

Chapter-3

**Performance Audit of
Total Sanitation Campaign/
Nirmal Bharat Abhiyan
Panchayat Raj and Rural Development
Department**

3.1 Introduction

Government of India launched Total Sanitation Campaign (TSC) in 1999 for sustainable reforms in rural sanitation sector. To give a fillip to TSC, GoI also launched Nirmal Gram Puraskar (NGP) in 2003. Buoyed by success of NGP, TSC was renamed as “Nirmal Bharat Abhiyan” (NBA) in 2012, to accelerate sanitation coverage in rural areas through renewed strategies and saturation approach.

Salient features of TSC/NBA

- Coverage of all rural BPL/APL¹ households by 2012 (*extended to 2022 in 2011*) by incentivising construction of toilets;
- Motivation of communities and Panchayat Raj Institutions to promote sustainable sanitation facilities through awareness creation and health education;
- Provision of toilets in schools (March 2008) and Anganwadis (March 2009) (*extended to 2013 in 2011*);
- Encouraging cost effective and ecologically safe and sustainable sanitation by setting up Rural Sanitary Marts/Production Centres;
- Developing community managed environmental sanitation systems focusing on Solid & Liquid Waste Management.

3.2 Organisational set-up

State Water and Sanitation Mission (SWSM)² headed by a Project Director is nodal agency for implementation of NBA in the State. Principal Secretary to Government, Rural Water Supply & Sanitation (RWS&S) Department is Chairman of SWSM and is responsible for providing policy guidance and overall supervision. At the district level, District Water and Sanitation Mission (DWSM) is headed by Chairman, Zilla Praja Parishad (ZPP) with support from engineering divisions of RWS&S Department, Mandal Parishad Development Officers (MPDOs) and Village Water and Sanitation Committees (VWSCs).

3.3 Audit Framework

3.3.1 Audit Objectives

The objectives of Performance Audit were to assess whether,

- Proper planning was done for accelerating sanitation coverage in rural areas;
- All components of TSC were implemented effectively to generate awareness among people and create demand;

¹ Below Poverty Line/Above Poverty Line, SC/ST, small and marginal farmers, landless labourers with homestead, physically handicapped and women headed households

² constituted vide G.O. Ms. No. 460 of Panchayat Raj and Rural Development (RWS) Department dated 19 December 2002, consisting of 17 members

- Programme achieved the targeted coverage with regard to schools, Anganwadis and household latrines;
- Adequate funds were provided and utilised for effective implementation of the programme; and
- Monitoring and evaluation mechanisms were effective.

3.3.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

- Budget of State during the relevant period;
- GoI guidelines issued from time to time on TSC/NBA;
- Orders/guidelines/circulars issued by GoI and State Government from time to time;
- Project implementation Plans of districts and decisions taken during SWSM and DWSC meetings; and
- AP Financial Code.

3.3.3 Audit scope and methodology

Audit was carried out between July and August 2013 and covered implementation of TSC/NBA during the period 2008-13. Audit methodology involved test check of records of RWS&S Department, SWSM and DWSMs in six districts³ selected on random sampling basis. In each district, three Mandals and 10 Gram Panchayats (GPs) within each selected Mandal were chosen for detailed scrutiny of records. 1,427 units⁴ were selected at random from within the sampled GPs for field survey and physical verification and 2,183 beneficiaries were interviewed for their feedback about implementation of the programme. Details of audit sample are given in *Appendix-3.1*. Government was intimated in May 2013 about conducting Performance Audit of TSC/NBA and SWSM authorities were appraised about audit objectives, scope and methodology along with sample selection. Exit Conference was held in March 2014 to discuss audit findings and replies of Government have been incorporated in the report at appropriate places.

3.4 Funding pattern

TSC is funded by GoI and State Governments in the ratio as detailed in Table 3.1. As far as individual latrines are concerned, beneficiaries are to contribute certain amount of funds. GoI transferred funds directly to district implementing agencies up to September 2010 with reference to approved District Plans and thereafter funds are released to accredited bank (Union Bank of India) of SWSM through Central Plan Scheme Monitoring System (CPSMS). Key components of TSC along with their

³ Anantapur, Krishna, Mahbubnagar, Nellore, Rangareddy and Warangal

⁴ Individual Household Latrines (IHHLs) - 971 (TSC implemented units); Households - 346 (TSC non implemented units) ; School toilets – 84 and Anganwadi toilets – 26 in Mahbubnagar, Rangareddy and Warangal districts

percentage share of total allocation and funding pattern for each sub-component is given in Table 3.1.

Table 3.1

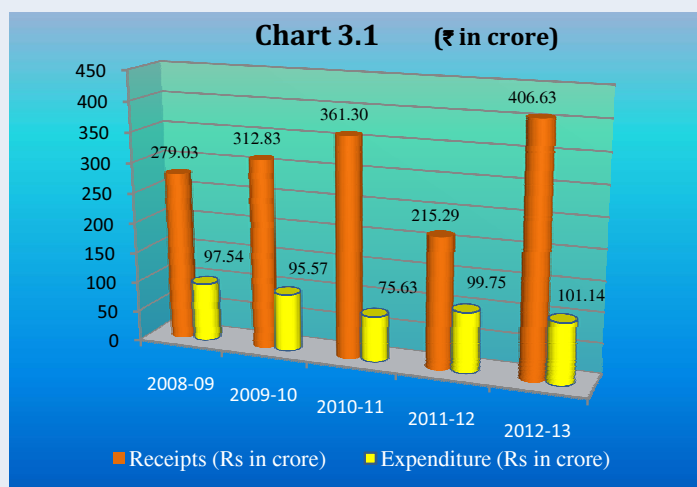
S.No.	Component	Percentage allocation of the total project outlay	Funding pattern		
			GoI (%)	State Government (%)	Beneficiary contribution (%)
1	IEC and Start up Activity including motivational awareness and educative campaigns, advocacy etc.	Up to 15%	80	20	0
2	Alternative Delivery Mechanism (Production Centers (PCs)/Rural Sanitary Marts (RSMs))	Up to 5% (subject to a maximum of ₹35 lakh per district for PCs/RSMs and additional ₹50 lakh as revolving fund for group lending activity)	80	20	0
	Revolving Fund	Up to 5%	80	20	0
3	(i) Individual latrines	Actual amount required for full coverage	₹3200	₹1400	₹900
	(ii) Community sanitary complexes		60	30	10
4	Institutional toilets including school and Anganwadi sanitation (Hardware and support services)	Actual amount required for full coverage	70	30	0
5	Administrative charges, including training, staff, support services, monitoring and evaluation etc.	Less than 5% (2011)	80	20	0
		Up to 4% (2012)	80	20	0
6	Solid/Liquid Waste Management (SLWM) (Capital cost)	Up to 10% (2011)	60	20	20
		Actual amount as per SLWM project cost within limits permitted (2012)	70	30	0

GoI releases its share in two installments and second installment is released on fulfilment of certain conditions *viz.*, achievement of targets, commitment of State Government to release its proportionate share within 15 days of release by GoI, utilisation of 60 *per cent* of funds kept at disposal of SWSM, submission of audited certificates and Utilisation Certificates (UCs). SWSM releases central grants along with matching grant to DWSSMs within 15 days of receipt and the latter in turn release funds to implementing agencies.

3.5 Financial and Physical Performance

3.5.1 Receipts and Expenditure

Since funds are released by GoI directly and not routed through State budgetary system, Appropriation and Finance Accounts do not capture expenditure particulars in respect of these releases. Details of receipts and expenditure on the programme during the period 2008-13 are given in chart 3.1.



Source: Statutory Auditors' Audit reports of SWSM

As can be seen from chart given along side, funds spent on programme *vis-à-vis* releases during 2008-13 ranged from 21 to 46 *per cent*. Unspent balances remained with various DWSSMs. Despite this, SWSM continued to release funds to the implementing agencies.

3.5.2 Physical Performance

Performance of State in implementing TSC (component wise) during 2009-13 (details relating to 2008-09 were not furnished by SWSM) is given below:

Table 3.2

Year	IHHL (Number in lakh)		Institutional Toilets (in Number)		Community Sanitary Complexes (in Number)		Rural Sanitary Marts/ Production Centers (in Number)		Solid/Liquid Waste Management (in Number)	
	T	A	T	A	T	A	T	A	T	A
2009-10	13.73	5.83 (42%)	30040	3001 (10%)	0	13	0	0	0	0
2010-11	20.90	10.50 (50%)	14392	4777 (33%)	89	27 (30%)	0	0	3378	289 (9%)
2011-12	13.62	4.84 (36%)	18403	6850 (37%)	111	21 (19%)	0	0	5365	673 (13%)
2012-13	12.64	2.88 (23%)	44049	5759 (13%)	61	09 (15%)	155	61 (39%)	3482	0 (0%)
Total	60.89	24.05	106884	20387	261	70	155	61	12225	962

Source: SWSM records

Note: T-Target; A-Achievement. Figures in parenthesis indicate percentage of achievement *vis-à-vis* targets

As may be seen from the table above, though implementation of Individual Household Latrine (IHHL) component increased from 42 *per cent* in 2009-10 to 50 *per cent* in 2010-11, it declined to 36 *per cent* and 23 *per cent* in 2011-12 and 2012-13 respectively. Similarly, in case of institutional toilets, though achievement increased from 10 *per cent* in 2009-10 to 33 *per cent* in 2010-11 and 37 *per cent* in 2011-12, it decreased to 13 *per cent* in 2012-13. In respect of community sanitary complexes, percentage of achievement showed a declining trend from 2010-11 to 2012-13 (30 in 2010-11 to 15 in 2012-13). In respect of solid/liquid waste management projects, though the achievement increased from nine *per cent* (2010-11) to 13 *per cent* (2011-12), there was no achievement in 2012-13. Rural sanitary marts/production centres were not targeted for 2009-12 and during 2012-13, achievement was only 39 *per cent* against target. Thus, alternative delivery mechanism planned for effective and successful implementation of TSC did not take off to the envisaged level.

Government replied (February 2014) that targets set in Annual Implementation Plan (AIP) were tentative and substantially higher, as the programme was planned to be completed by 2012, but could not be achieved at field level due to lack of demand from beneficiaries. However, since this is a demand driven programme, Government should have undertaken IEC activities more vigorously so that rural populace would have adequate information about the programme, to generate demand.

3.6 Planning

3.6.1 Involvement of local community

GoI envisaged TSC to be a 'community led' and 'people centric' programme with increased emphasis on awareness creation and demand generation for sanitary facilities in houses, schools and cleaner environment coupled with alternate delivery mechanism to meet community needs.

Programme guidelines envisage that IEC activities would contribute to creating demand for sanitary facilities in rural households, schools, Anganwadis and community sanitary complexes. Programme guidelines further envisage constitution of Village Water and Sanitation Committees (VWSCs) in every GP for providing support in terms of motivation, mobilisation, implementation and supervision of programme. As observed from Annual Implementation Plans for 2013-14, although 13,501 VWSCs were constituted (as against 21,757 GPs), only 10,132 VWSCs (47 *per cent*) were functional as of end of January 2013. Government replied (February 2014) that formation of VWSCs was in progress and would be completed by end of March 2014.

3.6.2 Capacity development

Training is to be imparted⁵ to VWSC and PRI members, Block/Mandal and district functionaries, grass root functionaries such as Accredited Social Health Activists (ASHAs) and other health education and related functionaries, Anganwadi workers etc. Self Help Groups (SHGs) are to be trained in masonry, brick making, toilet pan making etc. Similarly, at Block/Mandal level, Block Resource Centres (BRCs) are to be set up to generate awareness, motivate, mobilise, training and for hand holding of village communities, GPs and VWSCs.

Scrutiny of records of test checked units revealed that while training programmes were conducted in Mahbubnagar district, no arrangements were made for training motivators in GPs in Nellore district and these were not effective in Anantapur, Krishna and Rangareddy districts. Details relating to trainings provided in Warangal district were not furnished by DWSM.

BRCs were not set up in Warangal district and in Krishna and Anantapur districts where these were set up, their functioning was ineffective. BRCs were set up in Rangareddy, Mahbubnagar and Nellore districts; there was however, no evidence on record with regard to their functioning. In reply, Government accepted (February

⁵IEC guidelines 2010 issued by GoI in connection with TSC programme

2014) audit findings relating to Krishna district and stated that training was given only in 2012-13 to VWSC members and SHGs in Rangareddy district. No details were provided with regard to other districts.

3.7 Programme Implementation

3.7.1 Information, Education and Communication (IEC)

IEC activity is an important component aimed at triggering demand for sanitary facilities in rural areas for households, schools, Anganwadis and community sanitary complexes through behavioural change. These activities⁶ are to be carried out continuously and should encompass all tiers of governance (National, State, District, Block/Mandal and Gram Panchayats).

- i. **Shortfall in IEC activities:** Scrutiny of records at SWSM revealed that there was 13 to 99 *per cent* shortfall⁷ in achievement of physical targets planned during 2010-13 under various IEC activities *viz.*, song and dramas, street plays, melas, hoardings and banners, group meetings, school rallies, radio spots, exhibitions and participatory rural appraisals, awareness cum inaugural workshop, wall writings and group meetings. Consequently, only ₹32.41 crore (7 *per cent*) out of ₹469.63 crore was utilised during 2008-13 on IEC activities, which was less than the stipulated percentage of up to 15 *per cent* of allocated funds. Even though guidelines stipulate that mass media campaign should be taken up at State level, no expenditure was incurred on this activity during last five years. As regards test checked districts⁸, utilisation ranged from 11 *per cent* to 81 *per cent* (Anantapur: 51 *per cent*, Krishna: 81 *per cent*, Mahbubnagar: 11 *per cent*, Nellore: 23 *per cent*, and Rangareddy: 48 *per cent*). Government agreed with audit observation (February 2014) and stated that it had taken fresh initiatives to boost IEC activity in convergence with NRDWP⁹.
- ii. **Non-functioning of Swachchhata Doots:** Programme guidelines provide for engaging motivators (Swachchhata Doots) at village level for demand creation and taking up behaviour change activities based on population size. GPs with population less than 2000 are to be positioned with one Swachchhata Doot (SD) and two SDs for more than 2000 people as part of IEC activities. Although 13,438 GPs were identified for engaging SDs, only 807 SDs were engaged and none of them was functioning as of August 2013. Government replied (February 2014) that response from villagers to work as SDs was poor. This indicated lack of motivation at GP level, which adversely affected IEC activities in the State.

⁶through various mediums such as folk media, mass media and outdoor media, with focus on health and hygiene practices and environmental sanitation aspects

⁷Song and Dramas (85 *per cent*), Street Plays (71 *per cent*), Hoardings and Banners (86 *per cent*), School Rallies (51 *per cent*), Radio Spots (99 *per cent*), Exhibitions (89 *per cent*), Participatory Rural Appraisals (36 *per cent*), Awareness cum Inaugural Workshop (33 *per cent*), Wall Writings (34 *per cent*) and Group Meetings (13 *per cent*)

⁸Details of Warangal district not furnished

⁹National Rural Drinking Water Programme

Lack of adequate attention to IEC activities indirectly contributed to non-achievement of desired objectives set by Government despite lapse of 15 years after introduction of the programme and availability of funds. Lack of awareness about the programme (53 per cent of TSC non-implemented units indicated that they were unaware of the programme) and continuation of open defecation (confirmed by 52 per cent) point to inadequate implementation of IEC activities. Government replied (February 2014) that a Communication and Capacity Development Unit (CCDU) under RWS&S department was set up for promoting behaviour change among rural community and several activities were being undertaken in collaboration with UNICEF and in convergence with MGNREGS.

3.7.2 Individual Household Latrines (IHHL)

As per programme guidelines, construction of household toilets was to be undertaken by BPL household itself and on its completion and use, cash incentive is provided. As regards Above Poverty Line (APL) households, benefits of programme were restricted to SC/ST, small and marginal farmers, landless labourers, physically handicapped and women headed households.

DWSC releases funds to MPDOs for releasing incentive amount to eligible households and also to Andhra Pradesh State Housing Corporation Limited (APSHCL) (where TSC is converged with State sponsored Housing scheme, INDIRAMMA/IAY¹⁰).

Audit findings pertaining to IHHLs in test checked units are discussed below:

- i. **Sanction of more than one IHHL on same Ration Card:** Even though a single household is sanctioned an IHHL based on a Ration Card containing a Unique Identification Number, in Anantapur, Mahbubnagar, Nellore and Rangareddy districts more than one IHHL¹¹ was sanctioned on the same Ration Card with different beneficiaries' names. In such a situation, possibility of mis-utilisation/misappropriation of programme funds cannot be ruled out. In reply, Government accepted (February 2014) audit observation and assured necessary action in this regard.
- ii. **Two or more IHHLs to same beneficiary:** In Anantapur, Mahbubnagar and Rangareddy districts, two or more IHHLs were sanctioned to same beneficiary in 79 out of 27,954 cases. Government accepted (February 2014) audit observation and assured necessary action.
- iii. **Other irregularities in sanctions of IHHLs:** In 93 cases test checked in Nellore district, there were several irregularities like non-assignment of code numbers (9 cases), absence of photographs before and after construction of toilets (4 cases), absence of signature in payment vouchers, applications not in prescribed form, non-obtaining of signature from applicant in token of receipt of

¹⁰ Integrated Novel Development in Rural Areas and Model Municipal Areas/Indira Awas Yojana

¹¹ Nellore district (274 on 107 ration cards), Mahbubnagar (91 on 21 cards), Anantapur (259 on 69 cards) and Rangareddy (510 on 69 cards)

cheque, lack of measurement books, payment of incentives to two/three beneficiaries for single toilet constructed¹² etc., in 25 cases. Government replied (February 2014) that all the checks were exercised by sub-division before sanctioning the units.

- iv. **Construction of units in violation of prescribed designs:** During survey conducted in 15 villages in Rangareddy district, eight beneficiaries stated that IHHLs were constructed with underground septic tank with 12 to 15 rings for outflow of human waste and with exhaust air pipe, which is contrary to the design prescribed by Government i.e., two leach pits of 1.0 M. dia with provision for abandoning one pit after filling for conversion into manure. With design of 12 to 15 rings, there is every possibility of ground water getting polluted. Further air pipe for exhaust allows oxygen which would prevent human waste from being converted into manure. In reply, Government concurred (February 2014) with audit observation.
- v. **Utilisation of funds for construction of units in urban areas:** In Warangal district, scrutiny of UC furnished by Project Director/Housing revealed that programme funds meant for construction of toilets in rural areas were utilised (2008-12) towards construction of IHHL units in urban areas of Jangaon (420 units) and Warangal (1,939 units) at the rate of ₹2,750 per unit (amounting to ₹64.87 lakh). During exit conference (March 2014) Engineer-in-Chief (ENC) promised to get the funds recouped.
- vi. **Incomplete toilets:** Physical verification of 971 TSC covered units in test checked districts revealed that 400 toilets (41 *per cent*) had no roof and 382 toilets (39 *per cent*) had no doors. Illustrative photographs of units physically verified are given below. Government replied (February 2014) that main objective of programme was to prevent open defecation and bring about behavioral change. However, since the units were not utilised as corroborated by photographs given below, the beneficiaries had no option but to continue with their earlier practices.



Gram Panchayat: Banda Raviryala
Mandal: Hayath Nagar
District: Rangareddy
Toilet used as store room



Gram Panchayat: Thummalacheruvu
Mandal: Ghattu
District: Mahbubnagar
IHHL without door, roof and devoid of water

¹² RWS&S Sub Division, Vinjamur (two incentives on one ration card), RWS&S Sub Division, Udayagiri (five incentives on two ration cards)

Further, during survey, 111 out of 971 beneficiaries (11 *per cent*) stated that constructed toilets were not being used by them. 24 beneficiaries attributed it to non-availability of water facility and 953 beneficiaries reported that pits were not cleaned periodically. Government replied (February 2014) that it would take up sanitation and water supply programmes in convergence mode and further stated that responsibility of cleaning toilets lies with beneficiaries. Government should have ensured adequate IEC activity for this information to reach beneficiaries.

3.7.3 School toilets

As per TSC guidelines, toilets should be provided in all Government schools with emphasis on separate toilets for girls. At least one teacher should be trained to educate students about hygienic behaviour. Construction activity is undertaken by RWS divisions and by Integrated Tribal Development Agencies (ITDAs) with regard to schools in tribal areas. Targets and achievements in test checked districts during 2008-13 are given below:

Table 3.3

Name of District	2008-09		2009-10		2010-11		2011-12		2012-13	
	T	A	T	A	T	A	T	A	T	A
Anantapur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	391	250
Krishna	Nil	Nil	976	Nil	976	976	172	172	Nil	Nil
Mahbubnagar	1372	1372	956	Nil	956	126	830	829	2	2
Nellore	6415	5188	1227	Nil	751	Nil	1227	471	370	112
Rangareddy	1121	770	351	99	252	135	117	117	2564	262
Warangal	1630	1150	480	172	308	236	72	72	Nil	Nil

Source: DWSMs records (T-Target; A-Achievement)

As can be seen from above table, while construction of toilets in schools was taken up sporadically in Krishna, Warangal and Nellore districts, it started only in 2012-13 in Anantapur district. As regards Mahbubnagar district, even though progress reports of DWSM showed *cent per cent* achievement, scrutiny of records revealed shortfall in construction of toilets indicating incomplete/incorrect depiction of district data. In reply, Government accepted (February 2014) audit observation.

- i. **Non-completion of units/non-release of funds despite requirement:** Out of ₹2.05 crore released (March 2008) to Project Officer, Rajiv Vidya Mission (RVM) by DWSM, Mahbubnagar for construction of 1,027 toilets in schools, only 723 units were completed as of June 2010 and balance amount of ₹60.84 lakh was refunded to DWSM without any recorded reasons. In test checked Mandals of Ghattu and Damaragidda, no funds were released during 2008-13, even though 49 out of 98 schools did not have toilet facility. Government replied (February 2014) that targets could not be achieved due to increase in cost of construction. State Government however, did not take any action for cost revision. Specific reply was not furnished for non-release of funds to Ghattu and Damaragidda despite requirement of toilets.

- ii. **Non-furnishing of details of expenditure:** DWSM placed (November 2011) an amount of ₹43.75 lakh at the disposal of Andhra Pradesh Education & Welfare Infrastructure Development Corporation (APEWIDC), Mahbubnagar for construction of 125 school toilets. However, details of expenditure had not been received by DWSM as of July 2013. Government replied (February 2014) that UC had been submitted by EE, APEWIDC, Mahbubnagar in February 2014 for entire amount. However, vouchers and bills in support of UC have not been enclosed to check the veracity of expenditure in audit.
- iii. **Non-utilisation of funds:** Similarly, in Rangareddy district, funds (₹24.60 lakh) placed (May 2009) at the disposal of Project Officer, RVM for construction of 75 school toilets remained unutilised and were refunded a year later (October 2010). Government replied (February 2014) that it would claim interest on this amount.
- iv. **Lack of separate toilets for girls:** Even though GoI guidelines emphasised separate toilets for girls and boys in all co-educational schools, audit scrutiny revealed that there were no separate toilets for girls in 40 out of 84 physically verified schools. Though separate toilets were available for girls in the remaining 44 schools, toilets in 19 schools were in a dilapidated condition and there was no water facility in the toilets of 12 schools, which effectively rules out their use.

Though concerned departments are mandated to provide adequate funds for maintenance of toilets in schools/Anganwadis, role of PRIs in upkeep of sanitation in schools/Anganwadis is also significant. Physical verification of 84 toilets presented a picture of dilapidation and non-maintenance, as can be seen from the illustrative photographs given below:



School: Primary school
Gram Panchayat: Sirigiripur Thanda
Mandal: Maheswaram
District: Rangareddy
Toilets not in use due to non-availability of water



School: Mandal Praja Parishad School
Gram Panchayat: Gudimunkanpally
Mandal: Damaragidda
District: Mahbubnagar
Toilets not in use due to dilapidated condition

Government replied (February 2014) that maintenance of school/Anganwadi toilet was the responsibility of concerned departments. However, guidelines categorically stipulate a clear role for PRIs in upkeep of school sanitation.

3.7.4 Anganwadi toilets

In order to inculcate the habit of using toilets in children from an early age, Anganwadis were envisaged as a platform for behavioural change in children as well as mothers. Therefore, each Anganwadi was required to be provided with baby friendly toilet. Unit cost of toilets constructed in Anganwadi centres is met in the ratio of 70:30 by GoI and State Government. Construction activity is undertaken by RWS divisions and also by Women and Child Welfare department. Details of targets and achievements in respect of Anganwadi toilets in test checked districts during 2008-13 are given in Table 3.4.

Table 3.4

Name of District	2008-09		2009-10		2010-11		2011-12		2012-13	
	T	A	T	A	T	A	T	A	T	A
Anantapur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Krishna	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mahbubnagar	Nil	Nil	357	142	Nil	Nil	215	215	1677	Nil
Nellore	1396	197	1199	Nil	Nil	Nil	498	128	1726	148
Rangareddy	265	26	239	125	114	42	72	72	1395	Nil
Warangal	419	Nil	419	Nil	130	Nil	464	54	410	287

Source: DWSMs records (T-Targets; A-Achievements)

Construction of toilets in Anganwadis was not contemplated in Anantapur and Krishna districts during 2008-13 as the targets were stated to have been met by Government prior to 2008. While it was aimed at providing an impetus to Anganwadi toilets in Mahbubnagar, Nellore and Rangareddy during 2012-13 by way of higher targets, there was no achievement in Mahbubnagar and Rangareddy, and it was only nine *per cent* in Nellore district. Government replied (February 2014) that works were in progress in Mahbubnagar, Nellore and Rangareddy districts and would be completed shortly.

Scrutiny of records in test checked units revealed the following:

- i. **Non-completion of Anganwadi toilets:** During 2008-13, while 65 Anganwadis were identified as lacking in toilet facilities in Ghattu and Damaragidda Mandals of Mahbubnagar district, Government sanctioned (2008-13) only 26 toilets and failed to complete any of these. Government replied (February 2014) that works were in progress.
- ii. **Lack of facilities in Anganwadi toilets:** During survey carried out in 26 Anganwadis by audit teams, all 26 Aayas in these centres reported non-availability of baby friendly toilet and 35 to 54 *per cent* beneficiaries stated that toilets were without doors and roof. About 88 *per cent* indicated that toilets were devoid of water supply. In reply, Government assured (February 2014) to make necessary arrangements for providing water supply but contended that guidelines did not provide for doors and roof for baby friendly toilets. Reply is not relevant

as audit observation is regarding toilets other than baby friendly toilets, where guidelines stipulate provision of doors and roof.

3.7.5 Revolving fund

Operational guidelines (NBA guidelines 2012) envisage creation of a Revolving Fund through 80:20 sharing by GoI and State Government for release of funds to co-operative societies or Self Help Groups (SHGs) whose credit worthiness is established. This fund can be accessed by APL households that are not eligible for incentives under the programme. Loan from this fund is to be recovered in 12 to 18 installments. Scrutiny of records of SWSM and test checked units in this regard revealed the following:

- i. **Non-release of State matching grant/non-recovery of installments:** An amount of ₹2.70 crore was utilised during 2011-12 and 2012-13 out of funds provided by GoI without matching contribution of ₹67.50 lakh from State Government. Further, recovery of installments was not effected from beneficiaries as of March 2013. Government replied (February 2014) that State share would be released after receipt of funds.
- ii. **Delayed release of funds to implementing agency:** SWSM had released¹³ (March 2013) ₹50 lakh to DWSC, Warangal towards Revolving Fund for placing at the disposal of Project Director, DRDA. Although guidelines stipulate that these funds were to be released to the next level within 15 days, no action was taken by DWSM, Warangal as of August 2013 in this regard resulting in blocking of funds at the district level besides non-achievement of desired objective. Government replied (February 2014) that funds were released (December 2013) to DRDA. There was however, considerable delay (9 months) in release, which affected progress of implementation.
- iii. **Non-utilisation of funds:** In Nellore district, fund to the tune of ₹26.68 lakh (GoI: ₹21.50 lakh and State Government: ₹5.18 lakh) received in 2002 was yet to be utilised as of July 2013. While confirming delay, Government replied (February 2014) that funds were released in December 2013.
- iv. **Non-submission of details of utilisation:** In Rangareddy district, details of utilisation of ₹50 lakh released to DRDA in March 2013 were not furnished. Government contended (February 2014) that UCs were obtained, but did not produce any documents to audit to substantiate its claim.

3.7.6 Low priority to Community Sanitary Complexes

Construction of Community Sanitary Complexes (CSCs) is considered to be an important part of NBA campaign. Construction of these complexes is to be considered when there is lack of space for construction of IHHLs in the village and community owns up their operation and maintenance after construction. Cost of these units is to be shared among GoI, State Government and local community in the ratio of 60:30:10

¹³ Proceedings No.744/SWSM/TSC/GoI Release/639/2010/2, dated 20 March 2013

and maintenance cost is to be met by PRIs through appropriate mechanisms like levying user charges etc.

Of the six test checked districts, targets were set for construction of CSCs only in respect of Mahbubnagar and Krishna districts. Out of 20 CSCs targeted (2008-09) in these districts, 17¹⁴ were constructed as of March 2013. No further targets were set during the review period, indicating a low priority to this component. Government replied (February 2014) that construction of IHHLs was given top priority instead of CSCs due to maintenance problem as very few communities had come forward to construct CSCs.

3.7.7 Shortfall/Non-setting up of Rural Sanitary Marts/Production Centres

Total Sanitation Campaign/Nirmal Bharat Abhiyan envisaged setting up Rural Sanitary Marts (RSMs)/Production Centres (PCs) to deal in material, hardware and designs required for construction of sanitary latrines, soakage and compost pits, vermi composting, washing platforms, certified domestic water filters and other hygiene accessories required.

- i. **Shortfall in setting up of RSMs:** Scrutiny of records revealed that RSMs were not set up in any of the test-checked districts except Mahbubnagar (15). In Krishna district, despite release (July 2008) of ₹8 lakh to two contractors at the rate of ₹4 lakh each for setting up RSMs in Gudiwada and Bantumilli sub-divisions, these were yet to be set up even after five years from the date of release of funds. Government replied (February 2014) that except in Mahbubnagar district, RSMs were not set up in any of the test checked districts since SHGs did not come forward to set up such units. It was further stated that recovery of amount was now ordered from contractors in Krishna district.
- ii. **Non-setting up of Production Centres:** State Government did not take effective action in setting up the PCs, which resulted not only in non-utilisation of funds from Revolving Fund, but also deprived beneficiaries of availability of material required for construction of IHHLs at reasonable cost in their villages. Further, it also deprived rural community of much needed employment through these centres. Government replied (February 2014) that decision to set up units was taken at District level based on demand from beneficiaries. As mentioned in paragraph 3.7.1, this was partly a fallout of poor IEC activities and Government's inability to create awareness about benefit involved in setting up these units.

3.7.8 Solid and Liquid Waste Management (SLWM)

Under this component, activities like compost pits, vermi composting, common and individual biogas plants, low cost drainage, soakage channels/pits, reuse of water and system for collection, segregation and disposal of household garbage etc., are to be taken up. Project cost is to be shared between GoI, State and Gram Panchayat in the

¹⁴ Krishna: 8 and Mahbubnagar: 9

ratio of 60:20:20 during 2008-09 to 2011-12 and at 70:30 by GoI and State from 2012-13 onwards.

Scrutiny of records in test checked units revealed the following:

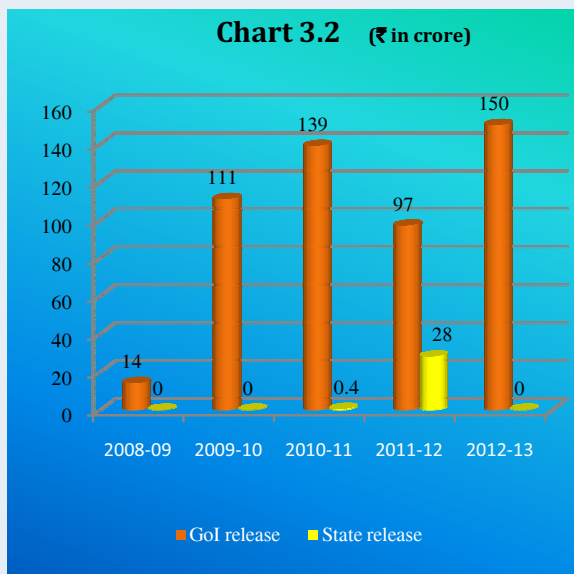
- i. **Under utilisation of funds:** Despite availability of funds amounting to ₹31.64 crore (GoI: ₹23.31 crore and State Government: ₹8.33 crore), State could utilise only ₹2.60 crore (8 *per cent*) during 2008-12. Government replied (February 2014) that it had issued (January 2013) order for sanctioning SLWM projects in 3,482 GPs, of which, four works in four GPs of Nalgonda, Medak, East Godavari and Anantapur districts were taken up on pilot basis.
- ii. **Non taking up of works under SLWM:** In Warangal district, a meagre amount of ₹6.72 lakh (0.11 *per cent*) out of total project outlay of ₹60.27 crore was utilised during 2008-13 towards construction of underground drainage and side drains. In reply, Government attributed (February 2014) lack of specific guidelines for not taking up works under SLWM. But, GoI guidelines for allocation of funds under SLWM already existed.
- iii. **Poor utilisation of funds meant for SLWM works:** DWSSM, Rangareddy utilised only ₹51.06 lakh during 2008-13 against ₹1.26 crore, which included ₹31.06 lakh utilised towards purchase of tricycles (127) and dustbins (25,400) for distribution among 14 mandals in the district. Government replied (February 2014) that it would take up these works.

Similarly, in Krishna district as against ₹2.72 crore earmarked for this component, only ₹51.56 lakh (19 *per cent*) was utilised by DWSSM. Government accepted (February 2014) audit observation.
- iv. **Excess release of funds:** Against permissible limit of ₹20 lakh to be released to GPs with 500 households under this component, ₹28 lakh was released (2012-13) to Puppalguda GP of Rangareddy district towards laying of underground drainage system with sewerage treatment plant contrary to guidelines, which categorically state that the additional cost requirement is to be met with funds from State/GP. Government did not furnish specific reply.

During physical verification of all 15 GPs in Rangareddy district, it was observed that sewage water was being let out into agricultural fields, tanks and Musi river or tanks connected to Musi river. This would ultimately result in polluting water bodies and could cause several diseases. In other test checked districts of Anantapur, Mahbubnagar and Nellore, no projects were initiated under this component. In respect of Anantapur and Nellore districts, Government accepted audit observation. In respect of Mahbubnagar, it was stated (February 2014) that SLWM programmes were undertaken. However, no corroborating documentary evidence in support of its contention was produced to audit. It was further stated in respect of Rangareddy district that projects taken up under SLWM were at various stages of completion and as such, major problems related to pollution would be resolved.

3.8 Financial Management

Details of funds released by GoI and State Government for implementation of TSC during 2008-13 are given in Chart 3.2.



Source: Appropriation Accounts of concerned years

It could be seen from the chart alongside that State Government had not released any amount during 2008-09, 2009-10 and 2012-13, for which State Government did not furnish specific reply. State Government issued Budget Release Orders (BROs) for ₹100 crore during 2011-12 towards its matching share. While ₹28 crore was booked as expenditure by SWSM, audit scrutiny of relevant records revealed that only ₹14.57 crore was spent by SWSM. Government accepted (February 2014) audit findings.

GoI funds amounting to ₹5.48 crore¹⁵ were diverted (2011-12) towards State share, stated to be on reimbursement basis, which was not done as of August 2013. Government accepted (February 2014) audit finding and agreed to adjust the amount.

3.8.1 Delay in release of funds

While GoI guidelines stipulate that funds released to SWSM are to be released to implementing agencies within 15 days, there were delays ranging from 28 to 301 days in release of funds amounting to ₹174.18 crore during August 2010 - May 2012 by SWSM to DWSMs. State Government replied (February 2014) that funds were being released to districts as and when required. Since GoI guidelines provide for district as unit for implementation of TSC, Government should have built adequate capacities at district level to absorb planned releases of funds for effective implementation of programme.

Similarly, despite availability of funds (₹15.14 crore), DWSM, Anantapur released only ₹25.19 lakh during 2010-13 to implementing agencies for construction of 907 out of 5,290 IHHLs sanctioned during 2010-11. During Exit Conference (March 2014), ENC assured compliance in this regard.

3.8.2 Parking of funds in Fixed Deposits

SWSM invested (2008-09/2010-11) programme funds amounting to ₹8.50 crore in Fixed Deposits (FDs) in violation of guidelines. In test checked districts, funds

¹⁵ Warangal ₹44.20 lakh, Krishna ₹5.04 crore

amounting to ₹25.86 crore were parked in short term FDs¹⁶. Government accepted (February 2014) audit observation.

3.8.3 Pending UCs

In the following test checked units, Utilisation Certificates (UCs) were not received from implementing agencies for funds released under TSC.

Table 3.5

S.No.	Name of unit	Details of UCs pending		
		Amount (₹ in crore)	Agencies from whom UCs were pending	Pending from
1	SWSM	0.68	Project Directors, DW&CDAs ¹⁷ in all the 22 districts	August 2010
2	DWSM, Rangareddy	4.99	MPDOs	2008-12
		6.13	RWS Sub Divisions	2007-13
3	DWSM, Warangal	0.26	EE, Social Welfare (2008-09), PD, Women Development & Child Welfare (2009-10 and 2010-11)	2008-11
4	DWSM, Anantapur	0.04	Project Director, ITDA, Srisailam	July 2008
5	DWSM, Nellore	3.47	RWS Divisions, MPDOs	2011-12
Total		15.57		

Source: Records of test checked units

Government replied (February 2014) that PD, ITDA, Srisailam had refunded (February 2014) entire amount of ₹4 lakh along with interest. Record to that effect was however, not furnished. As regards other districts, Government assured pursuance for early utilisation of funds.

- i. DWSM, Rangareddy showed an amount of ₹4.05 crore received in March 2011 as spent, although it was available with EE, RWS&S division, Hyderabad (one of the TSC implementing agencies under the control of DWSM, Rangareddy) up to May 2012.
- ii. Amount of ₹3.67 crore advanced to officials/implementing agencies by five DWSMs¹⁸ during 2008-12 remained unadjusted as of August 2013. Government replied (February 2014) that advances were being recovered from the line departments. However, recovery particulars were not received in audit as of May 2014.

3.8.4 Irregularities in Administrative Expenses

Programme guidelines permit administrative expenditure at five *per cent* of total project outlay in the district during 2008-12 and at four *per cent* thereafter. Administrative charges include money spent on training, salary of temporary staff deployed during project period, support services, fuel charges, vehicle hire charges, stationery, monitoring and evaluation of TSC project. Fees for consultants hired in the

¹⁶ Anantapur: ₹5 crore (June 2007 to April 2010); Nellore: ₹7 crore (2010-11), Mahbubnagar: ₹12.56 crore, Rangareddy: ₹1.30 crore (June 2009 to September 2010)

¹⁷ District Women and Child Development Agencies

¹⁸ Anantapur ₹1 crore, Krishna ₹1.44 crore, Mahbubnagar ₹9.76 lakh, Rangareddy ₹80 lakh and Warangal ₹32.63 lakh

fields of Communication, Human Resource Development, School sanitation & Hygiene education and Monitoring and purchase of one computer with accessories per district are also permissible.

Scrutiny of records in test checked units revealed irregularities, involving ₹18.44 lakh, as discussed below:

- i. **Absence of details of payment:** In Nandigama sub-division of Krishna district, ₹12.30 lakh was drawn (2008) through self cheques by Deputy Executive Engineer (Dy.EE) without indicating the purpose. Vouchers in support of payments made or acquittances as proof of receipt by the recipients were not furnished to audit. In absence of details of payments for the drawals in the cash book/bank account and non-availability of vouchers/acquittances, the possibility of misappropriation/fraud cannot be ruled out. Government replied (February 2014) that acquittances were available. It did not however, furnish these.
- ii. **Non-furnishing of payment details:** An amount of ₹6.14 lakh was paid (February & May 2010) by DWSM, Krishna to NGOs towards IEC activities for which relevant vouchers and acquittances were not furnished to audit. Therefore, correctness of this expenditure cannot be vouchsafed. Government replied (February 2014) that acquittances were available but none were made available to audit.

3.8.5 Operation of Multiple Bank Accounts

As per TSC/NBA guidelines, SWSM is required to operate a single savings bank account in any nationalised bank/bank authorised by State Government and funds are to be operated from this account for all transactions. However, SWSM (six accounts) and all the test checked districts¹⁹ operated various accounts in multiple banks in violation of programme guidelines. Necessity/reason for operation of multiple bank accounts has not been stated despite specific query from audit. In reply, Government assured (February 2014) remedial action.

3.8.6 Irregularities in maintenance of Cash Book

Scrutiny of Cash Books relating to TSC/NBA revealed the following:

- i. SWSM did not maintain cash book during 2 June 2009 to 17 August 2010. Audit is therefore not able to vouch for six receipts involving transactions of ₹4.70 crore and 16 expenditure related transactions worth ₹4.49 crore during this period. While cash book was prepared for subsequent period, it was neither closed nor reconciled with bank balances. Irregular closing of cash books was also noticed in RWS&S sub- division, Nellore and DWSM, Mahbubnagar.

¹⁹ DWSM, Anantapur (3 Accounts), DWSM, Krishna (5 Accounts), DWSM, Mahbubnagar (2 Accounts), RWS, Sullurpet, Kavali and Vinjamur in Nellore district (6 Accounts), DWSM, Rangareddy (9 Accounts), DWSM, Warangal (2 Accounts) RWS Division, Warangal (3 Accounts), RWS Division, Hanmakonda (3 Accounts)

- ii. In Rangareddy district, there was a variation of ₹31.92 lakh as of August 2013 between bank balances of DWSM and RWS Sub Division, Ibrahimpatnam. All drawals from this bank account were made through self cheques, but cash book was not produced to enable audit scrutiny. Further, an amount of ₹15 lakh released (2008-09) by DWSM to Ibrahimpatnam sub-division was not reflected in bank account, and thus not accounted for. In reply (February 2014), Superintending Engineer RWS&S Rangareddy stated that the variation had occurred as RWS Sub Division, Ibrahimpatnam had maintained only one account for all releases pertaining to TSC/Twelfth Finance Commission/State Finance Commission and salaries of work charged establishment. It was further stated that the amount of ₹15 lakh was released to some other Sub Division and not to Ibrahimpatnam. However, Department did not produce bank reconciliation statements or any other supporting documents in support of its contention.

In the absence of proper accountal of receipts and expenditure in these cases, possibility of fraud/embezzlement cannot be ruled out.

3.9 Monitoring mechanism

Project Monitoring Unit (PMU) was set up²⁰ (December 2002) at State level under Principal Secretary, Panchayat Raj & Rural Development Department to monitor implementation of programme online and intermediate meetings were held at State level. Following deficiencies were noticed during verification of records in SWSM and test checked units indicating ineffective monitoring at State level.

3.9.1 Field inspections

Despite provision for field visits in programme guidelines, DWSM, Nellore and Warangal reported that no field visits were conducted in the district during 2009-13. In Anantapur, Krishna and Rangareddy districts, even though DWSMs stated that inspections were carried out at periodical intervals, no records were furnished to audit for scrutiny. Status with regard to Mahbubnagar district was not furnished despite specific request. In reply (February 2014), Government confirmed that field inspections were not carried out in Warangal and Nellore districts due to shortage of staff. As for other districts, it was stated that inspections were carried out, but did not provide any substantiation for its claim.

3.9.2 Non-observance of Swachhata Diwas in Gram Panchayats

As per programme guidelines, every GP has to declare a specific day in the month as Swachhata Diwas (Sanitation day) to strengthen transparency, participation, consultation and consent, accountability and grievance redressal in NBA. This is to be followed by Gram Swachhata Sabha every six months to discuss progress made under various monthly plans. Swachhata Diwas was not followed in any of the GPs in test checked Mandals. Government assured (February 2014) necessary remedial action in this regard.

²⁰ G.O. Ms. No.460, PR&RD (RWS) Department, dated 19 December 2002

3.10 Evaluation studies

Programme guidelines envision evaluation studies to be conducted and remedial action to be taken thereon. However, State Government (SWSM) did not conduct any studies to evaluate implementation of programme and no expenditure was incurred on this component. Consequently it could not initiate corrective action with regard to lapses in implementation and achievement of set targets. Government replied (February 2014) that evaluation studies were conducted on sustainability of Nirmal Gram Puraskar awarded Gram Panchayats during 2012-13 by an NGO. This limited action of State Government did not meet the requirement outlined by GoI for effective implementation of the programme and mid-course correction of identified lacunae.

3.11 Conclusion

Despite implementation of this programme for over 15 years, the objectives of bringing about a behavioural change in rural populace to desist from open defecation and generate demands from them for sanitary facilities were not adequately or successfully met largely, as the key component of IEC was not implemented effectively. Inadequate priority accorded to this programme by State Government as evidenced from allocation of inadequate funds and lack of proper monitoring of implementation resulted in non-achievement of targets in every component of the programme. Alternative delivery mechanism through establishment of RSMs/PCs and utilisation of revolving fund was not put in place to support implementation of the programme which deprived rural community of material and employment through these centres. State Government failed to ensure hygienic conditions in schools and other institutional toilets and has also not ensured separate toilets for girls. Overall, implementation of this programme left several gaps.

3.12 Recommendations

- State Government should take adequate measures to strengthen IEC activities, so as to make demand driven approach of TSC/NBA successful.
- State Government should ensure provision of separate toilets for girls in schools.
- Government should put in place alternative delivery mechanisms to support proper implementation of the programme.
- Monitoring mechanism needs to be strengthened to ensure reliability of data and to keep constant watch on progress of implementation and take corrective action wherever necessary.