



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



Government of Andhra Pradesh
Report No.5 of 2018

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Preface

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

This Report contains significant results of Performance Audit of 'National Rural Drinking Water Programme' and 'Right of Children to Free and Compulsory Education' besides Compliance Audit of the Departments of Government of Andhra Pradesh under the General and Social Sectors including Departments of Higher Education; Home; Minorities Welfare; 'Panchayat Raj and Rural Development', Revenue; School Education; Social Welfare; Tribal Welfare 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, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 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 (CAG) on General and Social Sectors of Government of Andhra Pradesh relates to matters arising from Performance Audits of ‘National Rural Drinking Water Programme’ and ‘Right of Children to Free and Compulsory Education’; and compliance audit of various Government Departments.

This Chapter provides the audited entity’s profile, planning and extent of audit and a synopsis of the significant audit observations. Chapter II of this Report deals with the findings of Performance Audit; and Chapter III deals with compliance audit of various Departments.

1.2 Audited Entity’s Profile

There are 30 Departments in the State at the Secretariat level headed by Special Chief Secretaries/ Principal Secretaries/ Secretaries. They are assisted by Commissioners/ Directors and Sub-ordinate Officers. Of these, 20 Departments are coming under General and Social Sectors. This Report includes the results of audit of nine Departments out of 20 Departments dealt with in General and Social Sectors.

1.3 Authority for audit

The 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, (CAG’s DPC Act) 1971. The CAG conducts audit of expenditure of General and Social Sector Departments of Government of Andhra Pradesh under Section 13¹ of the CAG’s DPC Act, 1971. In addition, the CAG conducts audit of autonomous bodies substantially financed by the State Government. Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the CAG.

1.4 Planning and conduct of audit

Audit process starts with the risk assessment of the Department/ organisation as a whole and that of each unit. The assessment was based on expenditure incurred, criticality/ complexity of activities and level of delegated financial powers and assessment of internal controls. Previous audit findings were also considered in this exercise. Based on this risk assessment, the frequency and extent of audit were decided. An Annual Audit Plan was formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to Heads of the entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies were received, audit findings were either settled or further action for compliance was advised. The important audit observations made in the Inspection Reports/Performance Audit were processed for inclusion in the Audit Reports. These are submitted to the Governor

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

of Andhra Pradesh under Article 151 of the Constitution of India for being laid before the Legislature of the State.

1.5 Response to Audit

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

As of 30 September 2017, 3019 IRs containing 24,505 paragraphs pertaining to the years up to 2016-17 were pending settlement as detailed in **Table-1.1**. Of these, no replies have been received in respect of 328 IRs (5,853 paragraphs). Department-wise details are given in *Appendix-1.1*.

Table-1.1

Year	Number of IRs/Paragraphs as of 30 September 2017		IRs/Paragraphs where no replies have been received	
	IRs	Paragraphs	IRs	Paragraphs
2012-13 and earlier years	2434	15605	71	1228
2013-14	51	1093	1	38
2014-15	159	2740	28	685
2015-16	189	2662	98	2022
2016-17	186	2405	130	1880
Total	3019	24505	328	5853

Lack of action on audit Inspection Reports and paragraphs is fraught with risk of perpetuating serious financial irregularities pointed out in these reports.

1.5.1 Follow up action on Audit Reports

As per instructions issued by Finance and Planning Department in November 1993, administrative Departments were required to submit Explanatory Notes on paragraphs and performance audits included in Audit Reports within three months of their presentation to Legislature. The Explanatory Notes were to be furnished without waiting for any notice or call from Public Accounts Committee, duly indicating action taken or proposed to be taken. However, as of 30 September 2017, 13 Departments have not submitted Explanatory Notes in respect of 44 paragraphs/ Performance Audits that featured in the Audit Reports for the years 2006-07 to 2015-16. Details are given in *Appendix-1.2*.

Further, all Departments were required to send their responses to draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India, within six weeks of their receipt. During 2017-18, two Performance Audits and nine draft paragraphs were forwarded to the Special Chief Secretaries/ Principal Secretaries/ Secretaries of the Departments concerned. Government replies have been received from

six Departments² in respect of two Performance Audits and five paragraphs as on the date of finalisation of this Report. The responses of the Departments have been appropriately incorporated in the Report.

1.6 Overview of audit observations on Performance Audits

1.6.1 National Rural Drinking Water Programme

National Rural Drinking Water Programme (NRDWP) is a centrally sponsored scheme. NRDWP aims to provide every rural person with adequate safe water on sustainable basis. The Performance Audit of implementation of NRDWP in the State was conducted covering the period 2012-17. The following significant observations were made in the Performance Audit of the scheme.

Institutional mechanism

State Water and Sanitation Mission (SWSM) headed by Principal Secretary to Government did not review the activities as envisaged in the guidelines during the review period.

(Paragraph 2.1.4)

Fund Management

An amount of ₹110.57 crore remained unspent at the end of March 2017 due to delay in completion of schemes and schemes not started.

(Paragraph 2.1.6)

Short / delayed release of funds

State Government had short released (2014-17) an amount of ₹178.87 crore towards its matching share. Delays ranging from 12 days to 249 days were noticed in transfer of funds of ₹655.27 crore by State Government to SWSM during 2015-17.

(Paragraphs 2.1.6.2 and 2.1.6.3)

Status of schemes

State Government could not avail GoI contribution of ₹455.02 crore due to non-starting of schemes, even though preliminary works such as investigation, survey, preparation of Detailed Project Reports (DPRs) were completed.

(Paragraph 2.1.7.3)

Water Quality Testing

All drinking water sources should be tested at least twice a year for bacteriological contamination and once a year for chemical contamination. However, SWSM did not achieve the targets fixed in respect of water samples tested during the period 2012-17.

(Paragraph 2.1.7.8(b)(i))

Commissioning of schemes

Seven schemes were not commissioned after completion of works and seven schemes were stopped mid-way. This resulted in unfruitful expenditure of ₹491.83 crore.

(Paragraphs 2.1.7.9 (a)(i) & (iii))

² Higher Education, Home, Panchayat Raj and Rural Development, Revenue, School Education and 'Youth Advancement, Tourism and Culture'

Conclusion

The State Government did not ensure supply of adequate quantity of water. This resulted in increase in number of partially covered habitations. Government did not introduce water metering and did not conduct water and energy audits to reduce the unaccounted/wastage of water. Schemes were functioning with over dependence on ground water.

1.6.2 Right of Children to Free and Compulsory Education

The Right of Children to Free and Compulsory Education (RTE) Act, 2009 became operational with effect from 01 April 2010 to make elementary education a right of all children. The RTE Act provides right to free and compulsory education to all children in the age group of 6-14 years in a neighbourhood school from class 1 to class 8. Government of Andhra Pradesh notified the AP Right of Children to Free and Compulsory Education Rules (RTE Rules), 2010.

Performance Audit of implementation of the RTE Act in the State was conducted covering the period from inception (2010-11) to 2016-17. An overview of findings of this Performance Audit is given below:

Conduct of Survey

RTE Rules, 2010 stipulated that Local authority should maintain a record of all children through a household survey from their birth till they attain the age of 14 years and the data should be updated each year. Scrutiny of records in the test-checked schools revealed that no household survey was conducted during 2010-17 to identify all the children in the age group of 6-14 years.

(Paragraph 2.2.4.1)

School mapping and neighbourhood schools

RTE Rules provided for Mapping of schools to identify and establish Primary and Upper Primary schools within the neighbourhood (i.e., one and three km respectively from the habitation). Government had not conducted mapping of schools.

(Paragraph 2.2.4.2)

Targets for Enrolment and Trends of enrolment

Government organised programmes like *Badi Bata*, *Badi Pilustondi*, *Mana Vuru-Mana Badi* to enroll students in Government Schools. However, the Gross Enrolment Ratio in respect of Primary classes decreased from 91 per cent in 2010-11 to 83 per cent in 2016-17.

(Paragraphs 2.2.4.4 and 2.2.4.5)

Dropout rate of children

Child tracking system to monitor retention and academic progress of children, which the State Government had committed in 2010-11, was still not in place.

(Paragraph 2.2.4.8)

Pupil-Teacher Ratio

There were no teachers in 1,014 Primary schools and 37 Upper Primary schools during 2016-17. Services of teachers from neighbouring schools/ Vidya Volunteers were being utilised in these schools. Audit observed in sampled schools that shortage of teachers was mainly in Mathematics, Science and Social Studies subjects which affected the performance of the children.

(Paragraph 2.2.4.11)

Supply of Uniforms

Uniforms were to be supplied to children during June-August every academic year. Audit observed that uniforms were not supplied to 37 per cent of children in the test-checked schools. Audit observed in test-checked districts that during 2010-17, school uniforms were supplied during the months of December-April.

(Paragraph 2.2.4.17)

Appointment of Chartered Accountants

A Selection committee was to select Chartered Accountant (CA) firm and the Executive Council of Sarva Shiksha Abhiyan (SSA) was to approve it. However, the Principal Secretary, School Education approved the appointment of Chartered Accountants without committee's involvement from 2011-12.

(Paragraph 2.2.5.7)

State Advisory Council

RTE Rules, 2010 envisaged constitution of a State Advisory Council chaired by the Minister for School Education to advise the State Government on implementation of the provisions of the Act in an effective manner. The Council was to meet once in every three months. Government constituted the Council belatedly in 2014, after four years of implementation of the Rules/Act. However, the Council had not conducted any meeting as of July 2017 due to pre-occupation of Council members.

(Paragraph 2.2.6.1)

Conclusion

Comprehensive household survey of children in the age group of 6-14 years was not conducted. Government had not designed Geographical Information System (GIS) mapping to identify the availability of schools in the neighbourhood of habitations as stipulated. There was shortage of teachers at both Primary and Upper Primary levels. Infrastructure deficiencies continued. Department had not taken adequate steps to improve the learning levels and performance of students. Government was yet to achieve the objective of the 'Right of Children to free and compulsory education' Act.

1.7 Overview of audit observations on Compliance Audit

1.7.1 Implementation of Economic Support Schemes for Scheduled Castes

The Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Limited (Corporation) implemented Economic Support (ES) Schemes (i) with bank linkage wherein banks provide loan assistance and (ii) without bank linkage where loan facility is directly provided by Corporation itself. The aim of the ES Schemes was to ensure

economic empowerment of poor Scheduled Castes (SC) families through creation of sustainable livelihood by giving priority to poorest of the poor. An audit of implementation of Economic Support schemes revealed the following deficiencies:

- The Corporation had not conducted survey to identify the poorest of the poor beneficiaries. Database of eligible beneficiaries was not obtained.
- The achievement of targets stood at 53 *per cent* in respect of bank linked schemes. Timelines were not adhered to, leading to delay in implementation of the schemes.
- Audit teams, during joint survey, could not meet / locate 31 *per cent* of the beneficiaries. Further, 59 *per cent* of the units sanctioned by the Corporation were not started.
- The software package lacked validation controls to check eligibility norms and control the repetition of beneficiary data.

Thus, there was no assurance that the Economic Support schemes had achieved the objective of providing sustainable livelihood to the poorest of the poor among SCs.

(Paragraph 3.1)

1.7.2 Implementation of Economic Support Schemes for Scheduled Tribes

Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Limited (TRICOR) is responsible for monitoring the implementation of the Economic Support Schemes in the State. The Economic Support Schemes are intended for the socio-economic development of Scheduled Tribes (STs). Audit of implementation of Economic Support Schemes revealed the following deficiencies:

- There were delays in processing of applications leading to delay in starting the units.
- Subsidy amount was lying in personal deposit account due to entry of invalid bank account numbers.
- Committee had not recorded any reasons for not selecting the beneficiaries, in cases of applications rejected. This indicated that selection of beneficiaries was not transparent.
- Non-release/delayed release of loans to the beneficiaries resulted in non-starting of the units.
- There were system control lapses in Online Beneficiary Management and Monitoring System (OBMMS) package. These lapses led to accepting the applications without Aadhaar number and without ensuring eligibility norms stipulated.
- TRICOR had not fully utilised the loan obtained from National Scheduled Tribes Finance and Development Corporation.
- During joint survey in SPS Nellore district, beneficiaries were not available at given address in 18 cases in which units were stated to have started functioning during 2014-16.

Thus, it was not ensured that the Economic Support schemes had achieved the objective of socio-economic development of Scheduled Tribes.

(Paragraph 3.2)

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

Performance Audit of functioning of the Department covering the period 2007-12 featured in the Report of the Comptroller and Auditor General (CAG) of India for the year ended March 2012. In the Performance Report, CAG had made five recommendations to the Government. Audit of follow-up on recommendations revealed that:

- Of the five recommendations, Government had implemented three recommendations partially.
- There was no progress in implementation of the remaining two recommendations as of July 2017.

(Paragraph 3.3)

1.7.4 Excess payment

Contrary to agreement conditions, Jawaharlal Nehru Technological University (JNTU), Anantapur allowed extra lead to the contractor on conveyance of materials procured during execution of work. An excess payment of ₹ 3.94 crore was made to the contractor in construction of University College of Engineering at Kalikiri (Chittoor district).

(Paragraph 3.4)

1.7.5 Construction of women's hostel buildings in Polytechnics

Injudicious selection of Government Polytechnics for construction of buildings for women's hostels without need analysis resulted in idle infrastructure and wastage of resources. The expenditure of ₹ 5.65 crore incurred on eight hostel buildings remained unfruitful. Two other buildings constructed at a cost of ₹ 1.78 crore were being used for other purposes defeating the objective of the scheme.

(Paragraph 3.5)

1.7.6 Avoidable expenditure on supply of kerosene to the Hudhud cyclone victims

Government intended to supply kerosene free of cost to *Hudhud* cyclone affected families during non-restoration of electricity. However, District Administration supplied 2,268 kilo litres of kerosene after restoration of electricity rendering the expenditure of ₹12.92 crore incurred on procurement of kerosene avoidable.

(Paragraph 3.7)

1.7.7 Mini Sports Complex stalled mid-way

Sports Authority of Andhra Pradesh had not released the funds for the work 'Construction of Mini Sports Complex at Pulivendula (YSR district)'. The work had stalled mid-way due to lack of funds. The work remained incomplete for over four years after incurring expenditure of ₹ 2.11 crore.

(Paragraph 3.8)

Chapter II

Performance Audits

Panchayat Raj and Rural Development Department

2.1 National Rural Drinking Water Programme

2.1.1 Introduction

National Rural Drinking Water Programme (NRDWP)¹ is a centrally sponsored scheme aimed to provide every rural person with adequate safe water on a sustainable basis. NRDWP² provides funds for rural water supply schemes³ and promotes conjunctive⁴ use of water in convergence with other development programmes. The water supplied to persons should meet the basic requirement of water quality standards and be readily and conveniently accessible at all times and in all situations.

2.1.2 Organisational set up

State Water and Sanitation Mission (SWSM), is the nodal agency for implementation of NRDWP in the State. The Project Director manages the day to day affairs of the SWSM. Organisational hierarchy of the Mission is detailed below:

State Water and Sanitation Mission (SWSM)	<ul style="list-style-type: none"> •Nodal agency for implementation of the programme in the State. •Provides policy guidance and overall supervision to the programme.
Principial Secretary, Panchayat Raj & Rural Development (Chairman of SWSM)	<ul style="list-style-type: none"> •Monitors the implementation of the programme at State Level.
Chief Engineer (Project Director)	<ul style="list-style-type: none"> •Implements the components of coverage, water quality, sustainability and Operation& Maintenance at State Level supported by Engineering divisions at District and Division levels.
Chairperson, Zilla Parishad (Head of the District Water and Sanitation Mission (DWSM))	<ul style="list-style-type: none"> •Monitors the implementation of the programme at District Level •Receives the support from Engineering divisions of RWS&S Department and Village Water and Sanitation Committees (VWSCs).

¹ The Government of India, through the Ministry of Drinking Water and Sanitation, launched the NRDWP in April 2009

² The Ministry of Drinking Water & Sanitation is the nodal Ministry for the overall policy, planning, funding and coordination of the National Rural Drinking Water Programme (NRDWP)

³ With special focus on water-stressed and water quality affected areas, rainwater harvesting and groundwater recharge measures and for operation and maintenance

⁴ Judicious and combined use of ground water, surface water and roof water as per drinking water demand and availability, seasonally or monthly

2.1.3 Audit framework

2.1.3.1 Audit Objectives

The Performance Audit was taken up with the objective to ascertain whether:

- necessary institutional mechanism existed for effective implementation of the programme;
- the fund management was economical and effective;
- the implementation of programme was effective and efficient; and
- adequate and effective mechanism existed for monitoring and evaluation of the programme.

2.1.3.2 Audit Criteria

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

- Guidelines of NRDWP issued in 2009 and 2013; strategic plans, notifications, orders and circulars issued by the GoI;
- Studies conducted by the Planning Commission (National Institution for Transforming India (NITI) Aayog) and other agencies;
- State Government orders relating to implementation of the NRDWP;
- Physical and financial progress reported under Management Information System (MIS) available on website of the programme⁵ and
- Operation and Maintenance Manual.

2.1.3.3 Scope and Methodology of Audit

The Performance Audit, covering the period 2012-13 to 2016-17, was conducted during April-July 2017. Audit covered all the six components, *i.e.*, Coverage, Water Quality, Operation & Maintenance, Sustainability, Support and Water Quality Monitoring and Surveillance of NRDWP. Audit methodology involved scrutiny of relevant documents in SWSM, office of the ENC/RWS&S and implementing units of selected districts. Audit selected six⁶ districts through PPSWOR⁷ method. In each selected district, 20 *per cent* of Mandals were selected. Two Gram Panchayats (GPs) were selected in each Mandal. Four habitations were selected from each GP. The selection of Mandals/GPs/ Habitations was made through SRSWOR⁸ method. Survey of beneficiaries was conducted along with departmental officials by selecting a maximum of 40 beneficiaries from each GP, with 10 beneficiaries from each habitation. Details of audit sample are given in *Appendix-2.1*.

⁵ indiawater.gov.in

⁶ Anantapuramu, Chittoor, Guntur, Vizianagaram, West Godavari and YSR

⁷ Probability Proportional to Size Without Replacement (PPSWOR) with size measure as total NRDWP expenditure during review period (2012-17)

⁸ Simple Random Sampling Without Replacement

Audit objectives, sample and methodology were explained to the representatives of the State Government⁹ during Entry conference held on 05 May 2017. Audit findings were discussed in the Exit conference (03 November 2017) with the representatives of the State Government. Replies of the Government had been incorporated at appropriate places in the Report.

Audit findings

2.1.4 Institutional Mechanism

Guidelines¹⁰ stipulated institutional set up for implementation of the programme by different institutions at State, district and village levels. Responsibilities assigned to these institutions were explained in the *Appendix-2.2*. Audit observations on Institutional mechanism are detailed in **Table-2.1**:

Table-2.1

Name of the Institution	Audit Observation
State Water and Sanitation Mission (SWSM)	<p>State Water and Sanitation Mission was to be set up at State level for policy guidance and coordination with various Departments.</p> <p>SWSM headed by Principal Secretary to Government was setup in the State. SWSM was to convene meetings for review of all activities of the mission. However, no separate review meetings were conducted during 2012-17. Thus, SWSM did not review the activities as envisaged in the guidelines during the review period.</p> <p>State Government assured (December 2017) that all measures would be initiated to strengthen the implementation of the programme by conducting separate review meetings.</p>
State Level Scheme Sanctioning Committee (SLSSC)	<p>SLSSC headed by Principal Secretary to Government as Chairman at State level was to be constituted to avoid administrative bottlenecks in execution of rural water supply schemes. SLSSC headed by Principal Secretary to Government as Chairman was functioning in the State.</p> <p>SLSSC shall hold meetings at least twice a year, wherein apart from sanctioning new schemes, progress of the schemes approved earlier by the Committee should be reviewed.</p> <p>However, only one meeting was conducted every year during the period 2013-17. Department did not initiate follow up action despite various suggestions¹¹ made in the meetings.</p> <p>State Government replied (December 2017) that SLSSC</p>

⁹ Principal Secretary to Government, Panchayat Raj and Rural Water Supply & Sanitation Department

¹⁰ Para 12 of NRDWP guidelines

¹¹ Plan of action for handling all quality affected habitations to supply safe drinking water (2014-15) and conducting of water and energy audits for multi-village schemes (2015-16)

	meetings were not conducted as the spillover work load was more and new works were not taken up. Reply was not acceptable as meetings were to be conducted to monitor and evaluate the physical and financial performance of water supply schemes.
State Technical Agency (STA)	<p>SWSM was to constitute STA, headed by Chief Engineer (RWS&S) as Project Director at State level to provide technical support.</p> <p>STA was constituted (March 2012) in the composite State. However, after bifurcation (June 2014) of the State, no meetings were conducted by STA. Hence, feedback to SWSM/SLSSC on various aspects of programme and problems encountered in planning and implementation at the field level was not obtained and discussed.</p>
District Water and Sanitation Mission (DWSM)	<p>DWSM was to be constituted at district level and should function under the supervision, guidance and control of Zilla Parishad. It was to be headed by Chairperson, Zilla Parishad with the composition of all MPs/MLAs/MLCs and district level officers.</p> <p>DWSMs were constituted in all test-checked districts. However, no meetings were conducted during the review period. Thus, the implementation of the programme was not effectively reviewed.</p>
Gram Panchayat/Village Water and Sanitation Committee (GPWSC/VWSC)	<p>VWSCs comprising members of Panchayat were to be set up at village level to give greater focus on water and sanitation issues and to ensure active participation of villagers. VWSCs were constituted in all the villages of the test-checked districts. However, no meetings were conducted during the review period. Thus, VWSCs could not ensure active community participation in planning, designing and implementing the drinking water and sanitation activities in villages.</p>

2.1.5 Planning

2.1.5.1 Water Security Plans

- i) Guidelines provide for preparation of Village Water Security Plans (VWSPs)¹² to ensure active participation of the villagers in planning, implementing and O&M of the rural water supply schemes. The VWSPs were to be consolidated at district level so as to form a basis for formulation of District Water Security Plans (DWSPs).

¹² VWSPs have to include the demographic, physical features, water sources, available drinking water infrastructure and other details of the village

Audit noticed that VWSPs/DWSPs were not prepared in any of the test-checked districts during 2012-17. Reasons for non-preparation of the VWSPs were not available.

Thus, in the absence of grass root plans, assessment of availability and requirement of water sources as per the needs of people, were not considered.

- ii) Guidelines stipulate preparation of a five year Comprehensive Water Security Action Plan (CWSAP) at State level to achieve the goal of drinking water security to every rural household. Further, based on the National Policy Framework, State should prepare State specific sector policy framework¹³.

Audit noticed that the Department had neither prepared a five year CWSAP nor State specific sector policy framework. Reasons for non-preparation of the CWSAP and State Policy Framework were not available.

Thus, the Department failed to plan for optimum utilisation of drinking water in the absence of water security plans.

2.1.5.2 Annual Action Plans

As per guidelines¹⁴ the State should prepare every year an Annual Action Plan (AAP) in a participatory manner after carrying out detailed SWOT¹⁵ Analysis. It should also include community-wise population (SC/ST, other backward classes, minority sections) to be benefited. Coverage of schools and anganwadis with water supply should also be planned. Plan for ensuring clean environment around drinking water sources including hand pumps, O&M and involvement of the PRIs¹⁶ should be indicated.

Scrutiny of AAPs revealed the following deficiencies:

- AAPs were prepared unilaterally by RWS&S Department based on spillover commitment of schemes received from the districts and new sanctions (if any) without participation of people. No detailed SWOT analysis was carried out. This indicated that the Department prepared the AAPs without assessing the needs, resources and challenges of rural people.
- AAPs did not specify community-wise population to be benefited duly indicating separately the coverage of SC/ST, other backward classes and minority population.
- AAPs also did not plan for coverage of schools and anganwadis to supply water.
- AAPs did not indicate plan for ensuring clean environment around drinking water sources including hand pumps, O&M and involvement of the PRIs.

State Government replied (December 2017) that after bifurcation of the State, funds were reduced drastically and hence, no new works were taken up. Further, while

¹³ To provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis

¹⁴ Para No. 14 and Annexure VII of NRDWP guidelines

¹⁵ Strengths, Weaknesses, Opportunities and Threats

¹⁶ Panchayat Raj Institutions

giving new sanctions, preference was being given to SC, ST and other community areas in the order of priority.

The reply was not acceptable as the Department had prepared AAPs without indicating the details of these segments of population.

As a result, these segments of population were deprived of the benefit of safe drinking water.

2.1.6 Fund Management

The allocation criteria as prescribed in earlier and revised guidelines of NRDWP for weightage calculation, component-wise allocation and fund sharing pattern (pertaining to period 2012-17) are shown in **Appendix-2.3**. At the beginning of every financial year, GoI communicated to the States, allocation of funds under different components of NRDWP. The States/UTs are required to indicate the component under which they would like to avail the fund. Once allocation is made, the Programme fund¹⁷ and Support fund¹⁸ would be released in two instalments taking into account available excess opening (unspent) balance.

GoI released NRDWP grants directly to SWSM till March 2014. From April 2014 onwards, GoI released NRDWP grants to State Government, who in turn along with State share, released the same to SWSM. Funds released and expenditure incurred towards implementation of NRDWP in the State are given in **Table-2.2**:

Table-2.2

(₹ in crore)

Year	Opening Balance	Releases		Interest	Expenditure		Closing Balance
		Central	State		Central	State	
2012-13	510.65	488.26	150.69	37.25	711.16	150.69	325.00
2013-14	325.00	631.52	136.92	26.18	827.44	136.92	155.26
2014-15	155.26	379.10	110.41	5.47	394.54	168.67	87.03
2015-16	87.03	170.05	223.59	2.40	204.20	223.59	55.28
2016-17	55.28	203.89	144.55	0.00	148.60	144.55	110.57

Source: Information furnished by the RWS&S Department.

Audit observed that the Department did not utilise the funds in the year it was released and huge balance was available at the end of each year. An amount of ₹110.57 crore remained unspent at the end of March 2017. This was due to delay in completion of schemes and not starting of other schemes.

State Government replied (December 2017) that due to release of second instalment of GoI share in the month of March, balance was available which was adjusted in the next financial year. The contention of the State Government was not acceptable as huge

¹⁷ Programme fund consisting of four components i.e., Coverage, Water Quality, Sustainability and Operation and Maintenance of NRDWP

¹⁸ Support fund consisting of Support activities include *five per cent* of NRDWP expenditure on Water and Sanitation Support Organisation (WSSO), District Water and Sanitation Mission (DWSM), Block Resource Centres (BRCs), Information, Education and Communication (IEC), Human Resource Development (HRD), Management Information System (MIS) and computerisation, Research & Development (R&D) and others

unspent balance was available at the end of each year. Such balance was more than the fund released as second instalment in March (2012-13: ₹ 131.83 crore, 2013-14: ₹ 92.70 crore, 2014-15: ₹74.87 core, 2015-16: ₹14.37 crore and 2016-17: ₹4.83 crore). Further, GoI imposed a cut of ₹3.70 crore as a penalty in 2014-15 due to excess opening balance. Thus, Government had not fully utilised the funds available with it in any year during the review period.

2.1.6.1 Deprivation of GoI share

GoI had imposed (2012-17) a cut of ₹48.96 crore (*Appendix-2.4*) from its share to the programme as penalty. This was due to State incurring excess expenditure on O&M in the previous year, excess opening balance and short release of its share. Thus, substantial amount of central fund was foregone as the SWSM did not adhere to the guidelines.

2.1.6.2 Short release of matching share by State Government

State Government had short released (2014-17) an amount of ₹178.87¹⁹ crore towards its matching share. State Government did not furnish specific reasons.

Short release of State matching share *would delay commissioning of the schemes* besides resulting in a cut in GoI share to the Programme as per guidelines.

2.1.6.3 Delayed release of funds by the State Government to SWSM

State Government shall transfer to SWSM²⁰, the principal amount along with penal interest²¹ for the period of delay in transfer of funds beyond stipulated period of 15 days. GoI may stop further releases to the State if funds are not transferred along with penal interest.

State Government transferred (2015-17) to SWSM, an amount of ₹655.27 crore with a delay ranging from 12 days to 249 days (*Appendix-2.5*). However, no interest amount was released. Audit assessed an amount of ₹8.47 crore as interest for delayed transfer of funds to the end of July 2017.

State Government assured (December 2017) that sufficient care would be taken to reduce delays and other consequences.

2.1.6.4 Non-transfer of GoI share to SWSM

GoI sanctioned (March 2017) an amount of ₹26.62 crore to the State Government for the year 2016-17. However, the State Government had not released GoI share along with its matching share to SWSM as of May 2017.

¹⁹ 2014-15: ₹144.26 crore, 2015-16: ₹16.94 crore and 2016-17: ₹17.67 crore

²⁰ Implementing agency

²¹ At the rate of 12 *per cent* per annum

2.1.6.5 Interest income

- Audit observed that in the test-checked districts DWSMs earned interest of ₹67.22 lakh²² on the funds. DWSMs, however, did not remit the same to the implementing agency. Thus, the interest earned in the districts was not brought into the annual accounts of SWSM. It was also not reflected in the Utilisation Certificates (UCs) furnished to GoI.

State Government replied (December 2017) that interest amount would be taken into account and utilised under respective components.

- GoI instructed (November 2016) to refund the unspent balances released²³ during 2008-10 under Jalmani programme. However, an amount of ₹53.66 lakh²⁴ lying unutilised (May 2017) under Jalmani programme in the test-checked districts was not surrendered to GoI.

State Government replied (December 2017) that the concerned Executive Engineers were requested to remit the amounts to SWSM.

- RWS&S division, Kovvuru (West Godavari) had paid (November 2011) ₹2.70 crore to Revenue Department for land acquisition²⁵. Subsequently, the division withdrew its land acquisition proposal due to delay in acquisition process. The Revenue Department refunded (September 2014) the amount. The division had deposited this amount in current account in violation of guidelines²⁶. As such, interest of ₹16.29 lakh (at the rate of four *per cent* per annum) as of July 2017 was lost.

State Government replied (December 2017) that the amount was kept in current account and was later withdrawn and kept in savings bank account. The reply was not acceptable as the fact remained that there was loss of interest during the period when the amount was kept in current account.

Thus, the interest earned by DWSMs was not brought into programme fund account. This indicated that the financial statements of SWSM did not reflect the true and fair picture of the annual accounts of the programme.

2.1.6.6 Inadmissible expenditure

As per the Manual²⁷, State Government shall arrange/purchase the required land from its own resources, if Panchayat land is not available. Audit noticed that, an amount

²² Anantapuramu: ₹2.86 lakh, Chittoor: ₹10.26 lakh, Eluru: ₹0.55 lakh, Kovvuru: ₹38 lakh and Vizianagaram: ₹15.55 lakh

²³ For installation of Standalone Water Purification System in the schools

²⁴ Anantapuramu: ₹27.61 lakh, Chittoor: ₹8.30 lakh, Guntur: ₹4.50 lakh, West Godavari: ₹3.48 lakh and YSR: ₹9.77 lakh

²⁵ For the work of providing sustainability for habitations affected by saline ingress in coastal habitations of Bhimavaram

²⁶ As per Para 16.1 of NRDWP guidelines, funds shall be kept in savings account only

²⁷ Manual of Preparation of Detailed Project Report (DPR) for Rural Water Supply Schemes, Panchayat has to arrange the land, free of cost, required for construction of head works and other structures like overhead tanks, ground level reservoirs etc. In case, panchayat land is not available, the land required shall be arranged/purchased by the State Government from its own resources

₹2.20 crore, was irregularly paid (August 2013) to Revenue Department for land acquisition²⁸ from the funds of NRDWP.

State Government replied (December 2017) that the amount was in Government account (kept as deposit with Revenue Department). Reply was not acceptable as scheme funds should not be utilised for the purpose of acquisition of land.

2.1.6.7 SWSM accounts

On verification of the financial statements available in the Audited Accounts of Chartered Accountant (CA) with Integrated Management Information System (IMIS) data, significant variations were noticed in respect of opening balance, releases/receipts, expenditure/payments and closing balance. Details of variation in receipts and expenditure are given in *Appendix-2.6 (a) & (b)*. Audit observed that there was no proper reconciliation and validation of data fed into IMIS. This resulted in difference in the expenditure figures as per Audited statements and IMIS data.

State Government accepted (December 2017) audit observation and stated that the figures mentioned under IMIS were not correct and the same was brought to the notice of GoI for reconciliation.

Thus, the integrity of data uploaded in IMIS was doubtful.

2.1.6.8 Other irregularities

- i. Subsequent to redistribution of funds due to bifurcation of the State²⁹, SWSM had paid (July 2014) an amount of ₹8.51 lakh to a private agency for display of bill boards in Mahabubnagar district of Telangana State, which was irregular.

State Government replied (December 2017) that Government of Telangana would be addressed to return the amount.

- ii. SWSM was not maintaining the cash book³⁰ for the funds received from GoI/State Government. As such, audit could not vouchsafe the correctness of releases, expenditure and internal diversion of funds.

2.1.7 Implementation

NRDWP is being implemented in the State through its six components, *viz.*, Coverage, Water Quality, Operation & Maintenance, Sustainability, Support and Water Quality Monitoring and Surveillance.

²⁸ For work 'Augmentation of Comprehensive Protective Water Supply (CPWS) scheme to Akumarru and 19 other habitations' in Krishna district

²⁹ After bifurcation of State of Andhra Pradesh, the funds (available as on 18 July 2014) were distributed between States of Residuary Andhra Pradesh and Telangana

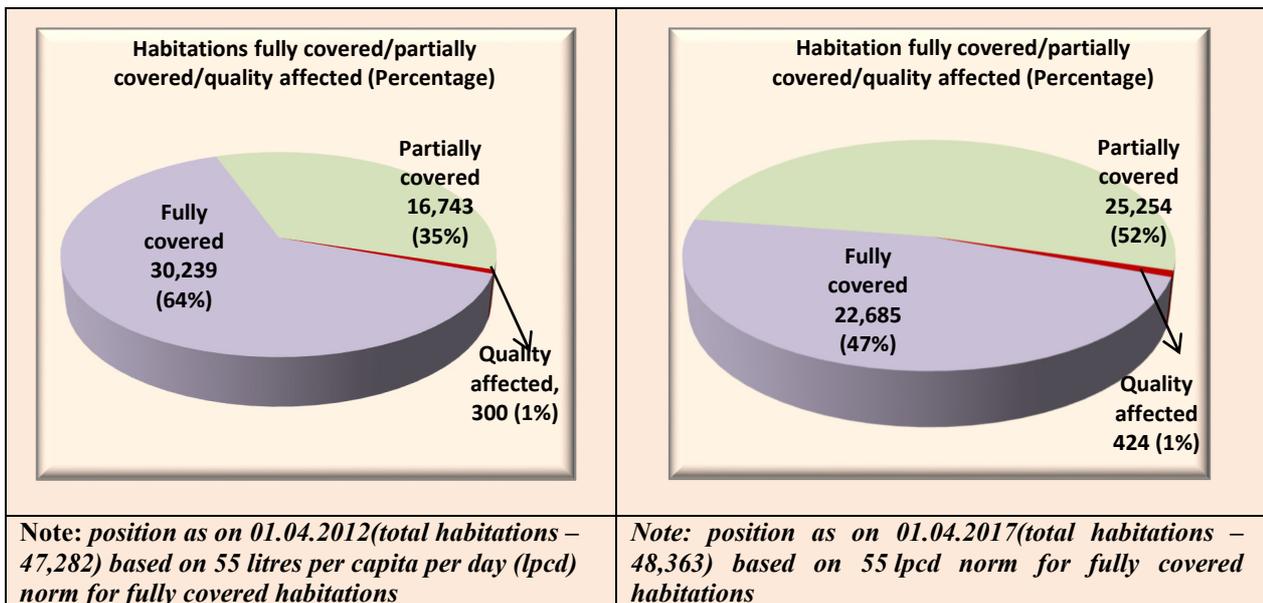
³⁰ As per Andhra Pradesh Finance Code and General Financial Rules of GoI

2.1.7.1 Coverage

To provide safe and adequate drinking water supply to un-served, partially served and slipped back habitations³¹, 47 per cent³² of the annual NRDWP fund was allocated. In the 12th five-year plan period (2012-17), under NRDWP, specific emphasis was given on piped water supply in rural habitations. States were directed to plan for coverage of habitations with piped water supply or through stand posts³³ or household connections. Audit noticed the following observations in coverage of habitations:

Status of coverage of habitations categorised as Fully Covered³⁴, Partially Covered³⁵ and Quality Affected³⁶ is given in **Chart-2.1** below:

Chart-2.1: Status of coverage of habitations



Source: IMIS data

- i) As on 1 April 2017, 25,254 out of 48,363 habitations were partially covered and 424 habitations were Quality Affected. Fully covered habitations came down from 64 per cent in 2012 to 47 per cent in 2017. The partially covered habitations increased from 35 per cent to 52 per cent. The quality affected habitations increased by 41 per cent.

State Government accepted (December 2017) the audit observation and stated that the increase in quality affected habitations was due to depletion of ground water.

³¹ A habitation having status “Fully Covered” at one point of time which is “Partially Covered” or “Quality Affected” presently, is called a Slipped back habitation

³² 45 per cent in the pre-revised guidelines

³³ Distributes water from one or more taps to many users

³⁴ Fully Covered-those habitations in which the average supply of drinking water is equal to or more than 55 lpcd, are called “fully covered” habitations

³⁵ Partially Covered-those habitations in which the average supply of drinking water is less than 55 lpcd and equal to or more than 10 lpcd, are called “partially covered” habitations

³⁶ Quality Affected Habitations-these are the habitations where water samples tested in laboratories have indicated levels of chemical contamination (limited to Arsenic, Fluoride, Iron, Nitrate and Salinity) higher than the permissible limits set by the Bureau of Indian Standards (BIS)

ii) Comparison of coverage of habitations in test-checked districts is given below:

Table-2.3

Name of the district	Habitations as on 1 st April 2012				Habitations as on 1 st April 2017			
	Total	Fully covered	Partially covered	Quality affected	Total	Fully covered	Partially covered	Quality affected
Anantapuramu	3339	2829	510	0	3312	1970	1226	116
Chittoor	10970	8826	2144	0	11189	6154	5020	15
Guntur	1698	1091	555	52	1739	586	1136	17
Vizianagaram	2923	2038	874	11	2949	1689	1260	0
West Godavari	2182	1655	525	2	2412	1358	1054	0
YSR	4453	1946	2507	0	4451	2426	2025	0
Total	25565	18385	7115	65	26052	14183	11721	148

Source: IMIS data

In the test-checked districts fully covered habitations came down from 72 per cent in 2012 to 54 per cent in 2017. The partially covered habitations increased from 28 per cent to 45 per cent. The quality affected habitations were eliminated in two test-checked districts (Vizianagaram and West Godavari) only. However, quality affected habitations were identified in Anantapuramu and Chittoor districts.

This indicated that State Government did not ensure supply of adequate quantity of water (55 lpcd) which resulted in increase in water deficient habitations. State Government did not prioritize the quality affected habitations³⁷, which resulted in the increase in number of such habitations.

iii) Scrutiny of records of Engineer-in-Chief revealed that 292 Multi Village Schemes (MVSs) were sanctioned during 2006-16 to cover 6,030 habitations. Audit observed that as of April 2017, out of 2,000 habitations, only 1,882 habitations were covered (120 completed schemes). Completed schemes did not cover 118 habitations. Ninety three schemes to cover 2,878 habitations were under progress. Further, 1,152 habitations could not be covered as the proposed schemes (79) were not started. GoI took a decision (June 2015) to release funds for the ongoing schemes only and not for new schemes. As such, the habitations under non-started schemes remained uncovered.

Thus, 26,948³⁸ habitations were deprived of the benefit of adequate and safe drinking water. In the test-checked districts, 11,869³⁹ habitations were yet to be provided with adequate and safe drinking water.

iv) NRDWP objectives require that all Government schools and anganwadis should have access to safe drinking water. Water purification systems should be provided to all schools and anganwadis where drinking water sources were affected by bacteriological or excess iron contamination.

³⁷ As per para 14 (a) of guidelines, quality affected habitations should be prioritized while preparing AAPs

³⁸ 25,254 partially covered habitations, 1,152 not yet started schemes, 118 out of completed schemes and 424 quality affected habitations

³⁹ 11,721 partially covered + 148 quality affected

As on 1 April 2017, out of 45,382 schools and 7,083 anganwadis, drinking water was provided to 42,269 schools (93 per cent) and 4,224 anganwadis (60 per cent) in the State. In the habitations surveyed in test-checked districts, drinking water was not provided to 21⁴⁰ out of 114⁴¹ schools. Similarly, drinking water was not provided to 29⁴² out of 88⁴³ anganwadis. Thus, adequate coverage was not given. State Government replied (December 2017) that concerned Departments were looking after the provision of drinking water supply in schools and anganwadis. The reply was not acceptable as the guidelines stipulated that the SWSM had to compile the data of rural schools and anganwadis in the State and provide drinking water facilities by the end of 2012-13.

- v) State had to earmark NRDWP funds to accelerate the assured availability of potable drinking water on a sustainable basis in SC and ST dominant habitations. At least 25 per cent of the NRDWP funds⁴⁴ for SC dominated habitations⁴⁵ and 10 per cent for the ST dominated habitations were to be allocated⁴⁶. Further, priority was to be given to cover SC, ST dominated habitations while preparing⁴⁷ AAPs.

However, general population (39 per cent), SC population (37 per cent) and ST population (41 per cent) in the State were yet to be provided with adequate drinking water (40 lpcd or more) (**Appendix-2.7**). In the test-checked districts, 18 per cent⁴⁸ of SC/ST habitations⁴⁹ were yet to be provided with potable drinking water.

Thus, these segments of population were not prioritised, as envisaged in the guidelines.

Targets and Achievements

Year wise target and coverage of habitations during 2012-17 are given below:

Table-2.4

Year	Partially covered habitations				Fully covered habitations			
	As on 1 st April	Target	Achievement	Percentage	As on 1 st April	Target	Achievement	Percentage
2012-13	16743	2510	1209	48	29239	190	1279	673
2013-14	32648	2786	3147	113	12687	325	386	119
2014-15	33566	2411	2383	99	12277	134	218	163
2015-16	30320	995	1727	174	17293	27	143	530
2016-17	24744	750	951	127	23028	123	369	300

Source: IMIS Data

⁴⁰ Chittoor-2, Guntur-10 and YSR-9

⁴¹ Chittoor-7, Guntur-10, Vizianagaram – 13, West Godavari-23 and YSR-61

⁴² Anantapuramu-1, Chittoor-3, Guntur-12 and YSR-13

⁴³ Anantapuramu-5, Chittoor-8, Guntur-12, Vizianagaram-20, West Godavari-23 and YSR-20

⁴⁴ Para 9.10 of NRDWP guidelines

⁴⁵ Habitations in which more than 40 per cent of the population belongs to SC

⁴⁶ Habitations in which more than 40 per cent of the population belongs to ST

⁴⁷ Para 14 of NRDWP guidelines

⁴⁸ 967 out of 5,442 habitations

⁴⁹ Chittoor: 370 out of 3,342 habitations, Guntur: 209 out of 323 habitations, Vizianagaram: 277 out of 1,397 habitations and West Godavari: 111 out of 380 habitations

- i) From the above table, steep decline in targets during 2012-17 was noticed. Hence, due to fixing of abnormally low targets, achievement was more than the targets. However, out of 48,363 habitations, 25,678⁵⁰ habitations (53 per cent) were left uncovered with adequate drinking water as of April 2017.

Thus, the State Government reduced the targets to abnormally low levels to show higher achievement.

- ii) The AAPs proposed (2012-17)⁵¹ to cover 15,668 habitations. Out of this, 15,999 habitations were covered (102 per cent). However, the target fixed for coverage was shown in IMIS as 13,935 and achievement as 13,119 (94 per cent).

2.1.7.2 Water quality

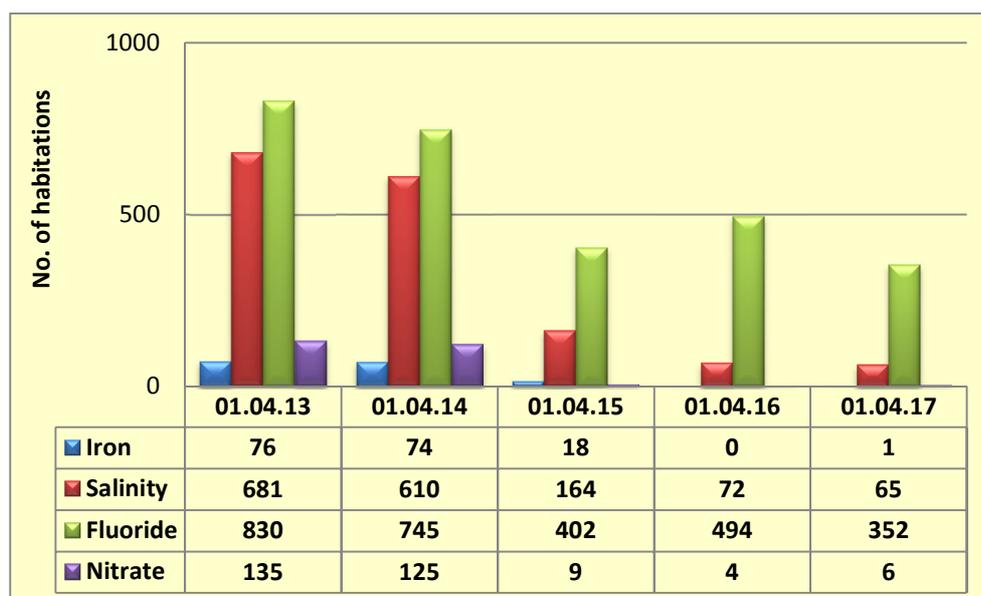
Twenty per cent of annual NRDWP funds were allocated to provide potable drinking water to quality affected habitations. Guidelines provided flexibility under different components of NRDWP as there was wide variation among States in the number of habitations having water quality problems and left over partially covered habitations. States could choose the components viz., Coverage and Water Quality, under which, they would like the funding to be provided.

Target and achievements

As per the guidelines, the schemes should be taken up to cover the quality affected habitations in the order of priority. Habitations with the highest extent of arsenic should be covered first, followed by high extent of fluoride and other contaminants.

Details of Water Quality Affected habitations during 2012-17 are given in **Chart-2.2** below:

Chart-2.2: Water Quality Affected Habitations



Source: Information furnished by the RWS&S Department

⁵⁰ Partially covered: 25,254 and Quality affected: 424

⁵¹ For the period 2012-14, the figures are of Composite State of Andhra Pradesh

The above chart indicates that priority was not given to cover fluoride affected habitations during the review period. Thus, 352 fluoride affected habitations were not covered as on 1st April 2017. The fluoride affected habitations were highly concentrated in SPSR Nellore (117) and Anantapuramu (116) districts. Review of IMIS data revealed that targets were not fixed to cover these habitations as of August 2017.

State Government replied (December 2017) that all efforts were being put in to cover all the fluoride affected habitations.

The details of target and coverage of quality affected habitations are given below:

Table-2.5

Year	No. of Quality Affected habitations	Target as per AAP	Target finally fixed (as per IMIS data)	Covered	Percentage of coverage with reference to target as per AAP	Percentage of coverage with reference to target as per IMIS data
2012-13*	396	384	177	179	47	101
2013-14*	3549	226	383	375	166	98
2014-15	1554	597	218	218	37	100
2015-16	593	333	32	35	11	109
2016-17	570	367	7	53	14	757
Total	6,662	1,907	817	860	45	105

Source: Information furnished by the RWS&S Department and IMIS data

* Figures are for erstwhile composite State of Andhra Pradesh

The targets as proposed in AAPs (1,907 habitations) during 2012-17 were reduced to 817 habitations (as per IMIS). Downward revision of targets resulted in excessive achievement (860 habitations).

2.1.7.3 Status of schemes

Water supply schemes were classified into two broad categories – Single Village Schemes (SVS) and Multi Village Schemes (MVS). SVS serves one village whereas MVS serves a group of habitations/villages. The status of schemes executed as of May 2017 is discussed below:

In the State, 292 MVS were sanctioned with an estimated cost of ₹2,250.19 crore during 2006-16. Out of this, 120 schemes were completed by incurring expenditure of ₹479.63 crore. Works of 93 schemes were under progress and an expenditure of ₹621.93 crore was incurred as on March 2017. Further, 79 schemes with an estimated cost of ₹433.47 crore were not yet started, even though preliminary works such as investigation, survey, preparation of DPRs were completed by incurring an amount of ₹1.08 crore.

Similarly, 5,588 SVS were sanctioned in the State with an estimated cost of ₹816.30 crore during 2013-17. Out of this, 3,618 schemes (65 per cent) were completed with an expenditure of ₹183.38 crore. Further, 132 schemes (2 per cent) with an estimated cost of ₹83.54 crore were yet to be completed, though expenditure of ₹8.18 crore was incurred on these works to the end of 2016-17. As of May 2017, 1,779 works (32 per cent) sanctioned (2013-14) with an estimated cost of ₹21.55 crore were not yet started.

The Department stated (May 2017) that the works which were not started as of August 2014, were not taken up as per instructions of the Finance Department.

Thus, 2,931 habitations⁵² were deprived of the intended benefit of safe drinking water due to not starting of works. Further, the State Government could not avail proposed GoI contribution of ₹455.02 crore⁵³ on these projects as the Department failed to start the works even though administrative sanction was received.

2.1.7.4 Jalmani

The programme was launched in 2008-09 for installation of Stand-alone Water Purification Systems (SWPS) in schools to provide children studying in water quality affected rural schools with safe and clean drinking water.

In the test-checked districts, 939⁵⁴ out of 942⁵⁵ SWPS sanctioned were installed at a cost of ₹1.88 crore⁵⁶. However, only 873⁵⁷ units were commissioned. Reasons for non-commissioning of 66⁵⁸ units were not available in the records. Out of commissioned units, 241⁵⁹ units (27.60 per cent) were not functioning as of May 2017, which resulted in unfruitful expenditure of ₹48.20 lakh. As per AAP for 2015-16, 3,649 SWPS were targeted at a cost of ₹7.30 crore under Jalmani Phase-II. However, this work was not taken up as of May 2017.

Joint physical verification in YSR district revealed that SWPS, though stated to be installed, were not installed in three schools⁶⁰ out of six schools.

Thus, the objective of providing safe drinking water to the quality affected rural schools was not fully achieved.

⁵² MVS: 1,152 and SVS: 1,779

⁵³ ₹ 433.47 crore for 79 MVS projects and ₹ 21.55 crore for 1,779 SVS works

⁵⁴ Anantapuramu-157, Chittoor-157, Guntur-157, Vizianagaram-157, West Godavari-157 and YSR-154

⁵⁵ 157 units for each district

⁵⁶ ₹ 20,000 X 939 SWPS

⁵⁷ Anantapuramu-125, Chittoor-157, Guntur-123, Vizianagaram-157, West Godavari-157 and YSR-154

⁵⁸ Anantapuramu-32 and Guntur-34

⁵⁹ Anantapuramu-57, Guntur-31, Vizianagaram-150 and YSR-3

⁶⁰ Zilla Parishad High School (Urdu Medium), Vempally; Zilla Parishad High School, Ramanappa Satram, Pulivendula and Zilla Parishad High School, Ankalammapet, Pulivendula

2.1.7.5 Operation and Maintenance

The States have to adopt improved Operation & Maintenance (O&M) methods⁶¹ for better working of schemes and to control leakages. Improved O&M would ensure sustainability of functioning of rural water supply programme. A maximum of 15 per cent⁶² of the annual NRDWP funds are allocated to meet expenditure on running, repair and replacement costs of drinking water supply projects. Details of receipts and expenditure towards Operation and Maintenance are given below:

Table-2.6

(₹ in crore)

Financial Year	Opening Balance	Receipts		Total Receipts	Expenditure during the year		Total Expenditure	Closing Balance	Percentage of utilisation
		Central	State		Central	State			
1	2	3	4	5	6	7	8	9	10
2012-13	37.24	67.90	45.00	150.15	11.62	45.00	56.62	93.52	38
2013-14	93.52	86.05	37.06	216.63	115.20	37.06	152.26	64.37	70
2014-15	64.37	46.77	23.35	134.49	36.63	23.35	59.98	74.51	58
2015-16	74.51	19.87	36.60	130.98	15.31	36.60	51.91	79.07	40
2016-17	79.07	21.49	16.94	117.49	15.45	16.94	32.38	85.12	28

Source: Information furnished by the RWS&S Department

Audit observed that Department did not fully utilise the funds in any of the years. Percentage of utilisation ranged from 28 per cent (2016-17) to 70 per cent (2013-14) during the review period.

a) Operation and Maintenance Plan

Guidelines provide⁶³ that States may use O&M Manual prepared by the GoI or prepare a State specific O&M Manual to guide systematic operation and maintenance. However, no such O&M Plan was prepared in the State. Training for capacity building of O&M personnel was not organised. Plan for availability of spare parts was not prepared. Plan for conservative use of water, i.e., water auditing/leakage control through metering, improved O&M practices and awareness intervention was also not prepared.

Thus, due to lack of attention to the important aspects of O&M, dysfunction or deterioration of the useful life of the systems could not be ruled out.

b) Issues related to Operation and Maintenance

Guidelines envisage that the State should transfer the program to the PRIs particularly to the Gram Panchayats for management within the village. This would enable the community to plan, implement and manage their own water supply systems. States should also devolve the required O&M fund to the PRIs for O&M of schemes managed by them. Audit noticed that:

⁶¹ Preparation of O&M plan, development of individual plan for O&M, capacity building plans for O&M personnel, plan providing for spares and tools, plan for water audit and leakage control and plan for efficient use of water etc.

⁶² 10 per cent in the pre-revised guidelines

⁶³ Para 9.7 of NRDWP guidelines

- i) As envisaged in strategic plan (2011-22), water metering for both bulk and individual households was not provided in all piped water supply schemes to reduce unaccounted water. State Government accepted (December 2017) audit observation and stated that respective Gram Panchayats were advised to collect tariffs from the users.
- ii) Water audits, energy audits and measurement of unaccounted water and non-revenue water were not introduced for bulk distribution of piped water supplies. State Government accepted (December 2017) audit observation and stated that water audits were being done as part of watershed management by Districts Water Management Agency (DWMAs) at district level. The reply was not acceptable, as RWS&S Department being the implementing agency, did not conduct the said audits.

Thus, in the absence of water metering and water & energy audits, the Department could not assess and avoid wastage/leakage of water.
- iii) Out of 219 schemes commissioned in the test-checked districts covering 5,125 habitations, water was not being supplied to 400 habitations (8 *per cent*). In 1,250 habitations (24 *per cent*) water was being supplied on alternate days instead of supplying daily (**Appendix-2.8**). This was due to damage of pipelines, frequent repairs to motors and valves. Thus, due to improper O&M after commissioning of schemes, benefited habitations were deprived of the safe drinking water.
- iv) As per guidelines⁶⁴, SWSM did not adopt the tariff structure for rural water supply in the State to make the schemes sustainable. GoI reiterated the regulation of pricing in the meeting held in March 2017 for approval of AAP 2017-18.

2.1.7.6 Sustainability

A maximum of 10⁶⁵ *per cent* of the annual NRDWP fund is allocated to encourage States to achieve drinking water security at local level through sustainability of sources and systems⁶⁶. States which propose to utilise less than 10 *per cent* against the Sustainability component have to furnish justification to the GoI for decision in the matter. Details of funds allocated and utilised under sustainability component are given in **Table-2.7**:

⁶⁴ SWSM should decide the tariff structure of rural water supply, taking into consideration the differential connection charges and tariff structure for house connection and supply through hand pumps/street stand posts and also lower/affordable tariff for SC, ST, OBC and BPL households

⁶⁵ 20 *per cent* in the pre-revised guidelines

⁶⁶ Adopting conjunctive use of surface water, rain water and ground water and construction of water recharging structures with major emphasis on water quality affected areas, overexploited, critical and semi-critical areas as specified by Central Ground Water Board, and any other area that the State Government has identified as water stressed area

Table-2.7

(₹ in crore)

Year	Total funds received from GoI	Funds to be allocated	Opening Balance	Funds allocated	Total fund	Shortfall (Percentage of shortfall)	Funds utilisation (Percentage of utilisation)	Closing Balance
2012-13	488.26	48.83	183.82	45.27	229.09	3.55 (7.29)	0.67 (0.29)	228.43
2013-14	631.52	63.15	228.43	57.37	285.80	5.78 (9.15)	0.59 (0.20)	285.20
2014-15	379.10	37.91	285.20	31.18	316.38	6.73 (17.75)	4.11 (1.30)	312.27
2015-16	170.04	17.00	312.27	13.24	325.51	3.80 (22.30)	2.57 (0.79)	322.95
2016-17	203.89	20.39	322.95	14.33	337.28	6.06 (29.72)	9.04 (2.68)	328.23
Total	1872.81	187.28		161.40		25.92	16.98	

Source: Information furnished by the RWS&S Department

i) From the above table, it was evident that the allocation of fund was less than 10 per cent. During 2012-17, an amount of ₹161.40 crore was allocated as against ₹187.28 crore under sustainability component. Shortfall in allocation of funds ranged from 7 per cent to 30 per cent. Further, utilisation of funds was much lower ranging from 0.20 per cent to 2.68 per cent only. Justification for non-utilisation of prescribed percentage of fund was not furnished to GoI.

State Government replied (December 2017) that GoI was allowing utilisation of sustainability funds for coverage, quality and O&M components. It was further stated that sustainability related works were being taken up under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) with NRDWP funds. The reply was not acceptable as there was no provision in the guidelines to divert the funds of sustainability component.

ii) An amount of ₹328.23 crore was lying idle to the end of March 2017, as fund under sustainability component was not effectively utilized. Thus, the State could not achieve the drinking water security at local level through sustainability of sources and systems.

a) Preparation and implementation of sustainability plan

i) The guidelines prescribed an alternate sub-district, district or State level water supply system in the form of a grid, supplying metered bulk water to GPs/villages. This grid could be in the form of major pipelines, canals or any other appropriate system connecting major bodies/sources. However, water grid was not formed though it was proposed by State Government in AAP 2015-16 with an estimated cost of ₹50,000 crore. In the absence of water grid, the Department could not ensure drinking water security in the State under all circumstances and at all times.

State Government replied (December 2017) that a decision was taken to form a grid to provide water supply to all households with at least 70 lpcd through perennial sources.

- ii) The guidelines stipulated a shift from over-dependence on groundwater or any one source of drinking water to the conjunctive use from several sources⁶⁷. However, it was noticed that, no conjunctive use of water was part of annual/five year plans at the State/District/GP levels. As of March 2017, 2,60,856 schemes⁶⁸ and 4,452 schemes were functioning based on ground water and surface water as source respectively.

Thus, schemes were functioning with over-dependence on groundwater. Over-dependence on groundwater would result in exploitation of underground water resources and consequential decline in ground water table.

State Government accepted (December 2017) audit observation and stated that it had planned to cover most of the villages with MVS schemes wherever sustainable surface sources are available.

- iii) Programme guidelines suggested a list of works⁶⁹ to improve rural drinking water supply to be taken up in convergence with other programmes⁷⁰. However, works under suggestive list under sustainability component of NRDWP or in convergence with other related programmes were not taken up in the State as these works were not proposed in the AAPs. As a result, the number of habitations that were fully covered had come down from 30,239 (2012) to 22,685 (2017). Thus, due to non-convergence of NRDWP with other related programmes, the schemes were not able to serve their purpose⁷¹.

b) Ground water table status

About 80 per cent of the drinking water needs are met through ground water in the State. Rainfall is the source of recharge to groundwater. During the last decade this source had become erratic and sometimes very low, affecting recharging of groundwater. Thus, the strain on groundwater aquifers is increasing day by day in the State.

- i) The details of seasonal and annual rainfall are given in **Appendix-2.9**. The details of pre and post monsoon data of average ground water levels are given in **Table-2.8**:

⁶⁷ ground, surface water and rainwater harvesting including recharge/roof water collection and bulk transfer through pipelines

⁶⁸ Piped Water Supply Schemes, hand pumps, bore wells, tube wells, etc.

⁶⁹ such as infiltration well, percolation of pond/tank, roof water harvesting for community structures like schools, anganwadis, GP office, soak pits etc.,

⁷⁰ Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), National Afforestation Programme (NAP), Integrated Watershed Management Programme (IWMP), etc.

⁷¹ To make water available in terms of potability, adequacy, convenience, affordability and equity on sustainability basis

Table-2.8

(Meters below ground level)

Name of the district	May 2014 (pre-monsoon)	November 2014 (post-monsoon)	May 2015 (pre-monsoon)	November 2015 (post-monsoon)	May 2016 (pre-monsoon)	November 2016 (post-monsoon)	May 2017 (pre-monsoon)
Anantapuramu	17.79	19.57	22.92	14.75	19.23	21.35	26.21
Chittoor	23.29	25.01	30.34	15.16	11.54	15.33	23.36
Guntur	6.90	5.45	8.95	8.28	12.05	6.70	10.17
Vizianagaram	6.56	3.37	6.44	4.13	6.51	4.36	7.38
West Godavari	14.79	14.86	18.14	18.65	19.08	16.67	20.10
YSR	17.61	19.72	24.52	15.39	15.70	17.53	24.02

Source: Reports of CM Office Real-Time-Executive Dashboard relating to Ground Water Department

Audit observed that depletion of ground water levels was fluctuating significantly according to rainfall. However, the ground water level depleted in the pre-monsoon season of 2017 in comparison to pre-monsoon season of 2014 in all the test-checked districts.

- ii) The status of functioning of rural water supply schemes (under NRDWP) sourcing from ground water and surface water in the test-checked districts is given below:

Table-2.9

Name of the district	Total number of schemes functioning as of August 2017	Number of schemes functioning based on ground water	Number of schemes functioning based on surface water	Number of schemes functioning on other sources	Percentage of ground water based schemes
Anantapuramu	23211	23043	108	60	99.2
Chittoor	30464	30418	27	19	99.8
Guntur	24912	24001	817	94	96.3
Vizianagaram	18088	17989	34	65	99.4
West Godavari	9403	8582	801	20	91.2
YSR	19332	19097	24	211	98.7

Source: IMIS data

From the above table, it was noticed that, the schemes were functioning mostly sourced from ground water which ranged from 91.20 per cent to 99.80 per cent. The dependency on ground water was highest in Chittoor district (99.80 per cent). This would adversely affect the levels of ground water.

- iii) In consonance with the policy of GoI (July 2016) with regard to gradual shift from the groundwater sources to surface water sources, each State shall take up one Bulk Water Supply (BWS) scheme based on surface water as source. GoI earmarked an amount of ₹39 crore from programme fund (Central share) for Andhra Pradesh. However, the Department did not take up the BWS scheme for implementation as of December 2017. Reasons for not taking up of scheme were not furnished by Department despite specific requests.

Thus, there is a need to reduce dependence on groundwater by conjunctive use from various sources⁷², as stipulated in the guidelines⁷³.

2.1.7.7 Support

Support activities include five *per cent* of NRDWP expenditure on Establishment activities, Information, Education and Communication (IEC), Human Resource Development (HRD), Management Information System (MIS) and computerisation, Research & Development (R&D). Expenditure details under various support activities are given in table below:

Table-2.10

	2012-13	2013-14	2014-15	2015-16	2016-17	(₹ in lakh) Total Expenditure (Percentage)
Establishment Activities	818.17	700.15	1043.35	858.7	667.01	4087.38 (74)
IEC Activities	26.87	274.06	423.75	26	0.25	750.93 (14)
HRD Activities	46.47	162.05	106.78	22	2.89	340.19 (6)
MIS Activities	12	10	94.47	0.57	0	117.04 (2)
R&D Activities	0	0	0	0	0	0
Other Activities	107.18	43.54	51.82	61	0	263.54 (5)
Total	1010.69	1189.80	1720.17	968.27	670.15	5559.08

Source: Information furnished by the RWS&S Department

It was noticed that the funds received under support component was mostly incurred on establishment activities (74 *per cent*). The Department did not focus on other activities viz., HRD and IEC, R&D for improvement of the programme. Reasons for not focusing on other activities were not furnished by Department despite specific requests.

Preparation and implementation of Support activity plan

- (i) As per guidelines, Action Plan for IEC, HRD and other support activities including Capacity Building Plan should be need-based. SLSSC should approve Action Plan every year before or at the commencement of the financial year to which it relates.

However, audit noticed that these activities were not included in the Annual Action Plan. IEC campaign (keeping in view the primary⁷⁴ and secondary⁷⁵ target groups) during the review period was not planned. Capacity building plan was not prepared either at district level or at State level. Training module based on Training Needs Assessment for different stakeholders was also not prepared annually.

DWSM, Guntur did not prepare a plan for IEC activities and capacity building even though, an amount of ₹97.77 lakh was available as of March 2017. As a result, the

⁷² surface water and rainwater harvesting including recharge/roof water collection and bulk transfer through pipelines

⁷³ As per para 9.1 of NRDWP guidelines

⁷⁴ Rural community, women, school going children and youth, Panchayat members and village elders/ community leaders

⁷⁵ Other important stakeholders and influencers (programme managers, district officials, etc.)

DWSM failed to take up training programmes⁷⁶ for the members of VWSC and communication activities⁷⁷.

- (ii) State Governments are encouraged to establish Research and Development (R&D) cells with adequate manpower and infrastructure. R&D Cells are required to be in link with the Monitoring and Investigation Unit (MIU) and study the Monitoring and Evaluation Study Reports for initiating appropriate follow up action.

However, R&D cells were not set up in the State. As a result, there were no new ideas/ initiatives in the State for effective implementation of the programme.

2.1.7.8 Water Quality Monitoring and surveillance (WQMS)

The National Rural Water Quality Monitoring & Surveillance Programme launched in February 2005 was merged with NRDWP (2013). From 2011-12, a separate component of WQMS was created. Three *per cent* of NRDWP fund was allocated for WQMS in habitations at field level and for setting up, upgrading Water Quality Testing Laboratories at State, district and sub-district level.

During the review period, ₹45.01 crore of GoI contribution and ₹5.25 crore of State contribution was allocated to WQMS. An amount of ₹57.35 crore (including previous year balance of ₹7.29 crore) was incurred for activities under WQMS.

a) Water Quality Testing Labs

GoI issued Uniform Drinking Water Quality Monitoring Protocol in February 2013. The protocol prescribed specific requirements for monitoring drinking water quality to ensure provision of safe drinking water to the consumers. In addition, laboratories at State, District and Sub-district level and their quality control units for regular testing and surveillance of drinking water sources were to be setup. As per strategic plan, all water quality testing laboratories at State and district level should obtain accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL). Audit noticed the following deficiencies in functioning of laboratories:

- i) Out of 107 laboratories established in the State, accreditation was obtained (April 2016) for only one laboratory (Guntur district laboratory). It was stated that efforts would be made to get accreditation for four laboratories⁷⁸.

Delay in accreditation of laboratories would result in non-assessment of quality and technical competence of testing and calibration of laboratories.

- ii) Mobile testing laboratory is an effective tool for monitoring the quality of drinking water sources in hilly & remote habitations and in emergency situations. However, the same was not established in the State. As a result, the quality of drinking water sources in hilly & remote habitations and in emergency situation could not be monitored.

⁷⁶ On water quality and sanitation, social mobilisation, etc.

⁷⁷ inter-personnel communication, group meetings, etc.

⁷⁸ State laboratory at Vijayawada, divisional laboratories at Kadapa, Nellore and Visakhapatnam

State Government assured (December 2017) that mobile testing laboratories would be established.

- iii) Test facilities for conducting of virological examination⁷⁹ of water samples were not provided in the water testing laboratories. In the absence of these facilities, the Department could not ensure the safe water supply. During 2014-16, 9,736 people were infected by Viral Hepatitis as detailed in **Table-2.12**.
- iv) As per Uniform Drinking Water Quality Monitoring Protocol, the State Level Water Testing Laboratory should have the capability and facilities for testing 78 parameters. However, the State laboratory has the facility to test only 41 parameters. The district level laboratory should have the capability and facilities for testing 34 parameters. However, in the test-checked districts, the laboratories had the facility to test only 11-23 parameters. This indicated that the Department had compromised in testing all parameters⁸⁰ to ensure supply of quality drinking water.
- v) Even though SWSM issued instructions (January 2015) to all the division and sub-division level water testing laboratories for upgrading infrastructure facilities, no funds were released for their upgradation. None of the laboratories, as a result, was upgraded in the test-checked districts. Hence, laboratories could not conduct all the prescribed water quality tests.

b) Water Quality Testing

i) Non-achievement of targets fixed for water sample tests

As per NRDWP guidelines, all drinking water sources should be tested at least twice a year for bacteriological contamination and once a year for chemical contamination. However, SWSM did not achieve the targets fixed in respect of water samples tested during the period 2012-17. The details are given in **Table-2.11**:

Table-2.11

Year	No. of sources to be tested	Targets fixed		Achieved		Short achievement	
		Bacterio-logical	Chemical	Bacterio-logical	Chemical	Bacterio-logical	Chemical
2012-13	252597	505194	252597	448813	222291	56381	30306
2013-14	252604	505208	252604	209280	157397	295928	95207
2014-15	252606	505212	252606	157974	136716	347238	115890
2015-16	252606	505212	252606	144733	121794	360479	130812
2016-17	252608	505216	252608	26882	24745	478334	227863
Total	1263021	2526042	1263021	987682	662943	1538360	600078

Source: Information furnished by the RWS&S Department

From the above table, it was evident that the achievement of targets in respect of Bacteriological and Chemical parameters was only 39 per cent and 52 per cent respectively during the period of 2012-17.

⁷⁹ The method involves the concentration of viruses from 100 litre of drinking water to 1ml by membrane filter technique

⁸⁰ Bacteriological, virological and biological requirements as envisaged in the guidelines

Further, in the test-checked districts, there were 5,07,089⁸¹ water sources. These were to be tested for bacteriological and chemical parameters twice and once a year respectively. Out of targeted 10,14,178⁸² bacteriological tests, only 4,58,970⁸³ tests were conducted (45 per cent) during the period 2012-17. As against the targeted 5,07,089 tests, only 2,38,894⁸⁴ chemical tests were conducted (47 per cent). This indicated that supply of safe drinking water was compromised to that extent.

Thus, the Department could not ensure the supply of quality water. These shortfalls become significant in the context of the fact that during 2014-16, 41,61,706 persons were infected by water borne diseases as given below:

Table-2.12

Year	Acute Diarrhoeal disease	Enteric fever (Typhoid)	Viral Hepatitis	Total
2014	1332145	186446	3716	1522307
2015	1122740	146385	3358	1272483
2016	1194005	170249	2662	1366916
Total	3648890	503080	9736	4161706

Source: Report submitted to Lok Sabha by Ministry of Drinking Water and Sanitation, GoI on 6.4.2017

State Government replied (December 2017) that efforts would be made to obtain funds from GoI and also release State Government's share for procurement of required quantities of refills of chemical reagents⁸⁵ and H2S vials⁸⁶. The reply was not acceptable as GoI had imposed a cut of ₹2.78 crore due to failure of the Department to utilise the funds under WQM&S in 2014-15 and 2016-17.

ii) Testing of water samples against the norms prescribed by Bureau of Indian Standards

NRDWP guidelines specified that testing of drinking water should be done in accordance with the norms prescribed by Bureau of Indian Standards (BIS). For chemical requirements⁸⁷, acceptable limit is to be implemented. Values in excess of acceptable limit render the water not suitable for drinking. However, it may be tolerated in the absence of an alternate source up to the permissible limit.

Verification of water sample test reports of habitations of test-checked districts revealed that concerned laboratories reported safe/potable water though the acceptable limits were exceeded. The illustrative instances are given in **Appendix-2.10**.

State Government accepted (December 2017) audit observation and stated that efforts were being made to provide safe drinking water through alternative sources,

⁸¹ Anantapuramu: 1,47,446; Chittoor: 48,328; Guntur:1,02,227, Vizianagaram: 91,643; West Godavari: 35,920 and YSR: 81,525

⁸² 5,07,089*2=10,14,178

⁸³ Anantapuramu-1,29,594, Chittoor-46,760, Guntur-68,834, Vizianagaram-41,644, West Godavari-54,008 and YSR-1,18,130

⁸⁴ Anantapuramu-33,599, Chittoor-35,960, Guntur-35,451, Vizianagaram-21,443, West Godavari-39,411 and YSR-73,030

⁸⁵ used in field test kits for identification of chemical contamination in drinking water

⁸⁶ A simple kit for identifying the bacteriological contamination in the drinking water

⁸⁷ Excess fluoride, brackishness, iron, arsenic, nitrates, etc.

schemes/treatment plants to all the habitations, where the drinking water parameters were above the acceptable limits.

iii) Analysis of water samples

For bacteriological requirements, all samples taken from the distribution system including consumers' premises, should be free from coli-form organisms.

Audit collected (June 2017) samples of water supplied to the villages at the delivery point in the presence of Department officials from Rayampally village (Anantapuramu district) and Utukuru village (Guntur district). The samples were tested at accredited laboratory⁸⁸ for Chemical and Micro-biological parameters. The test reports showed 15 out of 17 parameters within permissible limits. However, two parameters, i.e., 'Total Coli-form bacteria' and 'E-coli or thermotolerant coli-form bacteria' showed their presence. As per acceptable and permissible limits these two parameters should be absent. Thus, the Government had supplied unsafe water (bacteriological contaminated) to these habitations.

iv) Non-providing of testing facilities for uranium contamination

State Government identified the presence of uranium contamination in Nagarjuna Sagar and Kadapa areas of Andhra Pradesh and informed the same to the GoI in March 2014. GoI suggested to provide necessary facilities for testing of Uranium contamination by taking help of Baba Atomic Research Centre (BARC) and Public Health and Engineering Department (PHED), Punjab.

However, action was not initiated for creating facilities for testing uranium contamination in drinking water as of July 2017. Presence of uranium would adversely affect functioning of body organs such as kidneys, bone tissues.

State Government accepted (December 2017) the fact of presence of contamination and stated that the incidences were very rare and area specific. Government assured that facilities would be provided in the State level laboratory for testing of uranium contamination.

c) Field Test Kits

The main objective of the Field Test Kits (FTKs) was to obtain a preliminary report on the quality of water with basic chemical and bacteriological parameters, subject to confirmation through subsequent testing in the established labs. These kits can be utilised by any one at any place by following the instructions or with simple training. The Department is supplying these reagents and vials every year for testing the quality of water with basic parameters. Audit observed that:

⁸⁸ Lucid Laboratories Pvt. Limited, Balanagar, Hyderabad

- i) FTKs were kept idle in the years 2014-15 and 2016-17 due to lack of supply of chemical reagents. Expenditure of ₹1.33 crore incurred on procurement of FTKs remained unfruitful. Thus, the purpose of initial screening of contamination of drinking water was not served.

State Government replied (December 2017) that efforts would be taken to bring unused FTKs into working condition.

- ii) Community contribution⁸⁹ was not collected to meet the operation and maintenance cost of FTKs in the test-checked districts. As a result, operation and maintenance cost of FTKs, could not be met for effective testing of bacteriological and chemical parameters.

State Government replied (December 2017) that instructions would be given to PRIs for collection of community contribution to meet the O&M costs of FTKs.

- iii) Training to grass root level workers⁹⁰ was not provided in test-checked districts for testing water quality through the use of FTKs during the review period. Thus, the drinking water security could not be provided to the households effectively.

State Government replied (December 2017) that training programmes along with sanitary survey would be conducted for achieving the household level drinking water security.

2.1.7.9 Execution of schemes

a) Commissioning of schemes

The State Government is sanctioning the schemes in two components, i.e., Part-A and Part B. Part A consists of all clearances⁹¹ from other Departments/ agencies /PRI bodies. Part-B component relates to execution of work. Only after completion of Part-A requirements, the Engineer-in-Chief shall permit taking up of works under Part-B. Further, head-to-tail approach needs to be followed scrupulously in sequential order in grounding of works to avoid delay. Reliability and sustainability of source and other technical parameters also need to be examined by the State Technical Agency. During audit of test-checked districts, audit noticed the following observations:

i) Non-commissioning of schemes after completion of works

Works were to be taken up for execution only after clearances required from other Departments. However, the following seven schemes were executed but could not be commissioned due to want of permissions from other Departments, land disputes, finalisation of water source.

⁸⁹ at least rupee one per month per family is to be recovered towards cost of disinfection, minor remedial expenses and honorarium to GP level coordinators

⁹⁰ ASHA workers, anganwadi workers, Science teachers and Panchayat members

⁹¹ These clearances include Water drawl permission, land acquisition/ allocation of land by the PRIs, inter Department permissions viz., from Departments of electricity, Roads and Buildings (R&B), Railways, irrigation etc.

Table-2.13

Sl. No	Description of work	Reasons for non-commissioning of the scheme	Expenditure incurred (₹ in crore)
1	<p>Name of the work: J.C. Nagi Reddy Drinking Water Supply Project.</p> <p>Administrative Sanction: May 2006, June 2007, February 2009 and March 2013</p> <p>Estimated cost: ₹508 crore (HUDCO – ₹214.64 crore, State Plan – ₹69.24 crore and NRDWP – ₹224.12 crore)</p> <p>Agreement date: June 2007</p> <p>Scheduled date of completion: September 2008</p> <p>EoAT: March 2013</p> <p>Targeted Habitations: 561 Habitations</p>	<p>The scheme was planned with Gandikota reservoir as source for water drawal. Due to non-completion of tunnelling work from Owk reservoir to Gandikota reservoir, this scheme could not be commissioned after completion of the work (May 2012). Government issued (November 2013) orders to have two water sources for commissioning of the project. (Gandikota and Mid Pennar Dam). However, this did not materialise. Further, Government directed (March 2017) to work out alternate ways for commissioning the scheme. However, the same had also not materialised as on June 2017.</p>	365.88
2	<p>Name of the work: CPWS scheme to Uravakonda and Atmakur Constituencies in Anantapuramu district</p> <p>Administrative Sanction: July 2012</p> <p>Estimated cost: ₹56 crore</p> <p>Agreement date: November 2013</p> <p>Scheduled date of completion: November 2015</p> <p>EoAT: January 2017</p> <p>Targeted Habitations: 40 Habitations</p>	<p>As per original estimate it was planned to draw water for the scheme by constructing intake well at Penna Ahobilam Reservoir. The project was completed after incurring expenditure of ₹46.69 crore and handed over (March 2017) to the Zilla Parishad, Anantapur without constructing the intake well pending permission from irrigation Department. Thus, completion of project without constructing intake well does not serve the purpose of scheme. Department replied (July 2017) that 11 habitations were covered since November 2016 and 28 habitations were covered since August 2016 by drawing water from Neelakantapuram Sri Rami Reddy Drinking Water Supply Project purely on temporary basis in the interest of public.</p>	46.69
3	<p>Name of the work: CPWS scheme to Renigunta and other habitations in Chittoor district</p> <p>Administrative Sanction: January 2012</p> <p>Estimated cost: ₹35 crore</p> <p>Agreement date: May 2014</p> <p>Scheduled date of completion: November 2015</p> <p>EoAT: March 2017</p> <p>Targeted Habitations: 166 Habitations</p>	<p>The source for drawal of water is Teluguganga. Due to stay orders of the Honourable court, the work, i.e., laying of pipe lines in private lands was stalled. Further, due to non-construction of off-take sluice on the canal by the irrigation Department for water drawl, the scheme was not commissioned. Department accepted (June 2017) audit observation.</p>	23.22
4	<p>Name of the work: CPWS scheme to Mandapaka & other habitations in Tanuku (M) of West Godavari district.</p> <p>Administrative Sanction: July 2012</p> <p>Estimated cost: ₹19 crore.</p> <p>Agreement date: May 2014</p> <p>Scheduled date of completion: May 2015</p> <p>EoAT: May 2017</p> <p>Targeted Habitations: 11 Habitations</p>	<p>The scheme was not commissioned due to non-obtaining of railway permission.</p>	12.43

5	<p>Name of the work: CPWS scheme to 14 habitations in Attili (M) of West Godavari district.</p> <p>Administrative Sanction: February 2012</p> <p>Estimated cost: ₹10 crore.</p> <p>Agreement date: June 2014</p> <p>Scheduled date: June 2015.</p> <p>EoAT: May 2017</p>	The scheme was not commissioned due to non-obtaining of railway permission to provide pipeline across railway line.	6.46
6	<p>Name of the work: CPWS scheme to Kamavarapukota (M) of West Godavari district.</p> <p>Administrative Sanction: July 2012</p> <p>Estimated cost: ₹6.30 crore.</p> <p>Agreement date: March 2014</p> <p>Scheduled date of completion: February 2015</p> <p>EoAT: February 2016</p> <p>Targeted Habitations: 11 Habitations</p>	The project was not commissioned due to non-obtaining of dedicated power connection.	5.22
7	<p>Name of the work: Augmentation of CPWS scheme to Tadikonda, Tulluru, Medikonduru and Phirangipuram mandals of Guntur district.</p> <p>Administrative Sanction: June 2010</p> <p>Estimated cost: ₹8 crore</p> <p>Agreement date: May 2011</p> <p>Scheduled date of completion: May 2012</p> <p>EoAT: March 2016</p> <p>Targeted Habitations: 12 Villages</p>	The project was not commissioned due to land dispute and non-receipt of water from source.	4.74
Total			464.87

As a result, even though works were completed, the Department could not commission these seven schemes. This resulted in unfruitful expenditure of ₹464.87 crore. Further, the objective of providing safe drinking water to the proposed 815 habitations was not achieved.

ii) Works completed and commissioned without coverage of targeted habitations

Nine schemes were partially executed at a cost of ₹86.35 crore and were commissioned. These schemes were targeted to cover 782 habitations. However, distribution systems were curtailed for reasons such as insufficient funds, damage of pipe lines and pending clearances from railway authorities. As a result, the Department could cover only 349 habitations as detailed below:

Table-2.14

Sl. No.	Name of the scheme/project	Targeted/proposed habitations	Habitations covered	Estimated Cost (₹ in crore)	Expenditure incurred (₹ in crore)	Reply/Reasons for non-coverage of targeted habitations
1	CPWS scheme from Jerrivagu to 27 habitations in Veldurthy Mandal. Estimated cost ₹10 crore	27	5	10.00	8.85	Due to insufficient funds the remaining 22 habitations could not be covered.

2	CPWS scheme to KV palli, Kalikiri and Kalakada Mandals in Chittoor district. Estimated cost: ₹38.95 crore	506	359	38.95	34.75	Due to insufficient funds, the remaining habitations (147) could not be covered.
3	CPWS scheme to Tadipudi and 16 other habitations in Tallapudi (M) of West Godavari district. Estimated cost: ₹6 crore	17	4	6.00	5.27	Due to paucity of funds only four habitations were covered. It was further stated that DPRs were submitted to cover balance 13 habitations under NABARD grant.
4	Balance work of CPWS Scheme to Lankalakoderu and other habitations of West Godavari district. Estimated cost: ₹3 crore	45	7	3.00	1.29	Due to pending works at road widening and railway crossings, the scheme could not be completed.
5	Augmentation of PWS schemes in Unguturu mandal in West Godavari district. Estimated cost: ₹20 crore	42	8	20.00	12.36	Scheme is under defect liability period and instructions would be given to the contractor for covering of the remaining habitations.
6	Providing CPWS Scheme to Veeravasaram and other habitations of West Godavari district Estimated cost: ₹5.00 crore	24	2	5.00	4.17	Damage of gravity main pipeline and non-functioning of micro-filter.
7	Providing CPWS scheme to Saripalli and other habitations of West Godavari district Estimated cost: ₹5 crore	18	0	5.00	2.34	Reasons were not furnished by the Department.
8	CPWS scheme to Madavaram and other habitations of West Godavari district Estimated cost: ₹17.50 crore	14	0	17.50	10.90	Paucity of funds and proposed to be covered under Phase-II.
9	Providing CPWS scheme to Achanta constituency	88	5	8.00	6.42	Due to land dispute.
	Total	782	349	113.45	86.35	

Thus, due to non-execution of works as per estimates, potable drinking water was denied to 433 habitations.

State Government accepted (December 2017) the audit observations and stated that balance habitations would be covered in other phases.

iii) Works stopped mid-way

Audit noticed, in three out of the six test-checked districts, that seven schemes were stopped mid-way by the contractors after incurring an expenditure of ₹26.96 crore. Reasons for stoppage of works by the contractor were not furnished to audit despite specific request. The implementing agency failed to take appropriate action to complete the left over works. The expenditure remained unfruitful as detailed in *Appendix-2.11*.

b) Contract Management

i) Acceptance of single tender

As per State Government orders (July 2003)⁹² single tender with premium should not be accepted in the first call and the Department was required to go for second call. Even after second call, if the same response was received, the Department had to report the matter to the Government and the works are to be entrusted to the agencies nominated by the Government at estimated rates.

In two test-checked districts, two works were awarded on single tender basis in the first call as detailed in *Appendix-2.12*. Thus, benefit of competitive rates was not ensured due to acceptance of single tenders.

ii) Avoidable cost escalation

The drinking water project to Quality Affected habitations in Nuzendla mandal⁹³, Guntur district was taken up in two clusters, i.e., Mruthyunjayapuram scheme and Puvvada scheme at an estimate cost of ₹ six crore.

As per the records, all the works⁹⁴ of Mruthyunjayapuram scheme were executed (January 2013) after incurring an expenditure of ₹0.95 crore except construction of summer storage (SS) tank. This was not taken up as land was not acquired. Hence, the project was lying idle as of May 2017. The revised estimate at a cost of ₹10 crore for construction of SS tank was administratively sanctioned in April 2013. The same was entrusted to a contractor (April 2017) for ₹ 8.25 crore.

Thus, failure of the Department to acquire land for construction of SS tank before grounding of the work, resulted in cost escalation of ₹7.32 crore⁹⁵, which was avoidable. Meeting of cost escalation from NRDWP funds was also not admissible as per guidelines.

State Government accepted (December 2017) the audit observation and stated that cost escalation was due to change in the Standard Schedule of Rates (SSR).

⁹² G.O.Ms.No.94 dt.1.7.03 r/w AP Public Works code

⁹³ Administrative sanction: March 2011; targeted habitations:15; entrustment of work: November 2011; Schedule period of completion: 12 months; contract value: ₹5.38 crore

⁹⁴ laying of pipeline, construction of clear water sump, providing of gravity mains, etc.

⁹⁵ Revised estimate cost of ₹10 crore *minus* Original estimate cost of ₹2.68 crore for Mruthyunjayapuram scheme

2.1.8 Monitoring and Evaluation

As per NRDWP guidelines, State Government, SWSM and DWSM have pivotal role in monitoring and evaluation of the programme at State and district level. Audit noticed that:

- i) Integrated Management Information System (IMIS) is an important mechanism for monitoring the Programme implementation. To this end, the officials are required to furnish the data online, as prescribed by GoI. The release of funds is based on data furnished online by the State. However, cross verification of IMIS data with physical record revealed inconsistencies⁹⁶ as detailed in **Appendix-2.13**. Thus, the integrity of IMIS data (with regard to Piped Water Supply schemes and hand pumps, functioning of schemes, list of schools and Anganwadis and surface water bodies) for monitoring the programme implementation was doubtful.
- ii) As per GoI instructions (August 2016), State Government was required to complete the process of geo-tagging⁹⁷ of sources and delivery points by September 2016. However, audit noticed that the process of geo-tagging was not completed as of May 2017.

State Government accepted (December 2017) audit observation and stated that 1,91,595 assets were uploaded and geo-tagging for the remaining 81,596 assets was under process.
- iii) DWSMs did not constitute team of experts to carry out inspections⁹⁸ to assess the implementation of the programme in the test-checked districts. Thus, monitoring and implementation of water quality and involvement of community in testing of water samples could not be ensured at district level.
- iv) As per guidelines, SWSM should conduct review of the programme in the districts once in six months. In the test-checked districts, it was informed that DWSMs conducted the review meetings. However, minutes were not being maintained. This indicated the failure of SWSM to monitor the implementation of the programme at field level.
- v) As per guidelines, Vigilance and Monitoring Committees (VMCs) are to be set up at State, district and village level. In all the test-checked districts, VMCs were set up. However, no meetings were conducted during the review period except in YSR district where three meetings were conducted during 2015-16. As such, the VMCs had not monitored the implementation of the programme effectively.

⁹⁶ with regard to Piped Water Supply schemes and hand pumps, Functioning of schemes, list of schools and Anganwadis and surface water bodies

⁹⁷ to have the complete geographical location database of the drinking water supply sources and delivery points functioning in the field to have an effective monitoring and planning

⁹⁸ to check and ensure that the water quality monitoring and surveillance programme is implemented in accordance with the norms and also ensure involvement of community in the analysis of water samples using field test kits

- vi) Audit noticed that Community monitoring mechanism⁹⁹ at village level did not exist in the test-checked districts. Social Audit by the community organisations¹⁰⁰ was also not conducted. Thus, it was evident that the community was not involved in monitoring of the programme.
- vii) Customer Consultation and Grievance redressal mechanism¹⁰¹ was not established in the test-checked districts. Thus, consumer grievances pertaining to supply of safe drinking water could not be addressed.
- viii) State Government did not conduct monitoring and evaluation studies, as envisaged in the guidelines to improve the implementation of the rural water supply programme. As such, the corrective measures were not taken up for improving the quality of the programme at higher level.
- ix) Monitoring and Investigation Unit (MIU)¹⁰² to monitor quality of implementation of the programme¹⁰³ at field level was not set up in the State. As such, qualitative aspects of the programme at field level could not be ensured.
- x) The Department did not show the achievement of key performance indicators prescribed by GoI for achieving the objectives of strategic plan¹⁰⁴ as of July 2017.

Thus, effective monitoring and evaluation of the programme was absent during the period covered under audit.

2.1.9 Findings of Beneficiary Survey

Beneficiary survey covering beneficiaries (1,120 households in 60 habitations) from six test-checked districts was conducted. The survey assessed the response of the beneficiaries with regard to issues impacting them *viz.*, supply of drinking water, water quality, training and community involvement and operation & maintenance of the scheme. The results of survey are summarised below:

- In test-checked districts of Chittoor and YSR, out of 320 beneficiaries, 189 (44 *per cent*) were spending more than 30 minutes for fetching water.
- Water samples were not collected in 350 (31 *per cent*) out of 1120 cases.
- Training and awareness generating IEC activities on drinking water were not provided / organised in 678 (61 *per cent*) out of 1120 cases test-checked.
- Out of 1120 households, 1056 (94 *per cent*) households were not paying user charges towards maintenance of water supply schemes.

⁹⁹ to fulfil the objectives of providing regular and systematic information about community needs, community monitoring in planning, implementation and management of rural water supply services

¹⁰⁰ every six months on a fixed date there should be a social audit by the community organisation to ensure that the works undertaken by the Department are as per specifications

¹⁰¹ provision of a toll free number, call centres, mobile SMSs, linking GPs with Block and District IMIS systems

¹⁰² to collect monthly, quarterly and annual program reports of the water supply schemes, maintenance of data and timely submission to GoI

¹⁰³ monitoring aspects of quality of water, adequacy of service and other related qualitative aspects

¹⁰⁴ percentage of reduction in prevalence of diarrhoea in children under 5 from base year, percentage of reduction in IMR from base year, percentage of villages 24x7 safe water supply throughout the year etc.

- Community Water Purification Plants (CWPPs) were not installed in any of the test-checked habitations.
- Results of water quality testing and alerts of contamination were not communicated and displayed in any of the test-checked habitations.

2.1.10 Conclusion

Water security plans were not prepared. Annual Action Plans were prepared without participation of local community. Water quality affected habitations were not prioritised.

Financial management was not efficient as there were instances of inadmissible expenditure, short release of funds by State Government and delay in release of funds.

The State Government did not ensure supply of adequate quantity of water which resulted in increase of partially covered habitations. Government did not introduce water metering and did not conduct water and energy audits to reduce the unaccounted/wastage of water.

Schemes were functioning with over dependence on ground water without shifting to the conjunctive use from several sources. Water quality testing was inadequate as the testing laboratories were not strengthened.

Community Water Purification plants were not installed in any of the test-checked habitations. Water samples were not collected for quality testing in all the test-checked habitations. Results of water quality testing and alerts of contamination were not communicated and displayed in all the test-checked habitations.

Schemes were not completed and commissioned in time and the habitations were deprived of safe drinking water.

2.1.11 Recommendations

- Active participation of PRIs in preparation and implementation of Annual Action Plan may be ensured for effective implementation of the programme.
- Government may gradually shift from over-dependence on ground water to conjunctive use from several sources.
- Schemes may be completed within time as planned so that the benefits reach as intended.
- Laboratories may be strengthened with adequate facilities to monitor supply of safe drinking water.

Government accepted (November 2017) the recommendations of Audit and assured compliance.

School Education Department

2.2 Right of Children to Free and Compulsory Education

2.2.1 Introduction

The Right of Children to Free and Compulsory Education (RTE) Act, 2009 became operational with effect from 01 April 2010. The RTE Act provides right to free and compulsory education to all children in the age group of 6-14 years in a neighbourhood school¹⁰⁵ from class 1 to class 8. Sarva Shiksha Abhiyan (SSA) is the main vehicle for implementing the provisions of the RTE Act. Government of Andhra Pradesh (Government) notified (March 2011) the AP Right of Children to Free and Compulsory Education Rules (RTE Rules), 2010. As of March 2017, 34.76 lakh children were enrolled in Primary and 20.85 lakh children were enrolled in Upper Primary (UP) classes in 61,528 schools of the State. The Act defined free education as 'removal of any financial barrier by the State that prevents a child from completing eight years of schooling'.

2.2.2 Organisational set up

The overall responsibility of implementation of the Act vests with the Principal Secretary to Government in School Education Department. The State Project Director (SPD), SSA is the Nodal Officer for implementation of the programme in the State. The District Project Officer (DPO), SSA at district level and Mandal Educational Officer (MEO) at Mandal level are responsible for implementation of programme. At school level, Head Masters/ Head Mistresses (HMs) and School Management Committees (SMCs) have the responsibility to implement the programme.

Chart-2.3: Organisational Chart



¹⁰⁵ the habitations in a safe walking distance of one km for a Primary school (classes 1 to 5) and three km for an Upper Primary school (classes 6 to 8)

2.2.3 Audit Framework

2.2.3.1 Audit objectives

The Performance Audit of implementation of the RTE Act in the State was taken up with a view to verify:

- Whether the RTE act achieved its objective to make elementary education a fundamental right for all children between ages of 6-14 years;
- Whether the funds allocated were utilised in an economic and efficient manner;
- Whether the RTE act was being implemented and monitored in a planned manner; and
- Whether any mechanism was in place to track Sustainable Development Goal (SDG) indicators.

2.2.3.2 Audit Criteria

The Audit observations were benchmarked against the criteria sourced from the following:

- RTE Act, 2009
- AP RTE Rules, 2010
- Minutes of meetings of the Project Approval Board (PAB), Annual Work Plans & Budget (AWP&B)
- Government orders issued from time to time
- Goal number 4 (Quality Education) of SDG as envisioned by the United Nations

2.2.3.3 Scope and Methodology of Audit

Performance Audit was conducted (March-July 2016¹⁰⁶ and May-July 2017) to assess the extent of implementation of the RTE Act. The Audit covered the period from inception of the Act i.e., 2010-11 to 2016-17. Audit methodology involved scrutiny of records at State level offices; district level offices in three sampled districts¹⁰⁷ selected through PPSWOR¹⁰⁸ method. In each sampled district, Audit sampled four Mandals (three rural & one urban) and 30 schools¹⁰⁹ through SRSWOR¹¹⁰ method. Details of sampled Mandals and schools are in *Appendix-2.14*. Responsibility centres at various levels are shown below:

¹⁰⁶ For All India Performance Audit for the period 2010-16

¹⁰⁷ Anantapuramu, East Godavari and Srikakulam

¹⁰⁸ Probability Proportion to Size Without Replacement

¹⁰⁹ 20 Government/ Specified category schools and 10 Aided schools

¹¹⁰ Simple Random Sampling Without Replacement

State Level	<ul style="list-style-type: none">• State Project Director, Sarva Shiksha Abhiyan• Commissioner & Director of School Education
District/ Mandal Level	<ul style="list-style-type: none">• District Project Officer, Sarva Shiksha Abhiyan• District Educational Officers• Mandal Educational Officers
School Level	<ul style="list-style-type: none">• School Head Masters• School Management Committees

Audit objectives, methodology, scope, criteria and audit sampling were explained to the departmental authorities during Entry conference held on 16 December 2016. Audit Enquiries were issued and discussions were held with departmental authorities at various levels to substantiate findings wherever necessary. Audit findings were discussed in an Exit conference (27 October 2017) with SPD, SSA. Replies of the Government have been incorporated at appropriate places in the Report.

Audit findings

2.2.4 Implementation

The Department of Elementary Education and Literacy in the Ministry of Human Resource Development (MHRD), Government of India (GoI) implemented the Act at the National level. SSA was the main vehicle for implementation of RTE Act in the State, the MHRD aligned the activities/ interventions under SSA with the provisions of RTE Act. The Annual Work Plans and Budget (AWP&B) of the State under SSA needs approval of the Project Approval Board (PAB) under MHRD.

2.2.4.1 Conduct of Survey

Rule 7 of RTE Rules, 2010 stipulated that Local authority¹¹¹ should maintain a record of all children through a household survey from their birth till they attain the age of 14 years and the data should be updated each year.

Audit observed that at the State level, Government has projected the population of children in the age group of 6-14 years by adopting the Census 2011 figures. Government arrived at the projected number of children by revising the Census figures based on population growth rate. The Department had prepared Unified District Information System for Education (U-DISE) with these projected figures. However, the Department prepared the AWP&B based on the total of actual enrolment and 'Out of School Children'.

Scrutiny of records in the test-checked schools revealed that no household survey was conducted during 2010-17 to identify all the children in the age group of 6-14 years. As

¹¹¹ Municipal Corporation, Zilla Parishads, Mandal Praja Parishads, Gram Panchayats and includes authority/body having administrative control over the school or empowered by or under any law to function as local authority

such, the details of children not enrolled in Anganwadi centres and Primary schools would not be available in the data.

In Exit conference, the Department stated (October 2017) that survey was conducted at School level but not documented. The Department also stated that the task of conducting Comprehensive Household survey was difficult.

Thus, the data of children in the age group of 6-14 years available with the schools was not complete. Hence, the incomplete data cannot form a base to achieve the objective of the Act.

2.2.4.2 School mapping and neighbourhood schools

Sub-rule (1) below Rule 5 stipulated that a school shall be established within a walking distance of the neighbourhood. Rule 3 (18) of the Rules defined the neighbourhood of a school as the habitation in a safe walking distance of one kilometer (km) for Primary School and three km for an Upper Primary School. Further, as per Rule 3 (22) of RTE Rules, school mapping means planning the school location to overcome social barriers and geographical distance. This includes assessing availability of schooling facilities for elementary education through a Geographical Information System (GIS) of the State.

The State Government reported in the AWP&B for 2017-18 that 94 *per cent* of GIS mapping was completed. In Audit, it was however, observed that the Government had not designed GIS mapping to identify the availability of schools from the habitations as stipulated. The GIS of the Department did not contain provision for identifying the habitations, which did not have Primary schools within one km and Upper Primary schools within three km.

Audit noticed that 2,350 habitations (21,023 children) out of total 50,008 habitations in the State did not have a Primary school during 2016-17. Similarly, 2,581 habitations (22,005 children) did not have Upper Primary school within their neighbourhood during 2016-17. There were no Primary schools in the neighbourhood of 360 habitations (2,434 children) out of 11,720 habitations in the three sampled districts. There were no Upper Primary schools in the neighbourhood of 810 habitations (8,727 children) in these sampled districts.

The SPD, SSA had accepted (June 2017) the observation and stated (October 2017) that the mapping work was entrusted to the District Collectors and was under process.

In the absence of schools in the neighbourhood, the children of the above habitations had to travel long distance for schooling.

2.2.4.3 Schools in difficult terrain areas

Sub-rules (3) (4) and (5) below Rule 5 stipulated that, Government or the local authority should avoid dangers due to reasons such as landslides, floods, lack of roads, in approach of students from their homes to schools while locating schools in areas of difficult terrain. The Rules suggested various methods to achieve this. Making adequate arrangements for free transportation of children from small hamlets was one of the

suggestions. This arrangement applied to cases where no school exists within the area or limits specified under the Rules.

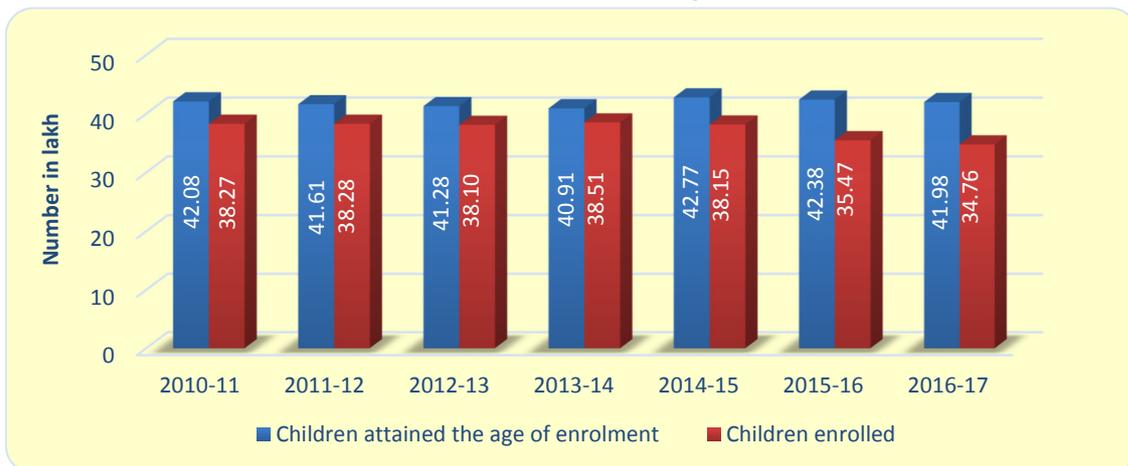
Audit noticed that Government had not notified any area as a difficult terrain or a remote habitation. The SPD and DPOs however, incurred an amount of ₹ 9.66 crore¹¹² on providing free transportation facilities to 59,270 children during 2011-14 and 2015-16. Government had claimed money on this account for 45,000 and 24,192 students during 2014-15 and 2016-17 respectively. The PAB however, refused to release funds for the purpose as the State did not notify the areas as difficult terrains. The SPD stated (October 2017) that the task was entrusted to the District Collectors and issue of notification was in process. Government needs to expedite issue of notification of difficult terrains without further loss of time.

The Andhra Pradesh State Road Transport Corporation (APSRTC) provided free transportation facility in its buses to the students up to eighth class. Audit analysed the data of habitations having / not having road connectivity¹¹³ and the details of payments made in the test-checked districts on transportation charges. Audit noticed that the SPD paid an amount of ₹ 2.52 crore towards private transportation where public transportation facility was available in test-checked districts. The DPOs in test-checked districts did not furnish any specific reply.

2.2.4.4 Targets for Enrolment

Charts-2.4 and 2.5 shows the details of number of children who attained the age of enrolment and actually enrolled in Primary and Upper Primary schools during 2010-17 (Details of enrolment in test-checked districts are given in *Appendix-2.15*).

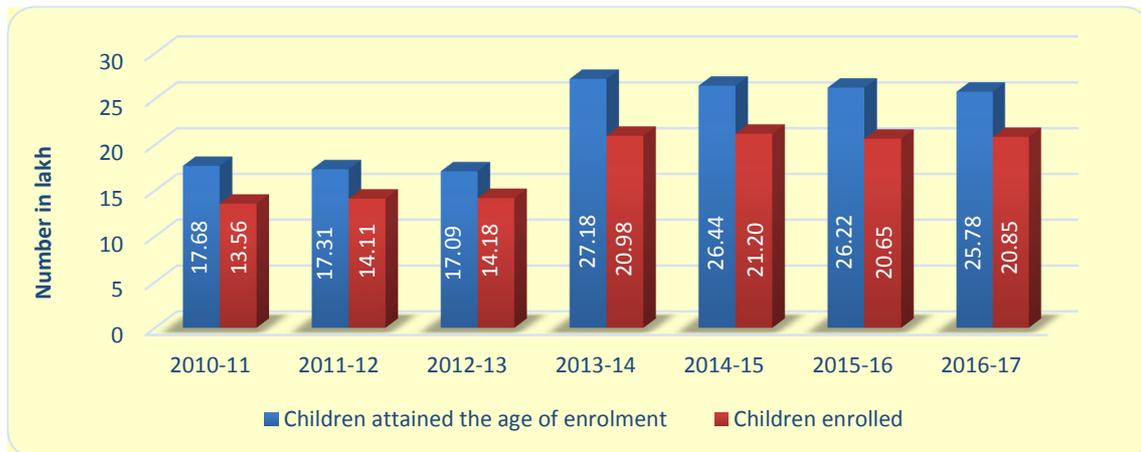
Chart-2.4: Primary



Source: U-DISE, SSA

¹¹² 2011-12: ₹ 0.78 crore (2,713 children), 2012-13: ₹ 0.70 crore (21,731 children), 2013-14: ₹ 3.23 crore (17,080 children) and 2015-16: ₹ 4.95 crore (17,746 children)

¹¹³ available with the Commissioner of School Education

Chart-2.5: Upper Primary¹¹⁴

Source: U-DISE, SSA

Section 6 read with Section 8 (f) of the RTE Act aimed at making the right of children to free and compulsory education a fundamental right by 2013 by ensuring admission, attendance and compulsory education to every child. The essence of the provision of the Act was to see every child in the society enrolled in the schools. Audit noticed that the enrolment of students in Primary and Upper Primary schools had not been achieved 100 per cent even as of 2016-17.

Further, in test-checked schools, some of the HMs incorrectly recorded the targets as actual enrolment.

The Department stated (October 2017) that the data of children of six years was being obtained through Anganwadi centres every year but it was not documented. This indicated non-fixation of targets at all levels, i.e., at School/ Mandal/ District/ State level.

2.2.4.5 Trends of Enrolment

Government had organised programmes like 'Badi Bata'¹¹⁵/ 'Badi Pilustondi'¹¹⁶/ 'Mana Vuru-Mana Badi'¹¹⁷ in the month of June every year. Government organised these programmes with the help of teachers before commencement of the academic year to enrol the students in Government Schools. Audit, however, observed decrease in enrolment during 2010-17, which indicated that these programmes had not yielded the desired results.

The Gross Enrolment Ratio¹¹⁸ (GER) in respect of Primary classes decreased from 91 per cent in 2010-11 to 83 per cent in 2016-17. In respect of Upper Primary classes, the GER increased from 77 per cent (2010-11) to 81 per cent (2016-17).

In test-checked districts, however, the GER varied between 80 per cent and 100 per cent during 2010-17. The data of population of children in relevant age group in respect of

¹¹⁴ Increase in enrolment in Upper Primary classes from 2013-14 onwards was due to adding up of 8th class to Upper Primary classes

¹¹⁵ Way to School

¹¹⁶ School is calling

¹¹⁷ Our village-our school

¹¹⁸ (Enrolment/ Population in relevant age group) X 100

Primary and Upper Primary classes was not reliable in the test-checked schools. As such, Audit could not assess the trends of increase or decrease in enrolment of children in test-checked schools.

The SPD and DPOs of SSA in the test-checked districts attributed decreasing trend of enrolment to data cleansing exercise for eliminating duplicate entries. They also attributed this to the children taking care of their siblings and to migration of parents. Government, though identified the causes for decrease in enrolment, had not taken adequate steps to bring children to schools.

2.2.4.6 Zero/ low enrolment schools

Scrutiny of minutes of meetings of the PAB revealed that the zero enrolment primary schools increased from 176 (0.5 per cent) in 2015-16 to 438 (one per cent) in 2016-17. In respect of Upper Primary schools, the zero enrolment schools increased from 327 (3 per cent) in 2015-16 to 506 (4 per cent) in 2016-17.

Further scrutiny of the minutes of PAB revealed that Primary schools with less than 15 children increased from 4,572 (12 per cent) in 2015-16 to 5,503 (14 per cent) in 2016-17. Similarly, the number of Upper Primary schools with less than 15 students increased from 1,216 (11 per cent) in 2015-16 to 1,407 (12 per cent) in 2016-17.

During 2013-14 to 2016-17, 5,443 schools (Government: 3,361, Private aided: 202 and Private Unaided: 1,880) were closed in the State.

The Department, in the Exit conference, stated (October 2017) that enrolment declined due to migration of children to Private schools. From the reply of the Department, it would be reasonable to conclude that the quality of education in Government schools was significantly below the standards prevailing in private schools. With regard to closure of schools Department stated that (i) Government/ Private aided schools were closed or merged due to uneconomic strength; (ii) Private Unaided schools were closed due to non-recognition/ less strength/ non-fulfilment of norms.

2.2.4.7 Data inconsistency

The dropout rates¹¹⁹ at Primary and Upper Primary levels for the years 2015-16 and 2016-17 furnished by the Commissioner of School Education were at variation from the figures furnished by the SPD of SSA as shown in **Table-2.15**.

Table-2.15

Year	Dropout as per SSA records		Dropout as per records of Commissioner of School Education	
	PS	UPS	PS	UPS
2015-16	6.72	14.75	9.08	14.95
2016-17	2.15	0.90	9.68	12.77

PS: Primary Schools, UPS: Upper Primary Schools

However, the PAB observed¹²⁰ that the dropout rate was 9.7 per cent in respect of Primary classes and 9.1 per cent for Upper Primary classes for the year 2016-17.

¹¹⁹ the percentage of students failing to complete a particular school

¹²⁰ from the data furnished by State Government

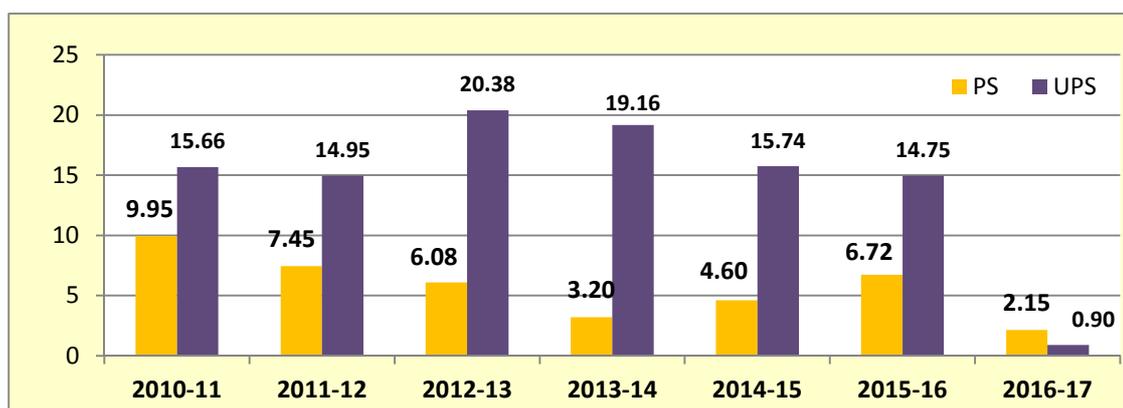
Further, there were inconsistencies of data between AWP&B (prepared by SSA) and U-DISE¹²¹ with regard to dropouts and 'Out of School Children'. The planning process follows from habitation/school to State level. The data inconsistencies had a risk of adverse impact on planning process to achieve the objective of the Act.

The SPD stated (October 2017) that action was being taken to obtain correct data by strengthening online child tracking mechanism which was under process.

2.2.4.8 Dropout rate of children

One of the objectives of the RTE Act is the retention of children in schools and reduction in the dropout rate. Towards this end, the State Implementing Society (SSA) was required to frame an action plan and create an institutional mechanism to collect and analyse data of dropped out children. The analysis facilitates management to suggest remedial measures to keep the dropout problem under check. The implementing agencies were to follow the action plan framed by the SSA. The **Chart-2.6** depicts the dropout rate of children in Primary and Upper Primary schools in the State during 2010-17.

Chart-2.6: Dropout rate



Source: SSA

As seen from the above chart, the dropout rate decreased during 2010-17 in both Primary and Upper Primary classes. In the test-checked districts, the dropout rate ranged from 0.07 to 1.80 *per cent* in Primary classes; and ranged from 0.13 to 4.12 *per cent* in Upper Primary classes during 2010-17. Dropout rate at State level was more than the dropout rate at National level during 2011-14 (except 2013-14 in respect of Primary classes) as detailed in **Table-2.16**:

Table-2.16

Year	National dropout rate		State dropout rate	
	Primary	Upper Primary	Primary	Upper Primary
2011-12	5.62	2.65	7.45	14.95
2012-13	4.67	3.13	6.08	20.38
2013-14	4.34	3.77	3.20	19.16

Source: Education Statistics at a glance 2016 and information furnished by SSA

Note: National average is available for three years only.

¹²¹ prepared by CSE and SSA

In test-checked schools, the dropout rate was between 2.47 *per cent* and 10.40 *per cent* in primary classes during 2010-17. It ranged between 0.82 *per cent* and 8.23 *per cent* in Upper Primary classes during the period. The details of dropout rates in respect of test-checked schools are in **Appendix-2.16**. Audit observed the following:

- Government had not obtained student-wise data to arrive at the dropout figures. Instead, Government deducted the enrolment in 5th class in current year from the enrolment in 1st class of the same batch¹²². This process would not take into account the new admissions that might have taken place in the 2nd, 3rd and 4th classes. Similarly, Government deducted enrolment in 8th class during current year from the enrolment figures of 1st class eight years back to arrive at the dropout rate in Upper Primary level. As a result, the reliability and accuracy of figures arrived at on this count remained doubtful.
- The HMs of test-checked schools stated that there were no dropouts. Audit, however, noticed that the schools did not have details of students joining other schools after leaving the school. As such, Audit could not ensure that the students who left the school were not dropouts.
- State Government had expressed (2010-11) its commitment to develop child tracking system to monitor retention and academic progress of children. However, the system was yet to be in place. In the absence of child tracking system, Audit could not ascertain the correctness of 'Out of School Children' as well as 'never enrolled children'.

Thus, there is a need to ensure child tracking system through Aadhaar or any other suitable mechanism.

The SPD, SSA stated (October 2017) that online child tracking system was in progress and there would not be inconsistencies of data in future.

2.2.4.9 Out of School Children

Audit noticed that the Department did not have correct/ accurate data of 'Out of School Children' in any year during 2010-17. During 2011-12, the PAB had commented that as against 12 lakh 'Out of School Children' in the State, the State Government had reported only 1.15 lakh. The PAB attributed it to gross under-estimation of 'Out of School Children'. The PAB instructed the State Government to take up this issue seriously to ensure credibility of various data sets.

Audit also noticed variations in respect of 'Out of School Children' among the figures of U-DISE¹²³, AWP&B¹²⁴ and the data of 'Out of School Children' stated to have been collected by SSA through survey. The details are as given in **Table-2.17**:

¹²² five years *ante* to arrive at the dropout figures at Primary level

¹²³ against projected Population

¹²⁴ data furnished by State Government to GoI

Table-2.17

Year	As per U-DISE	As per AWP&B	As per Department Survey
2010-11	421319	127093	274473
2011-12	239008	115810	309273
2012-13	260680	301271	301271
2013-14	859312	161538	64671
2014-15	986256	67805	63843
2015-16	1248252	13294	50441
2016-17	1215778	46744	46744

Source: U-DISE, AWP&B and SSA

PAB had instructed (2011-12) the State Government to undertake triangulation of data on different educational indicators¹²⁵. Government, however, had not taken up the triangulation of data, which resulted in variation of data among various data sets.

This also indicated absence of child tracking mechanism. As such, the Department was not in a position to collect accurate data of ‘Out of School Children’.

In the Exit conference, the Department stated (October 2017) that proper care would be taken to avoid inconsistencies of data in future.

2.2.4.10 Special Training by SMCs

Rule 4 of RTE Rules, 2010 lays down that children requiring special training should be identified and trained for induction in the class appropriate to the age. During test-check of records of selected schools Audit observed that 137 (out of 8,835) students were enrolled¹²⁶ in classes lower than age appropriate. This indicated that the SMCs had not arranged any training to these children for their successful integration with the rest of the class, academically and emotionally.

In the Exit conference, the Department accepted (October 2017) that the SMCs had not arranged any training for these students.

2.2.4.11 Pupil-Teacher Ratio

As per Section 25 (1) of the Act, the Government and the local authority should ensure that the Pupil-Teacher Ratio (PTR), as specified in the Schedule, is maintained in each school. The Act stipulated the norms based on the student strength in Primary schools and based on the subjects to be taught in Upper Primary schools. The norms of Pupil-Teacher Ratio are given in *Appendix-2.17*.

As per PAB’s observation (April 2017) there were 12,955 vacancies in teacher posts for the year 2016-17 and rationalisation of teachers based on strength of the students was needed. As seen from the minutes of meetings of the PAB for 2016-17, there were 7,360 Primary and 114 Upper Primary single teacher schools in the State as of March 2017.

¹²⁵ such as Gross Enrolment Ratio, Net Enrolment Ratio, Dropout rate and Transition rate

¹²⁶ in 10 out of 90 test-checked schools

Audit also noticed that there were no teachers in 1,014 Primary schools and 37 Upper Primary schools during 2016-17. In these schools, services of teachers from neighbouring schools/ Vidya Volunteers were utilised. Further, there were 19 per cent Upper Primary schools with adverse PTR.

Audit observed shortage of teachers in 18 (2016-17) to 34 (2011-12) test-checked schools¹²⁷ during 2010-17. Audit also observed that against 59 to 113 teachers required each year during 2010-17, there were only 30 to 71 teachers in these schools.

Out of the 90 test-checked schools, there were Upper Primary sections in 25 schools. Of these 25 schools, Audit noticed shortage of teachers in eight to ten schools in each year during 2011-17. Shortage of teachers (32 to 40 per cent) was mainly in Mathematics, Science and Social Studies subjects. This had affected the performance of the children as commented in Para 2.2.7.1 *infra*.

The SPD, SSA stated (October 2017) that they had constituted a committee to consolidate the position in all Primary and Upper Primary schools during the ensuing summer vacation and Commissioner of School Education had taken up the process of rationalisation.

2.2.4.12 Teachers deployed on duties other than teaching

As per Rule 25(2)(i) read with Rule 27 of RTE Act, 2009, no teacher should be deployed for any non-educational¹²⁸ purpose. Audit noticed that 65 teachers (14 in the test-checked districts) were (August 2016) on deputation to the posts not related to teaching.

The Commissioner stated that Government had issued¹²⁹ (July 2016) instructions to all the District Collectors and to the District Educational Officers to withdraw all the teachers so deputed. However, the District officers were yet to take action in this regard.

2.2.4.13 Children with Special Needs

The following Table depicts the details of Children with Special Needs (CwSN) enrolled during 2012-17 and expenditure incurred on them.

Table-2.18

Year	No. of CwSN enrolled	Approved by Government		Releases		Actual coverage	
		No. of Students	Amount	No. of Students	Amount	No. of Students	Expenditure (Percentage)
2012-13	181729	184343	5530.29	184343	5530.29	175385	3880.00 (70)
2013-14	176193	215005	2076.85	215005	2076.85	174750	1644.35 (79)
2014-15	93512	91812	1560.80	91812	1560.80	79656	1169.37 (75)
2015-16	80997	100252	2015.04	100252	2015.04	72599	1224.96 (61)
2016-17	68007	73584	2207.52	73584	1349.49	64779	1108.69 (82)
Total	600438	664996	13390.50	664996	12532.47	567169	9027.37(72)

Source: SPD, SSA; Figures in respect of the years 2012-14 relate to composite State of Andhra Pradesh

¹²⁷ out of 74 test-checked Primary Sections

¹²⁸ Except for the decennial population census, disaster relief duties or duties related to elections to the local authority or State Legislature or Parliament as the case may be

¹²⁹ as per the directions (July 2016) of the Supreme Court of India

The actual number of CwSN benefited was less to the extent of 0.33 lakh¹³⁰ than the enrolment (2012-17) and the utilisation of funds ranged from 61 to 82 *per cent* during 2012-17.

The SPD, SSA stated (June/October 2017) that (i) shortage in coverage was due to migration of parents, children going to NGOs; (ii) Department had not utilised the funds fully due to delay in according administrative approval by District Collectors and (iii) release of funds by GoI/ State Government at the fag end of financial year.

The reply was not acceptable as the shortfall/ delay in utilisation of funds deprived such students of the benefits envisaged for the CwSN.

2.2.4.14 Availability of Infrastructure

As per Section 19 (1) of the Act, no school should be established, or recognised, under Section 18 of the Act, unless it fulfills the norms and standards specified in Serial No.2 of Schedule. The **Table-2.19** depicts the status of availability of facilities in the schools of the State against stipulated norms:

Table-2.19

S No	Facility to be available	Shortage of Infrastructure
1	All-weather building	Out of 38,436 Primary and Upper Primary schools in the State, 448 schools did not have all-weather buildings. Of these, 95 schools were in rented buildings. Further, 136 school buildings were in dilapidated condition.
2	At least one classroom should be available for every teacher besides one office-cum-store-cum-Head teacher's room.	Out of 38,436 schools, 8,125 schools (21 <i>per cent</i>) did not have at least one classroom for each teacher. Head Master's room was not available in 34,205 schools (89 <i>per cent</i>). 6,113 (16 <i>per cent</i>) schools were running with single classroom.
3	Barrier-free access (Ramps)	Out of 38,436 schools, 27,350 schools (71 <i>per cent</i>) did not have Barrier-free access.
4	Separate toilets for boys and girls.	Out of 33,320 Primary schools in the State, Girls' toilets were available in 32,591 schools (98 <i>per cent</i>). Boys' toilets were available in 28,692 schools (86 <i>per cent</i>). Out of 5,116 Upper Primary schools in the State, Girls' toilets were available in 5,070 schools (99 <i>per cent</i>). Boys' toilets were available in 4,785 schools (94 <i>per cent</i>).
5	Safe and adequate drinking water facility to all children.	Safe Drinking Water facility was not available in 2,430 (six <i>per cent</i>) out of 38,436 schools.

Source: SPD, SSA

¹³⁰ 6,00,438 (enrolled) minus 5,67,169 (actual coverage) for the period 2012-17

The Department attributed (October 2017) the shortage of infrastructure to non-sanction of funds proposed by the State Government and non-release of funds approved by GoI fully.

2.2.4.15 Construction of School buildings/ Other infrastructure

During the period 2010-17, GoI had released capital grant of ₹67.49 crore towards construction of 390 school buildings. Of these, the Department had not yet completed 30¹³¹ (Visakhapatnam: 25; East Godavari: 5) buildings. The buildings remained incomplete despite availability of funds even after lapse of one to five years. The SPD, SSA attributed (July 2017) the delay to hilly and inaccessible locations and site clearance problems.

The reply of the Department was not acceptable as it was to conduct a feasibility study for identification of suitable site before taking up construction of schools.

Besides construction of school buildings, 99,516 civil works¹³² costing ₹ 2,918.83 crore were sanctioned during 2011-17. Of these, 2,857 works were in progress and 2033 works did not start (May 2017). Out of 31,562 works sanctioned during 2011-17 in the three test-checked districts, 2,615¹³³ (8 per cent) works were in progress and 421¹³⁴ works (1 per cent) did not even start.

The SPD, SSA replied (October 2017) that the responsibility of completion of works lies with the SMCs. The SPD attributed lack of knowledge, assigning of low priority and paucity/ retrieval of funds coupled with site disputes to slow progress of works.

Thus, the students were deprived of the intended objectives of providing quality infrastructure and learning environment due to the sluggish progress of works.

2.2.4.16 Non-accountal of works

Out of ₹ 10.12 crore released (2011-12) by the SPD for construction of 191 Additional Classrooms (ACRs) in 140 Schools, the DPO, Srikakulam released ₹ 8.73 crore to the executing agencies. The executing agencies, however, did not complete the works and had not rendered accounts to SSA. Further, Audit noticed that the above status of works was not reflected in the Progress Reports submitted by the DPO to SPD. The Engineering wing of the SSA did not maintain Asset Register. Thus, the Progress Reports relating to the works would not reflect factual position.

The DPO, SSA, Srikakulam stated (September 2017) that status of works and UCs were yet to be received from the executive agencies concerned.

2.2.4.17 Supply of Uniforms

Rule 6 of RTE Rules stipulated that Government should ensure provision of free text books, uniforms, writing material to every child studying 1st to 8th classes in

¹³¹ 2011-12: 3, 2012-13: 7, 2014-15: 6 and 2015-16: 14

¹³² additional classrooms, toilets, compound walls, drinking water facilities, electrification, etc.

¹³³ Anantapuramu: 510, East Godavari: 2047 and Srikakulam: 58

¹³⁴ Anantapuramu: 172, East Godavari: 224 and Srikakulam: 25

Government, local bodies, aided and specified category schools. Further, uniforms were to be supplied to the students during June-August of the Academic year as per Government orders. However, Government had not supplied school uniforms to 19,952 (37 *per cent*) and text books to 3,657 (seven *per cent*) out of 54,494 students in the test-checked schools during 2010-17.

Further, the authorities supplied uniforms during the months of December to April in the test-checked districts and in the case of 14,321 students (2010-13) uniforms were supplied in the next academic year. The DPOs of SSA in the test-checked districts stated that delay in supply of uniforms was due to delays in supply of cloth, stitching and distribution of uniforms.

The headmasters of schools did not mention the date of distribution of text books to students. Hence, Audit could not assess the actual delay in supply of text books.

Supply of uniforms at fag end of academic year or during next academic year indicated non-adherence to Government instructions. The delay/non-supply of text books would have direct impact on the performance of students. It also deprived the intended benefits to the students.

In the Exit conference, the Department accepted the delay in supply of uniforms and stated that efforts would be made to ensure timely supply.

2.2.5 Financial management

As per Section 7 of the RTE Act, GoI and State Government shall have concurrent responsibility of providing funds for carrying out the provisions of the Act. The GoI shall provide to the State Government, as grants-in-aid of revenues, such percentage of expenditure as it may determine, from time to time, in consultation with the State Government. The State Government shall, taking into consideration the sums provided by the GoI, be responsible to provide funds for implementation of the provisions of the Act.

As per the financial norms, the sharing pattern of programme cost between the GoI and the State was 65:35 up to 2014-15 and in the ratio of 60:40 from 2015-16 onwards. The GoI released its share of funds direct to the State SSA up to 2014-15. From 2015-16, GoI had been releasing funds to the State Government for onward releases to the State SSA. State Government releases its share of funds and the GoI share of funds received by it to the State SSA. The SPD of SSA in turn releases the funds to the DPOs at district level. The POs release the funds to Government schools/ Government aided schools or any other schools identified by the State in the form of grants-in-aid.

Table-2.20 shows the details of budget allocations, funds released and expenditure of SSA including RTE:

Table-2.20

Year	PAB Approved	Releases			Percentage of Releases against approved budget	Expenditure	Percentage of Expenditure	
		GoI	State*	Total			Approved Budget	Released amount
2010-11	1736.14	810.00	635.09	1445.09	83	1107.21	64	77
2011-12	4563.59	1835.52	1478.96	3314.48	73	2920.99	64	88
2012-13	4745.86	1360.49	933.23	2293.72	48	3144.30	66	137
2013-14	3088.48	1797.15	1151.61	2948.76	95	2910.86	94	99
2014-15	2644.98	1545.67	941.93	2487.60	94	1868.14	71	75
2015-16	2116.06	668.11	466.50	1134.61	54	1610.52	76	142
2016-17	2637.00	633.02	422.01	1055.03	40	1221.15	46	116
Total	21532.11	8649.96	6029.33	14679.29		14783.16		

Source: SPD, SSA

Note: Figures for the years 2010-11 to 2013-14 pertains to composite State of Andhra Pradesh

* Includes 13th Finance Commission grant of ₹349 crore (2011-12), ₹188 crore (2012-13), ₹198 crore (2013-14) and ₹120.72 crore (2014-15)

Out of total expenditure of ₹ 14,783.16 crore incurred during 2010-17, the major portion of ₹ 9,953.31 crore (67 per cent) was on salaries (₹ 4,744.16 crore), Kasturba Gandhi Balika Vidyalayas (₹ 1,696 crore) and civil works (₹ 3,513.15 crore). **Only ₹ 4,829.85 crore (33 per cent) was utilised on other interventions including 'Learning Enhancement Programme' and 'Research, Evaluation, Monitoring and Supervision'.**

2.2.5.1 Release of funds by GoI

The GoI was to release its share of funds in two instalments (i.e., in the months of April and September) in a year. The 1st instalment was to be released in two tranches. GoI was to release the first tranche as *ad-hoc* instalment in April-May to the tune of 25 to 30 per cent of the expenditure made in the previous financial year in order to maintain steady fund flow. GoI was to release the balance of the first instalment as second tranche in the months of June-July subject to release of State's matching share and submission of provisional utilisation certificate for the funds released in the previous year. GoI was to release the second instalment in the months of September-October subject to certain conditions¹³⁵ including submission of provisional utilisation certificate for the current year.

However, Audit observed that GoI released funds up to February/ March in each financial year except in 2011-12 and 2015-16¹³⁶.

Audit noticed that the GoI had delayed release of subsequent instalments due to delayed submission of expenditure particulars and Utilisation Certificates (UCs) by the State Government.

2.2.5.2 Release of funds by State Government

As per Para No. 91.2 of Chapter-V of SSA Financial Manual, the State would contribute its agreed ratio of the programme cost within 30 days of the receipt of the GoI share.

¹³⁵ based on the pace of expenditure; release of State share commensurate to GoI releases, audited accounts, adjustment of outstanding advances, etc.

¹³⁶ where second instalment was released in December

Further, as per Para No. 91.3, the SSA will release the funds to districts within 15 days of its receipt from GoI and State Government.

Audit noticed that State Government had belatedly released its share of funds during 2010-16. The delays ranged from 15 to 201 days during 2010-16. In two instances¹³⁷, State Government had released its share of funds during the next financial year. Further, during 2015-16 and 2016-17, State Government had not released the GoI share of funds to the SSA immediately on receipt of funds. Audit also noticed that there were delays ranging from 45 to 82 days in release of GoI share by the State Government to SSA during these two years.

The SPD, SSA attributed (October 2017) the delays to administrative reasons. The SPD also stated that State Government had fully released its share as of date. However, the delayed release of funds would impede implementation of interventions during respective years, as belated releases would not meet the need of the hour.

2.2.5.3 Short release of funds

GoI had not released its share of funds fully in accordance with the funding pattern and the budget approved by the PAB. Against ₹ 13,758.22 crore to be released by GoI as its share, GoI had released only ₹ 8,649.96 crore during 2010-17, short release of funds being 37 per cent. Similarly, against ₹ 7,773.89 crore of State share to be released, State Government had released only ₹6,029.33 crore. The short release of funds was 22 per cent during the said period. However, State Government had released its share of funds in proportion to GoI releases.

SPD, SSA replied (October 2017) that GoI had not released its share fully and hence State Government released its share based on the releases made by GoI.

The reply of the SPD was not convincing as GoI had not released funds fully due to slow progress of expenditure and delayed submission of UCs.

2.2.5.4 Diversion of funds

Every year, the PAB allocated funds intervention-wise¹³⁸ under the heads of SSA, National Programme for Education of Girls at Elementary Level (NPEGEL) and Kasturba Gandhi Balika Vidhyalaya (KGBV) components. However, budget was released in lump sum and not intervention-wise under the above heads. NPEGEL was discontinued from 2013-14 and since then funds were released under remaining two heads (SSA and KGBV). Audit observed that

- The SPD incurred an expenditure of ₹ 9.51 crore¹³⁹ for NPEGEL during 2013-14 and 2014-15. The expenditure was incurred by diverting funds from SSA Component, although there were no allocations for NPEGEL.

¹³⁷ ₹50 crore pertaining to the financial year 2012-13 were released to SSA in August 2013 and ₹361.67 crore pertaining to financial year 2014-15 were released to SSA in August 2015

¹³⁸ there are 24 interventions under SSA

¹³⁹ 2013-14: ₹ 8.96 crore, 2014-15: ₹ 0.55 crore

- During 2010-11 and 2015-16, the SPD incurred an amount of ₹ 59.71 crore on nine interventions¹⁴⁰ of RTE for which there was no provision of funds. In respect of eight interventions¹⁴¹ the expenditure incurred was ₹ 179.50 crore in excess of the provision made by the PAB.
- In test-checked districts, the DPOs incurred expenditure of ₹ 40.62 crore without provision / in excess of approved outlay in respect of eight interventions.

The SPD stated (October 2017) that the expenditure was incurred from the funds available with it based on priority. The reply was not convincing, as Financial Manual of SSA did not permit diversion of funds from one intervention to another. Further, GoI had not approved the expenditure.

2.2.5.5 Excess provision of Funds

The Department had made budget provision of ₹ 27.83 crore under 13 interventions¹⁴² during 2010-17. Audit noticed that the test-checked districts, however, had not incurred any expenditure under these interventions. Further, against the provision of ₹1,930.17 crore under 23 interventions during this period, the DPOs of test-checked districts had spent only an amount of ₹ 353.04 crore (18 per cent). The SPD/DPOs in the test-checked districts stated (June-July/ October 2017) that they had made the provision in anticipation of expenditure under those interventions. They also stated that the funds could not be utilised due to certain administrative reasons.

The reply was not satisfactory as nil/ meagre expenditure on some of above interventions indicated lack of need analysis in planning and allocation of funds. Further, the nil/ less expenditure affected some of critical interventions such as provision of infrastructure facilities, supply of uniforms and SMC trainings.

2.2.5.6 Advances pending adjustment

Audit observed that contrary to stipulations of the Para 88.2 of Manual on Financial Management and Procurement, the Department diverted funds of ₹ 22.87 crore¹⁴³ to other Departments/ officers¹⁴⁴ not pertaining to the interventions of SSA (as of May 2017). However, SPD, SSA replied that the amounts were advanced on reimbursement basis and action would be taken to get the amounts back.

¹⁴⁰ (i) Model Cluster Schools, (ii) Uniforms, (iii) Teaching Learning Equipment, (iv) School Libraries, (v) Innovative Activity, (vi) School Grant, (vii) Computer Aided Education, (viii) Furniture Grant and (ix) Transport and Escort facilities

¹⁴¹ (i) Uniforms, (ii) Project Management, (iii) Civil Works, (iv) CwSN, (v) Research and Evaluation, (vi) Maintenance Grant, (vii) Innovative Head and (viii) Teachers Training

¹⁴² (i) Minorities intervention, (ii) Additional teachers against PTR, (iii) Uniforms, (iv) School libraries, (v) Computer Education in UPS, (vi) Innovation head, (vii) Intervention for SC & ST Children, (viii) Trainings, (ix) Intervention for girls' education, (x) SMC/PRI trainings, (xi) Intervention for Urban deprived children, (xii) Residential special category children and (xiii) Transport Escort facility

¹⁴³ District Educational Officers: ₹1.90 crore, Deputy Educational Officers: ₹ 0.33 crore, Police Department: ₹ 0.10 crore, Bal Bhavan, Director/Open Schools, etc.: ₹0.67 crore, NGOs: ₹ 0.50 crore and PDs, DRDAs: ₹19.37 crore

¹⁴⁴ for transportation of Nationalised text books (DEOs/Dy.EOs), transportation of VIPs (Police Department), construction of toilets in Junior colleges, construction of boundary wall in High School, supply of Chulhas under Mid-day-meal scheme, maintenance of toilets by SERP, etc.

Audit further observed that the Department had not received (as of May 2017) Utilisation Certificates (UC) in respect of advances of ₹ 123.47 crore¹⁴⁵. This amount pertained to advances given to officials such as DPOs and MEOs, for implementation of SSA interventions. However, year-wise details of advances were not available with SSA.

SPD, SSA replied (June 2017) that due to their best efforts, pending advances had reduced compared to previous years and he would take effective action to settle the advances.

The reply of SPD, SSA was not convincing as huge amount of advances were given for purposes not related to the scheme and were pending without adjustment. The advances pending adjustment would adversely affect the implementation of scheme interventions.

2.2.5.7 Appointment of Chartered Accountants

As per the procedure laid down in the Manual on Financial Management and Procurement, the Department is to appoint Chartered Accountants (CAs) from the list empanelled by the CAG of India. The CAs are required to conduct audit of accounts of the society and to submit the annual audit report to the Government. A Selection committee¹⁴⁶ is to select the CA firm and the Executive Council of SSA has to approve it. The tenure of selected CA firm would be initially for a period of one year. Extension of tenure would be on annual basis for a maximum of further two years.

The Department constituted a Selection Committee during 2010-11. Audit, however, observed that the Principal Secretary (School Education) approved the appointment of CAs without committee's involvement from 2011-12. Audit also noticed¹⁴⁷ that the Department continued one CA firm for four years¹⁴⁸ for preparation of annual accounts of State Project Office and for the District Project Offices. This was in violation of Para No. 106.9 of Financial Manual of SSA.

In Exit conference, the Department stated (October 2017) that action would be taken as per codal provisions in appointment and continuation of Chartered Accountants.

2.2.6 Management, Monitoring and Evaluation

Monitoring the implementation of the Act is an important and integral component of the whole process. Through continuous and effective monitoring, the Department locates the non-performing areas in the process of execution of a plan and identifies the causes. This facilitates the management to take timely remedial measures to keep the execution on course. Audit observed the following:

¹⁴⁵ POs of Srikakulam: ₹6.22 crore, Vizianagaram: ₹7.14 crore, Visakhapatnam: ₹13.98 crore, East Godavari: ₹6.91 crore, West Godavari: ₹9.25 crore, Krishna: ₹19.72 crore, Guntur: ₹1.61 crore, Prakasam: ₹1.42 crore, Nellore: ₹6.92 crore, Chittoor: ₹8.76 crore, Kadapa: ₹4.74 crore, Anantapuramu: ₹10.21 crore, Kurnool: ₹11.45 crore; MEOs: ₹7.43 crore, MPDOs: ₹0.74 crore, POs ITDA: ₹6.20 crore, Principal DIET: ₹0.13 crore, EEs/PR: ₹0.57 crore and Electricity Department: ₹0.07 crore

¹⁴⁶ consisting of three members including Chief Financial Officer of SSA

¹⁴⁷ during scrutiny of records of the State Project Director

¹⁴⁸ from 2012-13 to 2015-16

2.2.6.1 State Advisory Council

Section 34 of the Act read with Rule 28 of RTE Rules, 2010 envisages constitution of a State Advisory Council (SAC)¹⁴⁹ chaired by the Minister for School Education to advise the State Government on implementation of the provisions of the Act in an effective manner. The SAC has to meet once in every three months. Audit observed that the Government had constituted the SAC only in February 2014, i.e., after four years of implementation of the Rules/ Act. Further, the Committee had not conducted any meetings as of July 2017.

The Department, in the Exit conference, stated (October 2017) that the meetings could not be convened due to pre-occupation of council members with other issues.

Regular meetings of the SAC chaired by the Minister for School Education could have identified the shortcomings in implementation of the Act and suggested measures for addressing them.

2.2.6.2 Status of inspections

Audit scrutiny of records in the three test-checked districts showed shortfall in conduct of inspections by the Educational Officers during 2010-17. ***The shortfall in inspections in respect of DEOs, Deputy Educational Officers, MEOs ranged from 21 to 62 per cent, 39 to 54 per cent and 45 to 58 per cent respectively*** (details are given in ***Appendix-2.18***).

Audit noticed that the authorities did not conduct inspections in accordance with the targets fixed. ***Audit also noticed that the DEOs and Deputy Educational Officers did not visit any of the 90 test-checked schools.*** Only MEOs conducted inspections. During Exit conference the SPD attributed (June 2017) the shortage of inspections to shortage of staff.

2.2.6.3 Recognition of Schools

As per Section 18(1) of the Act, obtaining a certificate of recognition from the appropriate Authority is a prerequisite for establishment of school. Audit, however, noticed that 557 un-aided/ private schools were functioning without recognition as of March 2017. In the absence of recognition, the norms¹⁵⁰ prescribed in the schedule of RTE Act (Section 19 and 25) along with quality of education could not be ensured.

The Commissioner of School Education had not offered any comments.

2.2.6.4 Implementation of Section 12(1)(c) of the Act

As per section 12(1)(c) of the Act, schools have to allocate 25 per cent of the seats to the children belonging to disadvantaged and weaker sections in prescribed percentage for each category. Un-aided schools function without receiving any kind of aid or grants from the Government or local authority. The Act envisages that these schools

¹⁴⁹ Consists of 15 members including Minister-in-charge of the Department, Members of Council appointed by Government having expertise in elementary education, four members from SCs, STs and OBCs, etc.

¹⁵⁰ viz., infrastructure, qualified teachers, PTR, teaching learning material, etc.

should admit children¹⁵¹ in 1st class to the extent of at least 25 *per cent* of the strength of that class. The schools have to provide free and compulsory education till its completion. Government also issued orders (July 2010) prescribing reservation of seats and quantum of fee to be collected. Government was to reimburse fee to the schools in respect of the reserved seats.

Scrutiny of records revealed that Managements of Un-aided private schools had not made any reservations for children belonging to weaker sections and disadvantaged groups. As such, Government did not incur any amount on this account during 2010-17. Thus, students belonging to the disadvantaged and weaker sections in the State, though eligible for free education under Section 12(1)(c) were deprived of the intended benefits envisaged in the Act.

The managements of private schools in the State were showing stiff resistance on implementation of Section 12(1)(c) under RTE Act. State Government felt that by implementing Section 12(1)(c), the enrolment in government/aided schools would decline, teachers recruited could not be put to optimum use and reimbursement would be huge burden on the State exchequer. Keeping in view the above, State Government addressed (March 2016) GoI expressing its inability to implement this provision of the Act. The Government also requested to consider dropping of Section 12(1)(c) by amending the Act through a consultative process.

The provision should not be seen in isolation. The provision was to be seen as a necessary response to a society that needs greater social inclusion involving Government, private schools and civil society.

2.2.7 Tracking of Sustainable Development Goal indicators

State Government had adopted Sustainable Development Goal (SDG) indicators¹⁵² in 2015. Goal 4 (Para 4.1) of SDG indicators stipulates to ensure all children to complete free, equitable and quality education¹⁵³ leading to relevant and effective learning. The Government is required to achieve the targets by 2030. Audit observed that:

2.2.7.1 Performance of Children

The SDG targeted achieving the minimum proficiency level in reading and mathematics by the children at the end of Primary and lower secondary level as prescribed in the Indicators of SDG (Para 4.1.1). PAB, however, observed (February 2017) that the percentage of students of 5th class securing marks more than 50 *per cent* in Mathematics and languages had declined to 33 *per cent*. ***In 8th class, only seven per cent of students could secure marks more than 50 per cent in Mathematics/ Science subjects.*** This was due to deficiencies in teaching and learning material, implementation of revised curriculum as discussed in the following paragraphs. PAB advised the State Government to improve learning outcomes.

¹⁵¹ weaker section and disadvantaged group in the neighbourhood

¹⁵² suggested by United Nations

¹⁵³ both primary and secondary

Audit further noticed from the AWP&Bs (for the years 2013-17) that 36 to 53 *per cent* students of Primary sections had secured below 50 *per cent* marks. In respect of Upper Primary sections, the percentage ranged from 47 to 56 *per cent*.

2.2.7.2 Teaching and learning

Universal access¹⁵⁴ is one of the SDG indicators (Para 4.1.1). The Department's main strategy for this aspect was to equip the child with minimum reading and writing abilities, especially learning Mathematics and Science. For this purpose, teaching and learning material plays an important role.

The Department identified certain gaps¹⁵⁵ in teaching and learning in previous years, i.e., 2013-16. However, Audit observed that the same gaps were still persisting even as of 2016-17 (details are given in **Appendix-2.19 A**).

The Department had incurred an expenditure of ₹ 81.07 lakh during 2013-16 on Learning Enhancement Programme at State level without any provision. In the remaining years, the expenditure ranged from 25 *per cent* (2011-12) to 51 *per cent* (2012-13) of budget provisions. The three test-checked districts had not received funds during 2013-16 and the DPOs failed to utilise the funds fully during the remaining years.

Audit noticed¹⁵⁶ that among the students who had completed their primary education, only 38 *per cent* had minimum competencies in Mathematics. **Only 57 per cent could read 2nd class text book**. SSA had been proposing actionable points every year in their AWP&Bs¹⁵⁷ submitted to MHRD. However, SSA did not resolve the gaps and the same continued in AWP&B 2017-18.

2.2.7.3 Revision of curriculum

The State Government¹⁵⁸ had taken up curriculum reforms in 2011. Audit noticed from the AWP&Bs for 2015-16 and 2016-17 that the implementation of revised curriculum was poor. The deficiencies noticed by the Department were still persisting (details are given in **Appendix-2.19 B**). The revision of curriculum was to be done keeping in view the latest Technologies.

Government did not initiate corrective steps for improving the quality of the above interventions. The target set (2015-2030) in “Sustainable Development Goal indicators” by United Nations may not be achieved if the same trend continues.

¹⁵⁴ the ability of all people to have equal opportunity in education, regardless of their social class, gender, ethnicity, background or physical and mental disabilities

¹⁵⁵ Subject wise and class wise orientation to teachers, training and workshops for teachers to assess the students, absence of material for constructive/ innovative activities to teachers for effective use in classroom transition, lack of motivation to read and discuss in classroom library, etc.

¹⁵⁶ from the results of State level achievement survey and Annual Status of Education Report (ASER) 2014

¹⁵⁷ 2015-16 and 2016-17

¹⁵⁸ State Council of Educational Research and Training

The SPD replied (October 2017) that the Department was taking steps to improve the learning abilities of students in a phased manner by introducing various programmes¹⁵⁹.

2.2.8 Conclusion

Sarva Shiksha Abhiyan (SSA) had not conducted Comprehensive household survey of children in the age group of 6-14 years. Government had not designed GIS mapping to identify the availability of schools in the neighbourhood of habitations as stipulated. School mapping as prescribed in the RTE Act was not yet completed even after seven years.

Government had not notified the hilly and difficult terrain areas in the State. Government could not complete the child tracking system which was committed in 2010-11 even after seven years. State was yet to achieve 100 *per cent* enrollment of children.

There was shortage of teachers at both Primary and Upper Primary levels. The intended Pupil-Teacher ratio was not maintained. Infrastructure deficiencies continued due to ineffective utilisation of funds by SMCs.

GoI and State Government delayed release of funds. Huge amount of advances were pending without adjustment. Scrutiny showed poor monitoring of implementation of the programme at district level. Reservation of seats for weaker sections and disadvantaged group children in Private schools was not implemented.

Department had not taken adequate steps to improve the learning levels and performance of students. Government was yet to achieve the objective of the Act to make the ‘Right of Children to free and compulsory education’ a right.

2.2.9 Recommendations

- Comprehensive household survey needs to be conducted every year before commencement of academic year for accurate data of children in the age group of 6-14 years and ‘Out of School Children’.
- Integrated child tracking system should be evolved to ensure that every child in the age group of 6-14 years is in school.
- Adequate measures such as infrastructure creation, improvised teaching; and material for improvement of learning levels of students have to be put in place expeditiously.
- Monitoring mechanism needs to be strengthened to ensure effective implementation of programmes and improvement of quality of education.

Government accepted (October 2017) the recommendations of Audit and assured compliance.

¹⁵⁹ **Performance Management, Project Delivery and Monitoring** related to Public Programmes, Education, etc.; **Rishi Valley Methodology** inculcating respect for all forms of life to create an atmosphere of affection, order and freedom and free to ask fundamental questions, enquire and learn

Chapter III

Compliance Audit Observations

Social Welfare Department

3.1 Implementation of Economic Support Schemes for Scheduled Castes

3.1.1 Introduction

The Scheduled Castes population was 84 lakh (2011 Census) in the State¹ which constituted 17.08 *per cent* of the total population of the State. The Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Limited (Corporation) implements the Economic Support (ES) Schemes. The aim of the ES Schemes was to ensure economic empowerment of Scheduled Castes (SC) individuals and groups through creation of sustainable livelihood. The details of ES Schemes and funding pattern are detailed in **Table-3.1**:

Table-3.1

Scheme	Subsidy	Beneficiary contribution	Loan
Bank linked schemes	60 <i>per cent</i> of unit ² cost or ₹ 1.00 lakh, whichever is less.	(1) Nil, if the unit cost is less than ₹ 2.00 lakh. (2) 5 <i>per cent</i> of the unit cost if unit cost is ₹ 2.00 lakh or above.	Balance of the unit cost after subsidy and beneficiary contribution, if any. Loans organised from banks.
Schemes without bank linkage	60 <i>per cent</i> of unit ³ cost or ₹ 1.00 lakh, whichever is less.	(1) Nil, if the unit cost is less than ₹ 2.00 lakh. (2) 5 to 10 <i>per cent</i> of the unit cost depending on the scheme.	Balance of the unit cost after subsidy and beneficiary contribution, if any. Loans obtained from National Scheduled Castes Finance and Development Corporation (NSFDC) and National Safai Karamcharis Finance and Development Corporation (NSKFDC).

Source: Information provided by Corporation

Management of the affairs of the Corporation is vested in a Committee of Persons⁴ (CoP) headed by the Chairman. Vice Chairman & Managing Director (VC & MD) manages the affairs of the Corporation under the guidance of the CoP. The Executive Director (ED) of the District Co-operative Society (District Society) is responsible for implementation of the schemes in the district. The District Society functions under the guidance of the District Monitoring Committee⁵ (DMC) chaired by the District Collector.

3.1.2 Audit Objectives

Audit was conducted (January to June 2017) with a view to examine

- (i) whether beneficiaries were selected in accordance with the prescribed procedure; and
- (ii) whether the implementation of the scheme was efficient and effective.

¹13 districts in the present State of Andhra Pradesh

²borewells with submersible pump sets, centering/roof making, paper or leaf plates making, passenger auto, sheep unit, etc.

³general engineering works, mini super bazar, pickup van, tractor with trolley & agriculture implements etc.

⁴consists of 19 persons (details in *Appendix-3.1*)

⁵consists of 10 persons (details in *Appendix-3.1*)

3.1.3 Audit scope and methodology

The Corporation implemented ES Schemes (i) with bank linkage and (ii) without bank linkage. Audit covered three year period from 2014-15 to 2016-17. Audit criteria were scheme guidelines and prescribed procedure. Audit was conducted by way of examination of records of the Corporation, District Societies of four⁶ out of 13 districts in the State. Data available in the 'Online Beneficiary Management and Monitoring System' (OBMMS) of the Corporation was also analysed. Audit conducted a survey of 200 beneficiaries⁷, 50 in each selected district. Audit conducted joint physical verification of the assets created by the beneficiaries for their livelihood through the scheme, along with the officers of the District Societies.

Audit findings

3.1.4 Selection of beneficiaries

Every year during 2014-17, through an advertisement, the Corporation invited applications from the persons who seek benefit of ES Schemes for that year. The intended individuals were to register themselves through OBMMS. The Screening-Cum-Selection Committees (*Appendix-3.1*) convened meetings, where all the applicants were called and selection of the candidates (beneficiaries) was made. The details of candidates applied and selected in four test-checked districts during 2014-17 are detailed in **Table-3.2**:

Table-3.2

District	Number of candidates		Number of candidates	
	Bank-linked ES Schemes		ES Schemes without Bank-linkage	
	Applied	Selected (<i>per cent</i>)	Applied	Selected (<i>per cent</i>)
Chittoor	36153	7107 (20)	3214	110 (03)
East Godavari	36083	8172 (23)	3388	272 (08)
Guntur	53135	10981 (21)	5164	490 (10)
Krishna	42398	10161 (24)	3509	409 (12)

Source: Information provided by Corporation

Review of the selection process in the four test-checked districts revealed the following:

3.1.4.1 Identification of the deserving applicants

District Society was expected to identify the poorest of the poor among SC population. The house-hold survey data collected by SERP⁸ in each Mandal in rural areas and MEPMA⁹ in urban areas was to be used for this purpose. Audit test-checked records of Mandal Selection Committees in Mandal Parishad Development Offices in Repalle and Nuzivid in Guntur and Krishna districts respectively. It was observed that both the Mandal Selection Committees had not conducted survey for identifying the poorest of

⁶ East Godavari, Guntur, Krishna (Andhra region) and Chittoor (Rayalaseema region) were selected for test-check with highest Scheduled Castes population

⁷ selected through Random Sampling without Replacement Method

⁸ Society for Elimination of Rural Poverty

⁹ Mission for Elimination of Poverty in Municipal Areas

the poor SC population. Further, the SERP/MEPMA data on the poorest of the poor SCs in the mandals was also not obtained. It was noticed that the selection of beneficiaries was made based on the White Ration Card, issued to a family Below Poverty Line. In the absence of list of the poorest of the poor individuals, it was not assured that selection committees had selected the poorest of the poor SC applicants. This was significant particularly in the situation where 75 per cent of the applications were eliminated. The Selection Committees had not specified any reasons for rejection of applications in such cases.

3.1.5 Implementation of Bank linked Schemes

Physical target was the number of units to be set up by the beneficiaries. Financial Target was the amount of subsidy allocated for the target number of units. Corporation communicated district wise physical and financial targets to the District Societies along with the timelines for starting the units in the same financial year. The Corporation releases subsidy amount directly into the non-operative SB accounts¹⁰ of beneficiaries. The banks should ensure that the beneficiaries start the units within 15 days from the date of receipt of subsidy along with bank loans.

The details of targets and achievements in the four test-checked districts, as of July 2017 are detailed in **Table-3.3**:

Table-3.3

Year	Number of units				Amount of subsidy (₹ in crore)			
	Target	Sanctioned (per cent)	Subsidy Released	Started (per cent)	Target	Sanctioned (per cent)	Released	Started (per cent)
2014-15	16735	12199 (73)	12103	9453 (78)	90.77	83.49 (92)	83.29	64.64 (78)
2015-16	16129	13385 (83)	12656	7914 (63)	103.50	92.71 (90)	87.17	54.09 (62)
2016-17	18849	10837 (57)	8010	30 (01)	129.70	78.13 (60)	56.81	0.29 (01)
Total	51713	36421 (70)	32769	17397 (53)	323.97	254.33 (79)	227.27	119.02 (52)

Source: Information provided by Corporation

In the four test-checked districts, it was noticed that, out of 32,769 units for which subsidy of ₹ 227.27 crore was released, 17,397 units were only started by utilising subsidy amount of ₹ 119.02 crore. The achievement of physical and financial target stood at 53 per cent and 52 per cent respectively. It was further noticed that during 2014-17, poor achievement in starting the units was mainly in minor irrigation¹¹ sector and in vulnerable groups¹² scheme.

The target and percentage of units started in these two sectors are detailed in **Table-3.4**:

¹⁰ account opened by the Bank in the name of the beneficiary to facilitate the Corporation to credit subsidy. The beneficiary cannot operate this bank account

¹¹ Shallow tube wells with oil engines, pipeline for irrigation, submersible pump sets, etc.

¹² Rehabilitation of atrocity victims, bonded labour, jogins, manual scavengers, etc.

Table-3.4

(Number of units)

Year	Minor irrigation sector		Vulnerable groups scheme	
	Target	Started (percentage)	Target	Started (percentage)
2014-15	2556	160 (06)	2335	36 (02)
2015-16	3959	207 (05)	4260	11 (01)
2016-17*	2195	0 (0)	1222	0 (0)

* The sector/scheme were included under ES Schemes without bank linkage

Source: Information provided by Corporation

During 2016-17, Audit observed (July 2017) that no units were started in three out of the four test-checked districts and all the 30 units started were in Chittoor district. Year wise details are in **Appendix-3.2**.

The Corporation attributed (January 2018) the shortfall in achievement of targets to bankers not evincing interest in starting of the units to the extent of subsidy released. The Corporation attributed the poor achievement in Minor irrigation sector and Vulnerable groups scheme to lack of awareness among rural SC population for registration in OBMMS.

This indicates the failure of the EDs of District Societies in creating awareness of the schemes among SC population, in co-ordination with line Departments.

3.1.5.1 Process delays

Time taken for processing of the application at different stages is indicative of the efficiency/inefficiency in implementation of the scheme. Government had stipulated the time schedule for each stage. On an analysis of OBMMS data¹³ for the years 2014-15 and 2015-16, Audit observed delays at different stages in the test-checked districts, even though the process is automated through OBMMS. The details of delay are in **Table-3.5**:

Table-3.5

Sl.No	Norms as per guidelines	Audit observation
1	Obtaining of Bank account numbers	
	Implementation Guidelines stipulated that the EDs of the District Societies should obtain two account numbers (Non-operative and Loan) of the sanctioned beneficiaries from the banks within 15 days from date of selection of the beneficiaries by the Selection Committees. The EDs should upload the two account numbers in OBMMS to facilitate the	EDs of 13 districts failed to obtain two bank account numbers in respect of 3,527 beneficiaries selected during the years 2014-15 (261) and 2015-16 (3,266) as of May 2017. In four test-checked districts, the two bank account numbers were not obtained from the banks in respect of 1,433 beneficiaries selected during 2014-15 (96) and 2015-16 (1,337).

¹³ furnished by the Corporation in January 2017

	Corporation for release of subsidy online to non-operative bank account.	Corporation replied that beneficiaries had not shown interest and did not turn up to banks for documentation. However, Audit observed that certain bank branches demanded deposits equivalent to the loan portion for starting the units and to secure the loan. Failure of the Corporation authorities at District level to coordinate with the banks concerned and the beneficiaries resulted in stalling the process.
2	Communication of selected beneficiaries list to District Societies	
	The Corporation communicated the scheduled date for selection of beneficiaries. The scheduled date for completion of selection of beneficiaries was 07 December 2014 and 02 November 2015 for the years 2014-15 and 2015-16 respectively. Screening-cum-Selection Committees should adhere to the timelines fixed for selection of beneficiaries. Soon after selection of beneficiaries, the selected list has to be forwarded to District Societies.	Delay of more than 30 days was noticed between the scheduled date of selection and date of Mandal Parishad Development Officer (MPDO) communicating the list of selected beneficiaries to the District Societies. In respect of 7,919 out of 10,754 cases (74 <i>per cent</i>) in the test-checked districts, the delay ranged from 31 to 202 days for the year 2014-15. Similarly, for the year 2015-16, 12,194 out of 12,891 (95 <i>per cent</i>) cases were delayed, which ranged from 31 to 241 days.
3	Issue of proceedings by the District Societies	
	On receipt of the MPDO letter communicating the selected list of beneficiaries, the District Societies should issue proceedings indicating administrative approval for the beneficiaries selected by the MPDO within a period of 25 days.	In respect of 5,548 out of 10,754 (52 <i>per cent</i>) cases for the year 2014-15, this process ¹⁴ had taken 31 to 205 days. Similarly, in respect of 5,806 out of 12,891 (45 <i>per cent</i>) cases for the year 2015-16, this process had taken 31 to 266 days. Therefore, the objective of the scheme to extend the benefit to the beneficiaries in the same financial year was not achieved.

¹⁴ MPDO communicating the list of selected beneficiaries to the Society; issue of administrative approval by the ED, District Society and sending the proceedings to the Corporation

4	Financial sanction and release of subsidy by the Corporation	
(i)	After approval of the list of beneficiaries, EDs of District Societies forward the selected list to the Corporation for release of subsidy.	In test-checked districts, during 2014-15, 7,241 out of 10,754 (67 <i>per cent</i>) cases were communicated with a time gap ¹⁵ ranging from 31 to 586 days. Similarly, during 2015-16, there was a time gap ranging from 32 to 339 days in 11,941 out of 11,976 (99 <i>per cent</i>) cases.
(ii)	The Corporation accords sanction and releases subsidy amount to the banks for crediting to the non-operative bank accounts of beneficiaries. Even though, no timelines were fixed for Corporation for according financial sanction and issue of cheques for crediting the subsidy, a maximum period of 15 days was considered optimum.	Time lags of more than 15 days were noticed between the Corporation according financial sanction to the selected beneficiaries and the cheque issue date. In 2,578 out of 10,754 (24 <i>per cent</i>) cases in the test-checked districts during 2014-15, cheques were issued after a gap of 17 to 43 days from the date of financial sanction. Similarly, for the year 2015-16, in respect of 180 out of 11,863 cases, there was a gap of more than 15 days from the date of financial sanction to the cheque issue date.
5	Submission of Utilisation Certificate	
	The banks should take up starting of units within 15 days of receipt of subsidy along with bank loans. EDs of District Societies should collect UCs from Bank Managers and upload them in OBMMS within 15 days from the date of starting the unit. Overall, the unit should be started and UC should be uploaded within 30 days from the date of release of subsidy.	There were time lags beyond 30 days in uploading of UCs in OBMMS. In 4,671 out of 6,715 (70 <i>per cent</i>) cases in the test-checked districts during 2014-15, the time gaps from cheque issue date to UC date ranged between 31 to 516 days. Similarly, in 1,542 out of 2,078 cases during 2015-16, the time gap ranged between 31 to 174 days.

On the whole, the timelines stipulated for completion of process starting from selection of beneficiary to starting of the unit was not followed in any year during 2014-17. ***Only eight out of 8,793 units for the years 2014-16 were started within the timelines. The***

¹⁵ from the date of proceedings of the District Societies communicating the selected list of beneficiaries to the Corporation to the date of financial sanction by the Corporation

average delay for starting of the units sanctioned for the years 2014-15 and 2015-16 were 304 days and 331 days respectively.

For the year 2016-17, the entire process was to be completed by 15 March 2017. However, the selection of beneficiaries was still in progress as of September 2017. This shows the poor adherence of timelines by the District Societies and failure of the Corporation in overall implementation of the scheme. Thus, the intention of Government to provide benefits within the same financial years was defeated.

The Corporation accepted (January 2018) the audit findings and stated that suitable instructions were issued to avoid delays at various levels. The Corporation attributed the delays in issue of cheques to non-availability of funds with the Corporation. The Corporation also stated that issues related to bankers were brought to the notice of Bank controllers at regional and state level to avoid delays.

3.1.5.2 Uploading of incorrect asset photographs

As per the Implementation Guidelines, ED, District Society was responsible for uploading of the photographs of the units started. Audit observed that ***District Societies uploaded photograph of the same asset for two beneficiaries in 46¹⁶ cases during 2014-15 and 2015-16.*** The District Societies assured to take up the matter duly calling explanation from the Bank Authorities and MPDOs.

Until and unless the particulars of the units started (UCs) were entered into OBMMS, the process would neither be completed nor would it be accounted for as achievement of targets. In Krishna District, District Society uploaded UCs obtained from the bankers for 12¹⁷ beneficiaries in both UC field as well as asset photograph field in OBMMS during 2014-15 and 2015-16. The incorrect uploading of photographs raised doubts about the authenticity of the units stated as started. On being pointed out, the ED assured to upload the asset photographs.

3.1.6 Economic Support Schemes without Bank Linkage

Under ES Schemes without bank-linkage, the Corporation gave the loans to the selected beneficiaries by borrowing from the National Scheduled Castes Finance and Development Corporation (NSFDC) and National Safai Karamcharis Finance and Development Corporation (NSKFDC).

The Corporation sanctioned an amount of ₹ 20.65 crore to 2,642 beneficiaries during 2015-16 and ₹ 26.97 crore to 1,780 beneficiaries during 2016-17. Of this (₹ 47.62 crore), the Corporation released only ₹ 29.36 crore¹⁸ for covering 3,025¹⁹ beneficiaries in place of 4,422 beneficiaries. However, it was noticed in audit that, as of July 2017, only 1,655 units²⁰ were actually started by availing a subsidy of ₹ 20.94 crore²¹. The Corporation replied (January 2018) that necessary instructions were issued to EDs for

¹⁶ 28 in 2014-15 and 18 in 2015-16

¹⁷ 11 in 2014-15 and one in 2015-16

¹⁸ 2015-16: ₹ 20.33 crore; 2016-17: ₹ 9.03 crore

¹⁹ 2015-16: 2,605; 2016-17: 420

²⁰ 2015-16: 1,235; 2016-17: 420

²¹ 2015-16: ₹ 11.91 crore; 2016-17: ₹ 9.03 crore

creation of awareness among SC population about the schemes and expedite the starting of the units.

Details of units started in the four test-checked districts during 2015-17 are given in **Table-3.6:**

Table-3.6

(₹ in crore)

District	Target			Subsidy released to		Loan Released to		Units Started
	Units	Subsidy	Loan	District Societies	Beneficiaries	District Societies	Beneficiaries	
Chittoor	723	6.61	9.14	3.45	0.78	3.34	1.18	79
East Godavari	791	6.99	10.04	3.71	1.14	3.60	2.01	88
Guntur	966	6.31	8.50	4.78	2.28	5.50	3.63	189
Krishna	677	3.05	3.26	4.32	1.67	3.29	2.65	125
Total	3157							481

Source: Information provided by respective District Societies

Number of units started (under NSFDC and NSKFDC) during 2015-17 was only 481 (15 per cent) against the target of 3,157 in these districts. The Corporation replied that the shortfall was due to ignorance of eligibility criteria and non-completion of documentation process after selection of beneficiaries. For the year 2016-17, the process of selection of beneficiaries was still in progress as of July 2017.

3.1.7 Results of Survey conducted by Audit

Audit team conducted a joint survey of 200 beneficiaries along with the officials of the District Societies. This involved joint physical verification of the assets created by the beneficiary for his or her livelihood through the ES Schemes. The observations based on physical verification are as follows:

During joint survey, teams could not meet/ locate 62 out of the 200 beneficiaries selected. According to OBMMS data, 45 out of these 62 beneficiaries had started functioning. The MPDOs of test-checked Mandals (Nuzivid and Repalle) stated that the address mentioned in Ration Card was accepted for consideration of application of beneficiary. Correctness of the address of the beneficiary would be verified only in cases of doubt. Thus, the residence of the beneficiary at the given address was not verified at the time of sanction. As such, there was no assurance that the 45 units were actually started.

Out of the 138 beneficiaries visited by audit teams, it was noticed that 13 units were closed after starting. **Nineteen beneficiaries stated that they could not start the unit because loan was not released by the bank.** Fifteen beneficiaries stated that subsidy was not released to them due to non-opening of bank account or non-submission of surety bond. Three stated that both subsidy and loan were not released. **Six beneficiaries stated that bank retained the loan amount as fixed deposits and released only the subsidy amount.** Overall, 82 out of 200 beneficiaries who were accorded sanction by the Corporation had only started the units and were functioning.

3.1.8 Issues relating to OBMMS package

The Corporation automated the entire process of the bank-linked schemes through Online Beneficiary Management and Monitoring System (OBMMS). The OBMMS package was operational in all the 13 districts of the State from 2014-15 with the assistance of Centre for Good Governance (CGG). It was meant to facilitate transparency and accountability, avoid duplication and curtail the delays in implementation of the schemes. A review of the OBMMS package and the analysis of the data revealed the following deficiencies.

- As per Implementation Guidelines, entry of Aadhaar/UID number in the OBMMS was mandatory. OBMMS accepted applications without the Aadhaar/ UID number. Audit observed that the Corporation had released subsidy of ₹ 51.54 lakh to 70²² beneficiaries in these four districts during the year 2015-16 without entering Aadhaar/ UID numbers in OBMMS. Audit further observed that the same Aadhaar/ UID number appeared against two beneficiaries in five²³ cases where subsidy was released. On being pointed out, the Corporation stated that it would verify from District Societies.

The portal also accepted:

- The applications without filling the income field.
- The applications where the income was beyond the prescribed level.
- The applications where the age entered was outside the prescribed range.
- The applications without filling the names of the Sub-Caste field, Sector/ Scheme field.
- The same account number in both the fields of non-operative account and loan account.
- The same account number to multiple beneficiaries.

The portal did not provide for (i) address of the unit started, (ii) date of starting of the unit (iii) the data pertaining to ES Schemes without bank linkage except initial registration and (iv) recording the revised cheques issued by the Corporation where required²⁴.

Audit was of the view that due to lack of validation controls in the OBMMS package to prevent the above lapses, risk of flow of incorrect information was high. There is a risk of ineligible applicants being covered under the scheme. The deficiencies need to be rectified immediately to avoid the above risks. The Corporation stated (January 2018) that the issue would be referred to the CGG for improvement of the OBMMS package.

²² Chittoor: 25, East Godavari: 02, Guntur:17 and Krishna :26

²³ nine in 2014-15 and one in 2015-16

²⁴ In cases where the beneficiaries reported of non-crediting of the subsidy amount due to incorrect account numbers, wrong IFSC codes, etc.

3.1.9 Conclusion

The Corporation had not conducted survey to identify the poorest of the poor beneficiaries; hence their selection could not be ensured. The Selection-cum-Screening Committee had not obtained database of household survey from SERP/MEPMA. The achievement of targets stood at 53 *per cent* in the test-checked districts in respect of bank linked schemes. Timelines were not adhered to, leading to delay in implementation of the schemes. OBMMS lacked validation controls to check eligibility norms and control the repetition of beneficiary data.

The matter was reported to Government in September 2017; reply has not been received (December 2017).

Tribal Welfare Department

3.2 Implementation of Economic Support Schemes for Scheduled Tribes

3.2.1 Introduction

The Scheduled Tribes population in the State was 27.39 lakh (2011 census) constituting 5.53 *per cent* of the total population of the State²⁵. Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Limited (TRICOR) was responsible for monitoring the implementation of the Economic Support (ES) Schemes in the State. The ES Schemes are intended for the socio economic development of Scheduled Tribes (STs) individuals and Groups through sustainable livelihood. TRICOR implemented these Schemes under Normal State Plan (NSP) and Special Central Assistance (SCA) to Tribal Sub Plan (TSP). The details of the ES Schemes and their funding pattern are detailed in **Table-3.7**:

Table-3.7

Scheme	Subsidy	Beneficiary contribution	Loan
ES Schemes with bank linkage	60 <i>per cent</i> of unit cost or ₹ one lakh whichever is less. (Subsidy in respect of PVTGs ²⁶ is 90 <i>per cent</i> from 2015-16)	Nil	Balance unit cost
ES Schemes without bank linkage	90 <i>per cent</i> of unit cost or ₹ one lakh whichever is less	Two to five <i>per cent</i> of unit cost	Balance unit cost
Energisation ²⁷	100 <i>per cent</i> subsidy	Nil	Nil

Source: Implementation guidelines of Corporation

²⁵ 13 districts in the present State of Andhra Pradesh

²⁶ Particularly Vulnerable Tribal Groups

²⁷ Providing of electrical connection to the bore wells in agricultural fields

The Managing Director (MD) manages the affairs of the TRICOR under the guidance of Committee of Persons²⁸ (CoP). The CoP is headed by the Principal Secretary to Government in Tribal Welfare Department. Project Officers (PO) of Integrated Tribal Development Agency (ITDA) / District Tribal Welfare Officers (DTWO) are responsible for implementation of the ES Schemes at district level. District Monitoring Committees²⁹ (DMCs) under the chairmanship of the District Collector monitor the implementation of schemes in the districts.

3.2.2 Audit Objectives

Audit was conducted (January-June 2017) with a view to assess

- i) whether beneficiaries under ES Schemes were selected in accordance with the prescribed procedure; and
- ii) implementation of the scheme was efficient and effective.

3.2.3 Audit Scope and methodology

Audit scrutinised records of the Managing Director, TRICOR and Project Officers of ITDAs / DTWOs in four³⁰ districts for the period 2014-17. Audit also conducted joint physical verification of assets created by 200 beneficiaries (50 in each district) under the scheme for his/ her livelihood. Audit observations were benchmarked against the criteria sourced from the scheme guidelines, Annual Action Plans and Government Orders/ instructions issued from time to time.

Audit findings

3.2.4 Bank-linked Economic Support Schemes

3.2.4.1 Selection of beneficiaries

Every year during 2014-17, the POs of ITDAs / DTWOs (District Officers) issued notification calling for applications from eligible persons for financial assistance under ES Schemes. Mandal Level Screening-cum-Selection Committee³¹ was responsible for screening the applications and selection of beneficiaries under the ES Schemes. The Mandal Parishad Development Officers (MPDOs) at Mandal level/ Municipal Commissioners in municipalities convened the Committees. During the three-year period 2014-17, 31,746 beneficiaries attended before the Screening-cum-Selection Committees in the four test-checked districts. Of these, benefit under ES Schemes was extended to 9,329 (29 *per cent*) beneficiaries (*Appendix-3.4*).

As per the guidelines, poorest of the poor among STs were to be given priority in selection of beneficiaries in the Scheme. The poorest of the poor were to be identified

²⁸ Consists of 15 persons (Details are given in *Appendix-3.3*)

²⁹ Consists of 10 persons (Details are given in *Appendix-3.3*)

³⁰ ITDA districts: SPS Nellore, Visakhapatnam & East Godavari and Non-ITDA district: Chittoor selected on the basis of the highest ST population

³¹ Details are given in *Appendix-3.3*

by obtaining the household survey data available with SERP³² and MEPMA³³. Audit test-checked records of MPDOs relating to the selection of beneficiaries in Tirupati (Rural) and Hukumpet Mandals in Chittoor and Visakhapatnam districts respectively. ***It was noticed that Mandal level Screening-cum-Selection Committees of both the Mandals had not collected the data from SERP/ MEPMA.*** The MPDOs stated that they had selected beneficiaries based on data from White Ration Cards³⁴.

The reply of the MPDOs was not acceptable as the White Ration Card was indicative that a family was Below Poverty Line. It did not indicate the poorest of the poor among families Below Poverty Line. In the absence of list of the poorest of the poor individuals, it was not assured that selection committees had selected the poorest of the poor ST applicants. Further, the Committees had not recorded any reasons for not selecting the beneficiaries, in cases of applications rejected. Non-recording of reasons for rejection of applications indicated that selection of beneficiaries was not transparent. Further, malpractices could not be ruled out.

3.2.4.2 Selection of over aged beneficiaries

Scheme guidelines for the year 2014-15 stipulated that the beneficiaries in the age group of 21-45 years should be selected. For the year 2015-16, the age limit was revised to 18-40 years for self-employment schemes and 18-50 years for land based schemes, viz., agriculture and horticulture. Relaxation of upper age limit by five years was allowed in respect of vulnerable tribal groups.

Audit noticed that during 2014-16, TRICOR had released subsidy of ₹ 76.56 lakh to 122 over aged beneficiaries³⁵. TRICOR replied (May 2017) that the matter would be pursued with the District Offices. In the four test-checked districts, 35 over aged beneficiaries³⁶ were selected during 2014-15 and 2015-16. The DTWOs had not furnished any specific reason for selection of beneficiaries above the prescribed age limit.

Implementation

3.2.4.3 Process delays

In the Annual Action Plans (AAPs) for each year during 2014-17, the TRICOR fixed timelines for selection of beneficiaries, release of subsidy and starting of units. The timelines were meant to ensure that the intended benefits reach the beneficiaries within the current financial year. Audit noticed delays in various stages of process leading to delays in starting of units.

³² Society for Elimination of Rural Poverty

³³ Mission for Elimination of Poverty in Municipal Areas

³⁴ Issued to Below Poverty Line families whose annual income is below ₹ 81,000 in rural areas and ₹1,03,000 in urban areas (2016-17)

³⁵ 2014-15: ₹30.06 lakh (56 beneficiaries) and 2015-16: ₹46.50 lakh (66 beneficiaries)

³⁶ 2014-15: SPS Nellore (3), Visakhapatnam (18); 2015-16: SPS Nellore (1) East Godavari (7), Chittoor (3) and Visakhapatnam (3)

a) Delay in submission of sanctioned list of beneficiaries to TRICOR: After completion of screening and selection process, the details of the selected applicants are registered in the Online Beneficiary Management and Monitoring System (OBMMS). The MPDO/ Municipal Commissioner should send a copy of the list of selected beneficiaries to the POs of ITDAs /DTWOs for obtaining sanction of the District Collector.

In the test-checked districts, Audit noticed delays in submission of list of sanctioned applications by District Officers³⁷ to TRICOR for release of subsidy in the years 2014-16. The delays ranged between one month and 16 months as detailed in **Table-3.8:**

Table-3.8

District	Total no. of applications sanctioned		No. of applications submitted with delay		Delay in submission
	2014-15	2015-16	2014-15	2015-16	
Chittoor	515	747	371	518	1 to 15 months
East Godavari	556	598	236	290	1 to 14 months
SPS Nellore	1569	632	1409	632	1 to 12 months
Visakhapatnam	2628	433	2311	394	1 to 16 months

Source: OBMMS data

The District Officers had not furnished any reasons for delays in submission of sanctioned applications to TRICOR.

b) Delay in release of subsidy: After obtaining the sanction of the District Collector, the District Officers were to submit the list of sanctioned beneficiaries to the TRICOR for release of subsidy. The TRICOR should release the subsidy component of financial assistance to the bankers for crediting the money to non-operative savings bank account of the beneficiary. The banker was to release the loan component to the loan account of the beneficiary and also take up starting³⁸ of the unit.

Every year during 2014-17, TRICOR stipulated schedule of dates for starting of units. However, Audit observed that there were delays in sanction and release of subsidy in all the years, ranging from one to 23 months. Further, Audit observed that the subsidy was released during subsequent financial year in respect of 94 *per cent* of the beneficiaries as detailed in **Table-3.9:**

³⁷ Project Officers of ITDAs and DTWOs

³⁸ establishing the sanctioned unit by utilising the total unit cost (subsidy *plus* loan) for income generation

Table-3.9

Year	No. of beneficiaries applied	No. of beneficiaries selected/sanctioned	No. of beneficiaries sanctioned within the financial year	No. of sanctioned applications received from District Officers during the same year	No. of beneficiaries to whom the subsidy was released during the same year	No. of cases of delayed release of subsidy (Col. 3 minus Col.6) (Percentage)*	Due date for starting the units	Release of last spell of subsidy by TRICOR
1	2	3	4	5	6	7	8	9
2014-15	34654	10386	7483	1382	948	9438 (91)	February 2015	August 2016
2015-16	42466	6737	3906	590	225	6512 (97)	September 2015	August 2017
2016-17	37801	3875 ^	683	Nil	Nil	3875 (100)	March 2017	In Progress
Total	114921	20998	12072	1972	1173	19825 (94)		

Source: OBMMS data

^ as on 12 September 2017 - selection was under progress;

*percentage out of beneficiaries selected/sanctioned (Col.3)

As seen from the above table, during the three-year period TRICOR released subsidy in the same financial year only to 1,173 beneficiaries. TRICOR attributed (June 2017) the delay in release of subsidy to delayed receipt of list of sanctioned beneficiaries from the District Offices.

However, the reply of TRICOR was not convincing as there were delays at TRICOR level also. On submission of list of sanctioned beneficiaries by the District Offices, TRICOR was to release subsidy component to bankers within 15 days for crediting the money to accounts of the beneficiaries. Audit noticed that TRICOR had delayed release of subsidy up to 16 months from receipt of list of sanctioned beneficiaries during 2014-15 and 2015-16.

In the four test-checked districts, the delays ranged from one day to six months in release of subsidy in 5002³⁹ out of 7678 cases during 2014-15 and 2015-16.

3.2.4.4 Sanction of units in deviation from guidelines

In the Implementation guidelines, TRICOR stipulated norms for sanction of units and the unit cost for various types of units under ES Schemes. However, the District Officers sanctioned units in deviation from the guidelines as detailed in **Table-3.10:**

³⁹ 2014-15: Chittoor: 260 cases (2-50 days), East Godavari:298 cases (2-101 days), Visakhapatnam:1440 cases (1-121 days) and SPS Nellore: 1156 cases (1-91 days); 2015-16: Chittoor: 566 cases (1-89 days), East Godavari: 289 cases (2-52 days), SPS Nellore: 632 cases (50-78 days) and Visakhapatnam:361 cases (3-181 days)

Table-3.10

Criteria	Audit observation
In the AAPs, the TRICOR stipulated the unit cost to be adopted for different categories of units to be sanctioned to the beneficiaries.	The District Officers adopted incorrect unit costs in respect of five and 39 units sanctioned in Chittoor ⁴⁰ and SPS Nellore ⁴¹ districts respectively. This had resulted in excess release of subsidy of ₹ 0.78 lakh and ₹5.04 lakh during 2014-15 and 2015-16 respectively. The PO, ITDA, SPS Nellore stated that the unit cost was changed as per the local requirement. The reply of the PO, ITDA was not convincing as the AAP did not have any provision for relaxation of unit cost. Further, the increase in unit cost in some cases would lead to decrease in number of beneficiaries that could be covered within the financial resources available.
Every year during 2014-17, in the AAPs, TRICOR communicated the list of schemes approved by the Government to District Offices for implementation.	The District Offices sanctioned schemes ⁴² that were not included in the AAP to 40 beneficiaries under ISB/SE Sector in SPS Nellore ⁴³ and Chittoor ⁴⁴ districts. Subsidy released in these cases amounted to ₹ 22.17 lakh. The District Officers had not furnished any specific reasons.
As per Implementation guidelines for the years 2014-15 and 2015-16, Aadhaar/UID number of the applicant was to be entered in the OBMMS at the time of applying for the Scheme.	During 2014-16, the District Officers sanctioned ES Schemes and released subsidy to 61 beneficiaries (₹36.50 lakh) in the four test-checked districts without entering the Aadhaar/ UID number. The TRICOR stated (June 2017) that the matter would be pursued with the District Offices.

Release of financial assistance

3.2.4.5 Non-credit of Subsidy by TRICOR

As per AAP guidelines, on selection of beneficiaries, bank branch should give the non-operative SB account number and loan account number in the name of the beneficiary. The POs of ITDAs/ DTWOs should upload the bank account numbers of the selected beneficiaries and IFSC code of respective bank branch in OBMMS for facilitating release of subsidy by TRICOR.

Scrutiny of the Personal Deposit account of the MD, TRICOR revealed that subsidy amount of ₹ 3.33 crore was not credited to the bank accounts of beneficiaries. ***The subsidy amount (to be released to 648 beneficiaries during February 2015 to March 2017) was not credited to their bank accounts due to invalid account numbers.***

⁴⁰ 2014-15: 5 beneficiaries ₹ 78,000 – ISB/SE Sector

⁴¹ 2014-15: 27 beneficiaries ₹ 2,64,000 and 2015-16:12 beneficiaries ₹ 2,40,000 (Animal Husbandry & ISB sectors)

⁴² SPS Nellore district: Cell point, Motor cycle repair shop, Centering unit, Welding unit, Water plant, Electrical shop, etc., Chittoor district: Fruit vending, Tailoring shop, etc.

⁴³ 2014-15: 28 PVTG beneficiaries ₹ 15.21 lakh and 7 ST beneficiaries ₹ 3.66 lakh

⁴⁴ 2015-16: 5 beneficiaries ₹ 3.30 lakh

Further, Audit observed that the TRICOR did not have the details of beneficiaries in respect of whom the subsidy was to be credited. Thus, the District Offices failed to ensure uploading of correct details of the bank account numbers in respect of these 648 beneficiaries. As a result, these beneficiaries were deprived of the financial assistance required for taking up income generating activities although ES Schemes were sanctioned to them.

TRICOR replied (June 2017) that the re-credit of subsidy to these beneficiaries was under examination.

3.2.4.6 Subsidy credited twice to the beneficiaries

The Bank⁴⁵ credited (28 March 2016) an amount of ₹ 1.40 crore⁴⁶ in the non-operative Savings Bank accounts of 216 beneficiaries⁴⁷ in four ITDAs and four DTWOs⁴⁸. Further, the Bank credited equal amounts to the accounts of these beneficiaries' again on 31 March 2016 without any proceedings from TRICOR.

TRICOR replied (June 2017) that ₹ 1.26 crore was recovered and the balance ₹ 0.14 crore⁴⁹ would be recovered from the banks concerned. However, entries in support of the recovery were not available in the cash book of TRICOR. Specific reasons for duplicate credits by banks were not on record.

Starting of units

3.2.4.7 Units not started

As per ES Scheme guidelines, upon credit of subsidy into non-operative SB account of the beneficiary, the bank branch should take up starting of the units along with loan component within a maximum period of 15 days. During scrutiny, the following deficiencies were noticed.

Audit noticed that the banks had not ensured starting (September 2017) of 5,102 (24 per cent) out of 20,998 units sanctioned although subsidy was credited into the bank accounts of the beneficiaries. Audit observed that the banks had not released the loan component of financial assistance to these beneficiaries. As a result, the intended financial assistance had not reached the beneficiaries for taking up the income generating activities. The subsidy amount of ₹ 37.52 crore was lying unutilised (September 2017) in non-operative savings bank accounts of the beneficiaries. Details are given in the **Table-3.11:**

⁴⁵ State Bank of India, Gowliguda Branch, Hyderabad

⁴⁶ Vide proceeding no. TRICOR/B1/673/2015 dated 10 March 2016 & 15 March 2016 (Cheque No. 019995 dated 15 March 2016 from the PD account of TRICOR)

⁴⁷ Beneficiaries sanctioned in the year 2014-15

⁴⁸ **ITDAs:** KR Puram, Paderu, Seethampeta and SPS Nellore; **DTWOs:** Chittoor, Guntur, Krishna and Kurnool

⁴⁹ **ITDAs:** Seethampeta (2 cases): ₹ 1.30 lakh, Paderu (9 cases): ₹ 5.80 lakh and KR Puram (2 cases): ₹ 1.39 lakh; **DTWOs:** Krishna (7 cases): ₹ 4.60 lakh and Kurnool (1 case): ₹ 0.60 lakh

Table-3.11

Year	No of units for which subsidy released by TRICOR	Amount of subsidy released (₹ in crore)	No of units started	Subsidy released for the units started (₹ in crore)	No of units not started (Percentage)	Subsidy lying in beneficiaries accounts (₹ in crore)
2014-15	10386	57.59	9803	54.52	583 (5)	3.07
2015-16	6737	52.40	5943	45.97	794 (12)	6.43
2016-17	3875	29.15	150	1.13	3725 (96)	28.02
Total	20998	139.14	15896	101.62	5102	37.52

Source: Information furnished by TRICOR and OBMMMS data

In the four test-checked districts, the banks had not ensured starting of 2,504 (27 per cent) out of 9,329 units for which TRICOR released subsidy during 2014-17. The subsidy amount of ₹ 19.14 crore released by TRICOR for these beneficiaries was lying in non-operative savings bank accounts (September 2017) of the beneficiaries without utilisation. The reasons for failure of the banks in releasing the loan component and taking up the starting of the units were not on record.

3.2.4.8 Delay in starting of units

In all the districts of the State, Audit noticed that the units sanctioned during 2014-16 were started with a delay up to 29 months. **In the test-checked districts, it was noticed that 6,324⁵⁰ (93 per cent) out of 6,771 units⁵¹ sanctioned during 2014-16 were started with delays up to 27 months.** The delay in starting was one month to six months in 3,161 cases and six months to one year in 1,707 cases. In 618 cases the delay was above one year. The Department had attributed the delays to delay in release of loan component of financial assistance portion by the banks.

3.2.4.9 Targets and achievements

Scrutiny of records of the TRICOR revealed that financial assistance was provided to only 20,998 (65 per cent) out of 32,483 beneficiaries targeted to be covered under NSP during 2014-17. During the period, TRICOR released only ₹ 139.14 crore (67 per cent) against the target of ₹ 206.87 crore as subsidy. **The shortfall in achievement of physical target stood at 31 per cent and 33 per cent during the years 2014-15 and 2015-16 respectively.** In the year 2016-17, subsidy was released to beneficiaries only from the month of May 2017, i.e., after completion of the financial year.

In the four test-checked districts, the shortfall in achievement of physical targets was 25 and 55 per cent in the years 2014-15 and 2015-16 respectively. In respect of financial targets, the shortfall was 17 per cent and 42 per cent in the years 2014-15 and 2015-16 respectively. Details of targets and achievements are given in **Appendix-3.5(A&B).**

⁵⁰ 2014-15: 4,637; 2015-16: 1,687

⁵¹ 2014-15: 4,913; 2015-16: 1,858

TRICOR stated that budget was utilised as per sanction of the District Offices. However, the process delays and delays in release of financial assistance mentioned above explain the non-achievement of targets.

3.2.4.10 Results of survey of sanctioned beneficiaries

Audit conducted a survey of 200 beneficiaries along with Departmental officials in the four test-checked districts with three Mandals⁵² in each district. The survey was intended to verify the starting and sustenance of units sanctioned under the scheme during 2014-15 and 2015-16. The following were observed:

- Banks and Mandal Mahila Samakhyas (MMS⁵³) were not required to demand any deposits from beneficiaries for release of loan. **However, during 2014-16, Banks and MMS collected amount equal to the loan component from the beneficiaries (MMS: 54; Banks: 13) before releasing total unit cost to start the units.**

Audit noticed that 11 units⁵⁴ were started only with subsidy component in 2014-15 due to non-release of the loan component. Further, 40 units were not started as the banks had not released loan component although TRICOR had released subsidy during 2014-16. Thus, the units were either not started or started with less investment than the approved unit cost. As a result, the economic support intended for income generation activities was not extended to the beneficiaries.

- Audit observed that 109 units (out of 160 units) were started in the test-checked districts with a delay ranging from one to 22 months during 2014-15 and 2015-16.
- In SPS Nellore District, the beneficiaries were not available at the given address in 18 cases⁵⁵ (₹ 10.54 lakh) which were stated as started during 2014-16. Further, four units⁵⁶ (₹ 1.62 lakh) started in 2014-15 were closed (as of April 2017).
- In five sheep rearing units started in 2014-15 in Chittoor district, beneficiaries purchased only 12-15 sheep against 21 sheep to be purchased out of the unit cost. Less number of sheep were purchased due to non-release of loan component by MMS, adversely affecting the income to be generated.
- The proposed unit cost under Animal Husbandry sector was inclusive of insurance besides feed cost, medical aid and transport. Insurance was not obtained in respect of 30 units in Chittoor (25 units) and SPS Nellore (5 units) districts during 2014-16.

The District Officers had not furnished any specific reasons for the deviations/deficiencies noticed in survey.

⁵² **Chittoor:** Thottambedu, Tirupati (Rural) and Palamaneru; **East Godavari:** Devipatnam, Kunavaram and Maredumalli; **SPS Nellore:** Nellore (Urban), Nellore(Rural) and Kovvur; and **Visakhapatnam:** G Madugula, Hukumpeta and Dumbriguda

⁵³ MMS is an apex body of Village Organisations (VOs) at the mandal level which plays a supporting role in sustaining of VOs

⁵⁴ Chittoor district: 7 (MMS); SPS Nellore district: 4 (Bank)

⁵⁵ Sheep units (2), buffalos (3), mini rice mill (2), fancy/kirana (7), Petty business (3) and cloth business (1)

⁵⁶ Sheep unit, Kirana shop, Fancy and provision shop, Graded Murrah Buffalos

3.2.5 Economic Support Schemes without Bank Linkage

Based on proposals (August 2014) from TRICOR, National Scheduled Tribes Finance and Development Corporation⁵⁷ (NSTFDC) released (March & April 2016) loan of ₹ 40.04 crore. The assistance was meant for ES Schemes for PVTGs and other Vulnerable Groups inhabiting the remote and interior areas where there was no proper banking network. Of this, TRICOR released (December 2016) an amount of ₹ 10 crore to GCC⁵⁸ Visakhapatnam towards ‘crop loans to tribal farmers’. This release was contrary to the agreement conditions and did not have approval of NSTFDC. Of the remaining amount, the TRICOR released ₹ 4.15 crore (April 2017) to POs, ITDA, Seethampeta and Paderu and DTWO, Prakasam for extending the loans to the beneficiaries. The balance amount of ₹ 25.89 crore was lying idle in the bank account of TRICOR.

Thus, the objective of obtaining loan from NSTFDC was not achieved. Besides, TRICOR had to bear an interest burden of ₹ 39.91 lakh (up to March 2017) on the loan as TRICOR had not extended loans to the beneficiaries.

3.2.6 Energisation Programme

Energisation programme was introduced in the year 2015-16 for energisation of agriculture pump sets⁵⁹. State Government funded the programme under Normal State Plan. Scrutiny revealed the following:

- As per Approved Action Plan 2015-16, 75 beneficiaries (₹ 75 lakh) in East Godavari and 116 beneficiaries (₹ 1.16 crore) in Visakhapatnam districts were planned to be covered under the scheme. However, the POs of ITDA, Rampachodavaram (East Godavari) and Paderu (Visakhapatnam) had not selected any beneficiary during the year 2015-16. The amount (₹ 1.91 crore) was lying idle without utilisation. The PO, ITDA, Rampachodavaram stated (June 2017) that funds were not required as the APSPDCL met the expenditure from its own funds. The PO, ITDA, Paderu did not furnish specific reply.
- The PO, ITDA SPS Nellore, had utilised ₹14.98 lakh⁶⁰ pertaining to ‘energisation of agricultural borewells’ for purposes not covered under the programme⁶¹. The PO, ITDA replied (April 2017) that funds were given as reimbursable advance to the Executive Engineer, Tribal Welfare Department.

It is evident from the above that TRICOR released funds without assessing the requirement of funds which resulted in diversion/ non-utilisation of funds.

⁵⁷ an apex organisation under the Ministry of Tribal Affairs with the sole aim of economic upliftment of the Scheduled Tribes in the country by way of extending concessional financial assistance to the target group under its various schemes

⁵⁸ Girijan Cooperative Corporation Limited

⁵⁹ the pump sets in agricultural fields are provided with electrical service lines to run the motors in borewells

⁶⁰ in Minor Irrigation sector for the year 2015-16

⁶¹ electrification of ST Colonies, arranging of 35 KV transformer to Youth Training Centre and supply of Taiwan sprayers (utilised for spraying of pesticides in agriculture fields) to farmers

3.2.7 Issues relating to OBMMS package

The OBMMS package was designed and developed by Centre for Good Governance (CGG) during 2014-15. The objective of the OBMMS was to improve the planning, monitoring and service delivery in the implementation of ES Schemes. Further, the package was to facilitate the transparency and accountability, avoid duplication and curtail the delays in the implementation of the schemes. On an analysis of the OBMMS data pertaining to 2014-15 and 2015-16, Audit noticed that there were system control lapses in the package. The package accepted the applications without ensuring the eligibility norms stipulated in the Implementation guidelines of respective years as indicated below:

- Beneficiary applications were accepted without Aadhaar Number.
- Accepted the application though the age of the beneficiary was above the stipulated age limit.
- Separate column for identification of other vulnerable groups was not available for release of higher subsidy and age relaxation.

Further, as per guidelines for implementation, ES Schemes should not be sanctioned to beneficiaries without registering in the OBMMS. However, OBMMS did not provide for registration of beneficiaries sanctioned under 'SCA to TSP' (bank linked schemes), non-bank linked schemes and 'Energisation Programme'. As a result, the monitoring for timely implementation of these schemes was not brought under OBMMS.

The deficiencies indicated that sufficient controls did not exist in the OBMMS package to ensure fulfillment of eligibility criteria stipulated in implementation guidelines. The deficiencies need to be rectified immediately to avoid the above risks. TRICOR replied that the issue would be pursued with CGG for rectification and to upgrade the OBMMS.

3.2.8 Conclusion

There were delays in processing of applications leading to delay in starting of units. Subsidy amount was lying in personal deposit account due to entry of invalid bank account numbers. Non-release/ delayed release of loans to the beneficiaries resulted in non-starting of the units. As a result, it was not assured that the intention of the ES Schemes to ensure economic empowerment of STs through sustainable livelihood was achieved.

The matter was reported to Government in September 2017; reply was awaited (December 2017).

Home Department (State Disaster Response and Fire Services)

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

3.3.1 Introduction

The ‘State Disaster Response and Fire Services Department’ (Department) has been identified as a multi hazard first responder. The Department was also entrusted with the task of safeguarding life and property during fire, floods, cyclones, earthquakes, etc. Standing Fire Advisory Council⁶² (SFAC) advises the State Government on various issues relating to fire services including administration, legislation, training and equipment.

Performance Audit of functioning of the Department covering the period 2007-12 featured in the Report of the Comptroller and Auditor General (CAG) of India for the year ended March 2012. In the Performance Report, CAG had issued five recommendations to the Government. The recommendations were made to ensure that the deficiencies and irregularities flagged in the Report are addressed. The recommendations were also made to ensure necessary corrective action is taken by the Government so that the lapses/ shortcomings do not recur. Government accepted (November 2012) all the five recommendations and assured that appropriate corrective action would be initiated for strengthening the system.

3.3.2 Audit objective, scope and methodology

CAG decided to carry out a follow-up audit of the Performance Audit of “Functioning of State Disaster Response and Fire Services Department”. The objective of follow-up Audit was to see whether the Government had addressed the concerns raised and remedied the underlying conditions highlighted in the Audit Report. Further, it was taken up also to see whether the Government had implemented the accepted recommendations during the period 2014-17.

Audit methodology involved issue of specific structured questionnaire and also scrutiny⁶³ of records of Secretariat in Home Department and Director General of Fire Services (DGFS). Audit verified the records at District Fire Officers (DFO) in four sampled districts (Chittoor, Krishna, Visakhapatnam and YSR). Audit also covered all the 59⁶⁴ fire stations in the four sampled districts for eliciting responses with regard to the action taken by the Government to implement the recommendations. Audit also conducted joint physical verification of Hospitals (3), Educational Institutions (2), Function Halls (2) and Theatres (2) along with departmental officials.

⁶² an apex body at National level under the Union Ministry of Home Affairs

⁶³ during May-July 2017

⁶⁴ Chittoor (15); Krishna (21); Visakhapatnam (11) and YSR (12)

Audit findings

3.3.3 Implementation of audit recommendations

The status of implementation of five audit recommendations accepted by the Government has been arranged in three categories.

A) Insignificant or No progress

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<i>Annual Plans of Government did not include plans/priorities relating to the Department. There were no Perspective Plans to fulfill the infrastructural and other institutional requirements in the Department. There were no annual action plans in any of the four sampled districts indicating the local level requirements and proposed mode of achieving them. (Paragraph 2.3.1)</i>	<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>	The Department had not prepared any long term perspective plan. During 2014-17, Annual Action Plans, duly prioritising the local requirements to ensure that envisaged services are delivered to public, were not prepared in any of the four sampled districts.	The DGFS stated (June 2017) that there were no Annual Action Plans after bifurcation ⁶⁵ of the State and no perspective plans were available.	In the absence of Perspective Plan / Annual Action Plan, priorities could not be identified and no specific measures were undertaken in a planned manner to achieve the objectives of the Department.
<i>Department did not have any comprehensive database containing the details relating to area-wise distribution of population, service area villages ⁶⁶ and houses with category of premises (like hazardous/non-hazardous), fire stations and their</i>	<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>	Comprehensive data was not maintained at DGFS at State level or at DFO level in sampled districts. It was noticed that the database contained only the data of hazardous premises ⁶⁷ with their addresses,	DGFS stated (June 2017) that the database with the details of hazardous premises identified, mapping of fire stations and availability of water sources	The comprehensive database, with all details mentioned in column (1) enables the Department to reach the fire site or incidence of disaster within the shortest time and attend rescue operations. The comprehensive database had not been maintained in

⁶⁵ 2 June 2014

⁶⁶ villages covered under jurisdiction of a particular Fire Station

⁶⁷ The areas which are more prone to produce an explosion or fire owing to usage of flammable liquids, gases or vapours in any establishment / factory

<p><i>location, geographical mapping of distances between places, short/traffic free routes, etc. within the jurisdiction of a fire station along with the water sources in the vicinity.</i></p> <p>(Paragraph 2.3.2)</p>		<p>type of occupancy, mapping of fire stations and availability of water source.</p>	<p>was maintained.</p>	<p>any of the sampled districts. This would have adverse impact on efficiency of the Department.</p>
<p><i>The State Government constituted (May 2008) a Sub-Committee headed by the Home Minister, for restructuring the Department. The Government had not implemented any of the recommendations of the Sub-Committee except re-naming of the Department.</i></p> <p>(Paragraph 2.3.3)</p>		<p>Audit observed that the recommendations⁶⁸ of the sub-committee had not been implemented by the Government.</p>	<p>DGFS replied (June 2017) that the recommendations were not implemented due to paucity of funds, manpower and equipment.</p>	<p>At the time of Performance Audit, the DGFS attributed (November 2012) the inaction in implementation of the recommendations of Sub-Committee to non-allocation of funds by the Government. The reply (June 2017) of the DGFS indicated that poor allocation of funds to the Department persists even after passage of eight years of acceptance (July 2009) of the Sub-Committee recommendations by Government, hampering the strengthening of the Department.</p> <p><i>Thus, the recommendation was not implemented.</i></p>

⁶⁸ establishing of new fire stations in the Assembly constituencies where not a single fire station exists; formation of search and rescue teams at district level; allocation of 20 per cent of the Calamity Relief Fund for procurement of specialised equipment etc.

<p>The budget allocations by the Government constituted only 34 to 50 per cent of the requirement sought by the Department in all the years during 2007-12. Due to non-release of the budgeted funds in full, the Department could not go ahead with construction of permanent buildings for the existing fire stations, purchase of fire tenders, provision for water source and setting up new fire stations.</p> <p>(Paragraph 2.4)</p>	<p><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 firefighting services</i></p>	<p>During the three years from 2014-15 to 2016-17, Government allocated ₹475.36 crore (39 per cent) against ₹1210.17 crore proposed by the Department. The Department utilised ₹442.98 crore during the period.</p>	<p>DGFS stated (June 2017) that though the proposals were submitted every year, Government had not sanctioned the budget as per requirement.</p>	<p>Due to non-release of budget as per requirement, the establishment of fire stations, construction of permanent buildings, firefighting and other equipment was not adequate as discussed in the subsequent paragraphs.</p>
<p>Government released less than one per cent (₹1.83 crore) from Calamity Relief Fund (CRF) instead of 10 per cent (₹213.90 crore) as permitted (2006) by GoI for procurement of modern equipment for Search and Rescue operations including Communication equipment.</p> <p>(Paragraph 2.4.1)</p>	<p><i>and equip the Department with modern gadgets required for effective firefighting services</i></p>	<p>During 2014-17, the fund releases had further deteriorated. Government had not released any funds from CRF during this period.</p>	<p>DGFS stated (June 2017) that though it was requested to release funds from CRF, there was no response from Government.</p>	<p>Due to non-release of funds from CRF, the process of modernisation could not be taken up. The proposal to set up Search and Rescue teams at Vijayawada, Visakhapatnam and Tirupati had not materialised even after lapse of more than a decade from the date of proposal.</p>

<p><i>Although AP Fire Service Act and the Rules came into force in 2001 and 2006 respectively, Government did not issue orders for collection of fire tax by the local bodies. As a consequence, Government lost possible revenue amounting to ₹49.11 crore being fire tax during the period April 2007 to March 2012.</i></p> <p>(Paragraph 2.4.2)</p>		<p>No Fire Tax was collected during the period 2014-17. Due to this, Government had foregone possible revenue of ₹ 24.33 crore during the period 2014-17.</p>	<p>DGFS stated (June 2017) that Government had not issued orders for collection of fire tax so far.</p>	<p>Government had not issued orders for collection of fire tax in pursuance of Rules made by it. As a result, the activities of improvement of fire and emergency services could not be taken up.</p> <p>Thus, the recommendation was not implemented.</p>
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B) Partial implementation

Gist of observations made in earlier Audit Report	Recommendation made	Findings in follow-up audit and current status	Replies/ comments of Department	Audit comments
<p><i>DFOs did not identify all the hazardous premises through any survey or in coordination with other Departments to verify the premises and issue licenses. DGFS stated (November 2012) that instructions were issued to the concerned DFOs to identify hazardous buildings in the districts in coordination with other Departments.</i></p> <p>(Paragraph 2.5.2.2)</p>	<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</i></p>	<p>It was noticed that the survey to identify hazardous premises, in co-ordination with other Departments, had been conducted only in two (Krishna and Visakhapatnam) out of the four sampled districts.</p>	<p>DGFS stated (September 2017) that although they had not conducted any survey in co-ordination with other Departments, 26436 hazardous premises had been identified in the State.</p>	<p>The data of the fire hazardous premises were identified when the entrepreneurs approach the Department for permissions/ NOCs, and the details were maintained. As the Department did not conduct any survey, there is risk of hazardous premises existing without requisite permissions/ NOCs.</p>
<p><i>Department did not maintain Watch registers relating to No Objection</i></p>	<p><i>should be carried out at prescribed</i></p>	<p>Audit noticed that Department had not maintained the watch registers</p>	<p>The DGFS stated (May 2017) that watch registers for BGs, NOCs</p>	<p>Due to non-maintenance of the watch registers, the Department failed</p>

<p>Certificate (NOC) issued, renewal, Bank Guarantee (BG) and Demand, Collection and Balance (DCB) in respect of high-rise buildings⁶⁹ to ensure fire safety installations and fire protection measures⁷⁰.</p> <p>During the period 2007-12, 14 BGs (worth ₹4.28 crore) were time barred. Though occupancy certificates were yet to be issued to these buildings, BGs were not revalidated as of June 2012.</p> <p>Though DFO, Visakhapatnam reported that 125 Multi Storied Buildings (MSBs) had not followed fire safety measures as required under National Building Code (NBC) and had not obtained NOCs, DGFS did not take any action on the report.</p> <p>Further, an amount of ₹44.58 lakh towards Fire Precaution Fee was also not collected. (Paragraph 2.5.2.2)</p>	<p><i>intervals and prompt action should be taken to address the deviations and violations.</i></p>	<p>relating to NOCs issued, their renewal, BGs, DCB</p> <p>It was further noticed that BGs (₹ 1.27 crore) obtained in respect of 35 MSBs during the period from November 2008 to June 2017 had become time barred. In respect of all these MSBs it was noticed that provisional NOCs were issued but final NOCs for occupancy of the buildings were not issued indicating the possibility of these MSBs not rectifying the defects pointed out by the Department. Thus, there is risk of the MSBs getting occupied without compliance to the fire safety norms. Further, Fire Precaution fee was collected in the sampled districts only in respect of MSBs who applied for NOCs from the Department during 2014-17.</p>	<p>and DCB Register would be maintained.</p> <p>Further, in respect of Fire Precaution fee, DGFS stated that Commissioner of Greater Visakhapatnam Municipal Corporation was addressed to collect the fire Precaution fee.</p>	<p>in ensuring that all the MSBs for which provisional NOCs were issued had actually rectified the defects and were fit for occupancy. As there is risk of these MSBs getting occupied with provisional NOC, the residents of these MSBs are also at risk. Meanwhile, the BGs also had become time barred leaving no scope for enforcing fire safety norms.</p>
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⁶⁹ buildings with 15 meters and above for commercial purpose and 18 meters and above for residential purpose in height are treated as high-rise buildings

⁷⁰ provision for movement of Fire tender at least on three sides of the building, water storage tank, firefighting systems, smoke management and ventilators, trained security staff, openable windows, public address system etc.

<p><i>As per recommendations of High Power Committee, Government created (February 2009) fire prevention wings in five Municipal Corporations⁷¹ (MCs) to scrutinise the plans of all non-high rise buildings and issue NOCs. No action was however, taken to create fire prevention wings in respect of other MCs. (Paragraph 2.5.2.2)</i></p>		<p>No action was taken for creation of Fire Prevention Wings in the State during 2012-17.</p>	<p>DGFS stated (June 2017) that a proposal submitted (September 2012) for creation of Fire Prevention Wings in other nine Municipal Corporations⁷² was pending with Government.</p>	<p>Due to non-creation of Fire Prevention Wings in other Municipal Corporations, the recommendation (December 2006) of High Power Committee to scrutinise the plans of all non-high rise buildings and issue of NOCs could not be materialised even after lapse of more than a decade from the date of issue of recommendations.</p>
<p><i>Inspections conducted by DFOs in sampled districts revealed that 93 to 100 per cent of hospitals, 59 to 100 per cent of theatres, 52 to 100 per cent of educational institutions and almost 100 per cent of hotels, petrol bunk, gas godowns, factories and function halls had violated specific fire safety norms and did not take any fire precautionary measures. However, DFOs had not taken any penal measures against the management of the above institutions. (Paragraph 2.5.2.2)</i></p>		<p>It was noticed that the DFOs inspected 1593 out of 26436 hazardous premises during 2014-17. Department issued notices against managements of 853 institutions for violations of fire safety norms.</p>	<p>The DGFS stated (June 2017) that the cases of violations of fire safety norms were viewed seriously. Notices were issued to managements of 853 institutions for violations of fire safety norms as per APFS Act.</p>	<p>Fire preventive inspections had been conducted and notices were issued in cases of violations. However, during 2014-17, the DFOs had inspected only 1593 (six per cent) hazardous units out of 26436 identified.</p>

⁷¹ Hyderabad, Visakhapatnam, Vijayawada, Tirupati and Warangal

⁷² Anantapuramu, Eluru, Guntur, Kadapa, Kakinada, Kurnool, Rajamahendravaram, Nellore and Ongole

<p>Joint physical verification of Hospitals⁷³, Educational Institutions⁷⁴, Function halls⁷⁵ and Theatres⁷⁶ in sampled districts revealed that there were no adequate fire safety measures⁷⁷ in the institutions. (Paragraph 2.5.2.2)</p>		<p>Fire safety deficiencies pointed out in earlier audit were adequately addressed in the hospitals visited. However, fire safety deficiencies still persist in all the educational institutions, function halls and theatres visited.</p>	<p>The DGFS stated (June 2017) that after bifurcation of the State, NOCs had not been given to the institutions which had not followed the fire safety norms.</p>	<p>Though there was minimal improvement in ensuring fire safety measures in some institutions, there was no stringent action to ensure provision of fire and life safety measures. Continued existence of deficiencies in fire and life safety norms in various premises further strengthens the audit contention on non-conduct of survey and non-maintenance of database of hazardous premises. Thus, the recommendation was only partially implemented.</p>
<p>Standing Fire Advisory Council (SFAC) recommended a scale of one fire station for 10 sq km / 50 sq km radius for towns and rural/open areas. However, Audit scrutiny revealed that</p>	<p>Recommendations/ norms of SFAC should be complied with scrupulously with regard to setting up</p>	<p>Only four new fire stations were established on temporary basis during 2014-17, besides dedicated fire stations in premises of two Agriculture Market Committees (Adoni</p>	<p>The DGFS stated (June 2017) that proposals were sent (September 2014 - January 2017) to Government for opening of new fire stations.</p>	<p>Department had not adequately complied with the recommendations of SFAC with regard to setting up of fire stations. Department had established dedicated fire</p>

⁷³ Elite Hospital and Ravi Neuro Hospital (Tirupati) in Chittoor district and Nagarjuna Hospital (Vijayawada) in Krishna district

⁷⁴ Annamacharya Institute of Technology & Sciences, Rajampet (YSR district) and Chaitanya Bharathi Institute of Technology, Proddatur (YSR district)

⁷⁵ Chittoor (3); Krishna (1) and YSR (2) districts

⁷⁶ Chittoor (9) and YSR (2)

⁷⁷ fire safety norms prescribed by Standing Fire Advisory Council at National level, Fire safety measures stipulated in Multi Storied Buildings Regulations, 1981, AP Fire Service Act 1999 and AP Fire and Emergency Operations and Levy of Fee Rules, 2006

<p><i>no new fire stations had come up during the period 2007-12 and shortfall of fire stations against SFAC norms stood at 95 per cent. The proposal to establish dedicated fire stations in marketing yards with Agricultural Marketing Committee (AMC) funds was not materialised even though funds were available.</i></p> <p>(Paragraph 2.5.1.1)</p>	<p><i>of fire stations, response time, infrastructure, equipment etc.,</i></p>	<p>and Guntur). Audit assessed the requirement of 3534 fire stations in the State as per SFAC norms. However, 177 (including the above four) fire stations existed in the State.</p>		<p>stations in two out of three AMCs in the State. Establishment of dedicated fire stations at AMCs was a positive development.</p>
<p><i>The existing fire stations lacked infrastructure facilities as per SFAC norms as detailed below.</i></p> <p>Land, Buildings and Water source</p> <p><i>In the sampled districts, 92 per cent of the fire station buildings did not have prescribed⁷⁸ land; 88 per cent of the fire stations were functioning without own buildings; and 20 per cent of fire stations were in dilapidated buildings. The shortage of availability of water source to fire stations within their premises was 89 per cent.</i></p> <p>(Paragraph 2.5.1.2)</p>		<p>There was no further improvement in providing infrastructural facilities like land, buildings, water source. However, permanent building had been provided to fire station at Nagari, Chittoor district.</p>	<p>DGFS attributed (June 2017) the failure to shortage of funds.</p>	<p>Department had not complied with the SFAC norms with regard to provision of land, buildings and water source which may cripple the Department in its activities of firefighting and rescue operations.</p>

⁷⁸ two acres of land for each fire station

<p>Equipment Fire tenders and first aid kits <i>The shortage of fire tenders and rescue vans was 85 and 90 per cent respectively in sampled districts as against the SFAC norms⁷⁹. In respect of sampled districts, fire tenders were not provided to four fire stations ⁸⁰ during 2007-12. Fire tenders were not provided with first aid kits in any of the fire stations in the sampled districts.</i> (Paragraph 2.5.1.2)</p>		<p>The Department had not addressed the shortage in respect of fire tenders, rescue vans and first aid kits. In sampled districts, there were only 80 fire tenders against 318 required as per SFAC norms. Thus, shortage of fire tenders was 75 per cent.</p>	<p>The DGFS stated (June 2017) that the Department had not addressed the shortfall in fire tenders, rescue vans and first aid kits due to lack of funds.</p>	<p>Department had not complied with SFAC norms in respect of providing fire tenders, rescue vans and first aid kits which would have adverse impact on firefighting services and rescue operations.</p>
<p>Staff quarters, Rest rooms and toilets <i>Staff quarters in the fire stations were not provided in the sampled districts as per SFAC norms. Further, 25 per cent fire stations had no rest rooms and toilets.</i> (Paragraph 2.5.1.2)</p>		<p>There was no development in providing staff quarters, rest rooms and toilets during 2014-17. In the sampled districts, staff quarters were not provided in any fire station as of now. Further, 19 and 17 per cent of fire stations have no toilet and rest room facility respectively.</p>	<p>DGFS attributed (June 2017) non-provision of Staff quarters, rest rooms and toilets to non-sanction of sufficient funds by Government. Government stated (January 2018) that rest rooms and toilets would be constructed.</p>	<p>Department had not complied with SFAC norms in respect of providing staff quarters within the premises of fire station. Thereby the presence of fire personnel at all times within the premises of the fire station could not be ensured.</p>
<p>Communication system <i>Global Positioning System (GPS) to</i></p>		<p>GPS to identify the exact location of fire premises was not available in the</p>	<p>DGFS replied (June 2017) that GPS is not available in this</p>	<p>Non-usage of advanced Communication systems had</p>

⁷⁹ one fire tender for every 50,000 of population and one rescue van for three lakh population

⁸⁰ Ajithsing nagar in Vijayawada, Kanchikacharla (Krishna district), Mulakalacheruvu (Chittoor district) and Visakhapatnam

<p><i>identify the exact location of fire premises, was not available with the Department to reach the fire accident site within the shortest possible time⁸¹. Very High Frequency (VHF) sets, though procured in 2009, were not put to use in any of the sampled fire stations except in Vijayawada city due to non-receipt of licences.</i></p> <p>(Paragraph 2.5.1.2)</p>	<p>Department except the CRDA⁸² area in Vijayawada (Krishna district). Similarly, VHF sets were not put to use in sampled districts except Vijayawada city due to lack of repeaters and radio air frequency.</p>	<p>Department. However, DFO, Krishna district stated (September 2017) that GPS system was provided to all the vehicles in CRDA area in the district; however, the GPS was not working as of September 2017. In respect of VHF sets, DGFS stated that they were being used in all the fire stations. However, in the sampled districts, Audit noticed that the VHF sets were not put to use. The DFO, Krishna district stated (September 2017) that communication system was not being used due to lack of towers and frequency issues.</p>	<p>adverse effect on the efficiency of the Department to reach the fire accident site within the shortest possible time.</p>
<p><i>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. In sampled districts, the response time in respect of major and serious fire incidents⁸³ in the urban areas ranged</i></p>	<p>Audit noticed that the response time was taken as two minutes per kilometer uniformly without considering the actual time taken in each case. In the four sampled districts, the response time in urban areas ranged</p>	<p>DGFS attributed (June 2017) the high response time to (i) increase in workload of the Department (ii) attending to standby duties during VVIP visits, fairs, exhibitions and (iii) inadequacy of</p>	<p>Government stated (January 2018) that the procedure prescribed in the AP Fire Services manual was followed for attending to fire. However, the norms of SFAC were not complied with by the Department with</p>

⁸¹ within five minutes in urban and 20 minutes in rural areas as per SFAC norms

⁸² Capital Region Development Authority of AP

⁸³ Serious fire accidents: property loss of ₹ 10 lakh to ₹ 25 lakh (or) human loss irrespective of property loss; Major fire accidents: property loss of ₹ 25 lakh and above

<p><i>from 6 to 70 minutes in 296 out of 362 test-checked cases. In rural areas, the response time ranged from 28 to 152 minutes in 355 out of 492 cases.</i> (Paragraph 2.5.2.1)</p>		<p>from 6 to 70 minutes in 9 out of 10 cases test-checked. In rural areas, it ranged from 21 to 91 minutes in 4 out of 10 test-checked cases.</p>	<p>fire stations.</p>	<p>regard to response time. Thus, the recommendation was only partially implemented.</p>
<p><i>The vacancies in the Department ranging from 5 per cent (Leading Fireman) to about 20 per cent (Fireman) affected its operational efficiency adversely. Firefighting operations were carried out without the full complement of staff in 207 out of 293 major / serious fire accident cases verified in test-checked districts. No action plan for imparting training to the in-service personnel and direct recruit trainees was prepared by the Department. None of the 811 Home Guards drawn from Home Department and deputed in the vacant post of Firemen and Driver operators was trained in firefighting at State Training School.</i> (Paragraphs 2.6.1; 2.6.2; 2.6.3.1; 2.6.3.2)</p>	<p><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></p>	<p>Vacancies in all the key posts still continued and none of staff had been trained during 2014-17 as there was no State Training School established in Andhra Pradesh after bifurcation. The shortage of Riding strength⁸⁴ was 26 per cent at State level. It ranged from 08 to 35 per cent in test-checked districts.</p>	<p>Department promised action to fill the vacancies. DGFS further replied (June 2017) that there was no State Training School in the State after bifurcation. Hence, no action plan for imparting training was prepared during 2014-17.</p>	<p>Due to shortfall in key posts such as Fireman and Driver operator, firefighting operations had to be carried out without full strength which adversely impacted firefighting efficiency of the Department. Thus, the recommendation was only partially implemented.</p>

⁸⁴ The firefighting staff to accompany a fire tender consists of one Station Fire Officer, one Leading Fireman, one Driver Operator and three Firemen

C) Full implementation

As of July 2017, none of the five recommendations made by CAG had been implemented fully by the Government.

3.3.4 Conclusion

Of the five recommendations, Government had implemented three recommendations partially. There was no progress in implementation of the remaining two recommendations as of July 2017. Government had not initiated appropriate measures for strengthening and modernisation of Department through provision of adequate fire stations, modern equipment, manpower and budgetary support in pursuance of recommendations/ norms of Sub-committee and Standing Fire Advisory Council (SFAC). Thus, a great deal was needed to be carried out by the Government especially in the area of budgetary support/ allocation of funds from Calamity Relief Fund.

Higher Education (Technical Education) Department (Jawaharlal Nehru Technological University (JNTU), Anantapur)

3.4 Excess payment

Contrary to agreement conditions, JNTU, Anantapur allowed extra lead to the contractor on conveyance of materials procured during execution of work. An excess payment of ₹3.94 crore was made to the contractor in construction of University College of Engineering at Kalikiri (Chittoor district).

Government accorded (January 2013) Administrative sanction for ₹ 198.67 crore for establishing University College of Engineering at Kalikiri as a constituent college of Jawaharlal Nehru Technological University, Anantapur (JNTU-A) in Chittoor District. The Administrative sanction was revised to ₹ 359.67 crore⁸⁵ in July 2013 due to increase in proposed built up area and other infrastructural facilities to be created. The JNTU-A entered into an MoU⁸⁶ with Jawaharlal Nehru Architecture and Fine Arts University, Hyderabad (JNA&FAU) for execution of the work.

Government formed (December 2013) a Nodal Committee⁸⁷ to supervise and monitor the work. The Registrar, JNA&FAU awarded (February 2014-July 2016) the work to a contractor for ₹ 399.76 crore at a tender premium of 4.95 *per cent* over estimated contract value of ₹ 380.91 crore⁸⁸ as a Lump sum contract⁸⁹. JNTU-A deposited an

⁸⁵ Infrastructure Development: ₹295.00 crore, Furniture: ₹7.42 crore, Lab equipment: ₹23.25 crore, Library books & journals: ₹1.00 crore, Hostel furniture: ₹3.85 crore, Vehicles: ₹0.43 crore, Construction of Pylon and Gate: ₹0.58 crore and Salaries of teaching & non-teaching staff for four years: ₹28.14 crore

⁸⁶ Memorandum of Understanding

⁸⁷ Vice-Chancellors or their representatives of JNTU-A and JNA&FAU, Registrars of JNTU-A and JNA&FAU and one representative each from Roads & Buildings and Finance Departments

⁸⁸ ₹199.44 crore, ₹143.91 crore and ₹37.56 crore

⁸⁹ A lump sum contract where the contractor agrees to execute the work with all its contingencies in accordance with the drawings and specifications for a fixed sum

amount of ₹ 403.97 crore⁹⁰ with JNA&FAU for execution of the work. As of November 2016, the work was in progress and the contractor was paid ₹ 287.39 crore.

Clause 12.2 of Notice inviting tenders forming part of the agreement stipulated that the tenderer should workout his own rates keeping in view the work, site conditions and quote his overall tender percentage with which he intends to execute the work. Clause 10.1 of General conditions of contract and clause 9 of preamble to Bill of Quantities of agreement also stipulated that the contractor should inspect the site and also proposed quarries of his choice for materials and source of water before quoting his percentage including quarrying, conveyance and all other charges. Further, the contractor certified in the tender documents that he had inspected the site of the work before quoting his percentage excess on estimated contract value and satisfied about the quality, availability and transport facilities for stones, sand and other materials.

Audit scrutinised (December 2016-February 2017) the records of the JNA&FAU relating to the work. Audit observed that the JNA&FAU allowed extra lead on conveyance of the materials procured by the contractor *viz.*, bricks, sand, water, metal for execution of work. This was contrary to the agreement conditions and resulted in excess payment to the contractor as detailed in **Table-3.12:**

Table-3.12

(₹ in crore)

Item of work (material used)	Amount to be paid as per agreement	Amount actually paid	Excess payment (Col 3- Col 2)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Panel walls/ partition walls (Bricks and water)	5.42	6.77	1.35
Plastering work (Sand)	0.12	1.51	1.39
Design Mix Concrete (Metal and water)	34.90	35.77	0.87
Excavation of earth (Carting and re-carting)	0.57	0.90	0.33
Total	41.01	44.95	3.94

Government accepted (November 2017) that the tenderer should work out his own rates keeping in view the work. Government also accepted that it was the responsibility of contractor to quote his percentage including quarrying, conveyance. However, Government stated that the agreement did not prohibit additional payments for conveyance of material where there was a change in the source of the material.

Further, Government stated that there was a cap of five *per cent* over and above the estimate value for submission of tenders. Hence, the contractor was bound to quote his rate keeping in view the limit of five *per cent*. At the time of execution, change in quarries might be unavoidable due to numerous changes which occur in identified quarries/ time gap in execution. Government sought to justify the excess payment

⁹⁰ 2014-15: ₹ 129.47 crore, 2015-16: ₹ 165.00 crore and 2016-17: ₹ 109.50 crore

stating that the material was not procured from the identified locations for reasons beyond the control of the contractor.

The tender, after acceptance becomes a legally enforceable contract and the rates quoted by the contractor in the tender hold good irrespective of the source of materials. The ceiling of five *per cent* over and above the estimates for tendering was applicable to all the bidders. As per tender conditions all the prospective bidders were required to verify the source of materials and satisfy themselves about availability, sufficiency and suitability before bidding for the work. As such any payment towards additional lead after conclusion of agreement was not admissible as it tantamount to vitiation of tender conditions and unfair to other bidders. Accordingly, the contention of the Government was not convincing and the explanation for allowance of extra lead was not justified.

Thus, the allowance of extra lead on conveyance of material procured by the contractor was contrary to the tender/ agreement conditions which resulted in excess payment of ₹ 3.94 crore.

Higher Education (Technical Education) Department

3.5 Construction of Women's hostel buildings in Polytechnics

Injudicious selection of Government Polytechnics for construction of buildings for women's hostels without need analysis resulted in idle infrastructure and wastage of resources. The expenditure of ₹ 5.65 crore incurred on eight hostel buildings remained unfruitful. Another two buildings constructed at a cost of ₹ 1.78 crore were being used for other purposes defeating the objective of the scheme.

Article 3 of AP Financial Code (Vol-I) stipulates that every Government servant is expected to exercise the same diligence and care in respect of all expenditure from public moneys under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Government of India (GoI) introduced (May 2008) a scheme 'Construction of Women's Hostels in Government polytechnics'⁹¹. This was intended to enhance women enrollment in Polytechnic education. The scheme envisaged providing a one time financial assistance subject to a maximum of ₹ one crore per polytechnic to provide 50 bedded hostels. The funds were to be released in a phased manner based on the progress of construction. During the period from 2009-10 to 2014-15 GoI released ₹ 22.70 crore for construction of hostel buildings in 27 Government Polytechnics (GPs) in the State.

Audit scrutinised (February/April 2017) records of two GPs⁹² and obtained (March 2017) information from eight other GPs about the status of constructions. Audit observed that hostel buildings constructed in five GPs at a cost of ₹ 4.62 crore remained unoccupied as of May 2017. The hostel buildings in two other GPs constructed at a cost of ₹ 1.78 crore were being used for purposes not related to the intention of the scheme. Details are given in **Table-3.13**:

⁹¹ a component of 'Sub-Mission of Polytechnics Development' under 'Skill Development Mission' of GoI

⁹² MBTS Government Polytechnic, Guntur and Government Polytechnic for Women, Nellore

Table-3.13

Name of the GP	Date of completion of construction	Expenditure (₹ in crore)	Reasons for the building remaining vacant
Hostel buildings unoccupied			
Sri Venkateswara GP, Tirupati, Chittoor district	May 2013	0.90	The hostel building was completed in May 2013. Construction of compound wall was not envisaged in the original work plan. Later, compound wall was constructed in April 2017. The building had not been occupied on the grounds of security of women boarders.
GP, Hindupur, Anantapuramu district	September 2013	1.00	One hostel building consisting of sixty rooms in three floors already existed in the GP, Hindupur. It was more than sufficient for accommodating the boarders. The Principal intimated (April 2011) the Commissioner of Technical Education (CTE) that there was no need for construction of a new hostel building in the GP. However, Government went ahead with construction.
GP, Nellore, SPS Nellore district	January 2014	0.86	The hostel building was completed in January 2014. Construction of compound wall was not envisaged in the original work plan and the same was not constructed so far (May 2017). The building had not been occupied on the grounds of security of women boarders.
MBTS GP, Guntur, Guntur district	January 2015	0.96	The hostel building was completed in January 2015. Construction of compound wall was not envisaged in the original work plan and the same was not constructed so far (May 2017). The building had not been occupied on the grounds of security of women boarders.
GP, Proddatur, YSR district	December 2015	0.90	There were no sufficient students to start the hostel. Further, most of the students were from the areas in and around Proddatur town. As such, they were not willing to join the hostel.

Hostel buildings used for other purposes			
GP for Minorities, B.Thandrapadu, Kurnool district	September 2013	0.88	There were only three women students studying in the polytechnic who were not willing to join the hostel. The building was being used as 'administrative office and staff rooms' of the polytechnic.
GP for Minorities, Guntur, Guntur district	July 2014	0.90	Government had allotted 6.6 acres of land to the polytechnic for construction of permanent buildings for academic, administrative and hostel purposes. The land was situated in an isolated area at a distance of 10 km from the existing polytechnic. The Department had constructed hostel building in the allotted land. However, academic and administrative buildings were not constructed. The number of women students was as less as 10-14 during the period 2014-17. The students had not shown willingness to join the hostel, being day scholars from areas in and around Guntur city. The building was leased out (December 2015) to the police Department for running 'District Training College'.

Further, the construction of hostel buildings at three GPs was stopped midway after incurring an expenditure of ₹ 1.03 crore due to non-release of funds as detailed below:

- Construction of hostel building at GP, Vijayawada was stopped (April 2014) midway after incurring an expenditure of ₹ 82.18 lakh for want of funds to a tune of ₹ 31 lakh. The building remained incomplete as of May 2017 leaving the expenditure ₹ 82.18 lakh unfruitful for over three years.
- Construction of hostel building at GP, Narsipatnam (Visakhapatnam district) was scheduled to be completed by September 2014. However, it was not completed even after lapse of more than two years. Out of ₹ 93.40 lakh⁹³ sanctioned in two phases, ₹ 8.81 lakh was only utilised so far (May 2017) and the remaining funds lapsed. The building was not completed.
- An amount of ₹ 50 lakh was released (February 2013) for construction of hostel building at Andhra GP, Kakinada (East Godavari district). The work was executed up to basement level and there was no further progress. Government had not specified any reasons for not completing the building. The expenditure of ₹ 11.51 lakh incurred on it remained unfruitful.

Audit enquired from the Commissioner of Technical Education (CTE) for the details of any study conducted to assess the requirement of construction of hostels. The CTE stated (June 2017) that it was an initiative taken during 11th five-year plan. He stated

⁹³ September 2013: ₹ 50 lakh and March 2017: ₹ 43.40 lakh

that the hostels were constructed in anticipation of better enrolment. This indicated that the Department had not conducted any need analysis before taking up the constructions.

Thus, the Department had violated the provisions of the Financial Code by injudicious selection of GPs without need analysis for construction of buildings for women's hostels. This coupled with non-construction of compound wall and non-release of funds resulted in idle infrastructure and wastage of resources. The expenditure of ₹ 5.65 crore⁹⁴ incurred on eight hostel buildings remained unfruitful. Another two buildings constructed at a cost of ₹ 1.78 crore were being used for other purposes defeating the objective of the scheme.

Government stated (November 2017) that the hostel buildings would be utilised for the purposes for which they were sanctioned.

Minorities Welfare Department

3.6 Urdu Ghar-cum-Shadikhana remained incomplete

Government had not released the funds fully for construction of 'Urdu Ghar-cum-Shadikhana' at Ongole sanctioned by it. The work suffered from shortage of funds and lacked holistic approach in execution. The building remained incomplete even after nine years of its sanction.

Government accorded (July 2008) administrative sanction for construction of 'Urdu Ghar-cum-Shadikhana' at Ongole in Prakasam district at a cost of ₹ one crore. The construction was intended to facilitate Minority community to celebrate auspicious occasions. The work was executed through the Panchayat Raj Engineering Division, Ongole, Prakasam district. The Superintending Engineer, Panchayat Raj Circle (SE, PR), Ongole awarded (August 2009) the work to a contractor at ₹ 93.91 lakh. The Agreement conditions stipulated that the work should be completed within 12 months, i.e., by August 2010.

Audit scrutinised the records of the Chief Planning Officer, Prakasam district and Executive Engineer, PR Division, Ongole (Executing agency) in January 2016 and May 2017. Audit also obtained (June 2017) information from the District Minorities Welfare Officer, Prakasam district. The following were observed:

- Government had released only ₹10 lakh for the construction in May 2010, although administrative sanction was accorded in July 2008. Later, the Commissioner of Municipal Corporation, Ongole released ₹75 lakh⁹⁵ from the general funds of the Corporation. The District Collector, Prakasam released ⁹⁶ ₹ 24.56 lakh from MPLADS⁹⁷ funds pertaining to the Ongole Parliamentary constituency. Apart from this, the District Minorities Welfare Officer released (December 2016) ₹ 12.56 lakh from the funds available with him.

⁹⁴ SVGP, Tirupati: ₹ 0.90 crore; GP, Hindupur: ₹ 1.00 crore; GP, Nellore: ₹ 0.86 crore; MBTS GP, Guntur: ₹ 0.96 crore; GP, Proddatur: ₹ 0.90 crore; GP, Vijayawada: ₹ 0.82 crore; GP, Narsipatnam: ₹ 0.09 crore and Andhra Polytechnic, Kakinada: ₹ 0.12 crore

⁹⁵ November 2012: ₹ 50 lakh; May 2013: ₹ 25 lakh

⁹⁶ February 2014 and May 2015

⁹⁷ Member of Parliament Local Area Development Scheme

- As on the scheduled date of completion, August 2010, the contractor completed the work valuing ₹ 66.06 lakh. Against this, the executing agency paid (July 2010/ December 2012) an amount of ₹57.12⁹⁸ lakh to the contractor. The contractor requested (July 2013) the executing agency for closure of the work due to delay in release of funds and increase in the rates of materials. The SE, PR, Ongole accepted the request and closed the work in October 2013.
- The SE, PR entrusted (February 2014) the balance works⁹⁹ to another contractor duly revising the estimates with reference to SSR¹⁰⁰ 2013-14. The contractor completed (August 2014) the balance works at a cost of ₹ 58.22 lakh. In this process, some additions and alterations¹⁰¹ were made and certain items¹⁰² were deleted from the scope of work. The expenditure was limited to the extent of funds available.
- The original estimate did not have provision for kitchen, store room, toilets indicating that the work lacked holistic approach. The EE, PR, Ongole estimated (May 2017) that an additional amount of ₹ 65 lakh was required for completion to bring the building to use.

On the whole, as of May 2017, an amount of ₹ 1.24 crore was incurred on the work without including interior works *viz.*, flooring, plastering, etc¹⁰³ that were yet to be completed. Thus, the work suffered from shortage of funds and lacked holistic approach in the planning stage. The building remained incomplete even after nine years of its sanction. The expenditure of ₹ 1.24 crore incurred on the work remained unfruitful.

The matter was reported to Government in July 2017; reply has not been received (December 2017).

Revenue Department

3.7 Avoidable expenditure on supply of kerosene to the Hudhud cyclone victims

Government intended to supply kerosene free of cost to Hudhud cyclone affected families during non-restoration of electricity. However, District Administration supplied 2,268 kilo litres of kerosene after restoration of electricity rendering the expenditure of ₹ 12.92 crore incurred on procurement of kerosene avoidable.

Government had taken some relief measures for Hudhud Cyclone (October 2014) affected population in Visakhapatnam district. As part of this, Government issued orders (20 October 2014) to supply five litres of kerosene per family in 23 severely affected

⁹⁸ ₹ 10 lakh in July 2010; ₹ 47.12 lakh in December 2012

⁹⁹ Columns up to roof level, Roof beams and roof slab, Projection slab etc.

¹⁰⁰ Schedule of Standard Rates

¹⁰¹ Excess quantity of steel and concrete due to slab projection provided in structural drawings but not provided in original estimate

¹⁰² such as brick masonry for super structure, finishing, water supply, electrification etc.

¹⁰³ painting, doors and windows, provision of water and electricity, kitchen and toilets

mandals. Kerosene was to be supplied where electricity was not restored by 22 October 2014.

Audit scrutinised (June 2016) the records of the Office of the District Collector, Visakhapatnam. Audit observed that electricity had been restored in the entire district by 31 October 2014 as certified by the APEPDCL¹⁰⁴. However, the District Collector procured and supplied 2,268 kilo litres of kerosene during the period 01 to 24 November 2014, incurring an expenditure of ₹12.92 crore.

Audit pointed (March 2017) that this expenditure was avoidable and was in violation of Government Orders. The District Collector replied (April 2017) that the kerosene was supplied beyond the period of restoration of electricity as a measure of relief.

Government stated (October 2017) that restoration of power supply in all the Mandals/habitations did not mean that power supply was restored to all the households. The reply of the Department is not acceptable as APEPDCL categorically declared that electricity was restored in the entire district by 31 October 2014.

Hence, Audit noted that the above expenditure of ₹12.92 crore was avoidable and was in violation of Government Orders.

Youth Advancement, Tourism and Culture (Sports) Department (Sports Authority of Andhra Pradesh)

3.8 Mini Sports Complex stalled mid-way

Sports Authority of Andhra Pradesh had not released the funds for the work 'Construction of Mini Sports Complex at Pulivendula (YSR district)' sanctioned by it. The work had stalled mid-way due to lack of funds. The work remained incomplete for over four years after incurring expenditure of ₹ 2.11 crore.

Government decided (April 2005) to construct Indoor stadium and mini stadium at Pulivendula (YSR District). Government allocated ₹ one crore during 2005-06 for the construction pending receipt of project report and pending finalisation of funding pattern. The VC and MD¹⁰⁵ of SAAP¹⁰⁶ released ₹ 40 lakh¹⁰⁷ to the District Collector to initiate the project immediately. The District Collector was also the Executive Chairman of the District Sports Authority (DSA). The funds were placed at the disposal of the Superintending Engineer, Roads & Buildings (R&B), Kadapa.

The SAAP submitted (March 2006) the Detailed Project Report (DPR) for the construction of Mini Sports Complex¹⁰⁸ (Complex) at Pulivendula. On receipt of the DPR, Government accorded (July 2006) administrative sanction at an estimated cost of ₹ 3.60 crore. The expenditure was to be met from the regular plan budget of SAAP.

¹⁰⁴ Andhra Pradesh Eastern Power Distribution Company Limited

¹⁰⁵ Vice Chairman and Managing Director

¹⁰⁶ Sports Authority of Andhra Pradesh

¹⁰⁷ July 2005: ₹ 20 lakh and September 2006: ₹ 20 lakh

¹⁰⁸ The Indoor stadium and mini stadium being located at the same place, the project nomenclature was changed as 'Mini Sports Complex'

The Chief Engineer (R&B), Buildings accorded (November 2006) technical sanction for ₹ 3.60 crore. The Superintending Engineer (R&B) awarded (June 2012) the work to a contractor with a stipulation to complete the work by December 2013. The Executive Engineer (EE, R&B) was the executing agency.

Audit scrutinised (February 2016) the records of the executing agency and also obtained the details (June-July 2017) from the SAAP and the DSA. The following points were observed:

- SAAP had not released any funds further, apart from ₹40 lakh initially released. However, the executing agency diverted ₹40 lakh (February/ March 2008) for other works¹⁰⁹ of SAAP with the approval of District Collector.
- Owing to lack of response to the repeated tender calls, the work was not commenced leading to revision of estimates to ₹ 4.20 crore in July 2011. Accordingly, Engineer-in-Chief (Buildings) accorded revised technical sanction in December 2011 for ₹ 4.20 crore. The amount in excess of administrative sanction was proposed to be met from PADA¹¹⁰ funds.
- The EE, R&B requested (August 2011) to deposit the full amount for initiating the execution of work. Accordingly, the District Collector released (August 2011) ₹ 4.20 crore to the EE, R&B from the funds available under PADA. Later, the District Collector allowed (August 2012) the EE, R&B to utilise ₹ 2.30 crore¹¹¹ out of the above, for payment of bills of other completed PADA works. As a result, only ₹ 1.90 crore was available with the EE, R&B for construction of the Complex. Neither the SAAP nor the District Collector had released any funds further required for completion of the work.
- The contractor stopped the work in May 2013 due to non-release of funds, after completion of work valuing ₹ 2.11 crore. The Contractor requested (December 2014) the EE, R&B for closure of the work. Finally, the contract was closed in March 2015.



Incomplete Mini sports complex at Pulivendula

Thus, due to failure of SAAP in release of funds fully for the work sanctioned by it, the work was stalled mid-way. The work remained incomplete for over four years leaving the expenditure of ₹2.11 crore incurred on it unfruitful.

¹⁰⁹ Regional Sports School, Putlampalli and Indoor Stadium, Kadapa

¹¹⁰ Pulivendula Area Development Agency

¹¹¹ An amount of ₹ 61 lakh was reimbursed (November 2013/August 2016) out of ₹ 2.91 crore diverted

Government stated (November 2017) that SAAP had accorded (November 2017) administrative sanction for ₹ three crore for completion of the balance works.

3.9 Hockey Academy building lying idle

Hockey Academy building was constructed in September 2013 at Pulivendula (YSR district) at a cost of ₹ 1.82 crore. However, Sports Authority of Andhra Pradesh/ District Sports Authority had not taken over the building. Further, the hockey fields proposed at ₹ 26.30 lakh were not completed due to paucity of funds. The building was lying idle even after lapse of four years.

With a view to promote sports in the district, Government accorded (February 2007) administrative sanction for construction of Hockey Academy at Pulivendula, YSR district at an estimated cost of ₹ 1.40 crore. The Academy building, *inter-alia*, included hostels for boys and girls and two hockey fields. The Chief Engineer, Roads & Buildings accorded technical sanction in September 2007 for ₹ 1.57 crore. The Executive Engineer, Roads & Buildings (EE, R&B), Pulivendula was the executing agency. The Sports Authority of Andhra Pradesh (SAAP) was to release funds for the work.

The executing agency revised (June 2011) the estimates with reference to SSR¹¹² 2011-12 and requested the District Collector¹¹³ for sanction and release of ₹ two crore. Accordingly, the District Collector deposited ₹ two crore in August 2011 from other funds¹¹⁴ available with him. The academy building was constructed in September 2013 at a cost of ₹1.82 crore. However, the hockey fields proposed at a cost of ₹26.30 lakh were not taken up mainly due to paucity of funds.

Further, the SAAP/ District Sports Authority (DSA) had not taken over the building even as of December 2017, apparently for want of funds for maintenance of the building. The building having a capacity to accommodate 100 players constructed at a cost of ₹ 1.82 crore was lying idle since September 2013. The SAAP, which was to release funds for completion of the work, had not released funds.



¹¹² Schedule of Standard Rates

¹¹³ Executive Chairman of District Sports Authority

¹¹⁴ Pulivendula Area Development Agency

Thus, due to failure of SAAP in release of funds, the sports infrastructure remained incomplete and the expenditure of ₹ 1.82 crore remained unfruitful. The objective of promoting sports activity in the district was not achieved.

The matter was reported to Government in July 2017; reply has not been received (December 2017).



(L. TOCHHAWNG)

**Principal Accountant General (Audit)
Andhra Pradesh**

**Hyderabad
The**

Countersigned



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

**New Delhi
The**

Appendices

Appendix-1.1
(Reference to paragraph 1.5, Page 2)

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	84	692
Consumer Affairs, Food and Civil Supplies	26	154
Finance	12	94
General Administration	46	289
Health, Medical and Family Welfare	298	3059
Higher Education	651	3243
Home	121	699
Housing	7	29
Labour, Employment, Training and Factories	126	644
Law	43	142
Minorities Welfare	20	110
Municipal Administration and Urban Development	234	4194
Panchayat Raj and Rural Development	407	2911
Planning	15	171
Revenue	81	519
School Education	220	3025
Social Welfare	131	1222
Tribal Welfare	129	1491
Women, Children, Differently Abled and Senior Citizens	304	1431
Youth Advancement, Tourism and Culture	64	386
Total	3019	24505

Appendix-1.2
(Reference to paragraph 1.5.1, Page 2)
Position of Pending Explanatory Notes (as of 30 September 2017)

A. Exclusively pertaining to the State of Andhra Pradesh

Department	2012-13	2014-15	2015-16	Total
Backward Classes Welfare	Nil	1	Nil	1
Health, Medical and Family Welfare	Nil	Nil	2	2
Higher Education	Nil	Nil	3	3
Home	Nil	Nil	2	2
Minorities Welfare	Nil	1	Nil	1
Revenue	2	1	2	5
School Education	Nil	2	1	3
Social Welfare	Nil	1	Nil	1
Tribal Welfare	Nil	1	Nil	1
Women, Children, Differently Abled and Senior Citizens	Nil	1	1	2
Total	2	8	11	21

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

Department	2006-07	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Backward Classes Welfare	Nil	Nil	Nil	1	Nil	Nil	1
Finance	Nil	1	Nil	1	1	Nil	3
Higher Education	Nil	Nil	Nil	1	Nil	1	2
Home	1	Nil	Nil	1	1	1	4
Minorities Welfare	Nil	Nil	Nil	1	Nil	1	2
Rural Water Supply and Sanitation	Nil	Nil	Nil	1	Nil	Nil	1
School Education	Nil	Nil	Nil	Nil	2	2	4
Social Welfare	Nil	Nil	Nil	1	Nil	Nil	1
Tribal Welfare	Nil	Nil	1	1	Nil	1	3
Youth Advancement, Tourism and Culture	Nil	1	Nil	Nil	Nil	1	2
Total	1	2	1	8	4	7	23

Appendix-2.1
(Reference to paragraph 2.1.3.3, Page 10)
List of selected units

District	Division	Mandals	Gram Panchayats	Habitations	House holds
Andhra					
Guntur	Guntur	Krosuru	Bayyaravam	Bayyaravam	40
			Vutukuru	Vutukuru	40
	Narasaraopet	Gurazala	Budawada	Budawada	40
			Telukutla	Telukutla	40
West Godavari	Eluru	Denduluru	Denduluru	Alugulagudem	10
				Apparaopalem	10
				Denduluru	10
				Satyanarayanapuram	10
			Gangannagudem	Gangannagudem	40
		Pedapadu	Satyavolu	Kalingapeta	10
				Kothuru of Satyavolu	10
				Satyavolu	10
				Yelamanchalivaripakalu	10
		Eluru	Thotagudem	Thotagudem	40
	Kalakurru			Kalakurru	40
	Kovvuru	No mandal was selected in this division	Satrapadu	MRC Colony	40
			Satrapadu		
			Yedavulapeta		
Rayalaseema					
Chittoor	Tirupati	Satyavedu	Kalamanaidupet	Gandhipuram	20
				Kalamanaidupet	20
			Vanellore	Rallakuppam	40
				Ranganathpuram	
				Vanellore	
	Madanapalle	Kalakada	Gangapuram	Harijanawada	10
				Kathivaripalle	10
				Pasalapalle	10
				Thurupuvandlapalle	10
			Gudibanda	Eddulareddygaripalle	10
				Gudibandakothapalle	10
				KTA Gudibanda	10
				Papagaripalle	10
	Kadapa	Kadapa	Mydukur	Tuvvapalli	Ambedkar Nagar
Jandlavaram					10
Kattakindapalle					10
Tuvvapalli					10
Viswanathapuram				Kotha Seethampuram	10
				Viswanathapuram HW	10
				Viswanathapuram Malawada	10
				Viswanathapuram	10
				Viswanathapuram	10
				Viswanathapuram	10
Pulivendula		Vempalli	Bakkannagaripalli	Bakkannagaripalli	40
			Vempalli	Chintalamadugupalli	40
				Pakkirpalli	
Vempalli					

District	Division	Mandals	Gram Panchayats	Habitations	House holds
DDP District					
Anantapuramu	Anantapuramu	Uravakonda	Rayampalle	Rayampalle	40
			Vyasapuram	Vyasapuram	40
Tribal Area					
Vizianagaram	Vizianagaram	Makkuva	Dabbagadda	Madavalasa	10
				Mettvalasa	10
				Kottangi	10
				Viziarapuram	10
			Venkatabhypuram	40	
		Bobbili	GongadaValasaa	Annammaidavalasa	40
				Gongadavalasa	
				Reddyavalasa	
			Jagannadhapuram	Jagannadhapuram	40
			Vizianagaram (Projects)	Bondapalli	Chinatamarapalli
	Rudrapalem	20			
	Maruwada Kothavalasa	Maruwada Kothavalasa			40
	S.Kota	Gopalapalli		Gopalapalli	40
		Peddakandepalli		Krishnamahantipuram	20
	Peddakandepalli		20		
					1120

Appendix–2.2
(Reference to paragraph 2.1.4, Page 11)

Responsibilities assigned to State and District level agencies

Name of the Institution	Responsibilities assigned
State Water and Sanitation Mission (SWSM)	<p>State Water and Sanitation Mission (SWSM) is responsible for:</p> <ul style="list-style-type: none"> • Policy guidance, convergence of water supply and sanitation activities; • Coordination with various State Government Departments and other partners; integrating communication and capacity development programme; • Monitoring, evaluation and management of water supply and sanitation projects; • Accounting and audit of Programme and Support Fund.
State Level Scheme Sanctioning Committee (SLSSC)	<p>State Level Scheme Sanctioning Committee (SLSSC) is responsible for:</p> <ul style="list-style-type: none"> • Approval to Annual Action Plan of all support activities to be undertaken by SWSM; • To review progress, completion and commissioning of the scheme approved earlier and sanctioning of new schemes.
State Technical Agency (STA)	<p>State Technical Agency (STA) is responsible for:</p> <ul style="list-style-type: none"> • Planning and designing of scientifically sound and cost effective rural water supply schemes; • Assistance in preparation of action plan, Evaluation and scrutiny of major water supply schemes, feedback on planning and implementation.
District Water and Sanitation Mission (DWSM)	<p>District Water and Sanitation Mission (DWSM) is responsible for:</p> <ul style="list-style-type: none"> • Formulation, management and monitoring of projects and progress on drinking water; • Scrutiny and approval of the schemes submitted by the Block Panchayat/gram panchayat and forwarding them to SLSSC; • Selection of agencies and NGOs and enter into agreements for social mobilisation, capacity development, communication, project management and supervision; • Sensitising the public representatives, officials and the general public; • Engaging institutions for imparting training for capacity development.
Gram Panchayat/Village Water and Sanitation Committee (GPWSC/VWSC)	<p>Gram Panchayat/Village Water and Sanitation Committee (GPWSC/VWSC) is responsible for:</p> <ul style="list-style-type: none"> • Planning, designing, and implementing all in-village drinking water and sanitation activities; • Providing inputs for Village Water Security Plan; • Organising community contributions towards capital costs, both in cash and kind (land, labour or materials), if any; • Opening and managing bank account for depositing community cash contributions, O&M funds and management of project funds; • Commissioning and takeover of completed in-village water supply and sanitation works; • Collection of funds through a tariff, charges and deposit system for O&M of water supply and sanitation works.

Appendix–2.3
(Reference to paragraph 2.1.6, Page 14)

Allocation criteria prescribed in NRDWP guidelines

Criteria used for weightage calculation	Weightage
Rural population as per census	40
Rural SC and ST population as per census	10
States under Desert Development Programme, Drought Prone Areas Programme, Hill Area Development Programme and special category hill States in terms of rural areas	40
Rural population managing rural drinking water supply schemes weighted by a Management Development Index	10
Total	100

Components of NRDWP	Distribution of NRDWP allocation (in per cent)		Centre - State sharing pattern
	Pre-revised (2012-13)	Revised (2013-17)	
Coverage	45	47	50:50
Water Quality	20	20	50:50
Operation and Maintenance	10	15	50:50
Sustainability	20	10	100:0
Support	5	5	100:0
Water Quality Monitoring and Surveillances	---	3	100:0

Appendix–2.4
(Reference to paragraph 2.1.6.1, Page 15)

Cut imposed as penalty by GoI

(₹ in crore)

Year	Component	Cut imposed	Reasons for imposing of cut
2012-13	Coverage, Water Quality, Sustainability and O&M	12.35	Release of less state share
2014-15	Coverage, Water Quality, Sustainability and O&M	29.15	Excess expenditure on O&M in the previous year
2014-15	Support	1.98	Excess opening balance as on 1.4.2014
2014-15	WQM&S	1.72	Excess opening balance as on 1.4.2014
2014-15	DDP areas	1.27	Late submission of proposal
2016-17	Support component	1.43	Release of less State share
2016-17	WQMS	1.06	Release of less State share
	Total	48.96	

Appendix-2.5
(Reference to paragraph 2.1.6.3, Page 15)

Statement showing the delayed release of funds by the State Government to SWSM

(₹ in lakh)

Year	Date of sanction of GoI share	Amount (GoI)	Amount (State share)	Date of funds to be released to SWSM by State along with State share	Actual date of release	Delay in number of days	Interest amount to be transferred @12% column(3+4)* 12%* column(7)/365 days
1	2	3	4	5	6	7	8
2015-16	16.6.15	7428.04	NA	2.7.15	22.7.15	20	48.84
			566.80	2.7.15	8.3.16	248	46.21
	16.6.15	645.92	0	2.7.15	22.7.15	20	4.25
			430.61	2.7.15	8.3.16	249	35.25
	3.7.15	1074.20		18.7.15	22.8.15	34	12.00
			1074.20	18.7.15	29.10.15	102	36.02
	16.7.15	36.78	0	1.8.15	22.8.15	12	0.15
	11.9.15	883.37 (100% DDP component)	NA	26.9.15	5.2.16	131	38.04
	11.9.15	32.54 (100% DDP component)	NA	26.9.15	2.5.16	217	2.32
	12.1.16	1184.35	1184.35	27.1.16	8.3.16	29	22.58
	2.2.16	473.85	473.85	17.2.16	2.5.16	73	22.74
	10.2.16	445.03 (100% DDP component)	NA	25.2.16	2.5.16	65	9.51
	16.2.16	1064.20 (100% DDP component)	NA	3.3.16	2.5.16	59	20.64
	16.2.16	1648.45	1648.45	3.3.16	2.5.16	59	63.95
	24.2.16	650.77	433.85	11.3.16	2.5.16	51	18.18
28.3.16	1437.00	1437.00	12.4.16	2.5.16	19	17.95	
2016-17	12.4.16	3169.10	3169.10	27.4.16	12.7.16	75	156.28
	20.5.16	4157.92 (3369.42+788.50 DDP component)	3369.42	4.6.16	12.7.16	37	91.57
	5.12.16	5807.40	5807.40	20.12.16	17.1.17	27	103.10
	9.1.17	788.5	0	24.1.17	6.3.17	40	10.37
	11.1.17	10.84	10.84	26.1.17	6.3.17	38	0.27
	16.2.17	3002.19 (1129.38 DDP)	1872.81	28.2.17	20.4.17	46	73.73
	17.2.17	320.04	320.04	28.2.17	20.4.17	46	9.68
	23.3.17	482.82	482.82	7.4.17	20.4.17	12	3.81
Total		34743.31	30783.78			1760	847.44

Appendix–2.6 (a)
(Reference to paragraph 2.1.6.7, Page 17)

Details of variation in receipts

(₹ in crore)

Year	OB as per IMIS	OB as per CA report	Variation	Releases/ receipts as per CA Audit Report		Releases/ receipts as per IMIS		Variation		Interest and other receipts as per CA Audit report	Interest and other receipts as per IMIS	Variation
				Central	State	Central	State	Central	State			
2012-13	301.30	495.11	193.81	476.36	0.00	485.14	539.65	8.78	539.65	38.18	0.00	38.18
2013-14	113.62	319.48	205.86	595.35	100.00	631.52	804.06	36.17	704.06	25.67	0.00	25.67
2014-15	82.74	157.60	74.86	74.19	0.00	377.78	617.07	303.59	617.07	5.24	0.00	5.24
2015-16	33.44	71.02	37.58	81.16	1.38	170.05	561.93	88.89	560.55	2.09	0.00	2.09
2016-17	12.88	55.28	42.40	203.89	144.55	204.00	240.58	0.11	96.04	0.00	0.00	0.00

Source: Audited Accounts of Chartered Accountant and IMIS data

Appendix – 2.6 (b)
(Reference to paragraph 2.1.6.7, Page 17)

Details of variation in expenditure

(₹ in crore)

Year	Expenditure/payments as per CA Audit Report		Expenditure/payments as per IMIS		Variation		Closing balance as per CA Audit Report	Closing balance as per IMIS	Variation
	Central	State	Central	State	Central	State			
2012-13	689.52	0.00	672.82	523.96	16.70	523.96	319.48	113.62	205.86
2013-14	783.04	100.00	662.40	764.68	120.64	664.68	157.60	82.74	74.86
2014-15	92.86	0.00	427.08	600.96	334.22	600.96	80.00	33.44	46.56
2015-16	204.20	223.59	190.60	546.53	13.60	322.94	55.28	12.88	42.40
2016-17	148.60	144.55	157.38	234.94	8.78	90.39	110.57	59.51	51.06

Source: Audited Accounts of Chartered Accountant and IMIS data

Appendix–2.7
(Reference to paragraph 2.1.7.1(v), Page 20)

Coverage status of General, SC and ST Population under NRDWP

Category of Population	Covered with <40 LPCD	Covered with >=40 LPCD	Total
General	10570976	16737152	27308128
Scheduled Castes	2503642	4318272	6821914
Scheduled Tribes	1021167	1483534	2504701

Source: IMIS Data

Appendix–2.8
(Reference to paragraph 2.1.7.5(b)(iii), Page 25)

Status of water supply to habitations/ population in commissioned schemes

Name of the district	No. of CPWS schemes commissioned	No. of habitations covered	Population	Number of habitations for which water was not being supplied	Number of habitations for which water is being supplied in alternate days
Anantapuramu	66	2360	3076579	52	1043
Chittoor	6	283	125108	8	181
Guntur	66	330	969467	104	9
Vizianagaram	29	824	979392	1	17
West Godavari	27	453	546101	85	0
YSR	25	875	633393	150	0
Total	219	5125	6330040	400	1250

Source: Information furnished by the RWS&S Department

Appendix-2.9
(Reference to paragraph 2.1.7.6(b)(i), Page 27)

Details of seasonal and annual rainfall in the test-checked districts during 2014-16
(Figures in percentage)

Name of the district	Rainfall											
	2014				2015				2016			
	pre-monsoon	monsoon	post-monsoon	Annual	pre-monsoon	monsoon	post-monsoon	Annual	pre-monsoon	monsoon	post-monsoon	Annual
Anantapuramu	22	-34	-23	-24	86	3	39	24	17	-19	-83	-31
Chittoor	-23	-25	-43	-33	67	-6	135	58	7	-14	-47	-26
Guntur	-19	-24	-14	-22	-55	4	-52	-18	39	42	-65	11
Vizianagaram	27	-1	21	6	-39	22	-60	-6	26	19	-58	1
West Godavari	60	-19	-68	-26	-50	6	-33	-9	25	26	-79	-1
YSR	-48	-34	-46	-40	53	-4	115	41	-31	9	-64	-18

Source: Rainfall statistics of India Meteorological Department (Ministry of Earth Sciences)

Ranges of rainfall:

- 20% or more indicates excess rainfall
- 19% to +19% indicates normal rainfall
- 20% to -59% indicates deficient rainfall
- 60% to -99% indicates scanty rainfall
- 100% indicates no rain

Appendix-2.10
(Reference to paragraph 2.1.7.8(b)(ii), Page 32)
Details of test results in the selected habitations

Name of the Mandal	Name of the habitation	Source/ location/ source type	Test results							
			Chloride, mg/l Acceptable limit: 250 Permissible limit in the absence of alternate source: 1000		Total Dissolved Solids (TDS), mg/l Acceptable limit: 500 Permissible limit in the absence of alternate source: 2000		Alkalinity, mg/l Acceptable limit: 200 Permissible limit in the absence of alternate source: 600		Total Hardness (as CaCo3), mg/l Acceptable limit: 200 Permissible limit in the absence of alternate source: 600	
			Test result	Remarks given by the laboratory	Test result	Remarks given by the laboratory	Test result	Remarks given by the laboratory	Test result	Remarks given by the laboratory
Anantapuramu										
Uravakonda	Vysapuram	Hand pump at S.S.Palli	260	potable	720	potable	220	potable	200	potable
	Rayampalli	Hand pump at Harijanwada	280	potable	860	potable	320	potable	240	potable
Guntur										
Krosuru	Bayyaravam	Hand Pump at Gandhi Mandapam	404	potable	1228	potable	480	potable	700	potable
	Bayyaravam	Hand Pump at K. Venkateswarlu house	588	potable	1937	potable	470	potable	430	potable
Vizianagaram										
Makkuva	Viziarapuram	ITDA	Nil	Nil	1015	potable	380	potable	400	potable
	Meddavalasa	ST locality	Nil	Nil	912	potable	350	potable	390	potable
West Godavari										
Eluru	Kalakarru	MPP school, Piped Water Supply (PWS)	288	potable	1262	potable	252	potable	378	potable
Pedapadu	Thotagudem	Main Village, PWS	338	potable	1472	potable	300	potable	444	potable
YSR										
Mydukur	Tuvvapalli	Hand pump at Ambedkar Nagar	420	potable	1006	potable	276	potable	312	potable
	Viswanathapuram	Hand pump at Kotha Seetharamapuram	460	potable	1373	potable	344	potable	496	potable

Note: mg/l: milligrams per unit volume of litre

Appendix-2.11
(Reference to paragraph 2.1.7.9(a)(iii), Page 38)

Details of schemes stopped mid-way

Sl. No	Description of works	Date of abandoning of the work	Expenditure incurred (₹ in crore)
1	Name of the work: Providing CPWS scheme to Chintalapudi mandal in West Godavari district. Administrative Sanction: August 2012 Estimated cost: ₹10 crore Agreement date: December 2013 Scheduled date of completion: December 2014 EoAT : May 2017	December 2016	5.77
2	Name of the work: 'Strengthening of bund and protection works for the SS Tank of CPWS Scheme to Prathikollalanka and other habitations' of West Godavari district. Administrative sanction: November 2013 Estimated cost: ₹25 lakh Agreement date: April 2015 Scheduled date of completion: October 2015	March 2016	0.18
3	Name of the work: 'Providing Single Village Scheme to Neerukonda (v) of Mangalagiri (M)' of Guntur district. Administrative sanction: April 2011 Estimated cost: ₹23 lakh Agreement date: November 2011 Scheduled date of completion: May 2012	April 2013	0.10
4	Name of the work: 'Augmentation of Single Village Scheme to Krishnayapalem (v) of Mangalagiri (M)' of Guntur district Administrative Sanction: July 2012 Estimated cost: ₹23 lakh Agreement date: April 2013 Scheduled date of completion: October 2013	August 2013	0.05
5	Name of the work: Providing Single Village Scheme to Kuragallu (v) of Mangalagiri (M) of Guntur district Administrative Sanction: April 2011 Estimated cost: ₹23 lakh Agreement date: November 2011 Scheduled date of completion: May 2012	April 2013	0.07
6	Name of the work: CPWS scheme to Pachipenta and other habitations (Phase I) of Saluru (ST) constituency in Vizianagaram district Administrative Sanction: July 2012 Estimated cost: ₹20 crore Agreement date: December 2013 Scheduled date of completion: June 2015 EoAT: December 2016	December 2016	14.12
7	Name of the work: CPWS scheme to Pachipenta and other habitations in Saluru (ST) constituency in Vizianagaram district (Phase-II). Administrative Sanction: February 2013 Estimated cost: ₹13 crore Agreement date: February 2014 Scheduled date of completion: August 2015 EoAT: December 2016	December 2016	6.31
Total			26.96

Appendix-2.12

(Reference to paragraph 2.1.7.9(b)(i), Page 38)

Details of schemes awarded on single tender basis in the first call

(₹ in lakh)

Sl. No.	Description of the work	Year of sanction	Estimated cost	Contract value	Excess percentage
1	Special repairs to the CPWS Scheme from Kadiri to N.P. Kunta (via) Gandlapenta in Anantapuramu district	August 2015	90.05	94.50	(+) 4.94
2	CPWS scheme to Kamavarapukota (M) of West Godavari district	July 2012	467.65	484.02	(+) 3.50

Source: Records of RWS&S Department

Appendix-2.13

(Reference to paragraph 2.1.8(i), Page 39)

Details showing the inconsistencies between IMIS and Physical data

Nature of the item	Audit observation
Piped Water Supply schemes and hand pumps	In the selected GPs of test-checked Guntur and West Godavari districts, as per IMIS there were 75 PWS schemes (Guntur-33 and West Godavari-42) and 108 hand pumps (Guntur-81 and West Godavari-27) as of June 2017. However, as per the information furnished by the State Government, there were 49 PWS (Guntur-32 and West Godavari-17) and 92 hand pumps (Guntur-69 and West Godavari-23). Thus, there was a difference of 26 PWS and 16 hand pumps.
Functioning of schemes	As of August 2017, it was mentioned in IMIS that there were 3,47,995 schemes existing in the State and all were functional. However, in the test-checked districts, audit noticed that 7,136 schemes (Anantapuramu- 5,400, Chittoor- 922 and Guntur- 814) were not functioning out of 49,322 schemes due to depletion of ground water, drying up of source, condemnation of bore wells and repairs to motors.
Schools and Anganwadis	In Vizianagaram district, during 2012-17, coverage of schools as per IMIS data was 526, however, as per physical record it was 394. Further, coverage of anganwadis as per IMIS data was 8, however, as per physical data it was 243.
Surface water bodies	As per IMIS data, no surface water bodies were available in the test-checked districts. However, as per DWSM records, there were 371 (Anantapuramu-3, Guntur- 367 and West Godavari-1) surface water bodies in the test-checked districts.

Appendix-2.14
(Reference to paragraph 2.2.3.3, Page 43)
List of sampled Mandals and schools

ANANTAPURAMU		EAST GODAVARI		SRIKAKULAM	
GARLADINNE (Mandal)		RAMACHANDARA PURAM (Mandal)		JULUMURU (Mandal)	
1	ZPHS, Garladinne	1	MPUPS, Adivarapu Peta, Ramachandrapuram	1	MPPS, Goleyaputti
2	KGBV, Garladinne	2	SSC Bose MPL Primary School, RK Moga, Ramachandrapuram	2	MPPS, Domalapalli
3	MPPS, K Thanda	3	MPL Girls High School, A. Savaram, Ramachandrapuram	3	MPPS, Velusoda
4	MPPS, Kallur R.S.	4	MPL High School, Ratnampeta, Ramachandrapuram	4	MPPS, Krishnapuram
5	MPPS, Kalluru Agraharam	5	MPPS, Mamidigunta	5	MPPS, Ramakrishnapuram
6	MPPS, Jambuladinne Kottala		AIDED	6	MPUPS, Marrivalasa
	AIDED	6	SSS Vadapalli Aided Primary School, Rajababu Nagar		AIDED
7	C.S.I. Aided Primary School, Kallur	7	SPVR Aided High School, Draksharamam	7	UPS (Aided), Makivalasa
8	C.S.I. Aided Elementary School, Muntimadugu	8	Bapu Aided Primary School, Vadrevu Vari Street	8	PS (Aided), Ramayyavalasa
9	N.E.R. Aided High School, MPR Dam	9	Childrens Aided UPS, Bradipeta		VANGARA (Mandal)
10	N.E.R. Aided Primary School, MPR Dam		RAYAVARAM (Mandal)	9	ZPHS, Koppara
	RAPTADU (Mandal)	10	MPPS (Main), Pasalapudi	10	MPPS, M.S.Puram
11	ZPHS, Hampapuram	11	MPPS (Main), Vedurupaka	11	MPPS, Voni Agraharam
12	MPPS, Gandlaparthi	12	MPPS (BP), Venturu	12	MPPS, Sreeharipuram
13	MPPS, Gondireddypalle	13	MPPS (ST), Someswaram	13	MPPS, Maruvada
14	MPUPS, Bommeparthi	14	MPPS (Main), Venturu		AIDED
15	MPPS, Krishnapuram	15	ZPHS, Pasalapudi	14	AE School, Magguru
	AIDED		AIDED	15	CBMAE School, Kinjangi
16	L.R.G. High School, Raptadu	16	SSS Child Aided UPS, Chelluru		VEERAGATTAM (Mandal)
17	VK Aided High School, Raptadu		SAKHINETIPALLI (Mandal)	16	MPPS, Bitiwada
	YELLANURU (Rural)	17	MPPS, BVG, VV Meraka	17	MPUPS, Tudi
18	MPUPS, Singavaram	18	MPPS, Church Peta, Sakhinetipalli	18	GPS (TW), Sandimanuguda
19	MPPS, Mallagundla	19	MPPS, BV Kodapa	19	MPPS, Veeraghattam
20	ZPHS, Yellanur	20	MPPS, Kothalanka	20	MPPS, J. Gopalapuram
21	MPPS, Yellanur, Patha Peta	21	MPPS, Lingam Cheruvu, Mori		AIDED
22	MPPS, Lingareddypalli		AIDED	21	CBMAPS, Kambara
	AIDED	22	Lutheran Aided HS, Sakinetipalle Lanka	22	CBMAES, Veeraghattam
23	C.S.I. Aided Primary School, Yellanur	23	Vijayananda Aided PS, Mori, Padamatipalem	23	RCMAPS, Veeraghattam
24	LMS Aided Primary School, Vennapusapalli	24	Ratna Aided PS, Mori, Padamatigunta		SRIKAKULAM (Urban)
	ANANTAPURAMU (Urban)		RAJAMAHENDRAVARAM (Urban)	24	MES, Arasavalli
25	MPPS, Kurugunta	25	RCS Mills MPL Primary School, Police Quarters	25	MPPS, Challavanipeta
26	MGM UP School, Ambedkar Nagar	26	MPL Primary School, Kotilingala Peta	26	MES, Yembada Street
27	MPPS, Krishnamreddypalli	27	NVR MPL Primary School, Taditota	27	MPPS, Pukkallapeta
28	MPL Primary School, 1 st Ward	28	Sri Veeresalingam MPL Primary School, Innispeta		AIDED
	AIDED		AIDED	28	DMES, Konna street
29	GOS (Aided) Girls High School, Anantapuramu	29	APPM Aided PS (EM), Mallayyapeta	29	RCM, Gunapalem
30	C.S.I. Aided Primary School, New Town	30	Junior Basic Aided Primary School, Prakashnagar	30	DMHS, Konna street

Source: Statistical sampling

Appendix-2.15
(Reference to paragraph 2.2.4.4, Page 46)
Enrolment in test-checked Districts

Year	Number of children attained the age of enrolment		Number of Children enrolled		Number of Dropout children		Dropout Percentage	
	PS	UPS	PS	UPS	PS	UPS	PS	UPS
Anantapuramu								
2010-11	338811	142339	324196	116045	1525	3606	0.47	3.11
2011-12	335001	139344	326007	121657	4090	4187	1.25	3.44
2012-13	332313	137563	325972	121148	910	4934	0.28	4.07
2013-14	351435	228414	330088	176555	555	1061	0.17	0.60
2014-15	370805	221372	316574	173843	220	434	0.07	0.25
2015-16	208117	235738	207912	233822	205	1916	0.10	0.82
2016-17	296685	172920	295901	170944	784	1968	0.26	1.15
Srikakulam								
2010-11	236117	99217	225766	79158	268	727	0.12	0.92
2011-12	233512	97129	216306	82170	3897	3382	1.80	4.12
2012-13	231639	95888	215739	81981	628	1388	0.29	1.69
2013-14	225611	149199	211187	123164	233	549	0.11	0.45
2014-15	233717	146006	201764	122357	213	427	0.11	0.35
2015-16	190463	122422	190132	121812	331	610	0.17	0.50
2016-17	182555	120721	181507	119627	1048	1094	0.58	0.91
East Godavari								
2010-11	456102	191641	403174	150037	1471	711	0.36	0.47
2011-12	451035	187608	402584	153895	2481	2564	0.62	1.67
2012-13	447416	185211	394505	154125	3909	3181	0.99	2.06
2013-14	408184	273929	388706	223551	1460	1967	0.38	0.88
2014-15	424313	267356	394517	229081	2523	2612	0.64	1.14
2015-16	394889	229370	394464	229081	425	289	0.11	0.13
2016-17	369548	225914	368261	224998	1287	916	0.35	0.41

Source: Educational statistics

PS: Primary schools, UPS: Upper Primary schools

Appendix-2.16

(Reference to paragraph 2.2.4.8, Page 50)

Dropout rates of children enrolled in test-checked Schools

Year	Anantapuramu		Srikakulam		East Godavari	
	PS	UPS	PS	UPS	PS	UPS
2010-11	10.40	2.70	4.02	0.82	2.47	3.87
2011-12	4.03	2.53	9.09	2.25	4.24	1.67
2012-13	4.94	2.27	5.05	2.05	2.95	2.37
2013-14	6.75	3.85	4.81	1.64	2.79	3.86
2014-15	9.49	2.31	5.08	4.36	8.43	3.04
2015-16	4.74	2.00	4.73	2.31	4.30	3.84
2016-17	4.18	2.03	4.63	8.23	2.99	3.62

*Source: DPOs and test-checked schools***Appendix-2.17**

(Reference to paragraph 2.2.4.11, Page 51)

Norms for Pupil-Teacher Ratio

Admitted children	Number of teachers
a) For classes I to V	
Up to 60	02
Between 61 to 90	03
Between 91 to 120	04
Between 121 to 200	05
Above 150	05 plus one Head-teacher
Above 200	Pupil-Teacher Ratio (excluding Head-teacher) shall not exceed 40
b) For classes VI to VIII	
	At least one teacher per class so that there shall be at least one teacher each for – <ul style="list-style-type: none"> ➤ Science and Mathematics ➤ Social Studies ➤ Languages
For every 35 children	At least one teacher
Where admission of children is above 100	A full-time head-teacher Part-time instructors for – <ul style="list-style-type: none"> ➤ Art Education ➤ Health and Physical Education ➤ Work Education

Source: RTE Act

Appendix-2.18
(Reference to paragraph 2.2.6.2, Page 60)
Status of Inspections

District	Year	By DEO			By Deputy EO			By MEO		
		Inspections to be conducted	Inspections conducted	Per cent	Inspections to be conducted	Inspections conducted	Per cent	Inspections to be conducted	Inspections conducted	Per cent
Anantapuramu	2010-11	96	94	98	240	145	60	3780	1561	41
	2011-12	96	91	95	240	136	57	3780	1423	38
	2012-13	96	92	96	240	141	59	3780	1583	42
	2013-14	96	89	93	240	160	67	3780	1634	43
	2014-15	96	96	100	240	172	72	3780	1874	50
	2015-16	96	96	100	240	164	68	3780	1714	45
	2016-17	96	2	2	240	12	5	3780	154	4
East Godavari	2010-11	96	01	1	300	125	42	3600	1012	28
	2011-12	96	03	3	300	132	44	3600	1336	37
	2012-13	96	04	4	300	130	43	3600	1834	51
	2013-14	96	02	2	300	137	46	3600	1675	47
	2014-15	96	08	8	300	139	46	3600	1833	51
	2015-16	96	19	20	300	136	45	3600	1621	45
	2016-17	96	04	4	300	96	32	3600	2683	75
Srikakulam	2010-11	50	32	64	150	52	35	1900	1580	83
	2011-12	50	10	20	150	36	24	1900	1629	86
	2012-13	50	15	30	150	45	30	1900	1612	85
	2013-14	50	13	26	150	49	33	1900	1653	87
	2014-15	50	10	20	150	61	41	1900	1658	87
	2015-16	50	35	70	150	67	45	1900	1593	84
	2016-17	50	46	92	200	180	90	1930	1869	97

Source: DPOs and SSA

Appendix-2.19 A
(Reference to paragraph 2.2.7.2, Page 62)

Details of gaps identified in Teaching and Learning by the Department

Sl. No.	Gaps in teaching and learning noticed in AWP&B 2010-17	Action proposed to be taken by SSA in AWP&B 2017-18
1	No orientation to teachers on subject-wise, class-wise indicators ¹ .	There is a need for orientation to teachers at mandal/ block level on subject-wise, class-wise learning indicators at three stages (I-II), (II-III) and (VI-VIII) through face to face and teleconference trainings.
2	Need for software for LINDICS ² .	There is need of software regarding LINDICS where the teachers post the marks and grades and software do the remaining work.
3	There is no constructive activity material ³ to use effectively in classroom transition.	There is need to provide materials to teachers and students for /making innovative activities.
4	Classroom climate is rather disappointing due to minimum enhancement of pupil learning by the teacher.	Adoption of classroom strategies where children can speak fearlessly and ask questions, share and express the thoughts freely and learn collaboratively.
5	Adequate follow up taken on trainings to teachers	There is need to conduct workshops and provide trainings to teachers on posing of questions to assess the students.

Source: AWP&B 2017-18

Appendix-2.19 B
(Reference to paragraph 2.2.7.3, Page 62)

Details of gaps identified in implementation of revision of curriculum

- The classroom teaching and learning process does not show the active engagement and participation of children in learning process.
- Teachers are averse towards trainings because of poor quality of training by resource persons.
- There is no effective academic supervision of classroom teaching and support to teachers from headmaster to DEO.
- Poor learning achievement levels of children as per many surveys conducted by SSA, SCERT and Pratham⁴. The children at primary level are weak in the basic competencies of literacy and numeracy. About 20 *per cent* to 30 *per cent* of children are unable to read and write at class VI level.
- The basic focus⁵ in early grades i.e., classes I and II is being missed for the development of basic literacy skills. The textbooks are not being used properly.

¹ listening and responding, fluent reading, comprehension and reflection, legible writing, appropriate vocabulary; conceptual understanding in mathematics and science; analysis, synthesis and evaluation in science, etc.

² Learning Indicators at Elementary Level

³ Magazines, post box, reading children literature and Children diary

⁴ PRATHAM is an innovative learning organisation created to improve the quality of education in India. As one of the largest non-governmental organisations in the country, PRATHAM focuses on high-quality, low-cost and replicable interventions to address gaps in the education system

⁵ Teachers has to focus on alphabets, numbers, simple words, names, common objects, reproduce the starting letter, listen to stories, interacting in English or home language, writing simple sentences, etc.

Appendix-3.1
(Reference to paragraphs 3.1.1 and 3.1.4, Pages 65 and 66)
Composition of Committees

Committee of Persons

Sl. No	Official	Designation
1	Nominated by Government	Chairman
2	Nominated by Government	Director
3	Nominated by Government	Director
4	Nominated by Government	Director
5	Director of Social Welfare, Andhra Pradesh, Hyderabad	Person
6	VC& Managing Director, APSCCFC Ltd., Hyderabad	Person-Convener
7	Commissioner for Corporation & Registrar of Cooperative Societies, AP, Hyderabad	Person
8	Director, National Commission for SCs & STs, GoI, Hyderabad	Person
9	Joint Secretary to Government of India, Ministry of Social Justice and Empowerment, New Delhi	Person
10	Chairman & Managing Director, NSFDC or his nominee, New Delhi	Person
11	Principal Secretary to Government, Finance Department or his nominee	Person
12	Deputy Secretary / Joint Secretary / Addl. Secretary, Social Welfare Department, (dealing with subject of APSCCFC Ltd., Hyderabad)	Person
13	Director of Ground Water, AP, Hyderabad	Person
14	Chairman & Managing Director, AP Transco, Hyderabad	Person
15	VC&MD, APSIDC, Hyderabad	Person
16	Commissioner and Director of Agriculture, AP, Hyderabad.	Person
17	Commissioner of Horticulture, AP, Hyderabad	Person
18	VC&MD, LIDCAP, AP, Hyderabad	Person
19	Chairman & Managing Director, NSKFDC, New Delhi	Person

District Monitoring Committee

Sl. No.	Official	Designation
1	District Collector	Chairman
2	Project Director, District Rural Development Authority	Convener
3	Executive Director, SC Corporation	Member
4	Joint Director, Agriculture	Member
5	Joint Director, Animal Husbandry	Member
6	General Manager, District Industries Centre	Member
7	Regional Transport Officer	Member
8	Project Director, District Water Management Agency	Member
9	Lead District Manager (Manager of lead bank)	Member
10	President, Zilla Samakhya/ Town Level Federation	Member

Screening-cum-Selection Committee

Sl. No	Category	Mandal Level Committee	Municipality Level Committee	Municipal Corporation Level Committee
A. Non official members				
1	President	Mandal Praja Parishad (MPP) President	Municipal Chairperson	Mayor
2	Members	1) Zilla Parishad Territorial Constituency (ZPTC) member, 2) Mandal Parishad Territorial Constituency (MPTC) members and 3) Sarpanch	Ward members	Corporators
3	Social Activists	3 members	4 members	4 members
B. Official members				
a) Representatives of the A.P Scheduled Caste Finance Co-operative Corporation Limited				
b) The managers of the bank branches having target				
C	Member Convener	Mandal Parishad Development Officers (MPDOs)	Municipal Commissioner	Commissioner of the Municipal Corporation

Note: The Non-Official members of the Screening-cum-Selection Committee at Serial Number 1 to 3 above shall consist of at least one member each from the SC, ST, BC, Minorities & Kapu communities, of which one should be a woman, in respect of the Mandals/Municipalities/Municipal Corporations, where there is a target for the SC/ST/BC/Minorities/Kapu Welfare Corporations respectively

Appendix-3.2

(Reference to paragraph 3.1.5, Page 68)

The details of physical, financial targets and achievements for the four test-checked districts under Bank Linked ES Schemes (as of July 2017)

(₹ in lakh)

Year	Targets		Released		Started		Percentage of units started out of the units for which subsidy was released
	Units	Subsidy	Units	Subsidy	Units	Subsidy	
Chittoor							
2014-15	3373	1985.80	2382	1588.50	1446	956.80	61
2015-16	3561	2283.80	2624	1729.00	1488	972.90	57
2016-17	4142	2853.60	1317	878.60	30	29.10	2
East Godavari							
2014-15	6188	2392.70	3007	2236.20	1810	1357.50	60
2015-16	4282	2747.20	2389	1788.10	593	470.10	25
2016-17	5053	3476.60	581	468.30	0	0	0
Guntur							
2014-15	3901	2498.60	3630	2415.10	3170	2100.80	87
2015-16	4339	2785.70	3897	2689.80	2679	1842.00	69
2016-17	5056	3476.90	3154	2281.60	0	0	0
Krishna							
2014-15	3273	2200.50	3084	2089.70	3027	2049.10	98
2015-16	3947	2533.40	3746	2510.90	3154	2124.40	84
2016-17	4598	3163.40	2958	2053.00	0	0	0

Source: Information supplied by Corporation

Appendix-3.3
(Reference to paragraphs 3.2.1 and 3.2.4.1, Page 75)
Details of the members of Committees

Committee of Persons

Sl. No.	Official	Designation
1	Principal Secretary to Government, Tribal Welfare	Chairman
2	Managing Director, TRICOR	Member
3	Deputy Secretary, Finance Department	Member
4	Joint/ Deputy Secretary to Government, Panchayat Raj & Rural Development Department	Member
5	Commissioner/Director of Agriculture	Member
6	Director of Animal Husbandry	Member
7	Commissioner for Corporation & Registrar of Cooperative Societies	Member
8	Commissioner of Industries	Member
9	Managing Director, Agro Industries	Member
10 to 15	Elected by the General body	Member

District Monitoring Committee

Sl. No.	Official	Designation
1	District Collector	Chairman
2	Project Director, District Rural Development Agency	Convenor
3	Executive Director, SC Corporation	Member
4	Executive Director, BC Corporation	Member
5	District Manager, Minority Corporation	Member
6	Assistant Director, Disabled Welfare	Member
7	Project Director, Women and Child Development	Member
8	District Tribal Welfare Officer	Member
9	Lead District Manager (Manager of lead bank)	Member
10	President, Zilla Samakhya/ Town Level Federation	Member

Screening-cum-Selection Committee

Sl. No	Category	Mandal Level Committee	Municipality Level Committee	Municipal Corporation Level Committee
A. Non Official Members				
1	President	MPP President	Municipal Chairperson	Mayor
2	Members	1) ZPTC member 2) MPTC members 3) Sarpanch	Ward member	Corporator
3	Social Activists	3 members	4 members	4 members
B. Official Members				
a) Representatives of the TRICOR				
b) The Managers of the Bank Branches having target				
C	Member Convenor	MPDO	Municipal Commissioner	Commissioner of the Municipal Corporation

Note: The Non-Official members of the Screening-cum-Selection Committee at Serial Number 1 to 3 above shall consist of at least one member each from the SC, ST, BC, Minorities & Kapu communities, of which one should be a woman, in respect of the Mandals/ Municipalities/ Municipal Corporations, where there is a target for the SC/ ST/ BC/ Minorities/ Kapu Welfare Corporations respectively.

Appendix-3.4

(Reference to paragraph 3.2.4.1, Page 75)

Details of number of beneficiaries applied, attended before the Screening cum Selection Committee and number of beneficiaries selected in test-checked districts

District	Number of candidates applied	Number of candidates attended the selection	Number of candidates selected and sanctioned/ subsidy released
2014-15			
Chittoor	2119	2115	515
East Godavari	2445	2445	556
SPS Nellore	3881	1569	1569
Visakhapatnam	4124	4124	2628
Total	12569	10253	5268
2015-16			
Chittoor	819	819	747
East Godavari	627	627	598
SPS Nellore	657	632	632
Visakhapatnam	713	713	433
Total	2816	2491	2410
2016-17*			
Chittoor	6002	1503	226
East Godavari	3847	3847	230
SPS Nellore	1738	718	713
Visakhapatnam	12934	12934	482
Total	24521	19002	1651
Grand Total	39906	31746	9329

Source: Information furnished by TRICOR/ District Offices

* under process (position as of 12 September 2017)

Appendix-3.5

(Reference to paragraph 3.2.4.9, Page 81)

Targets and achievements under Normal State Plan- Bank linked schemes

A. State Level

(₹ in crore)

Year	Target		Achievement	
	Physical	Financial	Physical (Percentage)	Financial (Percentage)
2014-15	15034	72.94	10386 (69)	57.59 (79)
2015-16	10059	72.45	6737 (67)	52.40 (72)
2016-17	7390	61.48	3875*	29.15*
Total	32483	206.87	20998	139.14

Source: Annual Action Plans and information furnished by TRICOR

* as of August 2017

B. Test-checked districts

(₹ in crore)

District	Target		Achievement	
	Units	Subsidy	Units	Subsidy
2014-15				
Chittoor	1150	4.77	515	2.69
East Godavari	1244	5.67	556	2.98
SPS Nellore	1840	7.71	1569	6.96
Visakhapatnam	2753	16.62	2628	16.33
Total	6987	34.77	5268	28.96
2015-16				
Chittoor	391	3.64	747 [#]	6.11
East Godavari	2630	9.46	598	4.60
SPS Nellore	816	6.41	632	5.49
Visakhapatnam	1496	13.91	433	3.06
Total	5333	33.44	2410	19.26
2016-17 (as of August 2017)				
Chittoor	388**	3.55	226	1.78
East Godavari	469**	3.93	230	1.84
SPS Nellore	834**	6.68	713	6.03
Visakhapatnam	1548**	13.88	482	3.64
Total	3239**	28.04	1651	13.29
Grand Total	15559	96.25	9329	61.51

Source: Annual Action Plans and information furnished by TRICOR

Excluding non-bank linked scheme i.e., Energisation Programme

** including approved additional targets

[#] The achievement was more as additional sanction was given based on the applications received from the MPDOs

Glossary

AAP	:	Annual Action Plan
ACRs	:	Additional Classrooms
APEPDCL	:	Andhra Pradesh Eastern Power Distribution Company Limited
APSPDCL	:	Andhra Pradesh Southern Power Distribution Company Limited
AWP&B	:	Annual Work Plans & Budget
BARC	:	Baba Atomic Research Centre
BG	:	Bank Guarantee
BIS	:	Bureau of Indian Standards
BPL	:	Below Poverty Line
CA	:	Chartered Accountant
CGG	:	Centre for Good Governance
CGWB	:	Central Ground Water Board
CoP	:	Committee of Persons
CPWS	:	Comprehensive Protective Water Supply
CRDA	:	Capital Region Development Authority
CRF	:	Calamity Relief Fund
CSE	:	Commissioner of School Education
CTE	:	Commissioner of Technical Education
CWPP	:	Community Water Purification Plant
CWSAP	:	Comprehensive Water Security Action Plan
CwSN	:	Children with Special Needs
DCB	:	Demand, Collection and Balance
DDP	:	Desert Development Programme
DFO	:	District Fire Officer
DGFS	:	Director General of Fire Services
DMC	:	District Monitoring Committee
DPO	:	District Project Officer
DPR	:	Detailed Project Report
DSA	:	District Sports Authority
DTWO	:	District Tribal Welfare Officer
DWMA	:	District Water Management Agency
DWSM	:	District Water Sanitation Mission
ED	:	Executive Director
EE	:	Executive Engineer
ENC	:	Engineer-in-Chief

EoAT	:	Extension of Agreement Time
ES Schemes	:	Economic Support Schemes
FTK	:	Field Test Kits
GCC	:	Girijan Cooperative Corporation Limited
GER	:	Gross Enrolment Ratio
GIS	:	Geographical Information System
GoI	:	Government of India
GP	:	Gram Panchayat
HRD	:	Human Resource Development
IEC	:	Information, Education and Communication
IMIS	:	Integrated Management Information System
ISB Sector	:	Industry Service Business Sector
ITDA	:	Integrated Tribal Development Agency
IWMP	:	Integrated Water Management Programme
JNA&FAU	:	Jawaharlal Nehru Architecture and Fine Arts University
JNTU	:	Jawaharlal Nehru Technological University
KGBV	:	Kasturba Gandhi Balika Vidyalaya
LIDCAP	:	Leather Industries Development Corporation of Andhra Pradesh
LINDICS	:	Learning Indicators at Elementary Level
LPCD	:	Litres Per Capita per Day
MD	:	Managing Director
MEO	:	Mandal Educational Officer
MEPMA	:	Mission for Elimination of Poverty in Municipal Areas
MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
MHRD	:	Ministry of Human Resource Development
MIS	:	Management Information System
MIU	:	Monitoring and Investigation Unit
MMS	:	Mandal Mahila Samakhya
MoU	:	Memorandum of Understanding
MPDO	:	Mandal Parishad Development Office(r)
MRC	:	Mandal Resource Centre
MVS	:	Multi-Village Scheme
NABL	:	National Accreditation Board for Testing and Calibration Laboratories
NAP	:	National Afforestation Programme
NBC	:	National Building Code

NITI	:	National Institution for Transforming India
NPEGEL	:	National Programme for Education of Girls at Elementary level
NRDWP	:	National Rural Drinking Water Programme
NSFDC	:	National Scheduled Castes Finance and Development Corporation
NSKFDC	:	National Safai Karamcharis Finance and Development Corporation
NSP	:	Normal State Plan
NSTFDC	:	National Scheduled Tribes Finance and Development Corporation
O&M	:	Operation and Maintenance
OBMMS	:	Online Beneficiary Management and Monitoring System
PAB	:	Project Approval Board
PADA	:	Pulivendula Area Development Agency
PHED	:	Public Health and Engineering Department
PO	:	Project Officer
PPSWOR	:	Probability Proportion to Size Without Replacement
PR & RD	:	Panchayat Raj & Rural Development
PRI	:	Panchayat Raj Institution
R&D	:	Research and Development
REM	:	Research, Evaluation and Monitoring
RTE Act	:	Right of Children to Free and Compulsory Education Act
RWS&S	:	Rural Water Supply & Sanitation
SAAP	:	Sports Authority of Andhra Pradesh
SAC	:	State Advisory Council
SC	:	Scheduled Castes
SCA	:	Special Central Assistance
SDG	:	Sustainable Development Goal
SE	:	Superintending Engineer
SERP	:	Society for Elimination of Rural Poverty
SFAC	:	Standing Fire Advisory Council
SLSSC	:	State Level Scheme Sanctioning Committee
SMC	:	School Management Committee
SPD	:	State Project Director
SRSWOR	:	Simple Random Sampling Without Replacement
SS	:	Summer Storage
SSA	:	Sarva Shiksha Abhiyan

SSR	:	Schedule of Standard Rates
ST	:	Scheduled Tribes
STA	:	State Technical Agency
SVS	:	Single Village Scheme
SWOT	:	Strengths, Weaknesses, Opportunities and Threats
SWPS	:	Standalone Water Purification System
SWSM	:	State Water and Sanitation Mission
TRICOR	:	Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Limited
TSP	:	Tribal Sub Plan
UC	:	Utilisation Certificate
U-DISE	:	Unified District Information System for Education
UPS	:	Upper Primary School
UT	:	Union Territory
VC & MD	:	Vice Chairman & Managing Director
VHF	:	Very High Frequency
VMC	:	Vigilance Monitoring Committee
VWSC	:	Village Water Sanitation Committee
VWSP	:	Village Water Security Plan
WQMS	:	Water Quality Monitoring and Surveillance
WSSO	:	Water and Sanitation Support Organisation

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