC, Topanapalli
				SC, Pedda Korpolu
				SC, Bolikonda
			PHC, Nekkonda	SC, Applaraopet
				SC, Chandragonda
				SC, Nekkonda
		CHC, Ghanpur Stn	PHC, Dharmasagar	SC, Dharmasagar-I
				SC, Devnur
				SC, Elkurthy
			PHC, Velair	SC, Mallikudurla
				SC, Thatikayala
				SC, Narayanagiri
		CHC, Bachannapet	PHC, Ladnoor	SC, Bairanpalli
				SC, Kondapur
				SC, Ladnoor
			PHC, Maddur	SC, Maddur
				SC, Arjunapatla
				SC, Doolimitta
			PHC, Hasanparthy	SC, Annasagar
				SC, Yallapur
				SC, Jayagiri
			PHC, Bhupalpalli	SC, Bhupalpally-I
				SC, Moranchapally
				SC, Kamalapur
			PHC, Kesasamudram	SC, Kesasamudram
				SC, Kesamudram Stn
				SC, Penugonda

Appendix-2.2
(Reference to paragraph 2.1.6.1 page 30)

List of non-functional PHCs in sampled districts

Sl. No	Name of the Health centre	Date of completion	Delayed (as of June, 2017)
1.	PHC, Chintamadaka(V), Siddipet(M)	2.2.2016	17 (Months)
2.	PHC, Markuku (V), Mulugu.	4.8.2016	11 (Months)
3.	PHC, Ramakkapet (V), Dubbak (M)	16.4.2015	26.5(Months)
4.	PHC, Sirigipally(V), Gajwel	25.4.2015	26 (Months)
5.	PHC, Rajgopalpet (V), Nanganoor (M)	1.12.2014	30 (Months)
6.	PHC, Akkannapet (V), Husnabad.	13.7.2015	23.5(Months)
7.	PHC, Bollaram(V), Jinnaram	22.10.2014	32(Months)
8.	PHC, Thurkapally(V), Narayanakhed(M)	13.8.2015	22.5(Months)
9.	Jagdevpur(V&M)	1.10.2016	9(Months)
10.	PHC, Boddupally(V), Devarkonda(M)	13.10.2015	20.5(Months)
11.	PHC, Velvarthy(V), Valigonda (M)	27.7.2016	11(Months)
12.	PHC, Malyala, Mahabubabad (M)	18.6.2015	24.5(Months)
13.	PHC, Thatikonda(V), Ghanpur (M)	3.9.2014	33(Months)
14.	PHC, Paidipally(V), Hanamkonda (M)	27.11.2014	31(Months)
15.	PHC, Kondaparthi, Hanamkonda (M)	27.11.2014	31(Months)
16.	PHC, Siddapur, Hasanpathy(M)	27.11.2014	31(Months)
17.	PHC, Ippaguda, Ghanpur (M)	29.12.2014	30(Months)
18.	PHC, Obulakeshapur, Jangaon(M)	16.10.2014	32.5(Months)
19.	PHC, Kuravi (V&M)	18.6.2015	24.5 (Months)

Appendix-2.3
(Reference to paragraph 2.1.6.1 page 31)

Availability of infrastructure in the test-checked Health facilities

Sl No.	Infrastructural facility not available	Number of health facilities	Percentage of total health facilities surveyed
Sub Centre (SC)		81 (Surveyed)	100
1.	Rented building	35	43
2.	No compound wall	51	63
3.	Coming off and no plaster on walls	26	32
4.	Not availability of toilets	51	63
5.	Areas of garbage collection, cattle shed, water logging, etc. nearby	17	21
6.	Non-availability of Suggestion/complaint box?	51	63
7.	No water supply	36	44
8.	No power supply	22	27
9.	No telephone	66	81
10.	No ANM quarter	74	91
PHC (Primary Health Centre)		27 (Surveyed)	
1.	Compound wall (not provided)	1	4
2.	Compound wall (partial)	4	15
3.	Condition of floor (Coming off in some places)	3	11
4.	Standby generator/Standby generator available but not functional	15	56
5.	Labour room/labour room available but not functional	5	19
6.	Newborn care corner	10	37
7.	Separate male and female wards	17	63
8.	Transport facility for referrals	7	26
AH/CHC		9 (Surveyed)	
1.	Condition of plaster on walls (Plaster coming off/ no plaster)	4	44
2.	Proper flooring	2	22
3.	Operation theatre/available but not in use	1	11
4.	Separate male and female wards	1	11
5.	Newborn care facilities/available but not in use	3	33

Appendix-2.4
(Reference to paragraph 2.1.7.1 page 32)

Availability of essential medicines at test-checked health facilities

Name of the hospital	Required as per state essential medicines list	Available	Shortfall
DH, Sangareddy	529	280	221 (42%)
DH, Jangoan	529	130	399(75%)
AH, Patancheru	388	158	230 (59%)
AH, Siddipet	388	350	38(10%)
CHC, Narsapur	388	110	278 (72%)
AH, Ramannapet	388	118	270 (70%)
CHC, Tungathurthy	388	199	189 (49%)
CHC, Nadigudem	388	165	223 (57%)
CHC Bachannapet	388	124	264 (68%)
CHC, Station Ghanpur	388	124	264(68%)
AH, Mahabubabad	388	188	200(52%)

Appendix-2.5
(Reference to paragraph 2.1.7.2 page 32)

List of equipment/services not available in the Selected Health facilities

Sl. No.	Name of the Equipment	Number of Health facilities	Percentage
District Hospitals (3 Selected)			
1	2D-Echo	3	100
Area Hospitals/CHCs (9 selected)			
1	Operation theatre table	2	22
2	Ultrasound Scanning	4	44
3	Blood Storage	6	66
4	ECG	3	33
5	IUD Insertion Kit	2	22
6	X-Ray facility	1	11
Primary Health Centres (27 Selected)			
1	Examination table	2	7
2	Operation theatre Table	5	19
3	Sterilisation Instruments	6	22
4	IUD Insertion Kit	6	22
5	Normal Delivery Kit	1	4
6	Labour Room Not Available/not in use	3	11

Appendix-2.6
(Reference to paragraph 2.1.8.2 and 2.1.8.3 page 33 and 34)

Availability of Specialists/Para Medical Staff in CHCs/AHs/DHs

(i) Availability of Specialists in CHCs/AHs/DHs

Name of the post	Required as per IPHS norms	Available	Vacant (<i>per cent</i>)
Medicine	169	52	117 (69)
Surgery	169	46	123 (73)
Obstetric & Gynaecology	175	134	41 (23)
Paediatrics	175	87	88 (50)
Anaesthesia	169	71	98 (58)
	857	390	467 (54)

Note: District Hospitals: 6; Area Hospitals: 31; Community Health Centres: 126

(ii) Availability of Para Medical Staff in CHCs/AHs/DHs

Name of the post	Required as per IPHS norms at each health facility			Total Requirement as per available health facilities			Total required	Available	Shortage (%)
	CHC	AH	DH	126 CHCs	31 AHs	6 DHs			
Staff Nurse	10	36	93	1260	1116	558	2934	2430	504 (17)
Pharmacist	1	3	6	126	93	36	255	209	46 (18)
Lab Technician	2	5	9	252	155	54	461	99	362 (79)
Radiographer	1	2	3	126	62	18	206	82	124 (60)
Ophthalmic assistant	1	1	1	126	31	6	163	2	161 (99)
Dental assistant	1	1	1	126	31	6	163	0	163 (100)
Cold chain & vaccine Logistic Assistant	1	1	0	126	31	0	157	0	157 (100)
OT Technician	1	6	6	126	186	36	348	0	348 (100)
Multi Rehabilitation/ Community based Rehabilitation worker	1	2	3	126	62	18	206	0	206 (100)
Counsellor	1	1	1	126	31	6	163	0	163 (100)
Dietician	0	0	1	0	0	6	6	0	6 (100)

Appendix-2.7
(Reference to paragraph 2.2.2.3 page 41)

Details of selection of Districts, Mandals and Schools (Implementation of RTE Act)

S. No	District	Rural/Urban and Number of Mandals	Number and names of Mandals	Number of Government, Local body and Specified schools	Number of Aided schools	Total number of test-checked schools
1	Khammam	Rural-3	Thallada, Chunchupalli and Bhadrachalam	16	8*	24
		Urban-1	Khammam	4	2	6
2	Rangareddy	Rural-3	Ibrahimpatnam, Shamshabad and Ghatkesar	16	7	23
		Urban-1	Balanagar	4	3	7
3	Warangal	Rural-3	Geesugonda, Khanapur and Dornakal	16	7	23
		Urban-1	Warangal	4	3	7
			Total	60	30	90

* Two of these sampled Aided schools were non-functional during 2014-17

Appendix-2.8
(Reference to paragraph 2.2.4.3 page 44)

**Expenditure on Salaries, KGBVs and Civil works vis-à-vis
PAB approved Budget during 2014-17**

(₹ in crore)

Year	PAB approved Budget	Total Expenditure (Per cent to PAB approved budget)	Expenditure on			
			Salaries	KGBVs	Civil works	Other components (%t to Total expenditure)
2014-15	1839.35	846.03 (46)	404.50	104.01	117.98	219.54 (26)
2015-16	1667.34	759.15 (46)	17.41	243.89	240.01	257.84 (34)
2016-17	1853.72	1245.83 (67)	738.64	174.93	67.39	264.87 (21)
Total	5360.41	2851.01 (53)	1160.55	522.83	425.38	742.25 (26)

Source: Minutes of PAB and information furnished by C&DSE

Appendix-2.9
(Reference to paragraph 2.2.5.3 page 47)

Dropout rate at primary level (Classes I to V) and upper primary level (Classes I to VIII)

(i) Dropout rate at primary level

Academic Year		ALL			SC			ST		
	Enrolment	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2014-15	Class-1 (2010-11)	394187	369070	763257	68897	64946	133843	63583	60892	124475
	Class-V (2014-15)	317232	299129	616361	53531	51393	104924	39301	34969	74270
	Dropout rate	19.52	18.95	19.25	22.30	20.87	21.61	38.19	42.57	40.33
2015-16	Class-1 (2011-12)	384287	360229	744516	68284	64837	133121	61881	59289	121170
	Class-V (2015-16)	320625	302320	622945	52958	51047	104005	38830	35652	74482
	Dropout rate	16.6	16.10	16.30	22.40	21.30	21.90	37.25	39.87	38.53

(ii) Dropout rate at upper primary level

Academic Year		ALL			SC			ST		
	Enrolment	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2014-15	Class-I (2007-08)	410593	388805	799398	72182	68980	141162	64193	61065	125258
	Class-VIII (2014-15)	279502	270939	550441	48663	47331	95994	30242	27593	57835
	Dropout rate	31.93	30.31	31.14	32.58	31.38	32.00	52.89	54.81	53.83
2015-16	Class-I (2008-09)	403306	384916	788222	68566	66253	134819	63082	60632	123714
	Class-VIII (2015-16)	282791	273551	556342	47589	46882	94471	30904	27773	58677
	Dropout rate	29.88	28.93	29.42	30.59	29.24	29.93	51.01	54.19	52.57

Source: Educational Statistics 2014-15 and 2015-16

Appendix-2.10
(Reference to paragraph 2.2.5.11 page 55)

Status of teachers' trainings conducted during the period 2014-17

Year	Approved budget		Achievement		Shortfall
	Physical (No. of teachers)	Financial (₹ in lakh)	Physical (No. of teachers)	Financial: ₹ in lakh (%)	Physical (No. of teachers) (%)
2014-15	217405	1282.19	172841	330.73 (26)	44564 (20)
2015-16	177186	1160.23	169501	386.38 (33)	7685 (4)
2016-17	203592	1345.00	121828	628.42 (47)	81764 (40)

Source: Information furnished by C&DSE

Appendix-2.11
(Reference to paragraph 2.2.6.5 page 60)

Performance of children (Primary and Upper Primary classes) during 2014-17

(i) Primary classes (Class I to V)

Year	Total number of children enrolled	Total number of children appeared for final annual examinations	Number of children secured				
			A+	A	B+	B	C
			91 to 100 marks (per cent)	71 to 90 marks	51 to 70 marks	41 to 50 marks	0 to 40 marks (per cent)
2014-15	1278733	1240793	65441 (5)	208008	369246	269686	328412 (26)
2015-16	972346	972346	59521 (6)	177929	316386	210529	207981 (21)
2016-17	633141	633141	60859 (10)	178026	211780	95242	87234 (14)

(ii) Upper primary classes (Class VI to VIII)

Year	Total No. of children enrolled	Total No. of children appeared for final exams	Marks secured by children						
			A1	A2	B1	B2	C1	C2	D
			91-100 (%)	81-90	71-80	61-70	51 - 60	41 - 50	35 - 40 (%)
2014-15	740173	713151	17422 (2)		66033		143132	149291	337273 (47)
2015-16	587253	587253	37337 (6)	53158	120441	100039	93682	59171	123425 (21)
2016-17	313482	313482	12175 (4)	23443	34492	46617	53821	55677	87257 (28)

Source: Information furnished by C&DSE

Appendix-3.1
(Reference to paragraph 3.1.7.3 page 79)

Excess financial assistance to Sports Associations

Sports Association	Event	Financial assistance		
		Eligible	Sanctioned/paid	Excess
Medak District Volley Ball Association	38 th Sub-Junior National Volley Ball Championship at Narsapur, Medak district (November 2015)/participants: 1,060	₹3 lakh	₹15 lakh (as per new rates)	₹12 lakh
Telangana Handball Association	31 st Sub-Junior National Handball Championship at Manchiryal, Adilabad district (January 2015)/participants: 700	₹3 lakh	₹16.91 lakh (new rate: ₹10 lakh)	₹13.91 lakh
Telangana Rowing Association	34 th Senior National Rowing Championships, Hyderabad (January 2016)	₹3 lakh	₹10 lakh (as per new rates)	₹7 lakh
Telangana Ball Badminton Association	61 st Senior National Ball Badminton Championship at Khammam (January 2016)/participants: 540	₹3 lakh	₹25 lakh (new rate: ₹10 lakh)	₹22 lakh
Telangana State Table Tennis Association	77 th Inter State Senior National Table Tennis Championship, Hyderabad (January 2016)/participants: 400	₹3 lakh	₹23 lakh (new rate: ₹10 lakh)	₹20 lakh
	Excess financial assistance	₹15 lakh	₹90 lakh	₹75 lakh

Source: Records of SATS

Appendix-3.2
(Reference to paragraph 3.2.4.1 page 87)

Payment of excess subsidy

(₹in lakh)

District	2015-16		2016-17		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Mahabubnagar	21	13.50	113	72.94	134	86.44
Karimnagar	19	9.71	58	40.86	77	50.57
Rangareddy	7	4.60	44	43.51	51	48.11
Khammam	24	11.20	23	10.05	47	21.25
Adilabad	60	11.10	83	59.95	143	71.05
Hyderabad	11	6.60	11	10.35	22	16.95
Medak	29	21.15	74	65.68	103	86.83
Nalgonda	39+1*	32.19	148	107.27	187+1*	139.46+0.50*
Nizamabad	37	22.15	67	26.30	104	48.45
Warangal	44	9.00	103	70.82	147	79.82
Total	292	141.20	724	507.73	1,016	649.43 (or ₹6.50 crore)

Source: OBMMS portal

* one single case amounting to ₹50,000 pertains to the year 2014-15 bringing the total no. of cases to 292 and no. of beneficiaries to 1016 increasing the total amount of objection to ₹6.50 crore

Appendix-3.3
(Reference to paragraph 3.2.4.1 page 89)

Delays in start-up of units

State/ District	Year	Gap between Date of application to Date of sanction	Gap between Date of sanction to Date of release of subsidy	Gap between Date of release of subsidy to Grounding of units
		More than 365 days	More than 180 days	More than 90 days
Karimnagar	2014-15	438	0	153
	2015-16	41	0	68
	2016-17	102	1901	0
Mahabubnagar	2014-15	1023	0	43
	2015-16	120	0	83
	2016-17	168	1485	77
Rangareddy	2014-15	478	0	240
	2015-16	400	0	292
	2016-17	40	504	187
Total		2810	3890	1143

Source: OBMMS data

Appendix-3.4
(Reference to paragraph 3.3.2 page 101)

Details of Assembly Constituencies not having fire stations

1	Aleru	12	Dornakal	23	Quthbullapur	34	Paleru
2	Alampur	13	Dubbaka*	24	LB Nagar	35	Pinapaka
3	Amberpet	14	Gajwel*	25	Makthal	36	Rajendranagar
4	Balkonda	15	Goshamahala	26	Manakonduru	37	Sherilingampalli
5	Bhupalapalli	16	Husnabad	27	Medchal	38	Station Ghanpur
6	Bodh	17	Jadcherla	28	Mudhol	39	Thungathurthi
7	Chandrayangutta	18	Karwan	29	Munugodu	40	Uppal
8	Chennur	19	Khairathabad	30	Nagarjunasagar	41	Vemulawada
9	Choppadandi	20	Khanapur	31	Nampally	42	Wardhanapet
10	Devarkadra	21	Kodangal	32	Nizamabad Rural	43	Wyra
11	Dharmapuri	22	Koratla	33	Palakurthi	44	Yakutpura
						45	Secunderabad Cantonment

*Fire stations were sanctioned and these were not yet operationalised as of October 2017

Appendix-3.5
(Reference to paragraph 3.5 page 116)

**Details of Grant allocated and released by UGC, expenditure incurred thereon
and assistance forgone**

(₹ in crore)

Sl No	Component	Allocation	Released	Expenditure	Grants forgone	
					Lost (2-3)	Refunded (3-4)
	1	2	3	4	5	6
General Development Assistance Scheme (GDAS)						
1	Buildings	3.10	0.05	0	3.05	0.05
2	Equipment	1.25	1.25	1.25	--	--
3	Books/Journals	0.25	0.25	0.16	--	0.09
4	Others	0.49	0.49	0.44	--	0.05
5	Staff	1.00	1.00	0	--	1.00
	Total (GDAS)	6.09	3.04	1.85	3.05	1.19
Merged Schemes (MS)						
1	Travel Grant	0.25	0.125	0.04	0.125	0.085
2	Seminars/Workshops etc.	0.20	0.100	0.11	0.100	(-)0.010
3	Publication Grant	0.20	0.100	0.02	0.100	0.080
4	Appointment of Visiting Fellows	0.15	0.075	0.08	0.075	(-)0.005
5	Development of Sports infrastructure	0.25	0.125	0.02	0.125	0.105
6	Instrumentation Maintenance	0.16	0.080	0.04	0.080	0.040
7	Basic facilities for Women	0.50	0.250	0.04	0.250	0.210
8	Coaching SC/ST/OBC/Minorities	0.35	0.180	0.04	0.170	0.140
9	Day Care Centre	0.05	0.025	0	0.025	0.025
10	Special Development Grant for Universities in Rural/Backward/Remote/Border areas	1.00	0.500	0	0.500	0.500
11	Construction of Women's Hostel	1.20	0.600	0	0.600	0.600
12	Faculty improvement Programme	0.10	0.050	0	0.050	0.050
13	Equal Opportunity Cell	0.02	0.010	0	0.010	0.010
14	Facilities for Differently-abled persons	0.10	0.050	0.02	0.050	0.030
	Total (MS)	4.53	2.270	0.41	2.260	1.860
	Total (GDAS+MS)	10.62	5.31	2.26	5.31	3.05
	Amount disallowed by UGC	--	--	--	--	0.43
	Grand Total	10.62	5.31	2.26	5.31	3.48

Appendix-3.6
(Reference to paragraph 3.8 page 122)
Vacancy position in Commercial Complexes
(for the period April 2013 to March 2017)

(₹ in crore)

Name of the Commercial Complex	Total Area in Sft. (No. of shops)	Total Vacant Area in Sft. (No. of shops vacant)	Period of Vacancy in months	Loss of Rent (₹)	Rental Arrears to the end of March 2017 (₹)		
					Govt.	Private	Total
Swarnajayanthi, Ameerpet	1,69,946 (151)	53,369 (53)	10 - 105	11.11	1.07	1.21	2.28
Maitrivihar, Ameerpet	92,526 (32)	54,720 (18)	8 - 90	7.87	---	0.33	0.33
Hermitage, Adarshnagar,	71,081 (23)	39,773 (14)	8	1.47	0.04	----	0.04
Maitrivanam, Ameerpet	1,24,727 (82)	10,112 (5)	5 - 33	0.48	0.31	2.17	2.48
Tarnaka Commercial Complex	34,033 (67)	316 (1)	29	0.02	0.23	0.80	1.03
Total	4,92,313 (355)	1,58,290 (91)	-	20.95	1.65	4.51	6.16
Total loss of Revenue				20.95			
Total Rental arrears							6.16

Glossary

AAP	:	Annual Action Plan
AHs	:	Area Hospitals
ALIMCO	:	Artificial Limbs Manufacturing Corporation of India
AMO	:	Academic Monitoring Officer
ANC	:	Antenatal Care
ANM	:	Auxiliary Nurse Midwife
ASER	:	Annual Status of Education Report
ASHA	:	Accredited Social Health Activist
AWP&B	:	Annual Work Plan & Budget
BAT	:	Badminton Association of Telangana
BCG	:	Bacillus Calmette Guerin
BHAP	:	Block Health Action Plan
BPL	:	Below Poverty Line
CGG	:	Centre for Good Governance
CHC	:	Community Health Centre
CRC	:	Child Rights Cell
CRC	:	Cluster Resource Centre
CWSN	:	Children with Special Needs
DEO	:	District Educational Office
DFO	:	Divisional Fire Officer
DG	:	Director General of State Disaster Response and Fire Services
DHAP	:	District Health Action Plan
DHS	:	District Health Society
DH	:	District Hospital
DLMC	:	District Level Monitoring Committee
DPO	:	District Project Office
DPT	:	Diphtheria Pertusis Tetanus
DQAC	:	District Quality Assurance Committee
DSA	:	District Sports Authority
ESS	:	Economic Support Schemes
FMC	:	Fateh Maidan Club
FRUs	:	First Referral Units
GPS	:	Global Positioning System
HF	:	High Frequency
HMIS	:	Health Management Information System

ICT	:	Information and Communication Technology
IDHAP	:	Integrated District Health Action Plan
IFA	:	Iron Folic Acid
IMR	:	Infant Mortality Rate
IPHS	:	Indian Public Health Standards
IQAT	:	Internal Quality Assurance Team
ISB	:	Industries Service Business
IUD	:	Intra Uterine Device
JSSK	:	Janani Shishu Suraksha Karyakaram
JSY	:	Janani Suraksha Yojana
KUDA	:	Kakatiya Urban Development Authority
LBW	:	Low Birth Weight
LEP	:	Learning Enhancement Programme
LPLDS	:	Land Purchase and Land Distribution Scheme
LPS	:	Land Purchase Scheme
MAO	:	Mandal Agriculture Officer
MDR	:	Maternal Death Review
MEO	:	Mandal Educational Office
MEPMA	:	Mission for Elimination of Poverty in Municipal Areas
MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
MMR	:	Maternal Mortality Ratio
MoHFW	:	Ministry of Health and Family Welfare
MoHRD	:	Ministry of Human Resource Development
MPDO	:	Mandal Parishad Development Officer
MRC	:	Mandal Resources Centre
MSA	:	Mandal Sports Authority
MSG	:	Mission Steering Group
MTP	:	Medical Termination of Pregnancy
NBC	:	National Building Code
NIMS	:	Nizam's Institute of Medical Sciences
NOC	:	No Objection Certificate
NPSSE	:	National Programme on School Standards and Evaluation
NRHM	:	National Rural Health Mission
NSV	:	Non-Scalpel Vasectomy
NUEPA	:	National University of Educational Planning and Administration

NUHM	:	National Urban Health Mission
OBMMS	:	Online Beneficiary Monitoring & Management System
OoSC	:	Out of School Children
OPV	:	Oral Polio Vaccine
PAB	:	Project Approval Board
PC&PNDT	:	Pre-Conception & Pre-Natal Diagnostic Technique Act
PD	:	Physical Director
PET	:	Physical Education Teachers
PHC	:	Primary Health Centre
PIP	:	Program Implementation Plan
PoP	:	Poorest-of-Poor
PP	:	Post-Partum
PPSWOR	:	Probability Proportional to Size without Replacement
PR&RD	:	Panchayat Raj and Rural Development
PRIs	:	Panchayati Raj Institutions
PTR	:	Pupil-Teacher Ratio
RBSK	:	Rashtriya Bal Suraksha Karyakram
RCH	:	Reproductive and Child Health
REMS	:	Research Evaluation Monitoring and Supervision
RGKA	:	Rajiv Gandhi Khel Abhiyan
RKS	:	Rogi Kalyan Samiti
RMNCH+A	:	Reproductive, Maternal, Newborn, Child and Adolescent Health
RTE	:	Right to Education
RTGS	:	Real Time Gross Settlement
SAC	:	State Advisory Council
SATS	:	Sports Authority of Telangana state
SCA	:	Special Central Assistance
SCERT	:	State Council of Education Research and Training
SC	:	Sub Centre
SCSP	:	Scheduled Castes Sub Plan
SDG	:	Sustainable Development Goal
SDRF	:	State Disaster Response Force
SERP	:	Society for Elimination of Rural Poverty
SFAC	:	Standing Fire Advisory Council
SHM	:	State Health Mission

SHS	:	State Health Society
SMC	:	School Management Committee
SNCU	:	Special Newborn Care Unit
SOP	:	Standard Operating Procedure
SPD	:	State Project Director
SPIP	:	State Program Implementation Plan
SPMU	:	State Program Management Unit
SQAC	:	State Quality Assurance Unit
SRSWOR	:	Simple Random Sampling without Replacement
SSA	:	Sarva Shiksha Abhiyan
TFR	:	Total Fertility Rate
ToT	:	Trainer of Trainers
TSSA	:	Telangana Sarva Shiksha Abhiyan
TT	:	Tetanus Toxoid
UC	:	Utilisation Certificate
UDISE	:	Unified District Information System for Education
UHF	:	Ultra High Frequency
UIP	:	Universal Immunization Programme
VC&MD	:	Vice-Chairman and Managing Director
VHF	:	Very High Frequency
VHSNC	:	Village Health Sanitation and Nutrition Committee
VPD	:	Vaccine Preventable Disease
VSA	:	Village Sports Authority
WD&CWD	:	Women Development and Child Welfare Department
WHO	:	World Health Organisation

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