

**Report of the
Comptroller and Auditor General of India**

General and Social Sector

LEGISLATURE ON
PLACED BEFORE THE
LEGISLATURE ON
12 SEP 2016

for the year ended March 2015

**Government of Tamil Nadu
Report No. 1 of 2016**

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PREFACE

This Report for the year ended March 2015 has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution of India.

The Report contains significant results of the Performance Audit and compliance audit of the Departments of the Government of Tamil Nadu under the General and Social Services including Departments of Backward Classes, Most Backward Classes and Minorities Welfare, Co-operation, Food and Consumer Protection, Health and Family Welfare, Higher Education, Labour and Employment, Municipal Administration and Water Supply, School Education, Social Welfare & Nutritious Meal Programme and Special Programme Implementation. However, Departments of Adi Dravidar & Tribal Welfare, Finance, Home, Prohibition & Excise, Housing and Urban Development, Law, Legislative Assembly, Personnel & Administrative Reforms, Planning, Development & Special Initiatives, Public, Revenue, Rural Development & Panchayat Raj, Tamil Development & Information, Welfare of Differently Abled Persons and Youth Welfare & Sports Development are not covered in this Report on General and Social Services.

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

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

CHAPTER I

INTRODUCTION

CHAPTER I

INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Tamil Nadu (GoTN) relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government departments and Autonomous Bodies.

The primary purpose of the Report is to bring to the notice of the State Legislature important results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the executive to take corrective actions as also to frame appropriate policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of transactions relating to expenditure, receipts, assets and liabilities of audited entities to ascertain whether provisions of the Constitution of India, applicable rules, laws, regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

This chapter provides profile of audited entities, planning and extent of audit and synopsis of audit observations. Chapter II of this Report deals with findings of Performance Audits and Chapter III deals with findings of Compliance Audit of various departments and Autonomous Bodies.

1.2 Profile of Audited Entities

There are 37 departments in the State at the Secretariat level, headed by Principal Secretaries/Secretaries who are assisted by Commissioners/ Directors and Subordinate officers. Of these, 23 departments including 14 Public Sector Undertakings and 1,506 Autonomous Bodies/Local Bodies coming under these departments are under audit jurisdiction of the Principal Accountant General (General and Social Sector Audit).

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

Abbreviations used in this report are listed in the Glossary at Page 159.

Table 1.1: Comparative position of expenditure

Disbursements	(₹ in crore)								
	2012-13			2013-14			2014-15		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Revenue expenditure	23,384	73,683	97,067	26,534	83,290	1,09,824	34,160	94,668	1,28,828
General services	36	31,616	31,652	61	35,668	35,729	181	41,474	41,655
Social services	19,288	19,335	38,623	22,173	23,103	45,276	25,290	25,059	50,349
Economic services	3,277	14,351	17,628	3,452	16,192	19,644	7,647	19,196	26,843
Grants-in-aid and contributions	783	8,381	9,164	848	8,327	9,175	1,042	8,939	9,981
Capital Expenditure	14,351	217	14,568	16,872	301	17,173	17,272	531	17,803
Loans and advances disbursed	170	4,599	4,769	389	1,853	2,242	1,339	2,980	4,319
Repayment of public debt (including transactions under ways and means advances)	*	*	5,015	*	*	4,977	*	*	6,488
Contingency fund	Nil	Nil	Nil	*	*	19	*	*	Nil
Public account disbursements	*	*	1,33,101	*	*	1,44,022	*	*	1,59,384
Total			2,54,520			2,78,257			3,16,822

* Plan and non-plan bifurcation is not applicable
(Source: Finance Accounts for the respective years)

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. The C&AG conducts audit of expenditure of the departments of GoTN under Section 13¹ of the C&AG's (DPC) Act, 1971. The C&AG is the sole auditor in respect of 34 Autonomous Bodies which are audited under Sections 19(2)², 19(3)³ and 20(1)⁴ of the said Act. Audit of Government companies is also conducted under Section 19(1) of the C&AG's (DPC) Act. In addition, the C&AG conducts, under Section 14⁵ of the Act, audit of other Autonomous Bodies which are

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

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

³ Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature at the request of the Governor

⁴ Audit of accounts of any body or authority on the request of the Governor on such terms and conditions as may be agreed upon between the C&AG and the Government

⁵ Audit of (i) all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of the State in a financial year is not less than ₹ one crore

substantially funded by the State Government. The C&AG also provides Technical Guidance and Support to the Local Fund Audit for audit of Local Bodies. The principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts 2007 issued by the C&AG.

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 based on expenditure incurred and its type, criticality/complexity of activities, level of delegated financial powers, assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of units, Inspection Reports (IRs) containing audit findings are issued to the Heads of the audited entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Important audit observations pointed out in these IRs are processed for inclusion in the Audit Reports which are submitted to the Governor of Tamil Nadu under Article 151 of the Constitution of India for being laid before the State Legislature.

1.5 Response to Audit

1.5.1 Draft Paragraphs and Performance Audits

Thirteen Draft Paragraphs (DPs) and three draft Performance Audits (PAs) including one Information Systems Audit were forwarded demi-officially to Principal Secretaries/Secretaries of the Departments concerned between June and November 2015 with requests to send their responses within six weeks. Departmental replies for six out of thirteen DPs and two out of three Draft PAs were received. The replies, wherever received, have been suitably incorporated in the Report. In respect of draft PAs, Exit Conferences were held with representatives of the Government between September and December 2015. The Government's reply and views expressed by the representatives of the Government during Exit Conferences were considered while finalising the Report.

1.5.2 Pending replies to Inspection Reports

A review of the IRs issued up to 30 September 2014 revealed that 17,956 paragraphs relating to 4,862 IRs remained outstanding at the end of March 2015 as detailed in **Appendix 1.1**.

Large pendency of IRs due to non-receipt of replies was indicative of the fact that heads of offices and heads of Departments did not initiate appropriate and adequate action to rectify the defects, omissions and irregularities pointed out in the IRs.

1.6 Audit observations of Performance Audits

This Report contains three Performance Audits including one on Information Systems Audit. The focus has been on auditing the specific programmes/schemes and offering suitable recommendations with the intention to assist the Executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

1.6.1 Implementation of Rashtriya Madhyamik Shiksha Abhiyan

Government of India (GoI), in order to make good quality secondary education available, accessible and affordable to all young persons in the age group of 14-18 years launched Rashtriya Madhyamik Shiksha Abhiyan (RMSA) in March 2009 as a Centrally Sponsored Scheme. Under the scheme, the GoI share is 75 *per cent* and the GoTN share is 25 *per cent* of the cost of all components. A Performance Audit of Implementation of RMSA revealed certain significant audit findings :

- In all the test-checked 190 Government schools of the eight sample districts, no perspective plan or annual plan was prepared at school level. Instead the Annual Work Plans were prepared by the District Programme Co-ordinators based on the data available in School Education Management Information System (SEMIS), Unified District Information System for School Education (UDISE) and Census data.
- Ineligible middle schools not fulfilling the norms of RMSA on access to habitations and number of students in feeder schools were upgraded in the test-checked districts. Further, 158 out of 710 schools approved for upgradation by GoI in 2011-12 were subsequently cancelled due to non-adherence of RMSA norms.
- Short/delayed release of scheme funds by GoTN was noticed.
- Though 1,944 schools were required to be upgraded in the State as per the mapping exercise, only 1,096 schools were upgraded during 2009-12, out of which new buildings were constructed for 136 schools sanctioned during 2009-10. Construction was under progress in 62 schools and in the remaining 898 schools, construction was not taken up as of August 2015.

- Under the Strengthening of schools component, out of 2,549 Additional classrooms (ACR) and Science Laboratories sanctioned during 2010-11, 1,413 ACR and Science Laboratories were completed as of August 2015. All the strengthening works sanctioned during 2011-12 were not taken up as of May 2015.
- The training given to teachers was inadequate. There was adverse student-classroom ratio as compared to norms.
- In 119 test-checked Government schools, there were no Science laboratories and in 149 schools, there were no libraries. In 94 schools, there were no playgrounds.
- Audit noticed that the overall impact of the deficiencies also resulted in declining enrolment in IX Standard in Government schools, reduction in transition rates to high schools, lack of reduction of dropouts and poor results in examinations.

(Paragraph 2.1)

1.6.2 *Working of Observation Homes, Children Homes and Special Homes in Tamil Nadu*

Social Welfare and Nutritious Meal Programme Department implements a number of schemes for protection, welfare and development of children in need of care and protection through Commissionerate of Social Welfare. Directorate of Social Defence, which is responsible for implementing the Juvenile Justice (Care and Protection of Children) Act, 2000 and the Amendment Act, 2006, takes care of juveniles in conflict with law and also children in need of care and protection. The Tamil Nadu Juvenile Justice (Care and Protection of Children) Rules, 2001, framed under the Act was amended in March 2012 in conformity with the provisions of the Act as amended in 2006. In the State, child care institutions are run by Government as well as Non-Governmental Organisations (NGOs). A Performance Audit on Working of Observation Homes, Children Homes and Special Homes was conducted during March - July 2015 and important audit findings noticed during audit are as under:

- There were delays in finalisation of cases by Juvenile Justice Boards and Child Welfare Committees in the sampled districts.
- GoI funds released for Institutional Care component of Integrated Child Protection Scheme (ICPS) were not utilised by the Commissionerate of Social Welfare (CSW). ICPS funds were not released to the State Child Protection Society and the funds were managed by the Department.
- 375 homes under the control of Directorate of Social Defence (DSD) and CSW were not registered under the Juvenile Justice Act as of August 2015.

- Basic infrastructure, amenities and provision of minimum standards of services were lacking in test-checked homes run by Government and NGOs.
- Out of 433 children who escaped/ran away from homes operated by Government and NGOs during 2010-15, 202 children (47 *per cent*) were not traced indicating lack of adequate surveillance and security arrangements in homes.
- Shortage in staff required for management of Government homes was noticed. Vacancies in key posts of homes were more than 50 *per cent* of the sanctioned strength in each category.

(Paragraph 2.2)

1.6.3 *Information Systems Audit on Computerisation of District Employment Offices*

The primary function of District Employment Offices (DEOs) is to register job seekers, renew their registration periodically and update their qualification as and when requested. DEOs also select candidates based on their seniority and qualification and furnish lists of eligible candidates to employers. Information Systems Audit on Computerisation of District Employment Offices revealed the following significant audit findings:

- Out of the nine modules, only two modules (Registration Module and Vacancy Module) have gone live even after six years from the date of entrustment of the work to the developer.
- Large-scale manual interventions were made in the selection process due to inadequacies in the Vacancy Module.
- There were errors in selection lists generated by the Vacancy Module due to errors in input/process/data migration.
- National Code of Occupation (NCO) and seniority date in respect of 1.47 lakh candidates registered during 2011-14 were not available in the relevant table. There were discrepancies in seniority date between candidate NCO table and Selection Detail table. Discrepancies were noticed in input of fields due to absence of validation controls. Multiple registrations of candidates were noticed.
- Therefore, Audit could not derive assurance that the candidates were recommended for jobs, in accordance with the rules and regulation in force, through the system.

(Paragraph 2.3)

1.7 *Audit observations of Compliance Audit*

Audit observed several deficiencies in critical areas which had adverse impact on effective functioning of Government Departments/ Organisations. Key audit findings of compliance issues are as under:-

Provision and maintenance of hostels for Backward Classes, Most Backward Classes and Denotified Communities Students

There were delays in admitting school students to hostels against additional seats. Sanction of additional seats and sharing of accommodation by more than one hostel in the same building resulted in overcrowding in these hostels, besides inadequate availability of bathrooms, toilets and other amenities. Construction of newly sanctioned buildings for hostels were not commenced due to delay in identification of site and indecisiveness. Vacancies in key posts in hostels remained unfilled. Shortfall in conducting medical camps and hostel inspections was also noticed.

(Paragraph 3.1)

Provision of medical facilities at secondary care hospitals under Director of Medical and Rural Health Services

Inadequate infrastructure facilities were noticed in non-Taluk hospital, Pernambut and Operation Theatres were not used for want of specialist Doctors in two hospitals. In 12 test-checked hospitals, the bed strength was over and above the sanctioned strength requiring additional facilities. Non-installation/idling of equipment was noticed in test-checked hospitals. Blood storage facilities were not available in hospitals leading to referral of cases to other hospitals. Shortage/diversion of manpower was noticed in hospitals and the percentage of shortfall of Doctors, Nurses and Paramedical staff was significant.

(Paragraph 3.2)

Free Distribution of laptop computers to students of Government/ Government aided Schools and Colleges

Laptop computers were distributed belatedly to students after the close of the academic year, due to delayed release of funds to Electronics Corporation of Tamil Nadu (ELCOT). Laptop computers were distributed to students studying in self financing courses in Government Aided colleges, though they were not eligible under the scheme. There were losses due to theft in schools and colleges, which indicated lacuna in safe storage of laptop computers.

(Paragraph 3.3)

Information Technology Audit on Computerised Billing and Collection in Chennai Metropolitan Water Supply and Sewerage Board

Audit examination of data for the period 2010-15 pertaining to Billing and Collection Module of the Enterprise Resource Planning (ERP) system of the Board revealed short assessments of Water Tax/Water Charges due to incorrect adoption of Annual Value, incomplete data transfer of “Live” properties, incorrect classification of property, category mismatch between New Water Connection system and Billing and Collection module and discrepancies in raising of demands in respect of metered connections. Based on the

observations of audit, the Board has taken remedial action by raising demands amounting to ₹ 30.26 crore.

(Paragraph 3.4)

Other significant audit observations

Failure of the University of Madras to identify suitable personnel to operate and maintain the Virtual University Programme and the Tele-education project created at a cost of ₹ 4.91 crore resulted in idling of the equipment besides non-achievement of objective of tele-education.

(Paragraph 3.5.1)

Buildings for pharmacies attached to two Hospitals of Indian Medicine, constructed at a cost of ₹ 1.65 crore could not be put to use for four and five years respectively, due to non-procurement of equipment despite availability of funds.

(Paragraph 3.5.2)

Failure on the part of Tamil Nadu Health Systems Society to include a saving clause in the agreement for adjusting the excess premium paid under CMCHIS resulted in unintended benefit of ₹ 7.11 crore to the insurance company.

(Paragraph 3.6.1)

Failure of the department to restrict release and retention of higher cost borrowings in current account of District Central Co-operative Banks of the concerned districts resulted in avoidable liability of ₹ 1.82 crore to Government.

(Paragraph 3.6.2)

Funds amounting to ₹ 7.36 crore provided for construction of masonry choolas in schools, for safe disposal of used sanitary napkins and installation of vending machines were kept idle outside Government Account for more than two years due to indecisiveness in finalising the implementing agency and the technology.

(Paragraph 3.7.1)

Funds amounting to ₹ one crore provided for construction of group houses for transgenders were kept idle outside Government Account for more than five years, due to indecisiveness in fixing the unit cost of houses and poor monitoring.

(Paragraph 3.7.2)

The building constructed for Trauma centre at a cost of ₹ 77.20 lakh at Kanyakumari Medical College Hospital could not be put to use for more than three years.

(Paragraph 3.7.3)

Government receipts of ₹ 625.24 crore collected as claims by various Government Hospitals under CMCHIS were kept outside Government account, out of which an expenditure of ₹ 488.24 crore was incurred, in contravention of the Constitutional provision and the Tamil Nadu Treasury Rules.

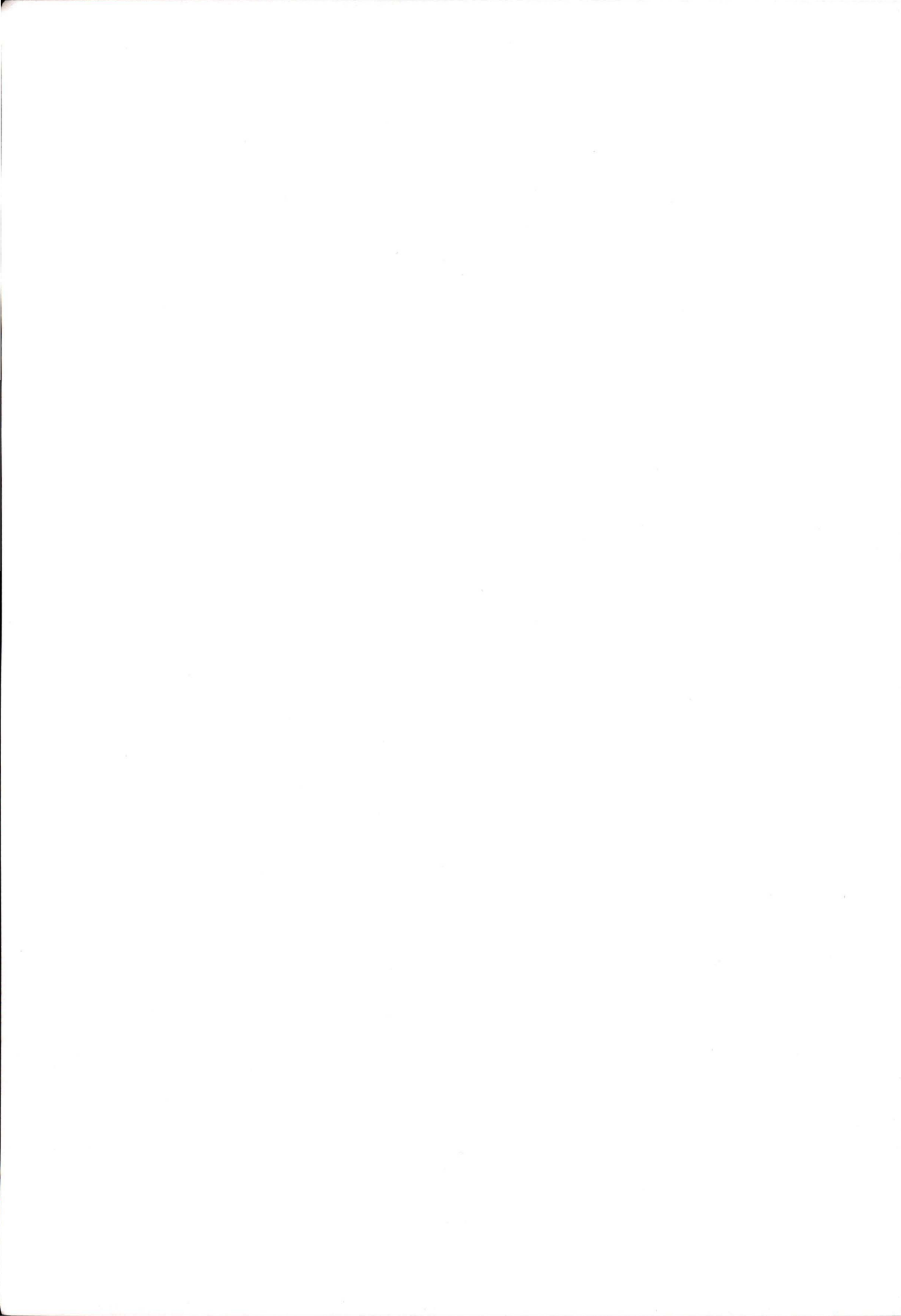
(Paragraph 3.8.1)

Failure to adhere to provisions of guidelines relating to State's share of expenditure incurred from Revolving Fund operated under Employees' State Insurance Scheme resulted in incorrect adjustment by Employees' State Insurance Corporation (ESIC), besides blocking up of ₹ 43.83 crore with ESIC.

(Paragraph 3.8.2)

1.8 Recommendations

This Report contains specific recommendations on a number of issues involving non-observance of the prescribed internal procedure and systems, compliance with which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large. The State Government is requested to take cognizance of these recommendations and take appropriate action in a time bound manner.



CHAPTER II
PERFORMANCE
AUDITS

PERFORMANCE AUDITS

This chapter contains findings of Performance Audits on (i) Implementation of Rashtriya Madhyamik Shiksha Abhiyan, (ii) Working of Observation Homes, Children Homes and Special Homes in Tamil Nadu and (iii) Information Systems Audit on Computerisation of District Employment Offices.

SCHOOL EDUCATION DEPARTMENT

2.1 Implementation of Rashtriya Madhyamik Shiksha Abhiyan

Executive Summary

Government of India (GoI) in order to make good quality secondary education available, accessible and affordable to all young persons in the age group of 14-18 years launched Rashtriya Madhyamik Shiksha Abhiyan (RMSA) in March 2009 as a Centrally Sponsored Scheme (CSS). Under the scheme, the GoI share is 75 per cent and the GoTN share is 25 per cent of the cost of all components. A Performance Audit of Implementation of RMSA revealed certain significant audit findings:

In all the test-checked 190 Government schools of the eight sample districts, no perspective plan or annual plan was prepared at school level. Instead, the Annual Work Plans were prepared by the District Programme Co-ordinators based on the data available in School Education Management Information System (SEMIS), Unified District Information System for School Education (UDISE) and Census data.

Ineligible middle schools, not fulfilling the norms of RMSA, on access to habitations and number of students in feeder schools were upgraded in the test-checked districts. Further, 158 out of 710 schools approved for upgradation by GoI in 2011-12 were subsequently cancelled due to non-adherence of RMSA norms.

Short/delayed release of scheme funds by GoTN was noticed.

Though 1,944 schools were required to be upgraded in the State as per the mapping exercise, only 1,096 schools were upgraded during 2009-12, out of which new buildings were constructed for 136 schools sanctioned during 2009-10. Construction was under progress in 62 schools and in the remaining 898 schools, construction was not taken up as of August 2015.

Under the Strengthening of schools component, out of 2,549 Additional classrooms (ACR) and Science Laboratories sanctioned during 2010-11, 1,413 ACR and Science Laboratories were completed as of August 2015. All the strengthening works sanctioned during 2011-12 were not taken up as of May 2015.

The training given to teachers was inadequate. There was adverse student-classroom ratio as compared to norms.

In 119 test-checked Government schools, there were no Science laboratories and in 149 schools, there were no libraries. In 94 schools, there were no playgrounds.

Audit noticed that the overall impact of the deficiencies also resulted in declining enrolment in IX Standard in Government schools, reduction in transition rates to high schools, lack of reduction of dropouts and poor results in examinations.

2.1.1 Introduction

Government of India (GoI) in order to make good quality secondary education available, accessible and affordable to all young persons in the age group of 14-18 years launched Rashtriya Madhyamik Shiksha Abhiyan (RMSA) in March 2009. The main objectives of RMSA are to ensure that all secondary schools have physical facilities, staff members and supplies at least according to the prescribed standards through financial support in case of Government/ Local Body and Government aided schools. RMSA aims to improve access to secondary schooling to all young persons according to norms - through proximate location (*viz.*, Secondary Schools within five kms, and Higher Secondary Schools within 7-10 kms)/efficient and safe transport arrangements/residential facilities, to ensure that all students receive secondary education of good quality resulting in enhanced intellectual, social and cultural learning. Under this scheme, the GoI share is 75 *per cent* and the Government of Tamil Nadu (GoTN) share is 25 *per cent* of the cost of all components. The RMSA has been implemented in Government and local body schools in the State.

Another Scheme of GoI for construction and running of Girls Hostel (Girls Hostel Scheme) for students of Secondary and Higher Secondary Schools envisaged setting up of hostels with lodging and boarding facilities in the Educationally Backward Blocks (EBBs) so that the girl students are not denied the opportunity to continue their study due to societal factors. The scheme was integrated with RMSA with effect from 1 April 2013. A comment on delay in construction of girls' hostels was made in Paragraph 2.2.7.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2014 – General and Social Sector - Tamil Nadu, under the Performance Audit of “Schemes for welfare and protection of girl child”.

2.1.2 Organisational set-up

The RMSA and Girls Hostel scheme are being implemented by the State Implementation Society *viz.* Tamil Nadu State Mission of Rashtriya Madhyamik Shiksha Abhiyan registered (September 2009) under the Societies Registration Act 1975.

RMSA has a State Project Director (SPD) as Nodal Officer at State Level, who reports to the Principal Secretary, School Education Department. The SPD is supported by a Technical Support Group (TSG) established with the appointment of consultants. The State has designated District Programme Co-ordinator (DPC) as the Nodal Officer at the district level. The DPC is responsible for all activities relating to planning, management and implementation of RMSA. There is a School Management and Development Committee (SMDC) in each school for implementation of the scheme at school level.

2.1.3 Audit objectives

The Performance Audit aimed to assess whether:

- planning was based on gap assessment between existing resources and requirements for scheme implementation;
- funds were provided as per the approved plan and utilised economically and efficiently and
- the scheme was efficiently implemented to achieve stated outputs.

2.1.4 Audit criteria

The Performance Audit was bench marked against the criteria derived from the following documents:

- Perspective Plan and Annual Work Plans & Budget (AWP&B).
- Framework/Guidelines of the schemes viz., RMSA and Girls Hostel scheme.
- Manual on financial management and procurement for RMSA.
- Manual/Policies/Rules and regulations of the GoTN.
- Orders, Circulars and Instructions issued by Ministry of Human Resource Development (MHRD), GoI and GoTN from time to time.
- Unified District Information System for School Education (UDISE) data and School Education Management Information System (SEMIS) data.

2.1.5 Scope and Methodology of Audit

The Performance Audit on implementation of RMSA was conducted between March and August 2015 covering the period from 2009-10 to 2014-15. The records at the offices of the Principal Secretary, School Education Department, and SPD of RMSA in the State were examined. Besides, eight¹ out of the total 32 districts were selected for test check, based on stratified random sampling

¹ Dindigul, Erode, Salem, Thanjavur, Theni, Tiruppur, Tiruvannamalai and Villupuram

method (stratification done on the basis of number of schools in each district). Further, 190 out of the total 1,754 Government schools in these eight districts, selected on random sampling method were also test checked.

An entry conference was held in March 2015 with Principal Secretary to Government, Department of School Education wherein objectives, scope and audit criteria were discussed. The audit findings were discussed in an Exit Conference conducted with the Principal Secretary, School Education Department in December 2015 and the replies and responses of the Department were taken into account, while finalising the Report. The audit findings are given in the succeeding paragraphs.

Audit findings

2.1.6 Planning

2.1.6.1 Habitation without access to secondary school

As per the framework for implementation of RMSA issued by the MHRD, GoI, the vision for secondary education is to make good quality education available, accessible and affordable to all young persons in the age group of 14-18 years. It *inter alia* provides for secondary school within a reasonable distance of any habitation, which should be five kms for secondary schools and 7 to 10 kms for higher secondary schools and to ensure universal access of secondary education by 2017.

As per the Perspective Plan of GoTN for the period 2009-17 for expanding secondary education in the State, provision of secondary school within five kms to all habitations was to be achieved in 2011-12.

As of March 2015, as against 93,855 habitations in the State, 69,223 habitations (73.75 *per cent*) had access to secondary schools within five kms. Thus, 24,632 habitations (26.25 *per cent*) did not have access to secondary schools within five kms, indicating that the objective of providing secondary school to all habitations by 2011-12 could not be achieved fully.

It was observed that only 1,096 schools were upgraded during 2009-12, as against 1,944 schools identified for upgradation, and due to delay/non-commencement of construction of new buildings in upgraded schools, GoI had not approved any new project since 2012-13.

During the Exit Conference (December 2015), the Principal Secretary stated that the coverage of habitations would be substantially increased, on completion of upgradation of the balance proposed schools.

2.1.6.2 Non-conduct of survey by Core Group and non-preparation of Perspective Plan at school level

- As per RMSA framework, the starting point for planning activities has to be the setting up of a Core Group of governmental and non-governmental persons at the District level, which would undertake an extensive visit of the district, by interacting with each household to

ascertain the educational status and the educational need. However, in all the eight test-checked districts, though core groups were formed, they did not conduct any household survey. Therefore, Audit could not ascertain whether educational needs of each household were taken into account prior to implementation of RMSA.

- As per RMSA framework, the School has to play a critical role in the planning process. The School Management Committee of every identified secondary or upper primary school has to prepare a school level Perspective Plan and Annual Plan. However, it was seen in all the test-checked Government schools of sample districts that no such Perspective Plan or Annual Plan was prepared at School level.

Thus, the planning process was not conducted as envisaged in the framework and instead, Annual Work Plans were prepared by the DPC based on the data available in SEMIS, UDISE and Census data and not on the basis of actual household and school surveys for identification of un-served areas.

The Government, in reply, stated (December 2015) that School Improvement Plans (SIP), which reflect the ground reality, were prepared by SMDC, based on which district level plans were prepared by the District Technical Support Groups. Those district level plans were consolidated at the State level by the State Technical Support Group as Annual Plan. However, Audit carried out a re-verification of the availability of such plans in five schools in two districts viz., Dindigul and Theni and found that the SIPs did not contain details of periodical achievement tests, classroom observation schedule and household surveys, as envisaged.

2.1.6.3 *Non-adherence of RMSA norms resulting in selection of ineligible middle schools for upgradation into high schools*

The norms for approving new secondary schools under RMSA are:

- non-availability of high school facility within a distance of five kms from habitations;
- at least 70 children should have been enrolled in VIII standard of feeder upper primary schools within the catchment area.

During 2009-12, in Tamil Nadu, 1,096 schools were upgraded to High Schools under RMSA, out of which, 336 schools were upgraded in the eight sample districts. In the selected districts, 107 schools were test checked and the cases where these norms were not followed are discussed in the subsequent paragraphs.

Non-adherence to the distance norm of five kms

It was seen in the test-checked districts that, 66², out of the 107 upgraded schools that were test checked, were upgraded during 2009-12, despite already

² Dindigul (6), Erode (8), Salem (12), Thanjavur (5), Theni (6), Tiruppur (6), Tiruvannamalai (10) and Villupuram (13)

having High/Higher secondary school within the radius of five kms, contrary to the provisions of RMSA.

Further, it was also noticed that due to non-conducting of mapping exercise each year after upgradation, certain schools were incorrectly upgraded under RMSA without taking into account existence of another school which was recently upgraded under the same scheme (RMSA) within five kms radius as illustrated below.

In Salem District, Government High School (GHS), Veeranam was upgraded in 2009-10. However, another school, GHS Vaikkalpattarai, located within the radius of five kms was also upgraded in 2011-12. Similarly, in Villupuram District, GHS Asoor (Vikravandi) was upgraded in 2010-11, but GHS Melakondai located within radius of five kms was also upgraded in the very next year itself, i.e., 2011-12, in disregard to RMSA norms.

Non-adherence of feeder school norm on enrolment

It was observed in the test-checked districts that 83³ out of the 107 schools were upgraded during 2009-12 without having feeder strength of minimum of 70 children, contrary to provisions of RMSA.

After upgradation of these schools, only 11 schools had enrolment of more than 70 students in IX standard. In the remaining 72 schools, the same ranged between 9 and 69.

Cancellation of upgradation of 158 schools by Project Approval Board

Further, GoTN had identified 1,944 middle schools to be upgraded in Tamil Nadu, out of which 1,254 schools (200 + 344 + 710) were upgraded during the years 2009-12, leaving out 690 schools. The Project Approval Board (PAB) in its Meeting held to consider the AWP&B of the State for 2013-14 (July 2013) cancelled the sanction allotted to 158 out of the 710 schools, approved during 2011-12, on the grounds that either these schools did not meet the criteria of being beyond a radius of five kms from the nearest High School or that the enrolment of students in the feeder middle schools was insufficient. Accordingly, the PAB instructed that the sanction of teacher posts, construction works and non-recurring grants be amended in respect of these 158 schools. These schools were functioning as High schools though they were not eligible to function as High schools as per RMSA norms and, consequently, the total salary component is being borne by the State. Thus, inclusion of ineligible schools for upgradation under RMSA and failure to propose the eligible schools not only resulted in recurring expenditure (Salary Component) to the State amounting to ₹ 72.67 crore for 742 teacher posts during 2012-15, but also deprived the eligible schools from upgradation.

During the Exit Conference (December 2015), the Principal Secretary stated that factors such as natural barriers, difficulties in reaching existing schools were taken into account for upgradation of schools.

³ Dindigul (9), Erode (4), Salem (12), Thanjavur (10), Theni (6), Tiruppur (8), Tiruvannamalai (15) and Villupuram (19)

Even taking the reply into consideration that upgradation was justified on account of latent demand based on other factors, though not adhering to RMSA norms, Audit found that the enrolment in such schools, even after upgradation did not go up substantially to justify such upgradation.

2.1.6.4 *Non-posting of teaching and non-teaching staff as against approved strength*

The PAB, while approving the upgradation of new schools and strengthening of existing schools, also approved new teaching and non-teaching posts to these schools from 2009-10 onwards. The details of teaching and non-teaching staff approved, and actually in position in these schools under the Scheme are detailed in **Table 2.1**.

Table 2.1: Details of staff approved and in position

Year	As per PAB Approval			Actually in position		
	Teachers	Junior Assistant	Laboratory Assistant	Teachers	Junior Assistant	Laboratory Assistant
2009-10	1,400	Nil	200	Nil	Nil	Nil
2010-11	3,808	344	544	Nil	Nil	Nil
2011-12	14,110	2,818	5,647	2,431	7	308
2012-13	14,110	2,818	5,647	7,893	532	
2013-14	13,320	2,660	5,489	9,915	661	686
2014-15	13,320	2,660	5,489	11,839	2,116	593

Source: Figures furnished by State Project Directorate

As against 1,400 and 3,808 teachers approved by PAB during 2009-10 and 2010-11 respectively, no teachers were appointed. As against 14,110 teachers approved during 2011-12 and 2012-13, only 2,431 and 7,893 teachers were appointed to the schools respectively. Similarly, the posts of non-teaching staff (Junior Assistants and Laboratory Assistants) approved during 2009-10 to 2012-13 were also not filled completely. Though GoTN initiated steps to appoint teachers during 2011-15, it could fill up only 17 *per cent* (2011-12) to 89 *per cent* (2014-15) of approved posts. The non-filling up of vacancies of teachers could be a reason for decline in enrolment, transition rate and increase in dropout rate as discussed in Paragraph 2.1.10.

The Government attributed (December 2015) the delay in posting teachers to low pass percentage in the Teachers Eligibility Test (TET) conducted by the Teachers Recruitment Board (TRB) twice in 2012. Hence all the 13,320 posts were filled only in 2013. It was further stated that the existing vacancies were due to transfers effected in May 2015. In respect of non-teaching posts, it was stated that the recruitment process for filling up the remaining posts was yet to be completed, due to pending court cases in this regard. However, a perusal of the PAB minutes for sanction of funds for 2013-14 and 2014-15 showed that recurring grant sanction was accorded for teachers in position to an extent of 8,804 and 10,077 respectively.

During the Exit Conference (December 2015), the Principal Secretary attributed the delay in filling up of the posts of teachers to delay in conducting TET by TRB, owing to Court cases.

2.1.7 Financial Management

2.1.7.1 Utilisation of funds

To achieve the intended objectives of the programme, the GoI and GoTN released their share of funds to SPD for further release to the DPCs for implementation of the programme.

It was noticed that during 2009-15, GoI released ₹ 1,254.19 crore and GoTN released ₹ 507.31 crore (including additional funds sanctioned amounting to ₹ 89.20 crore) to SPD under the scheme. Out of total available funds of ₹ 1,862.40 crore (including interest and miscellaneous receipt: ₹ 100.90 crore), ₹ 1,499.06 crore was utilised/released to districts and balance fund of ₹ 363.34 crore, remained unutilised. The percentage of shortfall in utilisation of funds in the State during 2009-15 ranged from 6.03 to 74.27. The non-utilisation of funds was due to non-taking up of infrastructure works in respect of 344 schools upgraded during 2010-11 and taking up of lesser number of works in respect of strengthening of schools approved by PAB for 2010-11, as discussed in Paragraphs 2.1.8.1 (ii) and 2.1.8.2.

In the eight test-checked districts, the year-wise details of funds released by the SPD and the expenditure incurred thereagainst during 2009-15 are given in **Table 2.2.**

Table 2.2: Details of funds received and expenditure incurred thereagainst during 2009-15

(₹ in crore)

Year	Opening Balance	Funds Received		Total Availability of funds	Expenditure incurred	Balance Available
		From SPD	Miscellaneous receipt including interest			
2009-10	0.00	24.17	0.00	24.17	24.11	0.06 (0.25)
2010-11	0.06	20.51	0.02	20.59	18.06	2.53 (12.29)
2011-12	2.53	35.20	0.23	37.96	29.46	8.50 (22.39)
2012-13	8.50	71.07	0.26	79.83	21.39	58.44 (73.21)
2013-14	58.44	94.01	2.23	154.68	137.14	17.54 (11.34)
2014-15	17.54	28.21	0.75	46.50	34.81	11.69 (25.14)
Total		273.17	3.49		264.97	

Figures in brackets indicate percentage of the total availability of funds

Source: Figures furnished by the District Project Offices

As against the total available funds of ₹ 276.66 crore (₹ 273.17 crore + ₹ 3.49 crore) during 2009-15, ₹ 264.97 crore was utilised and the balance amount of ₹ 11.69 crore (including interest) remained unutilised.

The unspent amount of ₹ 11.69 crore included ₹ 4.69 crore received by the districts towards strengthening component for 2010-11, which could not be spent due to inability expressed by the implementing agency to carry out works at the unit cost fixed by GoI and ₹ 1.83 crore towards Upgradation of schools for 2009-10, due to slow progress of the works.

In the test-checked districts, the unspent amount at the end of 2014-15 ranged between 10.94 *per cent* (Theni District) and 53.53 *per cent* (Erode District).

The Government attributed (December 2015) non-utilisation of funds to the variation in the rates of sanction for civil works by the RMSA and rates adopted by the PWD. It was further stated that this was addressed by GoTN by sanction of additional funds.

2.1.7.2 Short release /delay in release of funds by GoTN

As per RMSA framework, the sharing arrangement between the GoI and the State Government was in the ratio of 75:25 and the GoI was to release funds to the SPD in April and September every year and State Government was to release its share to SPD within 30 days of the receipt of GoI contribution. The details of funds released by the GoI and GoTN during 2009-15 (scheme years) are given in **Table 2.3**.

Table 2.3: Details of funds released (scheme year) at state level

(₹ in crore)

Year	Approved Outlay	Funds to be released by		Funds actually released		Amount of short release		Percentage of short release	
		GoI	GoTN	GoI	GoTN	GoI	GoTN	GoI	GoTN
2009-10	151.44	113.58	37.86	95.77	34.79	17.81	3.07	15.68	8.11
2010-11	624.65	468.49	156.16	343.98	111.97	124.51	44.19	26.58	28.30
2011-12	1,447.36	1,085.52	361.84	173.76	57.63	911.76	304.21	83.99	84.07
2012-13	461.75	346.31	115.44	181.14	60.38	165.17	55.06	47.69	47.70
2013-14	510.90	383.17	127.73	167.76	55.92	215.41	71.81	56.22	56.22
2014-15	403.96	302.97	100.99	292.26	97.42	10.71	3.57	3.54	3.54
Total	3,600.06	2,700.04	900.02	1,254.67	418.11	1,445.37	481.91		

Source: Figures furnished by State Project Directorate

As seen from **Table 2.3**,

- there was shortfall ranging between ₹ 10.71 crore and ₹ 911.76 crore in releases by the GoI against the Approved outlay during 2009-15, which was mainly due to non-completion and non-commencement of construction works sanctioned during 2009-10 and 2010-11 as discussed in succeeding paragraphs.
- the State had short released the matching share ranging between ₹ 3.57 crore and ₹ 304.21 crore during the period.

Scrutiny of the Government Orders relating to the release of funds by GoI and GoTN showed that there were delays ranging from 20 to 205 days in release of funds by GoTN, against the RMSA norms.

The Government, in reply, stated (December 2015) that GoI grant was released upto 2013-14 directly to the SPD, which had to send a proposal to GoTN for release of its share, which was a time consuming process. With effect from 2014-15, GoI was releasing its funds through GoTN, which released the total grant including its share to SPD without delay.

2.1.8 Programme implementation

RMSA has a provision for infrastructure support to enhance access and to provide enabling conditions for quality education. Infrastructure support has been classified into:

- Opening of new secondary schools or upgradation of upper primary schools to the secondary stage. This included classrooms with furniture, library, Integrated Laboratory, Computer room, Headmaster room, Art and Craft room, Toilet Blocks, Drinking water etc.
- Strengthening of existing secondary schools through construction of additional classrooms (ACR), Laboratories, Library, computer room, separate toilets for girls and boys etc.
- Girls hostel for EBBs
- Vocational Education related workshops
- Major repair for school building
- Teachers' Quarters

As per the school mapping exercise conducted (2005-06) in collaboration with Bharathidasan University, Tiruchirappalli the State would require 1,944 additional secondary schools. Based on the proposals made by the State, PAB had approved 1,254 new schools to GoTN during 2009-10 to 2011-12. However, 158 of these schools were cancelled by GoI, due to non-fulfilment of RMSA norms.

The details of infrastructure sanctioned during the above period are given in **Table 2.4.**

Table 2.4: Details of infrastructure sanctioned

Name of the Construction Work	2009-10		2010-11		2011-12	
	Physical Unit sanctioned	Amount sanctioned (₹ in lakh)	Physical Unit sanctioned	Amount sanctioned (₹ in lakh)	Physical Unit sanctioned	Amount sanctioned (₹ in lakh)
(A) New Schools						
Construction of New Schools	200	11,624.00	344	19,554.14	710	41,253.94
(B) Strengthening of Existing Schools						
Additional Classroom @ ₹ 5.63 lakh	Nil	Nil	1,851	10,421.10	1,795	10,105.85
Science Laboratory @ ₹ 6.10 lakh	Nil	Nil	698	4,257.80	919	5,605.90
Computer Room @ ₹ 5.00 lakh	Nil	Nil	735	3,675.00	768	3,840.00
Library Room @ ₹ 7.00 lakh	Nil	Nil	837	5,859.00	1,036	7,252.00
Art/Craft Room @ ₹ 5.00 lakh	Nil	Nil	860	4,300.00	1,130	5,650.00
Toilet @ ₹ 1.00 lakh	Nil	Nil	474	474.00	495	495.00
(C) Teachers Quarters						
Teachers Quarters @ ₹ 6.00 lakh	Nil	Nil	94	564.00	91	546.00
Total	200	11,624.00	5,893	49,105.04	6,944	74,748.69

Source: Minutes of Project Approval Board Meetings

Though GoI had sanctioned funds for creation of various infrastructure under RMSA during 2009-10 to 2011-12, no funds were allotted during 2012-15, due to delay/non-implementation of the Scheme as discussed in succeeding paragraphs.

2.1.8.1 Poor implementation of school upgradation scheme

(i) Upgradation sanctioned in 2009-10

The PAB, in its first meeting (November 2009), for 2009-10 accorded sanction of 200 new school buildings in the state, at a unit cost of ₹ 58.12 lakh⁴ with the total outlay of ₹ 11,624 lakh. GoI released a sum of ₹ 87.18 crore and GoTN released a sum of ₹ 29.06 crore to the SPD. Apart from this, an additional amount of ₹ 18.02 crore was released (July 2013 and August 2014) by GoTN to the SPD for completing the construction of 180 schools, which could not be completed within the approved amount due to escalation in cost of construction material and labour. The SPD had released the amounts to the DPCs.

The construction of new buildings was entrusted (March 2010) to School Management and Development Committee (SMDC) of the respective schools. Out of the 200 schools, 136 schools were constructed and construction was in progress in 62 schools. Work in the remaining two schools had not commenced due to non-availability of land (August 2015).

In the eight test-checked districts, out of the 56 new school building works taken up for which ₹ 36.24 crore was released, 30 works were completed incurring expenditure of ₹ 34.47 crore. The remaining 25 works were under progress and one work was yet to be taken up, due to non-availability of land.

The following were observed in this regard:

- Since the unit cost (₹ 58.12 lakh) for new school building approved by the PAB did not match the State Schedule of Rates, the SMDCs were unable to complete the construction works and hence the DPCs requested for additional funds from SPD. Though GoTN requested (April 2013) GoI for release of additional funds, the same was not accepted. Hence, GoTN accorded sanction (July 2013 and August 2014) of additional funds amounting to ₹ 18.02 crore from State Funds for completion of these works.
- It was noticed in the test-checked districts that all High schools had VI to X standards and the upper primary schools had I to VIII standards. On upgradation, the upper primary schools were bifurcated into two schools, viz. Primary school having I to V standards and High Schools having VI to X standards. The existing building was then occupied by the primary school and the High school was located in the new building. Due to low enrolment of students in IX and X standards, only one classroom was utilised for each standard and the remaining

⁴ This included construction cost of ₹ 49.67 lakh, Furniture cost of ₹ 7.45 lakh and Science laboratory equipment for ₹ 1.00 lakh

rooms were utilised for VI to VIII standards. Similarly rooms constructed for specific purposes like Computer rooms, Arts and Crafts room were being used as classrooms for the VI to VIII standards, which was not in accordance with the framework. Non-provision of computers and arts and crafts material to the schools were cited as reason for non-utilisation of these rooms for intended purpose, by the DPCs.

The Government, in reply, stated (December 2015) that out of the 200 schools sanctioned during 2009-10, all works except two civil works, were now completed through sanction of additional funds by GoTN and put in use for the students. A test check again conducted in eight schools in two districts viz. Dindigul and Theni, after the conduct of the Exit Conference, revealed that the civil works were still in progress in seven schools, which shows that the data furnished by the districts to the Government was not correct. The practice of attaching the upper primary sections of the middle schools with the high school and allowing students of upper primary sections to sit in the rooms available at the new building was accepted by the Department.

(ii) Upgradation sanctioned in 2010-12

In respect of 2010-11 and 2011-12, PAB had approved (December 2010 and July 2011) 344 and 710⁵ new schools for upgradation in the State at a unit cost of ₹ 58.12 lakh with the total outlay of ₹ 195.54 crore and ₹ 412.54 crore respectively. The following were observed in this regard:

- An amount of ₹ 414.03 crore was received by the SPD (from GoI/GoTN) towards non-recurring grant for the 344 new schools and strengthening works sanctioned during 2010-11. The construction of 344 schools which were upgraded during 2010-11 had not commenced till October 2015, since the unit cost approved by GoI did not match with the State Schedule of Rates and additional funds sought by SPD were not released by GoTN. Due to delay in completion of construction works and non-commencement of school buildings for the schools upgraded during 2009-10 and 2010-11, grants towards construction of school building for schools upgraded during 2011-12 could not be released (₹ 412.54 crore) by GoI. The works had not commenced even after three to four years from the date of approval by PAB (August 2015). It was noticed during joint inspection that all these schools were functioning in elementary school campuses without their own school buildings.
- It was seen in the test-checked districts that 58⁶ out of the 83 upgraded schools test checked were upgraded during 2010-12, even though they

⁵ Of these 158 schools were cancelled by PAB, as discussed in Paragraph 2.1.6.3

⁶ Dindigul (2), Erode (7), Salem (12), Thanjavur (6), Theni (1), Tiruppur (5), Tiruvannamalai (10) and Villupuram (15)

did not own land for construction of building. The construction work in these schools was not started till October 2015.

- It was also noticed that there was a lack of sufficient classrooms in 56 schools, due to non-construction of new high school buildings. Classes were being conducted in open spaces (verandahs, under trees, cycle sheds, etc.) and by partitioning classrooms, as detailed in **Table 2.5** and depicted in **Pictures 2.1, 2.2** and **2.3**.

Table 2.5: Conduct of classes in places other than classrooms in Upgraded schools

Name of the test-checked districts	No. of upgraded schools, during 2010-12, test checked	No. of schools where sufficient classrooms were not available	No. of schools where classes are conducted by/in		
			Partition	Under trees/ verandahs/ cycle stand etc.	Other premises
Salem	13	7	2	4	1
Villupuram	18	11	5	8	2
Tiruvannamalai	16	13	3	8	4
Thanjavur	10	7	4	4	0
Theni	3	3	1	2	1
Erode	8	3	1	2	0
Dindigul	8	7	4	2	2
Tiruppur	7	5	4	3	2
Total	83	56	24	33	12

Source: Information obtained from test-checked schools

Conduct of classes outside classrooms in test-checked schools



Picture 2.1: GHS, Gandhi Nagar, Theni



Picture 2.2: GHS, Vaikkalpattarai, Salem



Picture 2.3: GHS, Pillayar Natham, Dindigul

During the Exit Conference (December 2015), the Principal Secretary stated that funds have been sanctioned by GoTN during September and December 2015 in respect of all incomplete construction works and new works have been entrusted with Public Works Department for early completion.

(iii) Non-maintenance of records in respect of construction of new schools

Guidelines with regard to construction of new school buildings issued (October 2010) by the SPD to the SMDCs state the details of records to be maintained.

During the field visit in test-checked districts, it was noticed that the following prescribed records were not maintained with regard to the construction of new schools sanctioned during 2009-10.

- The detailed estimate for the work was not available in the schools.
- There was no work order issued to the executing agency stipulating value of work, target date etc.
- The quantum of steel, cement, sand and gravel required for the construction was not available. Quotations for purchase of these items were not called for. These items were procured and supplied as and when required by the executing agency.
- The details of labour cost involved were also not available in the schools.
- Measurement Book for recording the works was not maintained for the construction.


In the absence of prescribed records, audit could not verify the correctness of quantum of the materials utilised and the quality of work done and derive assurance of the expenditure under the scheme.


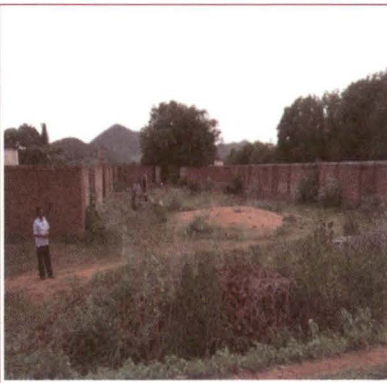
The Government, in reply, stated (December 2015) that subsequent to issue of Financial Management Code Book for implementation of RMSA by GoI in January 2012, strict instructions had been given to the Project Engineers appointed by the SPD, who were maintaining the records. It was further stated that the civil works under RMSA were carried out by PWD from 2012-13, which had an inbuilt system of maintaining records pointed out by Audit.

(iv) Lapses noticed in test-checked districts

Some of the lapses in construction of school buildings upgraded during 2009-10 by SMDC, noticed by Audit during joint inspection with the officials of the Department and school Headmasters in the test-checked districts are given in **Table 2.6**.

Table 2.6: Deficiencies noticed in test-checked schools

Name of the District and school	Deficiencies noticed	
Government High School, Kazhikulam, Tiruvannamalai District	The new school building constructed and functioning from 2013-14 is in damaged condition. There was seepage from the ceiling in the entire building and walls were wet. The toilet wall in the Headmaster room was totally cracked from the main wall. It was also reported (August 2015) by the Headmaster to the Educational District Co-ordinator/RMSA that electric shock was felt in the walls in the class rooms due to soaking of water in the wall. The school does not have a compound wall.	 <p>Picture 2.4: GHS Kazhikulam</p>

Name of the District and school	Deficiencies noticed	
Municipal High School, Chinnamanur, Theni District	The construction work entrusted to SMDC was not completed (August 2015). The last payment for works was made during November 2013 and further work was not taken up (November 2015).	 <p>Picture 2.5: MHS, Chinnamanur</p>
Government High School, Edayankattuvalasu, Erode District	Due to non-availability of land / space for the new school building, the construction of the building had not commenced. An amount of ₹ 30 lakh released (March 2010) to SMDC for the construction has been kept idle in the school savings bank account for the past four years.	
Government High School, Sakkiliankodai, Dindigul District	The work commenced during 2011 was abandoned by the contractor due to cost escalation and the work has not progressed for the last four years. Expenditure incurred for construction till date was ₹ 20.75 lakh. The balance amount of ₹ 30.75 lakh along with interest accrued was lying idle in the school savings bank account.	 <p>Picture 2.6: GHS, Sakkiliankodai</p>

Source: Information obtained from test-checked schools

Besides the above, other deficiencies noticed during the field visit under Upgradation of Schools component are detailed in **Appendix 2.1**.

2.1.8.2 Strengthening of existing High / Higher secondary schools

One of the important interventions under RMSA is strengthening of existing secondary schools through construction of ACR, Laboratories, Library, Computer room, separate toilets for girls and boys, etc.

PAB approved (January 2011) construction of 1,851 ACR and 698 Science Laboratories at a cost of ₹ 146.79 crore for 2010-11 under the scheme. GoI released (March and July 2012) ₹ 118.91 crore to SPD. GoTN released (October 2012) ₹ 39.63 crore to SPD. GoI was requested (April 2013) for release of additional funds since the unit cost for strengthening work approved by the PAB did not match the State Schedule of Rates, which was not agreed to by GoI.

Subsequently, GoTN sanctioned ₹ 134.44 crore for the strengthening works, by restricting construction to 1,250 ACR and 502 Science Laboratories in 609 schools and the works were entrusted to PWD in January 2014. Funds were released (February 2014 and April 2014) by SPD to the DPCs for transfer to PWD. As of May 2015, construction of 1,193 ACR and Science Laboratories were completed of which 738 were handed over to the respective schools. In the remaining 559 works, 535 ACR and Science Laboratories works were in progress and 24 works were not commenced till October 2015.

The Government, in reply, stated (December 2015) that out of the 1,851 ACR and 698 Science Laboratories sanctioned for 2010-11, 1,250 ACR and 502 Science Laboratories were completed leaving 601 ACR and 196 Science Laboratories under progress which would be started at the earliest. However a perusal of the Progress Report of SPD for September 2015 showed that 1,413 ACR and Science Laboratories were completed; 309 works were in various stages and 30 works were yet to be commenced, as of August 2015.

In test-checked districts, though PAB had approved 763 ACR and 261 Science Laboratories in 330 schools during 2010-11, the GoTN had taken up construction of 518 ACR and 189 Science Laboratories in 235 schools. As of May 2015, the construction of 262 ACR and 126 Science Laboratories was completed and handed over to the respective schools. Out of the remaining, works were in progress in 242 ACR and 58 Science Laboratories and for 14 ACRs and five Science Laboratories construction works were not commenced till October 2015.

The following were noticed from records:

- The construction works of Computer Rooms, Libraries, Arts & Crafts Rooms and Residential Quarters, which were approved by PAB in 2010-11 and all the strengthening works sanctioned during 2011-12, were not taken up till date.
- As against 969 toilets sanctioned during 2010-11 (474 schools) and 2011-12 (495 schools) at the state level, construction work was completed in 560 schools. In the remaining 409 schools, the works were in progress. In test-checked districts, 204 toilets allotted in 2010-11 were constructed. However, of the 183 toilets allotted in 2011-12, 128 were constructed.
- Further, in the test-checked schools, Audit noticed during field visit of schools that due to non-commencement of works sanctioned during 2010-12 and non proposal of ACR, in all these schools, classes were being conducted in open spaces (verandahs, under trees, cycle sheds, etc.,) and by partitioning classrooms which are detailed in **Table 2.7**.

Table 2.7: Conduct of classes in places other than classrooms in schools covered under strengthening component

Name of the test-checked district	No. of test-checked schools covered under strengthening component during 2010-12	No. of schools where sufficient classrooms were not available	No. of schools where classes were conducted		
			Partition	Under trees/ verandahs/ cycle stand etc.,	In other premises
Salem	9	2	2	0	1
Villupuram	12	9	5	6	2
Tiruvannamalai	11	3	1	3	0
Thanjavur	8	5	2	3	0
Theni	5	2	1	1	1
Erode	6	2	1	0	0
Dindigul	7	2	0	2	0
Tiruppur	4	0	0	0	0
Total	62	25	12	15	4

Source: Information obtained from test-checked schools

- Audit also observed during test check of schools that in four⁷ schools, out of 110 classrooms constructed under other schemes⁸, though 30 classrooms were lying unutilised, 16 classrooms were constructed under RMSA at a cost of ₹ 120.48 lakh, which were not warranted.

Construction of ACR in schools not approved by PAB

In Tiruppur District, in two schools, viz., GHS, Kannakampalayam (five classrooms) and GHS, K. Chettipalayam (three classrooms) which were not in PAB approved list, construction of ACRs were taken up from RMSA fund at a cost of ₹ 60.24 lakh.

2.1.9 Quality aspects

2.1.9.1 Inadequate training to teachers

RMSA framework envisages that the teacher is the most important component in school education. It is necessary to continuously upgrade the quality of teachers through in-service education programmes and a variety of other measures, apart from pre-service qualifying programme of teacher training viz., B.Ed. In-service training should be provided to all teachers and heads of schools for five days every year.

The Perspective Plan, for extending secondary education 2009-17 of the GoTN, stresses the point that teacher competency and efficiency through focused training is keenly planned so that observable improvements in student effectiveness and education efficiency in terms of examination results is achieved. The details of in-service training given to teachers in secondary schools in the test-checked districts during 2009-15 are indicated in the Table 2.8.

Table 2.8: Details of teacher training imparted

Year	Total No. of Secondary /Higher Secondary teachers in the Districts	No. of teachers given in-service training	No. of teachers not given in-service training	Percentage of teachers not given in-service training
2009-10	12,586	3,056	9,530	75.72
2010-11	15,930	1,709	14,221	89.27
2011-12	18,998	10,879	8,119	42.74
2012-13	17,653	7,263	10,390	58.86
2013-14	19,695	10,539	9,156	46.49
2014-15	23,351	14,634	8,717	37.33
Total	1,08,213	48,080	60,133	55.57

Source: Information obtained from District Project Coordinators

⁷ GHSS, Omalur, Salem, PTKM GHSS, Madhanayakanpatti, Salem, GHS, Randam, Tiruvannamalai and GHSS Mambattu, Tiruvannamalai

⁸ National Bank for Agriculture and Rural Development (NABARD), Member of Parliament Local Area Development Scheme (MPLAD) / Member of Legislative Assembly Constituency Development Scheme (MLACD) Fund, Sarva Shiksha Abhiyan (SSA) and Namakku Naame Thittam

As per guidelines, in-service training is to be given to all the teachers and heads of schools for five days every year. However, as observed from **Table 2.8**, the same was not adhered in all the years in all the test-checked districts. The secondary school teachers who were not trained during 2009-15 ranged between 37.33 and 89.27 *per cent* of the total number of teachers in the districts.

The Government, in reply, stated (December 2015) that five days teacher training was given upto 2014-15 and during 2015-16, training was given for 10 days to the teachers, as per PAB approval. It was further stated that except during 2011-12, when there was a shortfall of 31 *per cent* in training the teachers, as against PAB approved norm, *cent per cent* achievement was made in respect of 2012-15. However, as seen from **Table 2.8**, shortfalls in imparting of training to teachers was noticed in test-checked districts.

2.1.9.2 *Inadequate provision of classrooms leading to adverse Student Classroom Ratio*

The student classroom ratio as envisaged in the framework should be a minimum of 25:1 and not to exceed 40:1. During the visit of test-checked schools, it was seen that the Student classroom ratio in 73 of these schools was in excess of 40:1 in 2014-15. Students per classroom in these schools ranged between 41 and 104. Further, out of these 73 schools, in 28 schools the classrooms were overcrowded with a student strength ranging from 50 to 104. Thus, non-provision of adequate number of classrooms in these schools had resulted in overcrowding in classrooms causing hardships to the students, besides conducting classes by making partitions, in verandahs or under trees.

The Government, in reply, stated (December 2015) that the SPD was not in a position to take up the civil works as planned, due to belated receipt of funds from GoI and also inadequate funding, as the unit cost fixed by GoI was very low compared to the Schedule of Rate of the State.

2.1.9.3 *Non provision of Basic amenities as per norms in the schools*

The illustrative list of components under physical infrastructure (non-recurring) under RMSA includes provision of Science Laboratory, Library, toilets and drinking water facilities and compound wall. However, the following deficiencies were noticed in this regard in the 190 Government schools test checked.

- In 119 schools, there were no Science Laboratories and the laboratory articles procured were stacked in almirahs/cupboards in the Headmaster room /Classrooms.
- In 149 schools, there were no libraries available and all the library books/magazines/journals procured were stacked in cupboards/almirahs of the Headmaster room/Classrooms.
- In 83 test-checked schools upgraded during 2010-12, as new buildings with toilets were not constructed, toilets in existing elementary schools were used additionally by 6,513 students in IX and X standards, as of 2014-15.

- In 94 schools, there were no playgrounds and in 102 schools, there were no boundary walls for the school/ground.

The Government, in reply, stated (December 2015) that all the basic amenities would be provided shortly, as construction of Science Laboratories, computer rooms were being taken up now. It was further stated that all the material and books procured for Laboratories and Libraries were kept in classrooms available in the schools and they would be moved to the new building after construction.

2.1.10 Impact of scheme implementation

The Perspective Plan of GoTN provided for complete education of all children by the year 2017, bringing transition rate between Middle to Secondary level to 99 *per cent* by 2012 and bringing retention at Secondary level to 97 *per cent* in 2012. The performance of the State, on these counts, is discussed in the succeeding paragraphs.

2.1.10.1 Declining trend in enrolment of students in IX Standard in Government schools

It was observed that the number of Government schools (High/ Higher secondary schools) in the State had increased from 4,276 to 5,878 (37.46 *per cent*) during the period from 2008-09 to 2014-15. However, the enrolment of students in Secondary class (IX Standard) had decreased from 6,33,161 to 5,12,693 (19.03 *per cent*) during 2008-09 to 2014-15. Whereas, in the case of 'schools other than Government' (Aided, Private etc.), number of High/Higher Secondary schools in the State had increased from 5,443 to 6,419 (17.93 *per cent*) and the enrolment also increased from 5,27,097 to 6,10,114 (15.75 *per cent*) during the above period. The decrease in enrolment, despite increase in the number of schools indicated that though the thrust had been given to opening of new schools, there had been no concrete efforts to ensure enrolment/retention of students in Government schools. Further, fall in enrolment could also be attributed to non-filling up of vacancies of teachers in Government schools as pointed out in Paragraph 2.1.6.4, non-creation of infrastructure in 896 newly upgraded schools in 2010-12 as pointed out in Paragraph 2.1.8.1 (ii) and lack of basic amenities as pointed out in Paragraph 2.1.9.3.

The Principal Secretary, School Education Department, in reply, stated (December 2015) that the overall State enrolment in the secondary classes (IX and X standards) had increased from 21,84,077 in 2009-10 to 22,28,431 in 2014-15. It was further stated that Government aided schools should also be taken into account, in addition to Government schools and in the case of other management schools, the other Board schools such as CBSE should also be included. During the Exit Conference (December 2015), the Principal Secretary stated that the overall enrolment at the secondary level in the State as a whole had increased.

The number of Government High/Higher secondary schools and 'High/Higher secondary schools other than Government' in the test-checked districts and their enrolment details are given in **Table 2.9**.

Table 2.9: Trend in Enrolment in test-checked districts

Year	High/Higher Secondary Schools		IX Standard enrolment in Government Schools			IX Standard enrolment in other than Government Schools		
	Government schools	Schools other than Government	Boys	Girls	Total	Boys	Girls	Total
2008-09	1,269	1,163	97,526	95,125	1,92,651	64,095	52,272	1,16,367
2009-10	1,299	1,194	97,763	93,740	1,91,503	67,084	54,400	1,21,484
2010-11	1,367	1,224	97,860	94,243	1,92,103	71,704	58,004	1,29,708
2011-12	1,483	1,267	92,205	89,073	1,81,278	75,389	58,780	1,34,169
2012-13	1,711	1,303	82,185	81,617	1,63,802	72,127	58,893	1,31,020
2013-14	1,742	1,384	83,813	84,380	1,68,193	78,334	63,838	1,42,172
2014-15	1,766	1,434	80,350	82,379	1,62,729	75,074	61,481	1,36,555

Source: Information furnished by State Project Directorate

As seen from the **Table 2.9**, the number of Government schools (High/ Higher secondary schools) in the selected eight districts had increased from 1,269 to 1,766 (39.16 *per cent*) during the period from 2008-09 to 2014-15. However, the enrolment of students in Government High/Higher Secondary schools had decreased from 1,92,651 in 2008-09 to 1,62,729 in 2014-15. Whereas, in the case of 'schools other than Government', Schools in these districts had increased from 1,163 to 1,434 (23.30 *per cent*) and the enrolment also increased from 1,16,367 to 1,36,555 (17.35 *per cent*) during the above period. This showed that the efforts of the State Government to attain universalisation of secondary education through its schools in the State had yet to produce the desired results as envisaged in the RMSA guidelines.

Further, the following are observed in this regard:

- Out of 42 Government Higher Secondary Schools in the test-checked eight districts, in 27 schools, it was noticed that enrolment decreased in 2014-15, as compared to 2009-10, the decrease ranged from 9.51 to 53.19 *per cent*. Out of these schools, 17 schools attributed decrease in enrolment to upgradation of nearby schools.
- RMSA framework stipulates that the Pupil Teacher ratio in IX and X standards should be 30:1. During August 2011, MHRD informed all SPDs of RMSA that a minimum of five subject teachers will have to be provided even if the enrolment is less than 160. Any shortfall in such schools over sanctioned posts will be provided under RMSA. During the test check of 190 Government Schools in the selected eight districts, it was noticed that only 52 schools had student strength of 160 or above in secondary classes (IX and X standards) during the period 2009-15.
- Out of the test-checked 190 schools, the actual pupil teacher ratio was less than 30:1 in 135 schools, which indicated posting of more number of teachers without requisite number of students during the years 2009-15.

2.1.10.2 Reduction in Transition Rate, i.e. children moving up from middle school to high schools

It was observed that the transition rate from VIII to IX standard in the State had come down from 96.87 *per cent* in 2009-10 to 90.27 *per cent* in 2014-15. The State transition percentage from X to XI standard increased from 75.74 in 2009-10 to 80.17 in 2014-15, indicating positive achievement. It was also observed that the transition rate of girls (ranged between 80.76 and 88.85 *per cent* during 2009-15) was much higher than the transition rate of boys (ranged between 70.77 and 76.65 *per cent* during 2009-15) from high to higher secondary levels indicating that more girl children were continuing studies as compared to the boys in the State.

The transition rate of students from VIII to IX standard, IX to X standard and X to XI standard as derived from the data furnished by SPD for the years 2008-09 to 2014-15 in respect of the eight test-checked districts is furnished in **Table 2.10**.

Table 2.10: Details of transition rate in test-checked districts

Transition year	VIII to IX standard			IX to X standard			X to XI standard		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2009-10	97.60	95.72	96.70	83.75	88.55	86.04	73.38	80.55	76.91
2010-11	96.71	94.62	95.71	83.06	88.65	85.70	73.39	81.24	77.24
2011-12	97.86	94.92	96.46	86.12	91.72	88.77	76.47	86.93	81.59
2012-13	89.30	88.84	89.08	89.84	94.62	92.08	70.76	83.22	76.85
2013-14	94.31	91.48	92.94	97.70	99.78	98.69	72.54	87.05	79.53
2014-15	89.22	88.23	88.74	93.49	96.96	95.15	71.41	83.80	77.38

Source: Information furnished by State Project Directorate

From the **Table 2.10** it is observed that in the test-checked districts, the transition rate from VIII to IX standard has come down from 96.70 in 2009-10 to 88.74 in 2014-15, contrary to the targets envisaged in the Scheme. However, the transition rate from X to XI standard marginally increased from 76.91 in 2009-10 to 77.38 in 2014-15. Further, it was observed that the transition rate of girls (ranged between 80.55 and 87.05 *per cent* during 2009-15) was much higher than the transition rate of boys (ranged between 70.76 and 76.47 *per cent* during 2009-15) from high to higher secondary levels, as in the case of the State.

The Government, on updating the particulars, replied (December 2015) that the transition rate from X to XI standard in the State had been increasing over a period of four years, and the increase was 3.10 in the case of boys and 5.70 for girls. In respect of transition from VIII to IX standard, the increase was six *per cent* from 2012-13 to 2014-15.

2.1.10.3 Reduction of Dropouts

The Perspective Plan of the State envisages the dropout rate should be limited to three *per cent* during 2011-12 and the State should achieve 'Nil' drop outs by

2017. However, it was observed that, the dropout⁹ rate (X standard) at secondary level in the State had increased from 1.89 *per cent* in 2009-10 to 3.23 *per cent* in 2014-15. The dropout rates (X standard) for the test-checked districts are given in **Table 2.11**.

Table 2.11: Details of Dropout of students in test-checked districts (X standard)

Year	Enrolled			Appeared for exams			Dropouts			Dropout percentage		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
2010-11	1,36,720	1,31,233	2,67,953	1,30,582	1,28,698	2,59,280	6,138	2,535	8,673	4.49	1.93	3.24
2011-12	1,45,443	1,39,254	2,84,697	1,40,944	1,36,646	2,77,590	4,499	2,608	7,107	3.09	1.87	2.50
2012-13	1,49,907	1,39,457	2,89,364	1,44,034	1,36,385	2,80,419	5,873	3,072	8,945	3.92	2.20	3.09
2013-14	1,49,373	1,39,316	2,88,689	1,36,212	1,29,985	2,66,197	13,161	9,331	22,492	8.81	6.70	7.79
2014-15	1,49,757	1,42,512	2,92,269	1,42,365	1,38,369	2,80,734	7,392	4,143	11,535	4.94	2.91	3.95

Source: Information furnished by State Project Directorate

It is seen from **Table 2.11** that the same trend of dropout rate was noticed in test-checked districts also which increased from 3.24 *per cent* in 2010-11 to 3.95 *per cent* in 2014-15. In 2013-14, there was a drastic increase in dropout rate both at State level (6.20 *per cent*) and in test-checked districts (7.79 *per cent*). Further, the dropout rate in respect of girls increased from 1.93 *per cent* in 2010-11 to 2.91 *per cent* in 2014-15.

Thus, the objective of the RMSA to reduce dropout rate at Secondary level to three *per cent* in 2012 could not be achieved.

During the Exit Conference (December 2015), the Principal Secretary stated that efforts were being taken to reduce the dropout rates.

2.1.10.4 Examination results in Government schools vis-a-vis schools other than Government

RMSA is committed to universalise quality education at Secondary and Higher Secondary Stage. The focus in quality interventions would have quality infrastructure, curriculum development, competency, subject specific deployment in schools, in-service training of teachers and heads of the school, academic support at all levels, classroom based support and supervision issues etc. It was also stated that the Mission would encourage States to focus on total development of children, encouragement in sports, cultural activities, etc.

The performance of the students (both boys and girls) of both Government and other schools in common X standard Board examination, which is a major indicator of quality education, was analysed to review whether RMSA's another objective of providing quality education was met.

The analysis showed that in state level, pass percentage of students in Government school was 85.92 in 2014 and 89.29 in 2015, whereas in schools other than Government schools, pass percentage was 95.05 in 2014 and 96.12 in 2015.

In the test-checked districts, the performance of students in class X examinations in 2014 and 2015 is furnished in **Table 2.12**.

⁹ Arrived as the difference between the number of students enrolled during the year and number of students appearing for examinations

Table 2.12: Pass percentage in test-checked Districts – Government and other schools (X standard)

Year	Gender	Government Schools				Schools other than Government			
		No. of students			Pass percentage	No. of students			Pass percentage
		Appeared	Absent	Passed		Appeared	Absent	Passed	
2014	Boys	70,672	2,544	56,829	80.41	65,540	736	60,537	92.37
	Girls	74,729	1,470	65,969	88.28	55,256	278	53,471	96.77
	Total	1,45,401	4,014	1,22,798	84.45	120,796	1,014	1,14,008	94.38
2015	Boys	73,344	1,563	62,438	85.13	69,021	556	64,904	94.04
	Girls	79,804	1,033	73,259	91.80	58,565	246	57,333	97.90
	Total	1,53,148	2,596	1,35,697	88.61	1,27,586	802	1,22,237	95.81

Source: Information furnished by State Project Directorate

The pass percentage in Government schools was 84.45 in 2014 and 88.61 in 2015, whereas in schools other than Government schools, pass percentage was 94.38 in 2014 and 95.81 in 2015.

The Government, in reply, stated (December 2015) that the Government and the Directorate are extensively analysing the Board examination results and quality training material were prepared and supplied to slow learning students. It was further stated that as a result of these, the pass percentage of students had increased from 85.30 *per cent* (Class X) and 85.90 *per cent* (Class XII) in 2011 to 92.90 *per cent* (Class X) and 90.60 *per cent* (Class XII) in 2015 respectively. It was further stated that a comparison of the Government schools with private schools might not be correct, as the Government schools cater largely to children in rural and semi-urban areas.

2.1.11 Monitoring

RMSA framework envisages that the DPC and District Panchayat will monitor all aspects of implementation including flow of funds, implementation of all components of the scheme at school level and district level, progress and quality of works, timely and correct payments etc., and that the field visits must be undertaken on a regular basis to ensure comprehensive and continuous assessment of the scheme. However, it was noticed that 28 schools¹⁰ in five test-checked districts were not inspected by State/district level officials during 2011-15. The 28 schools included 18 schools upgraded during 2010-12, one upgraded during 2009-10 and three schools in which strengthening works were taken up under RMSA. Thus, implementation of RMSA in these schools was not monitored by the officials.

Further, it was noticed that the schools inspected by officials *viz.*, Joint Director of SPD, DPC, Assistant DPC during 2009-15 were only in the range of 41 to 61 *per cent* and hence all the construction works, quality of education, enrolment and utilisation of equipment, maintenance of records, etc., under the Scheme could not be monitored as envisaged.

¹⁰ Salem (two schools), Villupuram (six schools), Tiruvannamalai (17 schools), Thanjavur (one school) and Erode (two schools)

2.1.12 Conclusion

In all the test-checked 190 Government schools of the eight sample districts, no perspective plan or annual plan was prepared at school level. Instead, the Annual Work Plans were prepared by the District Programme Co-ordinators based on the data available in School Education Management Information System (SEMIS), Unified District Information System for School Education (UDISE) and Census data. Ineligible middle schools, not fulfilling the norms of RMSA, on access to habitations and number of students in feeder schools were upgraded in the test-checked districts. Further, 158 out of 710 schools approved for upgradation by GoI in 2011-12 were subsequently cancelled due to non-adherence of RMSA norms. Short/delayed release of scheme funds by GoTN was noticed. Though 1,944 schools were required to be upgraded in the State as per the mapping exercise, only 1,096 schools were upgraded during 2009-12, out of which new buildings were constructed for 136 schools sanctioned during 2009-10. Construction was under progress in 62 schools and in the remaining 898 schools, construction was not taken up as of August 2015. Under the Strengthening of schools component, out of 2,549 Additional classrooms (ACR) and Science Laboratories sanctioned during 2010-11, 1,413 ACR and Science Laboratories were completed as of August 2015. All the strengthening works sanctioned during 2011-12 were not taken up as of May 2015. The training given to teachers was inadequate. There was adverse student-classroom ratio as compared to norms. In 119 test-checked Government schools, there were no Science Laboratories and in 149 schools, there were no libraries. In 94 schools, there were no playgrounds. Audit noticed that the overall impact of the deficiencies also resulted in declining enrolment in IX Standard in Government schools, reduction in transition rates to high schools, lack of reduction of drop outs and poor results in examinations.

2.1.13 Recommendations

The School Education Department may

- instruct Core groups in the districts to perform the functions contemplated in the RMSA framework like conducting household survey to help prepare realistic plan;
- select middle schools for upgradation based on the norms of RMSA on access to habitations and number of students in the feeder schools;
- release State share in time for effective implementation of the scheme;
- improve the status of infrastructure in the existing schools through timely completion of works and periodical monitoring and inspection and
- take effective measures to increase enrolment, transition rate and reduce drop out in secondary classes through appointment of teachers, provision of basic amenities like toilets to the students.

SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT

2.2 Working of Observation Homes, Children Homes and Special Homes in Tamil Nadu

Executive Summary

Social Welfare and Nutritious Meal Programme Department implements a number of schemes for protection, welfare and development of children in need of care and protection through Commissionerate of Social Welfare. Directorate of Social Defence, which is responsible for implementing the Juvenile Justice (Care and Protection of Children) Act, 2000 and the Amendment Act, 2006, takes care of juveniles in conflict with law and also children in need of care and protection. The Tamil Nadu Juvenile Justice (Care and Protection of children) Rules, 2001, framed under the Act was amended in March 2012 in conformity with the provisions of the Act as amended in 2006. In the State, child care institutions are run by Government as well as Non-Governmental Organisations (NGOs). A Performance Audit on Working of Observation Homes, Children Homes and Special Homes was conducted during March - July 2015 and important audit findings noticed during audit are as under:

There were delays in finalisation of cases by Juvenile Justice Boards and Child Welfare Committees in the sampled districts.

GoI funds released for Institutional Care component of Integrated Child Protection Scheme (ICPS) were not utilised by the Commissionerate of Social Welfare (CSW). ICPS funds were not released to the State Child Protection Society and the funds were managed by the Department.

Three hundred and seventy five homes under the control of Directorate of Social Defence (DSD) and CSW were not registered under the Juvenile Justice Act as of August 2015.

Basic infrastructure, amenities and provision of minimum standards of services were lacking in test-checked homes run by Government and NGOs.

Out of 433 children who escaped/ran away from homes operated by Government and NGOs during 2010-15, 202 children (47 per cent) were not traced indicating lack of adequate surveillance and security arrangements in homes.

Shortage in staff required for management of Government homes was noticed. Vacancies in key posts of homes were more than 50 per cent of the sanctioned strength in each category.

2.2.1 Introduction

Social Welfare and Nutritious Meal Programme Department (Department) implements a number of schemes for protection, welfare and development of children in need of care and protection. Directorate of Social Defence under the Department which is responsible for implementing the Juvenile Justice (Care and Protection of Children) Act, 2000 (Act) and Amendment Act, 2006, takes care of juveniles in conflict with law¹¹ and also children in need of care and protection. GoI enacted the Act for provision of care, protection, training and rehabilitation of both the categories of children. The Act was amended by GoI in August 2006. GoI repealed (October 2007) the Juvenile Justice (Care and Protection of Children) Rules, 2001 and notified afresh the Juvenile Justice (Care and Protection of Children) Rules, 2007. The GoTN amended (March 2012) the Tamil Nadu Juvenile Justice (Care and Protection of children) Rules, 2001 in conformity with the provisions of the Act as amended in 2006. In Tamil Nadu, child care institutions are run by Government as well as Non-Governmental Organisations (NGOs).

Functioning of juvenile homes and other child care institutions (CCIs) was reviewed earlier and audit findings were included in the Report of the Comptroller and Auditor General of India (Civil), GoTN for the year ended 31 March 2008. The audit findings were on unclaimed GoI grants, inadequate statutory support structures and delay in finalisation of cases, unregistered homes and non-integration of all child care institutions under the Juvenile Justice (Care and Protection of Children) Act, 2000 (Act), housing of children in need of care and protection with juveniles in conflict with law, non-availability of adequate manpower and recreation facilities in homes, deficiencies in homes, escape of children/runaway children, absence of rehabilitation measures, disparities in provision of various facilities to children, etc. The audit findings were yet to be discussed by the Committee on Public Accounts (PAC) as of August 2015.

2.2.2 Organisational setup

At Government level, Principal Secretary to GoTN, Social Welfare and Nutritious Meal Programme (SW&NMP) Department is responsible for monitoring the activities and functions of Directorate of Social Defence and Commissionerate of Social Welfare. Director of Social Defence (DSD) is responsible for monitoring of institutions/homes¹² for children in conflict with law and also certain institutions/homes¹³ for children in need of care and protection under his control. DSD is assisted by a Joint Director and two

¹¹ Juvenile who is alleged to have committed an offence

¹² Observation Homes (Government: six and NGO: two), Juvenile Justice Boards (32), Special Homes (two) and After Care Organisations (three)

¹³ Reception Units (Government: nine and NGO:14), Child Welfare Committees (32), Children Homes (Government:10 and NGO: 20)

Deputy Directors (DDs) at the State level. Commissioner of Social Welfare (CSW) is responsible for monitoring of homes¹⁴ for children in need of care and protection under his control. At district level, DSD is assisted by District Child Protection Officers (DCPOs) and CSW is assisted by District Social Welfare Officers (DSWOs). Homes are managed by Superintendents. The list of institutions/homes functioning in the State along with their objectives is given in **Appendix 2.2.**

2.2.3 Audit Objectives

Audit aimed to ascertain whether:

- there were effective statutory support and service delivery mechanisms for enforcing provisions of the Act and the Rules framed thereunder;
- funds provided by GoI and GoTN for management of homes including homes run by NGOs were utilised economically, efficiently and effectively;
- homes were maintained efficiently and adequate infrastructure with basic amenities, nutritious food, education, vocational training, healthcare facilities to children and manpower for managing the homes were provided; and
- adequate monitoring system was in place and effective.

2.2.4 Audit Criteria

The audit criteria adopted were:

- The Juvenile Justice (Care and Protection of Children) Act, 2000 and the Amendment Act, 2006.
- The Juvenile Justice (Care and Protection of Children) Rules, 2007 of GoI.
- The Tamil Nadu Juvenile Justice (Care and Protection of Children) Rules, 2001 as amended in 2012.
- Guidelines issued by GoI for implementation of Integrated Child Protection Scheme (ICPS).
- Orders, instructions and circulars on the subject issued from time to time by GoI, GoTN, DSD and CSW.

2.2.5 Audit Scope and Methodology

The present Performance Audit (PA) was conducted between March and July 2015 to review the working of Observation Homes, Children Homes and Special Homes under the control of both DSD and CSW during the period

¹⁴ Children Homes (Government: 27 and NGO: 171)

2010-15. Audit objectives and criteria were discussed with the Principal Secretary, SW&NMP Department in an Entry Conference held in April 2015. Records of the Department in the State Secretariat, DSD, CSW, DSWOs, District Child Protection Units (DCPUs), Juvenile Justice Boards (JJBs), Child Welfare Committees (CWCs), homes run by Government and NGOs in eight¹⁵ out of 32 districts selected through random sampling method were test-checked in audit. List of offices and institutions test-checked in Audit is given in **Appendix 2.3**. Audit methodology included examination of records, documenting and analysing evidence collected from the offices and homes covered in audit, raising audit enquires and interaction with management of homes. An Exit Conference with the Principal Secretary, SW&NMP Department was held in November 2015, wherein the audit findings were discussed. The Principal Secretary's views on audit findings and formal reply, wherever received, have been taken into consideration while finalising the audit findings. The audit findings are discussed below:

Audit Findings

2.2.6 Statutory Support Services and Service Delivery Structures

Statutory Support Services

Child care services provided under Juvenile Justice Act

There are two categories of children as per the Act viz. children in need of care and protection and children in conflict with law. Children in need of care and protection are produced before Child Welfare Committee by any Police Officer or any public servant, Childline organisation, social worker, public spirited citizen and by the children on their own and are kept in the Reception Unit pending inquiry by CWC. After inquiry, a child is either reintegrated with the family or is sent to a Children Home for rehabilitation. Children in conflict with law are produced before JJB by Police and are kept in Observation Homes or released on bail pending inquiry. After inquiry, the child is either acquitted or kept in a Special Home for rehabilitation. Children discharged from Children Homes/Special Homes are, if required, sent to After Care Organisations for facilitating their restoration in the society including employment generation and vocational training thereby enabling transition from an institution based life to the mainstream society.

2.2.6.1 Juvenile Justice Boards

Section 4 of the Principal Act, (2000), as amended in August 2006, requires that one or more JJBs be formed in each district within a period of one year from the date of commencement of the Amended Act, by notification in the official gazette, in order to exercise powers to adjudicate and dispose of cases of juveniles in conflict with law. JJB consists of a Metropolitan Magistrate or a Judicial Magistrate of the first class, as the case may be, designated as Principal

¹⁵ Chennai, Coimbatore, Dindigul, Kancheepuram, Madurai, Theni, Tiruchirappalli and Tiruvallur

Magistrate and two social workers (members), of whom at least one should be a woman, forming a Bench. The members are selected by a Selection Committee consisting of the Principal District and Sessions Judge as Chairperson and District Collector and District Superintendent of Police/Commissioner of Police as members and the selection is approved by GoTN.

Scrutiny of records revealed the following:

- GoTN ordered (March 2010) formation of JJBs in 24 out of 32 districts after a delay of two and half years. It took two more years for the Department to get the members of JJBs selected by selection committees and to issue Government orders for constitution of Boards (May 2012) in the districts.
- In two (Madurai and Theni) out of eight JJBs in the sampled districts, only one social worker member was available and JJB, Madurai had no woman member since the resignation of the member from October 2014.
- Even though the new JJBs were formed in May/June 2012, 358 pending cases of four JJBs in the sampled districts, hitherto dealt with by the existing two JJBs¹⁶, were transferred to the new JJBs belatedly in 2013 and 2014. Government stated (November 2015) that delay in transfer of cases was due to delay in receipt of orders from Honourable High Court of Madras.
- As per Rule 10 of the Tamil Nadu Juvenile Justice (Care and Protection of Children) Rules, 2001 (JJ Rules) as amended in 2012, JJB shall complete every inquiry within four months and on recording a finding about juvenile's involvement in the alleged offence, pass orders on one of the seven¹⁷ dispositional options enumerated in section 15 of the Act. As of March 2015, in the sampled districts, 2,624 cases (51 *per cent*) out of 5,190 cases received before JJBs were pending finalisation. Further, delay was also noticed in finalisation of cases. The details of cases received, finalised during the period 2010-15 and pending finalisation as on 31 March 2015 are given in **Table 2.13**.

¹⁶ Chennai (157 cases) and Madurai (201 cases)

¹⁷ (i) Allowing the juvenile to go home after advice or admonition; (ii) directing the juvenile to participate in group counselling and similar activities; (iii) ordering the juvenile to perform community service; (iv) ordering the parent of the juvenile or the juvenile himself to pay a fine, if he/she is over fourteen years of age and earns money; (v) directing the juvenile to be released on probation of good conduct and placed under the care of any parent, guardian or other fit person, after executing a bond; (vi) directing the juvenile to be released on probation of good conduct and placed under the care of any fit institution for the good behaviour and well-being of the juvenile for any period not exceeding three years and (vii) directing the juvenile to be sent to a special home

Table 2.13: Details of cases received, finalised and pending finalisation

Name of District	Number of cases received by the JJB including old cases	Number of cases finalised	Number of cases finalised within the prescribed time limit of four months	Cases finalised after four months but within one year	Cases finalised after one year	Cases pending finalisation	Percentage of cases finalised with delay (5)+ (6)/(3) x 100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Chennai	1,245	953	305	540	108	292	68
Coimbatore	777	455	57	81	317	322	87
Dindigul	59	7	1	6	-	52	86
Kancheepuram	304	152	67	38	47	152	56
Madurai	1,520	372	123	115	134	1,148	67
Theni	261	99	37	38	24	162	63
Tiruchirappalli	490	355	65	147	143	135	82
Tiruvallur	534	173	117	7	49	361	32
Total	5,190	2,566	772	972	822	2,624	70

Source: Information furnished by JJBs in the sampled districts

Principal Magistrates of JJBs attributed (May-July 2015) the pendency and delay in finalisation of cases to holding additional charge of the post of Magistrate, non-production of juveniles, witnesses and sureties, non-availability of Assistant Public Prosecutors (APPs), APPs holding additional charges, non-attendance by Police officers and non-availability of staff. Such delays resulted in retention of children, who were not granted bail, in observation homes for the period of delay and they could not be transferred to special homes for getting proper rehabilitation.

2.2.6.2 Child Welfare Committees

CWC consists of a Chairperson and four members, of which, at least one person should be a woman and should possess special knowledge in child psychology and child welfare.

- Section 29 of the Act, as amended in 2006, prescribes that the State may, within a period of one year from the date of commencement of the amended Act, by notification in the Official Gazette, for every district, constitute one or more CWCs in matters relating to child in need of care and protection. GoTN, however, ordered (March 2010) formation of CWCs in 14 out of 32 districts after a delay of two and half years. It took more than two years for the department to get the members of CWCs selected by selection committees and to issue Government orders for the constitution (June 2012) of CWCs.
- As per Section 33 of the Act (2000), CWC should complete every inquiry within four months and pass orders. Details of cases finalised by CWCs in the sampled districts during 2010-15 are given in **Table 2.14**.

Table 2.14: Details of cases finalised within the stipulated period or later

District	Number of cases finalised	Number of cases finalised within four months	Number of cases finalised after four months but before one year	Number of cases finalised after one year
Chennai	5,518	5,194	322	2
Coimbatore	2,091	1,860	183	48
Dindigul	206	204	-	2
Kancheepuram	1,600	1,599	-	1
Madurai	876	444	432	-
Theni	202	64	138	-
Tiruchirappalli	855	855	-	-
Tiruvallur	2,873	2,873	-	-
Total	14,221	13,093	1,075	53

Source: Information furnished by CWCs in the sampled districts

- No case was pending finalisation in the test-checked districts as of August 2015.
- CWCs in Dindigul, Kancheepuram, Tiruchirappalli and Tiruvallur districts finalised almost all the cases within four months.
- In the remaining four sampled districts, out of 8,687 cases finalised by CWCs, 1,075 cases (12 *per cent*) were finalised after the four months period but within one year.
- In Chennai and Coimbatore districts, out of 7,609 cases finalised, 50 cases were finalised after one year.

Chairpersons of CWCs stated (April-July 2015) that delayed receipt of Probation Officer's reports, lack of escorts, misbehaviour of children as reasons for delay in finalisation of cases. The delays led to children being kept in Reception Units for longer periods, thus denying them formal education/vocational training available in children homes during the period of delay.

2.2.6.3 *Provision of waiting room in buildings occupied by JJBs/CWCs*

As per ICPS guidelines for setting up of JJB/CWC, two rooms each measuring 300 sq. ft. were to be provided to enable the JJB/CWC to hold its sittings in one room and the other room to be used as a waiting room for children and families. However, as per information furnished by Principal Magistrates of JJBs in four¹⁸ out of eight sampled districts and Chairpersons of CWCs in three¹⁹ out of eight sampled districts, no waiting room was provided for children and families and the available open space was used for the purpose. Government stated (November 2015) that ICPS provided ₹ 7,500 per month towards rent for

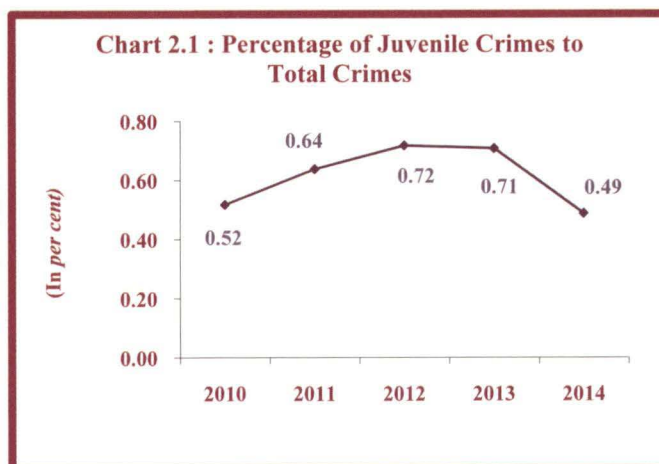
¹⁸ Coimbatore, Kancheepuram, Madurai and Tiruvallur

¹⁹ Chennai, Coimbatore and Dindigul.

building occupied by JJBs/CWCs and that it was difficult to hire a spacious building with facilities for waiting room especially in cities. However, it was stated that steps would be taken to shift the JJBs/CWCs to buildings having sufficient space for waiting rooms.

Juvenile delinquency

Data of National Crime Records Bureau revealed that share of crimes committed by juveniles in the State during the period 2010-14 (calendar years) as a percentage of total crimes in the State was 0.52, 0.64, 0.72, 0.71 and 0.49 respectively as shown in **Chart 2.1**, details of which are given in **Appendix 2.4**.



These percentages were less than the national level data (between 1.0 and 1.2 per cent) for the period.

The largest number of juveniles indulged in theft (19 per cent), followed by burglary (seven per cent), hurt (six per cent), murder (two per cent) and riots (two per cent) (**Appendix 2.5**). The number of juvenile crimes in the State, which increased from 962 in 2010 to 1,443 in 2012, started declining from 2013 onwards and stood at 945 in 2014. The number of juveniles apprehended belonging to the age group of 16-18 years increased steeply from 908 in 2010 to 2,289 in 2012 and then decreased to 1,873 in 2013 (**Appendix 2.4**). The higher incidence of crime in the age group of 16-18 years indicates that juveniles in this age group are most susceptible to committing crimes and they need specific rehabilitation.

2.2.6.4 Service Delivery Structures

According to Section 62A of the Amendment Act, the State Government was to constitute a Child Protection Unit for the State and for every district, to take up matters relating to children in need of care and protection and juveniles in conflict with law to ensure implementation of the Act, including establishment and maintenance of homes, notification of competent authorities in relation to these children and their rehabilitation. Rule 96 of the Juvenile Justice (Care and Protection of Children) Rules, 2007 specified that until the new rules conforming to the GoI Rules are framed by a State under section 68 of the Act, these rules shall *mutatis mutandis* apply in that State.

Even though the Amended Act 2006 and the JJ Rules, 2007 provided for establishment of State and District Child Protection units, GoTN ordered (December 2011 and January 2012) establishment of State Child Protection Society (SCPS) and DCPUs after a delay of more than four years. During the period of delay, specific functions assigned to the units such as effective implementation of the provisions of the Act, co-ordination with other agencies,

departments and civil society organisations, training and capacity building of personnel, establishing minimum standards of care in homes, reviewing the functioning of CWCs, etc., could not be done.

Government stated (November 2015) that after signing of MoU (January 2010) with GoI for implementation of ICPS in the State, action was taken to form the SCPS and that after completion of framing of Rules, steps were taken to form DCPUs. The reply confirmed that no initiatives were taken to establish the units based on the provisions in the amended Act and Rules.

2.2.7 Financial Management

GoTN and GoI provided funds (under non-Plan, Plan and Centrally Sponsored Scheme heads) for recurring and non-recurring expenditure for maintenance of homes. GoI provides financial assistance to the State on sharing basis at fixed percentages under ICPS, a Centrally Sponsored Scheme, to meet the expenditure on construction/upgradation of homes, purchase of equipment, salary, contingency, maintenance and bedding grant for inmates. The funding pattern for the Institutional Care component of ICPS was 75:25 (GoI and GoTN) for Government run homes and 75:15:10 (GoI, GoTN and NGO respectively) for NGO run homes.

2.2.7.1 Budget and expenditure

Details of budget allotment and expenditure on maintenance of Government homes and grants-in-aid to homes run by NGOs under DSD and CSW for the period 2010-15 are given in **Table 2.15**.

Table 2.15: Details of allotment and expenditure

(₹ in crore)

Year	Directorate of Social Defence			Commissionerate of Social Welfare		
	Allotment	Expenditure	Savings(-)/ Excess(+)	Allotment	Expenditure	Savings(-)/ Excess(+)
2010-11	15.31	16.72	1.41	12.76	15.02	2.26
2011-12	18.60	17.81	(-)0.79	16.56	15.97	(-)0.59
2012-13	18.93	25.34	6.41	17.13	17.43	0.30
2013-14	24.93	21.75	(-)3.18	17.70	11.66	(-)6.04
2014-15	32.54	27.48	(-)5.06	24.45	24.64	0.19

Source: Detailed Appropriation Accounts for the years concerned

There were savings of ₹ 3.18 crore and ₹ 5.06 crore during 2013-14 and 2014-15 under the Directorate of Social Defence mainly due to non-filling of vacant posts in homes and decrease in number of eligible children in homes for releasing maintenance grants. Savings of ₹ 6.04 crore during 2013-14 in respect of Commissionerate of Social Welfare was mainly due to release of maintenance grants to NGO homes as per actual requirements.

2.2.7.2 GoI assistance under ICPS

In order to meet special needs of children in conflict with law as well as children in need of care and protection and to build a protective environment for all vulnerable children, GoI launched ICPS by merging the existing child welfare schemes with improved norms, expanded mandate and enhanced outlay. Under Institutional Care component of the scheme, non-recurring and recurring grants were released by GoI. Details of grants approved and released by GoI under ICPS for Government-run and NGO-run homes under the control of DSD and CSW and utilisation thereof during 2010-15 are given in **Tables 2.16 A** and **2.16 B**.

Table 2.16 A: Details of grants approved and released by GoI and utilised by State (Directorate of Social Defence)

(₹ in crore)			
Year	Released by GOI	Utilised by State	Unspent
2010-11	0.60	0.60	-
2011-12	7.91	3.38	4.53
2012-13	15.13	15.13	-
2013-14	6.92 [@]	6.92	-
2014-15	23.25	20.76	2.49
Total	53.81	46.79	7.02

[@] GoI released the first instalment (50 per cent) only on ad-hoc basis
Source: Details furnished by DSD

- Out of ₹ 7.91 crore released by GoI during 2011-12, ₹ 4.53 crore remained unspent at the end of the year due to delay in sanction (sanctioned in April 2012) for release of maintenance grant by GoTN to homes run by NGOs.
- Reasons for non-utilisation of ₹ 2.49 crore during 2014-15 were not furnished to Audit by DSD.

Table 2.16 B: Details of grants approved and released by GoI and utilised by State (Commissionerate of Social Welfare)

(₹ in crore)			
Year	Released by GOI	Utilised by State	Unspent
2010-11	-	-	-
2011-12	-	-	-
2012-13	23.55	Nil	23.55
2013-14	9.87	Nil	9.87*
2014-15	-	-	-
Total	33.42	Nil	33.42

* Unspent grant was deducted by GoI from grants under ICPS for the State due for 2014-15

Source: Details furnished by CSW

Audit noticed that GoI did not sanction grants for the year 2010-11 under ICPS as the institutions under the control of CSW were not registered under the Act. CSW started registering institutions under his control only from 2010-11

onwards. For the year 2011-12, GoI did not release any grant as a review proposed by GoI for ascertaining the quality of care provided in the homes under the control of CSW was not conducted.

GoI released ICPS funds of ₹ 23.55 crore (₹ 4.10 crore for 27 Government homes and ₹ 19.45 crore for 171 NGO homes) for 2012-13 and ₹ 9.87 crore (₹ 1.63 crore for Government homes and ₹ 8.24 crore for NGO homes) for 2013-14 to GoTN. The GoTN did not accord administrative sanctions for release of grants to NGO homes during the years due to discrepancies and incorrect reporting of number of eligible children for receiving maintenance grants by CSW/DSWOs/NGOs.

As the CSW did not submit the budget requirement for 2014-15 and Statement of Expenditure for the years 2012-13 and 2013-14, no grants were released by GoI for the year 2014-15.

2.2.7.3 *Release of funds deviating ICPS Guidelines*

As per ICPS Guidelines, GoTN was to release the Central share along with State share to SCPS within 15 days so as to enable SCPS to release the funds, in turn, to DCPUs and NGOs within 15 days.

It was, however, noticed that GoI and GoTN share of ICPS funds were not released to SCPS. GoTN issued separate sanctions for the components of the scheme and provided funds to the drawing and disbursing officers of the department through budget, deviating from the scheme guidelines. The incorrect procedure was followed from the year of introduction of the scheme (2010-11).

Government, without furnishing reasons for the deviation from the guidelines, stated (November 2015) that for the year 2015-16 it released (September 2015) scheme funds of ₹ 15.61 crore to SCPS which, in turn, distributed the funds to DCPUs, JJBs, CWCs, Open Shelters and NGO homes.

2.2.7.4 *Payment of feeding grant to ineligible children homes run by NGOs*

As per ICPS norms and instructions of GoTN, before releasing maintenance grants to NGO run homes, CSW was to release the grants based on reports of DSWOs in the districts regarding number of children admitted in the homes, compliance with the provisions of the Act and Rules by the homes, etc. DSWOs were to re-verify the eligibility conditions before handing over the demand drafts received from CSW and payable to the NGOs.

Out of State funds, Government sanctioned (July 2012) feeding grant of ₹ 6.04 crore to CSW payable to NGO run homes for the year 2012-13. Based on certificates of DSWOs, CSW released (March 2013) ₹ 3.12 crore to DSWOs for 169 homes towards feeding grant for 11,672 children for six months (October 2012 to March 2013) through demand drafts (DDs) drawn in favour of homes with instructions to verify the registration status and availability of adequate infrastructure before handing over the DDs. On

re-verification of homes by DSWOs, 32 homes were found ineligible for receiving the grants. While DSWO, Kancheepuram returned to CSW the DDs for an amount of ₹ 5.51 lakh drawn in favour of four homes, DSWOs of seven districts handed over the DDs for a total amount of ₹ 62.50 lakh to 28 ineligible homes. Though CSW directed (May 2014) DSWOs to recover the amounts from the ineligible homes, recoveries were not made from them till August 2015.

Government stated (November 2015) that the homes were found ineligible to receive grants for the year as they did not comply with the ICPS norms and that representations were received from the NGOs requesting not to recover the amounts as these funds were spent for maintenance of children during the year 2012-13. It was further stated that action was being taken to recover the amounts from the grants-in-aid to be released for the year 2015-16.

2.2.7.5 Variation in quantum of feeding grants to children

Both GoI and GoTN provided maintenance grant to meet expenses on food, clothing, medicine, soap, oil, etc., to the homes run by NGOs for children in conflict with law and children in need of care and protection.

GoI, during the 28th Project Approval Board meeting (October 2011) for finalisation of financial proposals for the year 2011-12 under ICPS, insisted on the need to bring all homes for children in the State under one Directorate for ease in planning and co-ordination. GoTN informed (September 2012) GoI that the homes under the control of CSW were in the process of transfer to the DSD and that they would be monitored by DCPOs at district level. However, the children homes under the control of CSW were not transferred (August 2015) to DSD. As all the homes in the state were not brought under the control of one Directorate, DSD and CSW adopted different rates for payment of maintenance grant (feeding grant) to homes run by NGOs as given in **Table 2.17**.

Table 2.17: Details of feeding grants provided by DSD and CSW to NGO homes
(In ₹)

Year	Amount released per child per month by DSD	Amount released per child per month by CSW
2010-11	450	450
2011-12	750	450
2012-13	750	450
2013-14	750	450
2014-15	1,400	750

Source: Details furnished by DSD and CSW

After the introduction of ICPS (2010-11), GoI released feeding grants at the rates fixed by them from the year 2011-12 in respect of homes under the control of DSD, the nodal officer for ICPS. However, GoTN sanctioned the grants to the homes under the control of CSW at lesser rates out of its own funds. Thus, the children accommodated in homes under the control of CSW were denied maintenance grants at the rates enhanced from time to time by

GoI under ICPS due to non-transfer of homes under the control of CSW to DSD.

Government stated (November 2015) that for the year 2015-16, proposals have been sent to GoI in which maintenance grant at ₹ 2,000 per child per month as per ICPS norms has been included for homes under the control of CSW also on par with the children in homes under the control of DSD. During Exit Conference, Principal Secretary stated (November 2015) that action has been taken to bring all children homes under one Directorate and it was under active consideration of GoTN.

2.2.8 Management of homes

2.2.8.1 Registration of Homes

As per Section 34 (3) of Amendment Act 2006, all institutions, whether Government run or those run by NGOs for children in need of care and protection shall, within a period of six months from the date of commencement of the Amendment Act, be registered under the Act. Registration shall be given initially for a period of one year and if the services are found satisfactory, it may be extended for five years.

The Department issued (July 2013 to August 2014) instructions to the District Officials to inspect and recommend eligible Child Care Institutions run by NGOs for registering them under the Act and to close down the institutions with inadequate infrastructure by transferring the children to other suitable institutions. DSD directed (July 2013, December 2013 and January 2014) all DCPOs/Probation Officers to obtain necessary proposals from NGOs, who had not registered by the time and also from institutions whose validity had expired and to inspect them by adhering to the procedure prescribed.

From information furnished by DSD and CSW, Audit noticed that out of 1,511 homes identified in the State, 558 homes were registered, 375 homes were unregistered, applications for registration were in process for 561 homes and in respect of remaining 17 homes, details were not available. In the sampled districts, there were 193 unregistered homes. Though CSW instructed (February 2013) DSWOs to see that no children home should be left unregistered and that steps be taken to close the institutions which failed to register themselves, no action was taken against the institutions which failed to register under the Act and the unregistered homes continued to function in the State (August 2015). During Exit Conference, Joint Director of Social Defence stated (November 2015) that the list of unregistered homes included homes due for renewal also and assured that the latest position in this regard would be furnished to Audit.

2.2.8.2 Special Homes

There are two special homes (one for boys at Chengalpattu and another for girls at Chennai) in the State. The objectives of the Special Home are to receive a juvenile in conflict with law who has been ordered to undergo institutional training during the period of inquiry and process by JJB and to facilitate the

child to receive proper health care, education, vocational training, behaviour modification programmes, etc. Special Home should have facilities for non-formal and formal education from I to X standard and facilities for sports and other extra-curricular activities.

It was noticed in Audit that in the Special Home, Chengalpattu, children were first admitted in learning method of 'Activity Based Learning' and thereafter admitted in VIII standard and X standard directly instead of providing formal education. Teachers were not available for handling English, Science and Mathematics subjects which were managed by the available teachers of other subjects. As against the sanctioned posts of 13 Secondary Grade Teachers, only two posts were filled up leaving 11 posts vacant, of which, nine were vacant for more than seven years. Tailoring Instructor Grade I and Weaving Instructor Grade I posts were also vacant for more than four years.

DSD stated (September 2015) that GoTN permitted (July 2015) appointment of teachers for the vacant posts through the Teachers Recruitment Board (TRB) and that TRB has been addressed (August 2015) in this regard. Regarding the vacancies in the posts of Instructors, DSD stated that action would be taken to fill up the vacant posts of instructors through TRB.

2.2.8.3 Observation Homes

The Act empowers State to establish and maintain either by itself or with the support of voluntary organisations, Observation Home in every district or group of districts for the temporary reception of children in conflict with law during the period of inquiry. Further, as per ICPS guidelines there should be separate observation homes for girls and boys and classification and segregation of children should be done according to their age with due consideration given to physical and mental status of the children and degree of offence committed.

There are eight Observation Homes (six Government homes and two NGO run homes) in the State. Audit observations in respect of two (Coimbatore and Tiruchirappalli) out of four test-checked Observation Homes are as follows:

Observation Home at Tiruchirappalli

- Sanctioned strength of the Observation Home at Tiruchirappalli is 40 children including girls. Children in conflict with law recommended by JJBs of seven districts were admitted in the home and during the trial period, the children admitted in the home had to be transported to JJBs of seven districts (10 districts²⁰ since February 2015) for attending inquiries. Further, due to execution of maintenance and repair works at Observation Home run by an NGO at Madurai and non-availability of any building on hiring basis in Madurai District, children in conflict with law relating to Dindigul, Madurai and Theni Districts were also transferred (February 2015) to Observation Home, Tiruchirappalli.

²⁰ Ariyalur, Karur, Nagapattinam, Perambalur, Thanjavur, Tiruchirappalli and Tiruvarur and additionally three districts viz. Dindigul, Madurai and Theni since February 2015

After the transfer, 42 male children were accommodated in the home which had a dormitory facility only for 25 boys.

- Rules 22 and 25 of JJ Rules, 2001 specify that homes should establish and maintain exclusive living premises for housing children of different age groups for juveniles and no children other than a child in conflict with law shall be kept in observation homes. However, it was observed that a reception unit with children in need of care and protection has been functioning in the same building of the Observation Home from 2006. During the period 2010-15, out of 563 children (including nine children already at the unit) received in the Reception Unit and retained in the Observation Home for short durations, 38 children were sent to children homes and 516 children were handed over to parents and the remaining nine cases were pending finalisation by CWC. The children in need of care and protection admitted in Reception unit were, thus, housed with the children in conflict with law in the Observation Home in violation of the Act.

Government stated (November 2015) that as soon as an NGO is identified for running a Reception Unit in the district, the children of the Reception Unit would be shifted from the Observation Home.

- No separate staff were sanctioned for the Reception Unit, even though one post each of Superintendent, Probation Officer, Assistant/Junior Assistant, Record Clerk, Cook and Sanitary Worker and four posts of Watchman are required for running a Reception Unit. In the absence of separate staff for the Unit, the existing staff of Observation Home had to take care of the children in Reception Unit also.

NGO run Observation Home at Coimbatore

- As per the funding pattern of ICPS, NGOs running homes have to provide 10 *per cent* of the sanctioned recurring and non-recurring grants as their contribution. However, an Observation Home run by NGO at Coimbatore did not contribute its share as the Society²¹ was not collecting any donation from the public and had no other source of income to meet the 10 *per cent* NGO contribution. Hence it requested (August 2013) GoTN to bear 100 *per cent* of the expenditure to run the Observation Home. Further, the Society also expressed (October 2013 to March 2015) its inability to run the home and requested GoTN to take over the control of Observation Home and pay rent for the building. However, no decision was taken by the GoTN for taking over of the Observation Home till June 2015.

Government stated (November 2015) that the proposal regarding takeover of the institution was under its consideration.

²¹ The Discharged Prisoners' Aid Society

2.2.8.4 Government Children Home at Madurai

In paragraph 3.2.13.5 of Report of the Comptroller and Auditor General of India for the year ended 31 March 2008 – Civil – Tamil Nadu, it was pointed out that due to non-release of adequate funds for construction of building for the Government Orphanage at Madurai, the building could not be completed and that the orphanage continued to function in a hired building without adequate facilities.

Further scrutiny of records revealed that the balance work in the building could not be completed (August 2015) due to lack of co-ordination between PWD and the Department and the home has been functioning in the same hired building with a sanctioned strength of 250 girl children in the age group of 6-18 years.

Government stated (November 2015) that the new building could not be occupied as it was incomplete without basic amenities and constructed in the outskirts of the city. It was further stated that considering safety of girls of the home, they were continued to be accommodated in the hired building. The reply confirms that adequate feasibility study was not conducted before selection of site for the home.

2.2.8.5 Reception Unit

Rule 42 of JJ Rules, 2001 prescribes that there should be a Reception Unit in every Children Home which should take care of children by providing shelter, food and education during the period of inquiry by CWC. The Reception Unit should be kept in charge of a Child Welfare Officer and the children should be restored to the care of parents or relatives as per the orders of the CWC or shifted to Children Home for further care and protection.

Scrutiny of records in the sampled districts revealed the following:

- In Theni District, no reception Unit was available and children were admitted directly into Children Homes. During Exit Conference, Joint Director of Social Defence stated (November 2015) that a proposal was received from an NGO for running the Reception Unit in Theni and the same was under the process of finalisation.
- Test check of records of DCPO, Tiruchirappalli revealed that an NGO which was running a Reception Unit at Tiruchirappalli, expressed (October 2012) its inability to run the Unit citing non-availability of required infrastructure, staff, running of both Children Home and Reception Unit in the same building, escape of children from the Unit etc., and requested GoTN to relieve them from running the Unit. Based on orders of DSD, DCPO, Tiruchirappalli shifted the children of the Reception Unit to a registered Open Shelter²², run by another NGO²³, whose request (August 2013) for Government funding for

²² Safe place of shelter for children in need of care and protection, particularly beggars, street children, rag pickers, small vendors and other vulnerable group of children

²³ Tiruchirappalli Multi-purpose Social Service Society

provision of infrastructure and staff was not decided as of August 2015.

- Though DSD instructed (November 2014) the DCPO to identify another NGO for running the Reception Unit in the district, no NGO was identified by DCPO as of July 2015. As a result, the children of the Reception Unit continued to stay in the open shelter which lacked basic infrastructure.

Government stated (November 2015) that identification of an NGO for running the unit was in progress and that the children accommodated in the Open Shelter as a temporary measure would be shifted, as soon as a suitable NGO is identified.

2.2.8.6 *After Care services*

After Care Organisation

Section 44 of the Act prescribes establishment of After Care Organisation (ACO) by States to provide care and protection to children discharged from Special Home or Children Home to receive shelter facilities for a period not exceeding three years. There are three ACOs in the State. Scrutiny of records of ACO at Athur revealed the following:

- Though the sanctioned strength of the ACO is 100 and adequate facilities are available at the ACO, number of children admitted during the period from 2010-11 to 2014-15 ranged between 24 and 35. The Superintendent attributed (March 2015) low occupancy to allocation of limited seats to the ACO for admission to courses in Industrial Training Institutes (ITI) and children not showing interest in joining the available vocational rehabilitation courses.
- Out of 149 children admitted to the ACO during 2010-15 to get training on income generating trades like vocational and ITI training, only 46 children completed the course, 51 children who went on leave did not return, 17 children escaped or ran away from ACO, training for 24 children were under progress and the remaining 11 children were transferred to other ACO. The Superintendent of the ACO stated that parents of the runaway children were not willing to send their children back to ACO, despite efforts made by the staff.

2.2.8.7 *Escape of children*

As per Rule 70 of the JJ Rules 2001, in the event of escape of children from home, the Officer-in-charge of Observation Home/Special Home shall adopt the following procedure:

The staff of the institution can make a search of the child at places like Railway Stations, Bus stands, other places, etc., without waiting for formal orders/instructions from superior officers. The available immediate superior officer shall direct such action in the absence of the Officer-in-charge of the institutions. Search parties should report the fact immediately on return from

search operations. The Officer-in-charge of the institution shall hold an enquiry on the incident and a report shall be sent to the DSD and other controlling authorities within 24 hours of the incidence.

Further, GoI instructed (August 2014) States to monitor security of children in Child Care Institutions and minimise cases of abuse and exploitation of children and suggested that at least one closed circuit television (CCTV) camera be installed at the entrance of each institution.

Scrutiny of records revealed that out of 204 children (125 from Government homes and 79 from NGO run homes) escaped from homes during the period 2010-15, only 127 children were traced and brought back to homes leaving the remaining 77 children untraced (July 2015). The security arrangements such as posting of adequate security staff (guard, gateman and watchman) and installation of CCTV cameras etc., in the homes were inadequate.

DSD stated (September 2015) that all cases of escape were informed to Police, searches were made in all places for tracing them and the escaped children who were subsequently traced were brought to homes. However, one-third of the children escaped still remained untraced. During Exit Conference, Principal Secretary stated (November 2015) that surveillance and security arrangements would be strengthened to prevent escape of children from homes.

2.2.8.8 *Runaway children*

As per Rule 71 of the JJ Rules 2001, in case of children running away from Children Home, search of the child shall be done and a report shall also be sent to parents/guardian. In case of a child who runs away from the institution on more than two occasions, such child shall be reproduced before the Child Welfare Committee for review and alternate means of rehabilitation. In case of frequent running away of children from an institution, the Monitoring Committee shall study the factors causing such incidence and shall recommend appropriate remedial measures.

Scrutiny of records revealed that out of 229 children who ran away from children homes/reception units (Government homes and NGO run homes) during 2010-15, only 104 children were traced and brought back to homes leaving the remaining 125 children untraced.

DSD stated (September 2015) that the cases of children who ran away from homes were informed to the nearest Police Stations for tracing them. However, the percentage of runaway children remained untraced was more than 50 *per cent* which indicated that the efforts taken to trace the runaway children were inadequate. During Exit Conference, Principal Secretary stated (November 2015) that surveillance and security arrangements would be strengthened to avoid such occurrences.

2.2.8.9 *Inadequate manpower in Government institutions*

As per details of sanctioned strength and men-in-position in the test-checked homes furnished by Superintendents of homes under the control of DSD and CSW, as against 459 posts of different categories of staff, men-in-position as of

April/May 2015 were 223 (49 *per cent*) (**Appendix 2.6**). Vacancies were more than 50 *per cent* of the sanctioned strength in the categories of Superintendent of Home, Assistant/Accountant, Secondary Grade Teacher, Tailoring Instructor, House Master, Senior Matron, Cook, Sanitary Worker and Watchman.

Government stated (November 2015) that the vacant posts in the homes would be filled up soon and as a temporary measure, Ex-servicemen were employed on contract basis as watch and ward staff in homes.

2.2.8.10 Infrastructure

- As per JJ Rules, the Superintendent of an institution shall provide sufficient and safe accommodation for classroom, workshop, kitchen/grain room, store room, play room and medical room, playground and dormitory having sufficient cross ventilation and sunlight; provided that in case of a dormitory, the minimum standard accommodation per juvenile/child shall be as far as practicable 40 sq. ft. Rule prescribes the norms for building/accommodation for an institution with 50 juveniles or children.
- However, inadequate infrastructure facilities such as dormitory, classroom and workshop were noticed in Audit. In five Government Children Homes and three NGO run homes, as against the norm of 40 sq.ft. per child, shortfall in provision of dormitories ranging from 60 to 86 *per cent* and 8 to 38 *per cent* respectively were noticed even for the actual strength (maximum strength during 2010-15). Workshops were not provided in five out of nine Government homes and in eight out of 21 NGO homes test checked (**Appendix 2.7**).

Audit noticed that an NGO run Observation Home at Coimbatore did not provide the basic minimum standards of infrastructure which were required as per ICPS guidelines for running and maintaining the home. Building structural stability certificate from PWD, sanitation certificate from local body and No Objection Certificate from Fire and Rescue Services Department were not obtained.

- Based on proposals of DSD/CSW, Government sanctioned (May 2008 and June 2012) ₹ 92.96 lakh for provision of modernised kitchen equipment in 20 children homes/observation homes (DSD (14); CSW (6)) in order to provide hot and fresh food to the children, cook the food quickly and also save time and fuel (gas). Even though no requirement of the equipment, or proposals were submitted by the homes, the proposal for sanction was submitted to GoTN by CSW under Part II Scheme for the year 2012-13 and funds were also provided.

In test check, Audit noticed that modernised kitchen equipment supplied to Observation Homes at Chennai and Tiruchirappalli, Special Home at Chengalpattu (Kancheepuram District) and Government Orphanage at Tiruchirappalli were either partially utilised or not utilised at all as the same

could be utilised only when the strength of the children in the homes were 100 and more. The homes to which equipment were supplied were having children ranging from 25 to 84. Thus, without assessing requirement and feasibility of utilising modernised kitchen equipment in the homes, an expenditure of ₹ 18.05 lakh was incurred on the purchase of kitchen equipment which was avoidable.

Government stated (November 2015) that at the time of procurement, the minimum capacity equipment meant for hostel purposes available in the market were purchased and supplied to all homes and that the underutilised units would be shifted to other needy institutions and put into optimum utilisation.

- Based on a proposal (December 2009) of CSW, GoTN sanctioned (June 2010) ₹ 50 lakh for procurement of 1,000 steel cots (two tier) for five children homes (200 cots each). As the sanctioned capacity of each home is 250 children only, 200 two tier cots for each home were not required. CSW instructed (October 2010) the Superintendents of the homes concerned to procure the cots and redistribute 400 cots out of 1,000 cots to five other homes which needed them. The cots were procured and redistributed to the homes by the Superintendents.

During joint inspections (April and May 2015) by Audit with the Superintendents of Government Children Home, Kosapet, Chennai and Children Home at Dindigul, it was noticed that 100 cots (50 cots each) valued at ₹ 5 lakh were kept unutilised from the date of purchase. The Superintendents attributed non-utilisation of cots to inadequate space in the homes and children's reluctance to sleep in two tier cots. Thus, procurement of cots in excess of requirement and without ascertaining the need of the children resulted in unwarranted redistribution to other homes and non-utilisation of cots.

2.2.8.11 *Surveillance and Security arrangements*

Government sanctioned (October 2011) ₹ 17.59 lakh for provision of surveillance and security equipment to Government Special Home for Boys at Chengalpattu to ensure a close watch on the juveniles in the institution and also to curtail stray cases of abuse of younger children by older juveniles. Surveillance cameras and CCTV were procured (March 2013 and August 2013) and installed (September 2013) in the home.

However, it was noticed in audit that the equipment were not functioning since September 2014 and no annual maintenance contract was entered into with the supplier. The Superintendent of the home stated (April 2015) that the supplier has been addressed (September 2014) in this regard. However, the equipment were not made functional (August 2015). Further, instead of installing CCTV in a room where 24 hours security staff are available to monitor movement of children, it was installed inside the Superintendent's room which was kept closed after office hours. Thus, 24 hours surveillance and security was not ensured even during the period when the equipment was working.

Further, four posts of Guard were vacant since 2009 (one) and 2010 (three) as against sanctioned five posts. The Superintendent stated (April 2015) that

watchman and sanitary workers were also handling the juveniles in the home. During the period 2010-15, out of 43 children escaped from the Special Home, 40 were traced and brought back and the remaining three children were not traceable. The Superintendent stated (March 2015) that police authorities have been addressed to recapture them and hand over to the home. The escape of children indicated lack of adequate surveillance and security arrangements in the home.

It was also noticed that surveillance equipment required for 24 hours surveillance and security was not provided in Government Observation Home at Tiruchirappalli and NGO run Observation Home at Coimbatore.

Government stated (November 2015) that under Part II scheme for the year 2015-16, an announcement was made in the Assembly for provision of CCTV cameras in all homes at a cost of ₹ 32 lakh.

2.2.8.12 Minimum standards of services

Every Child Care Institution should adhere to the standards of care for juveniles/children laid down by the Act, 2000 and the Amendment Act, 2006 and the Rules framed thereunder. As per Rules 23, 33, 38 and 42 of JJ Rules, 2001, counselling, formal education, healthcare, vocational education, sports and extra-curricular activities and basic amenities are to be provided to the children in homes.

Sanitation and hygiene

ICPS guidelines prescribe the minimum standards of care for juveniles/children lodged in institutions established under the Act to be followed. As against 143 bathrooms and 200 latrines required as per the norms, there were only 50 bathrooms and 92 latrines in five²⁴ sample Government run homes and three²⁵ NGO run homes as indicated in **Appendix 2.8**.

Government stated (November 2015) that instructions have been given to DSWOs to submit plans and estimates for additional bathrooms and toilets in Government homes and that NGOs have been instructed to upgrade the infrastructure as per ICPS norms for minimum standards.

Nutrition

As per Rule 39 of JJ Rules, 2001, children are to be provided with nutritional diet as recommended by nutritional experts/dieticians/doctors to ensure balanced diet and variety in taste. Children are not to be given a routine pattern of diet and the menu should be changed or altered taking into account the views and expectations of children within the prescribed per capita limit/scale of diet.

For the homes under the control of DSD, the scale of diet was prescribed whereas no scale was prescribed for children homes under CSW. Audit noticed

²⁴ Government Orphanages at Coimbatore, Dindigul, Kancheepuram, Madurai and Tiruchirappalli

²⁵ Bala Bhavan Boys Home, Chennai, Chennapuri Annadhana Samajam, Chennai and Tamil Nadu Students Home, Tiruchirappalli

that the quantity of rice/wheat/ragi, dhal/channa and milk per child per day, eggs per week as prescribed by DSD was less than that prescribed by GoI in the JJ Rules, 2007. Moreover, GoI released feeding grants to States under ICPS to the extent of 75 per cent of the rate per child fixed by it. In the absence of scale of diet, it could not be ascertained whether the required calorific value was maintained in the diet provided by Government homes and NGO run homes. Government stated (November 2015) that food was served based on weekly menu chart. However, reasons for not fixing the scale of diet mentioning item-wise quantity and calorific value were not stated by Government.

Clothing and bedding

As per the scale laid down by the GoTN based on the climate requirements, each child/juvenile should be provided with four sets of clothing (at one point of time, the child should have a minimum of three sets of clothing) among other things like soap, tooth paste and brush, etc. However, it was noticed that in one Government run home at Madurai and three²⁶ NGO run homes, only two/three sets of clothing were provided to children as against four sets.

Healthcare

Though first aid kits with stock of emergency medicines and consumables were available, there were no trained staff in four²⁷ Government run homes. It was also noticed that Doctor (part time) and paramedical staff were not available in these homes leaving the children to depend on nearby hospitals/primary health centres or private doctors who provide medical care voluntarily for treatment.

Vocational training

In order to prepare children/juveniles for economic independence when they are discharged from the institutions as young adults, it is the responsibility of every institution to provide employable vocational training to juveniles/children when they complete their schooling or drop out of school. It was noticed that in five²⁸ Government Orphanages and six²⁹ NGO run homes, no vocational training was given to the children. It was also noticed that in Government Orphanage, Tiruchirappalli even though sewing machines were available to teach tailoring, no instructor was posted to teach/train them in tailoring and the sewing machines available in the homes were kept idle.

Government stated (November 2015) that action was being taken to fill up the post of tailoring teachers in Government homes and that NGO homes were instructed to follow ICPS norms.

²⁶ St. Louis Home for Children, Kancheepuram, Nehru Destitute Children's Home, Theni and Gandhi Seva Sangam, Dindigul

²⁷ Government Orphanage, Coimbatore, Dindigul, Madurai and Tiruchirappalli

²⁸ Government Orphanage, Coimbatore, Dindigul, Kancheepuram, Madurai and Tiruchirappalli

²⁹ Children Home under Sevasamajam Children's Home, Chennai, Children's Homes for Boys and Girls under IRCDS, Tiruvallur, Little Flower Home for Children, Tiruvallur, St. Mary's Home for Children, Coimbatore, Nehru Destitute Children's Home, Theni and Tamil Nadu Students Home, Tiruchirappalli

Recreation facilities

As per ICPS revised guidelines on minimum standards of care for children in CCIs, adequate importance is to be given to sports, leisure, creativity, playing facilities to children and ensuring a secured environment in homes where the children were lodged.

Audit scrutiny revealed that in eight Government run homes³⁰ and 14 NGO run homes³¹ visited by audit, Physical Education Teacher (PET) was not posted even though infrastructural facilities were available. Government stated (November 2015) that action was being taken to fill up the posts of PET in Government run homes and that NGO run homes were instructed to follow ICPS norms.

2.2.9 Monitoring

2.2.9.1 Non-constitution of Home Management Committee

As per Rule 37 of the JJ Rules, as amended in 2012, all institutions for juveniles in conflict with law and for children in need of care and protection should have Management Committees for the management of the Institution and monitoring the progress of every juvenile or child. The Committee shall consist of DCPO who will function as Chairperson and the Officer-in-charge of the institution will function as Member Secretary along with Probation Officer, Child Welfare Officer, etc., as members including a children representative. The Committee should meet every month in the institution to consider and review important matters viz. (i) classification of children care in the institution, (ii) medical facilities and treatment, (iii) food, water, sanitation and hygiene conditions, (iv) mental health interventions for the juveniles or children, (v) vocational training and opportunities for employment and (vi) education.

Scrutiny of records revealed that the Committee was not constituted in 174 out of 584 homes run by NGOs in the sampled districts and registered under the Act. Moreover, in homes where Committees were in place, meetings were held once in three months as against every month.

Government stated (November 2015) that DCPOs visited CCIs often, monitored their functioning and sorted out issues, if any, and that there was no need to conduct meetings every month. It was further stated that certain other professionals like Doctor, Psychologist who were in the Committee were not in

³⁰ Government Children Home, Chennai, Government Orphanage, Chennai I and Chennai II, Coimbatore, Dindigul, Kancheepuram, Madurai and Tiruchirappalli

³¹ Children Home under Sevasamajam Children's Home, Chennai, Bala Bhavan Boys Home, Chennai, Sree Seva Mandir, Chennai, Young Women's Christian Association, Chennai, St. Mary's Home for Children, Coimbatore, Gandhi Seva Sangam, Dindigul, St. Phelomena Home for Children, Dindigul, St. Louis Home for Children, Kancheepuram, Balar Illam, Madurai, Nehru Destitute Children's Home, Theni, Tamil Nadu Students Home, Tiruchirappalli, St. James Home for Children, Tiruchirappalli, Destitute Home run by Sarojini Varadappan Girls Higher Secondary School, Tiruvallur and St. Anne's home for Children, Tiruvallur

a position to attend the meeting every month. However, the reply is not supported by documentary evidence. Further, the contention of Government was not correct as it contradicted Rule 37 which insists on monthly meeting of the Committee for effective management of homes. During Exit Conference, Joint Director of Social Defence assured (November 2015) that instructions would be issued to the homes to constitute the Committees wherever required.

2.2.9.2 Social Audit

Section 36 of the Act stipulates that Central or State Government should monitor and evaluate the functioning of the institutions annually with the help of leading voluntary organisations working with the children, besides autonomous bodies like National Institute of Public Co-operation and Child Development, Indian Council for Child Welfare, Indian Social Institute, Childline India Foundation, National Institute of Social Defence, Social Welfare Boards, recognised schools of social work and the reports are to be made open for public scrutiny. However, no such mechanism for monitoring and evaluation was set up in the State by the GoTN. Government stated (November 2015) that orders were issued (August 2015) for constitution of Social Audit Committee.

2.2.10 Conclusion

There were delays in finalisation of cases by JJBs and CWCs in the sampled districts. GoI funds released for Institutional Care component of Integrated Child Protection Scheme (ICPS) were not utilised by the Commissionerate of Social Welfare. ICPS funds were not released to the State Child Protection Society (SCPS) and funds were managed by the Department. Inadequate infrastructure and non-provision of minimum standard of services deprived the children of their basic needs and proper rehabilitation. Of the children who escaped/ran away from homes during 2010-15, 47 *per cent* remained untraced indicating lack of adequate surveillance and security arrangements in homes. Vacancies in key posts sanctioned for management of homes in the sample homes run by Government were more than 50 *per cent* of the sanctioned strength in each category.

2.2.11 Recommendations

Government/Directorates may ensure

- Finalisation of cases by JJBs and CWCs within the prescribed four months;
- Provision of adequate infrastructure and the minimum standards of care for children in homes;
- Posting of adequate security staff and strengthening of surveillance and security arrangements by installing CCTV cameras in homes to prevent escape of children from homes and
- Filling of vacancies in all key posts in homes.

LABOUR AND EMPLOYMENT DEPARTMENT

2.3 Information Systems Audit on Computerisation of District Employment Offices

Executive Summary

The primary function of District Employment Offices (DEOs) is to register job seekers, renew their registration periodically and update their qualification as and when requested. DEOs also select candidates based on their seniority and qualification and furnish lists of eligible candidates to employers. Information Systems Audit on Computerisation of District Employment Offices revealed the following significant audit findings:

Out of the nine modules, only two modules (Registration Module and Vacancy Module) have gone live even six years after the entrustment of the work to the developer.

Large-scale manual interventions were made in the selection process due to inadequacies in the Vacancy Module.

There were errors in selection lists generated by the Vacancy Module due to errors in input/process/data migration.

National Code of Occupation (NCO) and seniority date in respect of 1.47 lakh candidates registered during 2011-14 were not available in the relevant table. There were discrepancies in seniority date between candidate NCO table and Selection Detail table. Discrepancies were noticed in input of fields due to absence of validation controls. Multiple registrations of candidates were noticed.

Therefore, Audit could not derive assurance that the candidates were recommended for jobs, in accordance with the rules and regulation in force, through the system.

2.3.1 Introduction

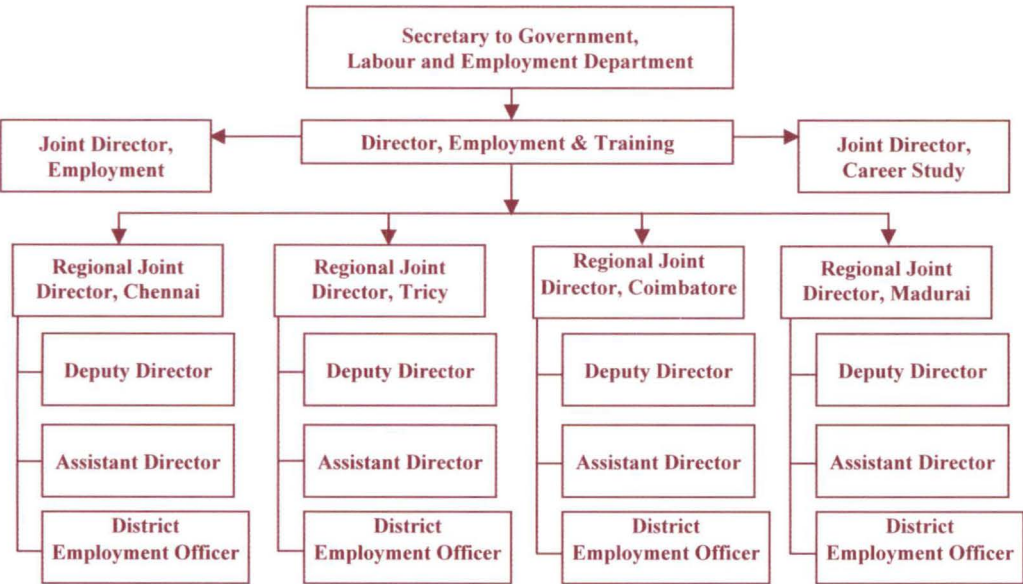
The primary function of District Employment Offices (DEOs) is to register job seekers, renew their registration periodically and update their qualification as and when intimated. DEOs also select candidates based on their seniority and qualification and furnish lists of eligible candidates to employers. Apart from this, DEOs collect data and compile Employment Market Information (EMI).

2.3.2 Organisational set up

Each of the 32 districts in the State has one District Employment Office. A Special Employment Office for registering differently abled candidates and two District Employment Offices, one for technically qualified candidates and another for unskilled candidates, are functioning at Chennai. Besides, two

Professional and Executive Employment Offices (PEEOs) are functioning at Chennai and Madurai. The organisational hierarchy is depicted in **Chart 2.2**.

Chart 2.2: Organisational hierarchy



The Director of Employment and Training is the Head of the Department, who is assisted by two Joint Directors in charge of Employment and Career Study respectively. There are four Regional Joint Directors situated at Chennai, Tiruchirappalli, Coimbatore and Madurai. At the District level, District Employment Offices are controlled either by a Deputy/Assistant Director or a District Employment Officer.

2.3.3 Computerisation

The Labour and Employment Department (LED), which maintained their system in FoxBASE till 2009, decided to move to a web-centric platform so as to link all DEOs in the State. Electronics Corporation of Tamil Nadu (ELCOT) was appointed the nodal agency for the project titled “Project Empower”. Between 2008-09 and 2014-15, the GoTN sanctioned ₹ 7.98 crore for the project towards purchase of hardware, development of software, Tamil Nadu State Wide Area Network (TNSWAN) connectivity, manpower requirement, procurement of additional servers, security auditing, recurring cost for Annual Maintenance Contract (AMC) and supply of consumables etc. Out of ₹ 7.98 crore, ₹ 7.01 crore was released to ELCOT to implement the project (cent *per cent* advance payment) during the period 2008-15. ELCOT spent ₹ 5.03 crore on the project and a sum of ₹ 1.98 crore remained unutilised with them (March 2015). The ‘Project Empower’ System has been developed with Java J2EE as front-end and PostgreSQL as back-end database. As of March 2015, ₹ 0.58 crore was spent for development of application software.

Registration for employment, renewal of registration (once in three years), addition of qualification etc., can be done by the candidate by visiting DEOs or

through on-line mode and the captured data gets stored in the servers placed at National Informatics Centre, Chennai.

2.3.4 Objectives of Computerisation and Networking

“Project Empower” consisting of nine modules detailed in **Appendix 2.9**, was to be completed within two years from the date of signing of the agreement (May 2009) i.e. May 2011.

The objectives of computerisation and networking were to:

- allow online registration with DEOs, online updation, online renewal of employment registration for job seekers;
- develop data bank of highly qualified candidates from the live register of DEOs;
- allow private sector employers easy access to the database to fill vacancies arising in their establishments;
- provide online information on application deadlines, hot track and future trend of employment;
- facilitate manpower planning and analysis through effective implementation of Employment Market Information; and
- promote employability of students and job seekers through vocational guidance.

2.3.5 Scope of audit and methodology

The Information Systems (IS) audit covered only two modules viz. Registration and Vacancy Modules, out of the nine modules, since only these modules were completed by the developer so far (March 2015). The IS audit covered the period from 1 January 2011 to 4 December 2014. Apart from scrutiny of records/ files maintained at the Directorate of Employment and Training (DET), examination of data pertaining to the entire State was carried out through Structured Query Language queries and Computer Aided Audit Techniques (CAATs). The working of the two modules was assessed in eight DEOs³² selected through random sampling. The audit objectives were discussed with the Secretary to Government, Labour and Employment Department in an Entry Conference held on 3 February 2015 and the findings of audit were discussed with the Secretary in the Exit Conference held on 1 September 2015. Replies wherever received have been taken into consideration while finalising the audit findings.

³² Chennai, Coimbatore, Dindigul, Pudukottai, Salem, Thiruvallur, Tiruchirappalli and Villupuram

2.3.6 Audit Objectives

Audit objectives were to assess whether:

- the application software was functioning effectively towards achieving the intended objectives;
- the business rules were properly mapped in the application software; and
- Information Technology systems were effectively monitored by the top management

2.3.7 Audit Criteria

The IS audit was benchmarked against criteria derived from the following sources:

- Instructions issued by GoTN in the form of Government Orders/Circulars.
- Instructions issued by the Directorate of Employment and Training in the form of Proceedings.
- Best IT Practices followed.

Audit Findings

The audit findings are grouped under General Controls, Application Controls and Monitoring and brought out in the succeeding paragraphs.

2.3.8 General Controls

2.3.8.1 Delay in completion of modules

The development of the application software consisting of seven separate modules³³ was entrusted (May 2009) to M/s. Emergys Software Private Limited at a cost of ₹ 11.97 lakh. Subsequently, two more modules³⁴ were also entrusted to the firm at a cost of ₹ 6.24 lakh (September 2009). The Candidate Profile module was put up for User Acceptance Test (UAT) (May 2010) and it was launched and dedicated to public in September 2010. Due to sudden hike in load and software issues, the application could not be accessed by public and departmental users. The developer could neither address the application and database issues nor come up with a solution to arrest the frequent disruption of the website. But the firm attributed (February 2011) inadequate testing of the data migration process, enormous pressure placed on the implementation team to complete the task within a short span and insufficient testing of application

³³ Candidate profile module (Registration module), Employment Exchange module (Vacancy module), Employment Market Information module, Administration module, Unemployment allowance module, Human Resource module, Budget and Accounting module.

³⁴ Vocational guidance module, Grievance Redressal module

codes for production level performance to the poor performance of the application software.

ELCOT terminated (February 2011) the contract with the developer and awarded the task of development of all the modules afresh to M/s. Onward e-Service Limited, Chennai, the L2 firm. An agreement was signed (March 2011) by ELCOT with the firm for development of all modules at an all-inclusive cost of ₹ 13.87 lakh, to be completed within two years from the date of signing of agreement. Though the firm was required to complete all modules before March 2013, the firm had so far (March 2015) completed the “Registration module³⁵” and “Vacancy Module³⁶” only (gone live). The other seven modules were still in the initial stages/development/testing stages even after two years (March 2015) beyond the prescribed deadline (March 2013). Of these, one of the modules viz., Employment Market Information Module, development of which was commenced in October 2012, is still in roll out stage due to non-freezing of the requirements by the department.

Due to non-implementation of another module viz., Unemployment Allowance (UA) module, the entire process had to be carried out manually. The manual process is initiated by maintaining a separate dossier for each candidate which contains the candidate’s application, a copy of employment registration card, copies of educational qualification certificates and a copy of income certificate issued by the Tahsildar on the annual income of the family. Name of the candidate, Registration Number, date of application, next renewal date, date of attainment of maximum age limit, etc., were written in the front sheet of around 3,000 dossiers in each DEO. All the dossiers were manually checked (during each quarter) for eligibility and on obtaining the approval of the DEOs the details of the eligible candidates were sent to the Treasury for payment of UA to the eligible candidates.

Scrutiny of records revealed that payment of UA to ineligible persons amounting to ₹ 12.99 lakh was made in five test-checked DEOs as detailed in **Appendix 2.10**.

Audit observed from the records produced that no effective steps were initiated by the department to ensure completion of development of the rest of the modules. Though the agreement with the developer provided for recovery of liquidated damages up to two *per cent* on the contract value, no penalty had been imposed against the firm so far.

2.3.8.2 Non-establishment of Disaster Recovery site

GoTN approved (December 2013) a revised comprehensive proposal for ₹ 4.90 crore for purchase of additional servers, hardware, AMC (for fourth and

³⁵ Registration module had been developed to register all the fresh candidates either through online mode or in the DEO’s office

³⁶ Vacancy module had been developed which is used for generating vacancy list for employers and also for sending the short listed candidates selected through system on the basis of inputs received from the Employer.

fifth years), Disaster Recovery (DR) setup, data migration, application software, on-site support, contingency and consultant charges etc., and sanctioned a one-time capital expenditure of ₹ 1.99 crore and recurring expenditure of ₹ 0.97 crore for the financial year 2013-14. The sanctioned amounts were released (February 2014) to ELCOT to meet the expenditure for 2013-14. The capital expenditure of ₹ 1.99 crore included ₹ 50 lakh proposed for establishment of a disaster recovery site. It was mentioned in the proposal that the DR setup was proposed to be installed at the DET in order to maintain a backup of the employment database in case of any data loss due to unforeseen contingencies or natural calamities. The technical infrastructure like minimum servers with UPS and bundled bandwidth of 8 mbps of TNSWAN were included under the component. It was also indicated that the DR site (servers) could also be used as a staging server for testing and training purposes. The very purpose of establishing a DR site is that in the case of any eventuality in the original site, the DR site should take up the entire functions of the original site without any loss of time. However, the proposed DR site is yet to be established (March 2015), though funds were released to ELCOT in February 2014 itself.

The Department replied (April 2015) that steps were being taken to deploy the newly procured servers and that study for DR setup was going on.

2.3.8.3 Excess release of ₹ 59 lakh to ELCOT for application software

GoTN sanctioned and released ₹ 5.02 crore (₹ 2.90 crore in January 2008 and ₹ 2.12 crore in August 2010) which included ₹ 58.83 lakh towards development of application software. The funds were released to ELCOT being the nodal agency. After incurring an expenditure of ₹ 21.35 lakh on development of software, ELCOT had an unspent balance of ₹ 37.48 lakh. In addition, based on DET's revised proposal (April 2013), GoTN approved (December 2013) ₹ 4.90 crore for additional servers, hardware, DR setup, data migration, application software, etc., including ₹ 59 lakh for development of application software.

Thus, the Department without taking into cognizance the unspent amount of ₹ 37.48 lakh, also released ₹ 59 lakh to ELCOT in February 2014, which is unwarranted. The break-up details of expenditure relating to application software were not furnished to audit.

In reply, the Department (March 2015) has merely drawn reference to year-wise release and expenditure details of the project without furnishing the break-up details.

2.3.9 Application control

The department migrated to a web-centric platform with PostgreSQL as the back-end database in September 2010. The legacy data which was maintained in FoxBASE system was also migrated to the new system. Since the primary functions of the department include registration of job seekers, their renewal and nomination of eligible candidates to the employers (based on the request

received), the data is critical. Any error in the data will have a direct bearing on the selection process of the candidates.

The database, as on 4 December 2014, was provided to audit for examination purposes. Examination by audit disclosed that the application software lacked vital validation (input/process) controls leading to many types of errors in the database which resulted in incorrect selection of candidates through Vacancy Module.

2.3.9.1 *Selection of candidates through Vacancy Module*

The Vacancy Module was introduced and rolled out in February 2012 with a view to select the eligible candidates through the computer system. This module (integrated with candidate profile module) reflects the basic functionality of the department. The module was introduced mainly to improve efficiency, transparency, eliminate manual intervention and to reduce the time taken to select the eligible candidates based on their seniority for the requisite qualifications from the database. Requests were received periodically through correspondence by DEOs/PEEOs from employers for selection of eligible candidates from the database of the department. Such employers also communicate to the DEO/PEEO the nature of post, age criteria, qualifications, crucial date for reckoning the age limit, whether priority or non-priority candidates, caste details etc. These inputs were fed by the DEOs/PEEOs concerned in the computer system and the selection process was run so as to generate the list of eligible candidates from it. The DEOs were ultimately responsible for the selection of candidates made through the computer system. The lists of selected candidates were communicated by the DEO concerned to the employer for further action at his end. The employer has to communicate the results of the interview to the concerned DEO in order to enable him to move “Placed” flag in the database for candidates who were appointed so that such candidates do not figure in the subsequent selection process run through the system.

During field visit to eight DEOs, audit conducted a system study of the selection process and also examined 17 cases (selected through random sampling method in the test-checked DEOs) to ensure whether the outputs generated from the system were correct. The following observations are made:

(a) *Large-scale manual interventions in selection process*

In all the eight DEOs visited by audit, it was noticed that the list of candidates generated from the vacancy module was exported to MS-Excel for manual tagging of the ineligible candidates. The final list was arrived at based on the ratio adopted for each post and the list was communicated to the employer. A list of six cases of selections made, wherein large-scale manual intervention was made is given in **Appendix 2.11**.

The reason for large-scale manual intervention was inability of the application software to handle the following business rules/situations:

- (i) Age relaxation to below Secondary School Leaving Certificate (SSLC) candidates: Candidates with qualification below SSLC are given age relaxation

of one year on regular renewal up to a maximum of five years provided such candidates acquire no additional qualification. The application software does not handle the above situation due to which candidates with less than SSLC qualification but with additional qualifications were also included in the "Selection List".

(ii) Inability to handle order of Priority: The selection of candidates is based on two important criteria viz., "Priority Selection" or "Non-Priority Selection". Under Priority Selection of candidates, the candidates are to be selected according to the order of priority³⁷. Audit found that the system could not handle the situation and the selection list generated from the system is not on "Order of Priority" of the candidates but based on the "Seniority"³⁸ of the priority candidates. Further, the system could not handle the order of priority applicable to Central Government/State Government/Quasi Governments also.

(iii) Inability to handle apprenticeship certificate holders: The National Code for Occupation (NCO) 87310 and 87311 represent "Sheet Metal worker" and "Sheet Metal Worker - NAC"³⁹ respectively. It was observed that if a selection process is run in the computer system, where the requirement is only "sheet metal worker" (NCO – 87310), the computer system selects the candidates with NCO 87311 also. In the Selection Module Screen, the user can opt for NCsO with "Consider all the Selected NCO" or "Consider Any one in Selected NCO" only. Due to this, the list generated would have candidates with either of the NCsO opted / candidates with all the NCsO opted respectively. The user does not have option to filter any NCO viz. 'Not including' option. Due to the above issue, the system does not filter the candidates who have undergone apprenticeship training and therefore, DEOs were forced to tag the candidates with 87311 NCO manually.

(iv) Other issues:

- The system does not assign the relevant upper age limit for priority candidates like destitute widow (35 years), (Ex-servicemen – OC (48)/ Others (53)). Similarly, the system could not assign the appropriate age relaxation applicable to reserved candidates i.e. SC (Arunthathiyar)/ ST/SC (35 years) and MBC/BC/BC (Muslim) (32 years) when they were considered under "General Turn/Non Priority" category in State Government Departments. To overcome these issues, the input for the age limit was given as 57 years in 9,212 cases out of 35,030 vacancy IDs during the selection process.
- For selection of candidates based on educational as well as technical qualifications such as computer course etc., the system could not list out candidates with both the qualifications since the user can opt either

³⁷ Sequence in which type of priority to be considered for selection: (a) Destitute widow (b) Inter-caste marriage (c) Ex-servicemen, differently abled, etc., besides community based reservation i.e. SC (Arunthathiyar) /ST/SC/MBC/BC/General qualification, seniority, etc.

³⁸ Seniority is date of registration of particular qualification of a candidate

³⁹ National Apprenticeship Certificate

for “Consider all the Selected NCO” or “Consider Any one in Selected NCO” only.

- There was no provision in the selection module to filter “Second language” or “Percentage of Marks” of candidates though provision has been given to capture these data. This led to inability of the system to handle the specific requests from employers.
- An examination was conducted in audit to see the extent of the number of candidates generated from the computer system against the “input ratio” adopted and given as input before running the selection process. Examination revealed that out of 35,030 employer requests received and processed through the system, the system had generated an elongated list in 4,762 requests, in excess of the ratio given as input. Generation of excess list in the eight test-checked districts is given in **Table 2.18**.

Table 2.18 : Generation of excess list

Range of elongated list (In percentage)	No. of requests
0-50	2,230
51-100	862
101-200	697
201-300	289
301-500	254
More than 500	430
Total cases	4,762

To cite an example, for vacancy ID ‘ARD2014SG00000077’ against the five posts requested by the employer with vacancy ratio of 1:20, the system has generated a list of 180 candidates instead of 100 candidates.

Audit observed that the software was not tested fully before roll out of the application software, to ensure that it handles all the above business rules/situations as contemplated through various Government Orders for selection of candidates. Due to the above failure, the DEOs were forced to generate excess list from the module and manually tag from the list such of those candidates who were not eligible for selection based on the requirements and eligibility criteria received from the employer.

The Department replied (March 2015) that earnest efforts have been made to resolve all the objectives in a single cycle; however, testing the software under all combinations and inputs and preconditions (initial stage) is not feasible, even with a simple product. The Department further stated that only after number of trials and error corrections, the software would be refined and that there was dearth of experienced staff for the same. The Department assured that the observations of audit were being taken into consideration and necessary action would be taken to rectify the defects.

The reply is not acceptable since the defect exists even three years after the roll out in 2012.

(b) Errors in selection of candidates

Every employer communicates his requirement for selection of eligible candidates to the respective DEO along with the eligibility criteria to be adopted for selection of candidates. The input parameters pertaining to the candidates such as qualifications which are identified by NCsO, community, age, whether Priority or Non-Priority candidate, crucial date for reckoning the age and profile status etc., are vital for generating the list. Therefore, it is the responsibility of the DEO concerned to ensure that all the required parameters, as sought for by the employer, were correctly entered in the computer system so that no eligible candidate would be left out due to omission of entering any vital information.

Audit examined 17 selection cases in the test-checked districts and found that the selection list generated by the system was incorrect due to errors in input/process such as order of priority not handled by system, no provision for selection by excluding NCO (Apprenticeship training), incorrect assignment of 'dead' profile status and absence of provision for selection based on percentage of marks and incomplete migration of legacy data. Out of the 17 cases, in eight cases the DEOs concerned accepted the observations of audit and in eight cases, the reply furnished by the DEOs was not acceptable for the reasons mentioned therein (**Appendix 2.12**). In one case, the reply is awaited from the department.

From the above, it is evident that the application software is yet to achieve its envisaged functionality due to (a) inability of the software to handle some important business rules leading to large-scale manual intervention in the selection process and (b) input process errors coupled with data migration issues in test-checked cases.

2.3.9.2 Errors in the data impacting the selection process of eligible candidates

The selection of candidates is done in the software through Vacancy Module. This Vacancy Module has been integrated with Registration Module in the system and both are inter-linked. Any error/omission/mismatch etc., present in the Registration database would have a direct impact on the selection process of the eligible candidates. In other words, the eligible candidates may be left out from the selection process or ineligible candidates would be selected due to absence of process control/referential integrity⁴⁰ in the system.

(a) Absence of NCO/Seniority date for 1.47 lakh registrations

In the database, the profile of the candidate such as registration number, name of candidate, date of birth, date of registration, sex, caste, community, family card number, profile status etc., are stored in Candidate Profile table. In Candidate NCO table, the registration number of the candidate, NCO and Seniority date is available. Both these two tables are inter-linked and every registration number

⁴⁰ Referential integrity is a relational database concept in which multiple tables share a relationship based on the data stored in the tables, and that relationship must remain consistent.

available in the Candidate Profile table should have at least one NCO in Candidate NCO table.

Out of the 1,80,25,500 registrations in the Candidate Profile table, 2,81,653 registration numbers did not figure in Candidate NCO table, of which 1,46,397 registrations were made during 2011-14. Due to non-availability of NCO/Seniority date, these registrations were not considered in any of the selection processes as seen from selection details table.

The Department replied (March 2015) that a candidate while registering his/her highest qualification at the time of initial registration entering more than one qualification, only NCO for the highest qualification will be allotted. Eg. SSLC and HSC qualification, NCO is available only for HSC (X0115).

The reply of the department is not pertinent since the contention of audit is that without any information on qualification and date of seniority, the candidate cannot be considered in any of the selection process carried out by the DEO. Therefore, existence of these 1,46,397 registrations in the computer system without the vital information due to incomplete registrations/ incomplete data migration only proves that the application software lacks referential integrity, resulting in no scope for selection for these registrants in future as well.

(b) Incorrect profile status of candidates

In the Candidate Profile table, the column “profile status” indicates whether a candidate is ‘live’/‘dead’/‘placed’/‘active’/‘re-registered’ in the database. Every candidate should renew his registration once in three years from the date of his/her registration to remain ‘live’ in the database for possible selection for employment. In the database, a candidate is considered as live, if his/her profile status is ‘A’ or ‘L’ or ‘R’⁴¹. If the candidate fails to renew the registration within the grace period⁴², he/she is moved to ‘Dead’ status from ‘Live’ and assigned with ‘D’ flag in the database.

Examination of the data relating to Registrations done upto 4 December 2014 disclosed the following -

- In 2,777 records with live profile status, though the expiry dates of these registrations were before 1 October 2014, the system failed to assign “Dead” status.
- 17,341 records were assigned ‘Dead’ Status, though the difference between the expiry date and date of registration was less than 1,096 days (three years) during the registration period from 2011 to 2014.
- 491 records have ‘Dead’ profile status though their expiry dates are later than 28 February 2015. These candidates should be “live” in the database.

⁴¹ A-Active ; L –Live; R-Re-registered

⁴² Grace period of two months

Due to process error in the system, the system failed to assign the correct profile status in the above cases. In all these cases, ineligible candidates may be selected or eligible candidates may be left out during selection process of candidates. Reply of the Department is awaited (June 2015).

(c) Differently abled candidates with profile status “dead”

Government, while implementing the integrated computerised system decided (September 2010) that all the differently abled (DA) candidates were exempted from renewing their registration. In the computer system, the details about all the “Priority”⁴³ candidates, including DA candidates were stored in the ‘Priority_Details’ data table.

Examination of “Priority_Details” table and “Candidate_Profile” table disclosed that out of 1,41,405 DA candidates, 20,199 candidates were assigned ‘Dead’ profile status by the system in Candidate_Profile table due to non-adoption of the above decision in the application software. Hence, these 20,199 candidates would not have been considered during selection process of DA candidates based on employers’ request.

The Department replied (March 2015) that blind and deaf candidates were exempted from renewal as per Government Order (September 2010) and ‘Ortho’ candidates were exempted only from 2010. Hence, the ortho candidates who got registered before 2010 were with ‘D’ status in the data.

The reply of the Department is in contravention of the instructions of the Government contained in the Order mentioned above. Further, re- analysis in this regard revealed that in 176 cases, differently abled candidates were assigned ‘Dead’ status even after September 2010.

(d) Incorrect registration of candidates with professional qualifications in DEOs instead of in Professional Employment Exchange Offices

The candidates possessing professional qualifications need to register the same at Chennai PEEO or Madurai PEEO only. Hence all the DEOs in the State were mapped with Chennai PEEO (CHP) or Madurai PEEO (MDP) for registration of professionally qualified candidates through online mode or through DEOs. The online system should not permit registration of professional qualification in exchanges other than CHP/MDP. In other words, each candidate with professional qualification should have registration numbers with exchange prefix “CHP/MDP”.

A check of Candidate_Profile table, Candidate_NCO table and NCO_reference table⁴⁴ in conjunction with each other disclosed that there were 41,894 registrations of candidates with ‘Professional qualifications’ which were made with exchange code prefix other than CHP/MDP incorrectly due to process

⁴³ Inter-caste marriage; Ex-serviceman; Destitute widows; Land acquisition case; Differently abled, etc.

⁴⁴ Contains the description of each NCO with Exchange type i.e. PEEO or General

failure in the system. All these registrations had taken place after 01-01-2011 i.e. after the introduction of new on-line system. It was also verified that these 41,894 registered candidates with professional qualifications were not considered in any selection process run by Chennai or Madurai PEEOs as observed from Selection Details table. Reply of the Department is awaited (June 2015).

(e) Discrepancy in “Seniority date” of NCO

The NCO with Seniority date of a candidate is captured in Candidate NCO table and there may be multiple NCsO for a candidate depending upon his/her qualifications. Any updations or corrections to “Seniority date” are stored in NCO_Candidate_History table, wherein the old seniority date and new seniority date is available.

The Selection details table contains the selection details of candidates identified by a unique number (Vacancy ID) with other fields such as Candidate Id, NCO, Seniority, Qualification, Selection Status, Remarks, etc. The table also contains the NCO and seniority date of each selected candidate. On no account, the seniority date of a NCO existing in Selection details table should differ from that in Candidate_NCO table. In Vacancy details table, the inputs received from each employer for selection and the date of notification of the employer request for selection process are captured.

Audit examination of data disclosed that in the eight test-checked districts, there was discrepancy in “Seniority date” between “Candidate_NCO table” and “Selection details table” and no audit trail for these records is available in NCO_Candidate_history table. The details regarding number of instances where such discrepancy existed are given in **Table 2.19**.

Table 2.19 : Discrepancy in seniority date

Sl.No	District	No. of cases with different seniority date between Candidate_NCO table and Selection details table	Seniority Date greater in Candidate_NCO table	Seniority Date lesser in Candidate_NCO table
1	Coimbatore	356	200	156
2	PEEO, Chennai	40	21	19
3	Dindigul	718	421	297
4	Pudukottai	181	119	62
5	Salem	594	275	319
6	Trichy	346	214	132
7	Tiruvarur	391	305	86
8	Villupuram	806	422	384
	Total	3,432	1,977	1,455

- It is seen from **Table 2.19** that 1,977 candidates whose seniority dates are lesser in the selection details table stand to gain in getting employment, while the other 1,455 candidates stand to lose, as the selection of candidates is done based on the details available in the Candidate_NCO table.

- In the Candidate_NCO table, a candidate should not have any duplicate registration number/NCO/Seniority date. It has been observed that 1,17,021 instances have same Registration Number and NCO with number of records ranging from two to five. Out of this, 4,289 instances have same Registration Number, NCO and Seniority date with records ranging from two to four.
- It was noticed that 1,12,632 instances have same Registration Number and NCO but different Seniority date with number of records ranging from two to five.
- A candidate can be selected any number of times till his placement, based on his age, profile status, qualifications and employers' requests. On scrutiny of Selection_details table, it has been observed that 968 instances (1,939 records) have same Candidate Id, same NCO but with different seniority dates during selection for different Vacancy_Id.

The system has been designed to pick the NCO/Seniority date available in the Candidate_NCO table during selection process. Existence of more than one "Seniority date" for an NCO for a candidate in the database only proves that the integrity of the database is questionable, since every selection process run through the system is based on "Seniority of the Candidate" with reference to that NCO. However, the department replied (March 2015) that regarding duplication of records, the software developer has requested to furnish the duplicated records and it had been forwarded to field offices for data purification which would be set right in due course.

2.3.9.3 *Errors noticed in the profile of candidates*

Input controls and validation checks ensure the data entered is complete, accurate and reliable. Ineffectiveness of these critical control checks resulted in the following inaccuracies in the database.

In the database, the profile of the candidates such as registration number (16 digit number), name of candidate, date of birth, date of registration, father's name, gender, caste, community, family card number, profile status, etc., were stored in Candidate Profile table. Examination of the above table disclosed the following types of errors due to lack of input control in the system which are explained as below.

(a) *Deficiencies in Registration number*

The "Registration Number" allotted to candidates after registration process in the software is system-generated and of fixed length with 16⁴⁵ characters which is generated DEO-wise annually from January to December and gender-wise. In the 'Candidate Profile' table there are two separate mandatory columns viz.

⁴⁵ Three characters – Exchange Code of registration, four characters - Year of registration, one character – Gender of the candidate and eight characters is the sequential number

‘DEO Code’ and ‘District’ to identify the registration. The discrepancies noticed are given in **Table 2.20**.

Table 2.20 : Details of types and number of discrepancies

Sl.No.	Type of discrepancy	No. of cases
1	Registration Number less than fixed length of 16 characters	7,117
2	Out of the above 7,117, without data in Exchange Code column	7,095
3	Out of the above 7,095, ‘Live’ registrations	1,230
4	Out of above 7,095, without data in Exchange Code and District columns	722
5	Out of the above 722, ‘Live’ registrations	708
6	Out of 7,095 – Registration Number in the format of "Gender + Year of Registration + 8 digits"	5,999
7	Out of 7,095 – Registration Number in the format of "Year of Registration + Gender+ 8 digits"	1,096

It has been provided in the User Manual that the system validates whether the mandatory fields were entered. If any of the mandatory fields were left blank, the system returns an alert message to enter the details in the mandatory field before saving the registration process. It was also observed that the columns ‘Exchange code’ and ‘District’ are mandatory fields. However, due to absence of input control in the system, the system allows to save the registration process, even without entering the mandatory fields.

(b) Input entries

The Community ID, caste and the Community Certificate Number columns, gender, family card number and date of birth are ‘mandatory’ fields in the software and these are vital information required for selection process of candidates based on community reservation in employers’ requests. Date of Registration is a system generated date shown in database. Audit noticed discrepancies in input of these fields during 2011-14 as given in **Table 2.21**.

Table 2.21 : Discrepancies in input of fields

Name of the field details		No of records with deficiency	Records with live status
Community Certificate			
1	Without Community Details	13,561	1,830
2	No Community and Caste details	13,472	1,755
3	Without Community Certificate Number	36,41,572	25,09,000
4	Incorrect Community Certificate Number (i.e 3 or less number of characters)	7,24,916	6,22,009
Gender			
1	‘Gender’ left blank	288	125
2	‘Gender’ in Registration number differs from ‘Gender’ column (due to non-reflection of change made in the ‘Gender’ column in the Registration number)	680	314

Name of the field details		No of records with deficiency	Records with live status
Family card number			
1	No data in the 'family card number' field	4,05,383	43,871
Date of Registration			
1	No data in 'date of registration' but, date of expiry of registration available	8,104	1,774
2	'Date of registration' earlier to 'date of birth'	8,420	-
3	'Date of registration' earlier than 1.1.1963 (or) later than 4.12.2014	4,789	-
Date of Birth			
1	Blank entry in 'date of birth' field	418	241
2	Invalid entries (year before 1901)	-	446
3	Registration of candidates aged 5 to 10 (born between 2004 and 2010)	1,819	206
4	'Date of birth' and Date of Registration are same	2,531	228
5	Age less than 14 years but completed SSLC	3,090	-
6	Age less than 16 years but completed HSC	4,505	-
7	Age less than 19 years but completed degree	1,256	-

Considering the fact that information in these columns were stated to be mandatory fields in the user manual, due to lack of input control these vital fields could be left blank, thus rendering the data unreliable. The Department replied (March 2015) that the defects noticed and identified by the audit team due to lack of input control in the system would be taken care of in consultation with the software developer in order to avoid such lapses in future.

(c) Multiple Registrations

The software should not allow a candidate to do multiple registrations within a district or register his candidature in more than one district as per the policy of the Department. Hence, no duplicate registration of candidate should exist in the Candidate Profile table. However, a candidate could have two registration numbers if he is in possession of "General" as well as "Professional" qualifications, since "General" qualifications were registered in the concerned DEOs while "Professional" qualifications were registered either in Chennai or Madurai Professional Employment Exchange Office. Existence of multiple registration numbers within one district or in more than one district for a candidate would lead to incorrect selection of candidates during "Selection Process" apart from denial of opportunity to other eligible candidates.

Though the Vendor, M/s Onward e-Services had proposed the usage of de-duplication tool, it had not been implemented as approval had not been given by the user department.

Further analysis revealed that there were 78,528 duplicate/multiple registrations ranging from 2 to 102 and in one instance with 2,850 duplications in the table, after excluding all the registration numbers relating to PEEOs in Chennai and Madurai. Following discrepancies are noticed by audit.

- Multiple Registration of a candidate in different DEOs ranging from two to six districts involving 13,825 Registrations was noticed. Due to lack of validation control in the system, the system allows these multiple registrations. These multiple registrations entail undue advantage to these 13,825 Registrations since these candidates enjoy the possibility of getting selected in multiple selections carried out by different District Employment Offices.
- There were 64,741 records of multiple registrations within a district.

The application software should have been designed in such a way by adopting a combination of name of the candidate, date of birth, father's name and family card number as key field to arrest the capture/registration of multiple registration by a candidate. However, such critical input control is not available in the software. Even the Family Card Number (a unique identification number), though a mandatory field as per the User Manual, could be skipped without entering the data.

It was noticed during the test-check of DEOs that the system was unable to modify the category of a 'general' candidate wrongly registered as 'DA' instead of 'general', necessitating fresh registration. Similarly, there was no provision for recovery of password of candidates registered online, necessitating fresh registration. These were causes for multiple registrations.

The Department replied (March 2015) that the records identified by audit as duplicate/multiple registrations have been examined and necessary action will be taken to sort out the issues by adding de-duplication tool in future.

(d) User identity not captured – absence of audit trail

Every single addition, deletion or modification to an existing data carried out in any table should be captured in the respective table in the form of audit trail. To ensure integrity of the data, the details about the user who carried out the changes, updation date with time should be stored in the relevant table. This provision helps in tracking the changes made in the database. The developer had stated in the User Manual of "Registration module" that audit trail had been enabled. However, examination of the following important tables disclosed that there is no audit trail in the system in the number of records indicated against each table as given in **Table 2.22**.

Table 2.22 : Absence of audit trail

Sl.No.	Name of the Table	No. of records with 'Updated by' information left blank
1	Candidate_Profile	4,23,296
2	Candidate_Address_History	15
3	Candidate_Caste_History	2
4	CandidateProfileStatusHistory	23,70,219
5	NCO_Candidate_History	328
6	Priority_Details	1,93,492
7	Qualifications	1,49,65,263
8	Qualifications_Change_History	1,01,714
9	RenewalStatus	1,784
10	Vacancyid_Process_History	125

The above status only proves that the integrity of the data is not ensured. The department replied (March 2015) that during data migration this has been omitted. When it is found necessary, input entries fed by the user have been taken care of and logs thereon have been fed into the system. The Internet Protocol address, user details and time has also been captured in the database now.

The reply of the Department is not acceptable because an audit trail is system generated and stored in the relevant tables automatically whenever there is any addition, modification, deletion to any record made by a user, provided such provision to capture the audit trail has been written in the coding itself. Further, all the above cases were found only after 2011. Hence, the reply of the Department that this has been omitted during data migration is not correct.

(e) Inaccuracies in Qualifications table

The qualifications table have fields such as Qualification code, Qualification, Board, Year of Passing, Total Marks, Percentage, Certificate Number, Major subject and Ancillary subject. The field Qualification Code contain values like Below SSLC, SSLC, HSC, Degree and 'TECH' and the field 'Qualification' specifies the courses for various qualifications viz. 'GA'-Graduate Arts for Degree. Examination of the table disclosed that due to lack of input control in the system and also deficiency in the software, different types of errors were found in audit as detailed in **Appendix 2.13**.

The Department replied (March 2015) that the defects noticed and identified by audit with respect to input control in the system would be taken care of in consultation with the software developer so as to avoid such lapses in future.

(f) Information on placement

On receipt of employers' requests, the selection process of eligible candidates is run in the software based on the requirements and rules prescribed. The list of selected candidates is sent to employer, who on completion of interview sends a list of placed candidates, rejected candidates and absentees. Based on the list, the user updates the candidate's profile status as "P" with additional information in Placed remarks column (details of placement - Vacancy_Id, date).

The above procedure involves manual intervention for updating the profile status of the candidate on his placement. In a computerised environment, the integrity of the database could be ensured by the following procedure. When candidates are shortlisted based on employers' requests in Selection Details table, profile status should be updated to 'P' in Candidate_Profile table on receipt of the placement information received from the employer, by linking the Vacancy ID from selection details table.

In the absence of the above procedure, examination of Candidate Profile table disclosed that

- Out of 88,622 records with profile status "P", only 49,685 records have information about the placement in the field 'Placed Remarks'. The remaining 38,937 records have no such information.
- Out of the 88,622 records, 62,166 records have no corresponding entries in 'Selection Details' table though they have been placed.
- These 88,622 records have no corresponding entries in 'Candidate Vacancy Final' Table also.

The above discrepancies only prove that the database lacks referential integrity. 'P' flag should be moved to the Candidate profile table, only after ascertaining existence of the candidates in the 'selection detail' and 'candidate vacancy final' data tables.

The Department replied (March 2015) that the placement details effected in the computer system is restricted to regular placement only. It was also stated that placement details of part time, daily wages, consolidated vacancies were not captured in the system. Moreover, for want of result of selection, some details had not been updated. Instructions had been given to capture the profile status ("Placed") along with relevant details, on receipt of selection result from the employers. Further, the software developer had also been asked to clarify the table details, which would be submitted in due course.

The Department's reply is not acceptable since placement details without 'vacancy id' information and date of placement, the authenticity of 'Placed' profile status moved by the DEOs cannot be ensured. No explanation is furnished by the Department with regard to contention of audit that these candidates had no corresponding records in Selection Details table or Candidate Vacancy Final Table.

2.3.10 Migration of Legacy data

2.3.10.1 Fresh registration / 'Seniority From' correction

The process of data migration from legacy system to new system is very critical. It was the responsibility of the developer to whom the task of 'data migration' was entrusted to ensure that each and every record existing in the legacy system got migrated to the new system without any change in the number of records or data stored in them. Audit during field visit to test-checked districts observed that after going online in September 2010, many candidates faced two types of

issues viz. non-availability of their registration at all in the new system and incorrect seniority date in their registrations.

Hence, the candidates visit their respective DEOs to rectify the above issues. For this purpose, a Register ('Not Found'/'Seniority From' correction Register) is maintained in all DEOs. The details regarding number of candidates to whom either fresh registrations were made by giving old seniority for their NCO due to non-availability of registration numbers in the new system or the seniority date for NCOs which were found to be incorrect were rectified during the period from 2012 to 2014, are given in **Table 2.23**.

Table 2.23 : 'Not Found' and 'Seniority From' cases

District	No. of Candidates
Dindigul	8,389
Tiruvavur	36,076
Pudukottai	6,828
Tiruchirappalli	20,865
Salem	19,151
Villupuram	19,324
Coimbatore	16,058
Chennai	13,161
Total	1,39,852

The above situation only proves that the procedure adopted for data migration by the developer was not fool-proof, despite allocation of considerable funds and manpower. Even after six years from the initial start of the project in 2009, there were discrepancies in legacy data which are yet to be resolved by the developer. The Department also failed to monitor the situation till date.

DEO, Chennai in reply (March 2015), accepted the audit observations and stated that such cases were being rectified as and when the candidates approach the DEOs office.

2.3.11 Deficiencies in the application software

2.3.11.1 Updation of Priority details table

A candidate can register online or through Employment Exchanges and also update his personal details, educational qualifications and skill details in the same way. Candidates are classified as "Priority" and "Non-Priority" candidates. Priority candidates are given preference in the selection process by the computer system as per the rules in force and employers' requests.

However, for registering as priority candidate, the candidate's priority details need to be verified at the Employment Exchanges (medical certificates, marriage certificates, discharge certificates, etc.,) and updated by the designated staff working in the DEO, who have been given system access privileges to do so. Various details like priority type, type of disability, percentage of disability, date of discharge, date of registration of priority, updated by and updated date are captured at the time of registering a priority candidate. Since priority is a vital parameter during selection process of candidates based on employers' request, it is done only by the staff of employment exchange to prevent misuse and manipulation of data.

Examination of the Priority details table disclosed that the “user id” of many candidates were stored in the field “Updated by” apart from the user id of DEO staff. The reason being that whenever an updation of priority details of a candidate is carried out by the DEO staff concerned by using their user id, the user-id get stored in the field “Updated by” column. Subsequently, if the candidate views their updated profile through online mode, their user id get stored in the Priority details table in the field “Updated by” incorrectly. Deficiency in the design of the software and ineffective audit trail in the system leads to misconception that the updations were carried out by the candidates affecting the integrity of data.

2.3.12 Conclusion

Out of the nine modules, only two modules (Registration Module and Vacancy Module) have gone live, six years after the entrustment of the work to the developer. Large-scale manual interventions were made in the selection process due to inadequacies in the Vacancy Module. There were errors in selection lists generated by the Vacancy Module due to errors in input/process/data migration. National Code of Occupation and seniority date in respect of 1.47 lakh candidates registered during 2011-14 were not furnished in the relevant table hampering their selection against vacancies. There were discrepancies in seniority date between two of the tables, hampering the selection process. Discrepancies were noticed in input of fields due to absence of validation controls. Multiple registrations of candidates were noticed. Under these circumstances, Audit could not derive assurance that the candidates were recommended for jobs, in accordance with the rules and regulations in force, through the system.

2.3.13 Recommendations

The Department, in coordination with ELCOT, may initiate the following actions to make the project fully functional.

- Cleanse the data and ensure its integrity and validate it with an audit trail. Till such time data integrity is ensured, compensatory controls which would ensure that the job lists are in compliance with the rules, are to be put in place.
- Coordinate with the developer for completion of Unemployment Allowance and EMI module and ensure its early rollout along with the other pending modules.
- Address the lacunae in the Vacancy Module to avoid any manual intervention in selection process.
- Address the deficiencies in the Registration Module to avoid multiple registrations

The above points were referred to Government in August 2015; reply has not been received (December 2015).

CHAPTER III

COMPLIANCE AUDIT

CHAPTER III

COMPLIANCE AUDIT

Compliance Audit of Departments of the Government and their field formations as well as autonomous bodies brought out several lapses in management of resources and failures in observance of norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

BACKWARD CLASSES, MOST BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT

3.1 Provision and maintenance of hostels for Backward Classes, Most Backward Classes and Denotified Communities Students

3.1.1 Introduction

To improve the educational, social and economic status of the Backward Classes (BC), Most Backward Classes (MBC) and Denotified Communities (DNC), GoTN *inter alia* established and maintained welfare hostels in the State. Facilities such as accommodation, food, etc., were provided free of cost to the economically backward¹ students of these communities studying in schools and colleges so that they continue their studies without hindrance.

The Principal Secretary to GoTN, BC, MBC and Minorities Welfare Department (BCWD) assisted by the Commissioner, Backward Classes Welfare (BCW) and the Commissioner, Most Backward Classes and Denotified Communities Welfare (MBCW), looks after the provision and maintenance of hostels at the State level and District Backward Classes and Minorities Welfare Officers (DBCOS) at district level. The Joint Director (Kallar Reclamation), Madurai, (JD-KR) exclusively looks after the hostels for Kallar community which is a DNC.

In order to examine whether hostels admitted all eligible students and were provided with adequate facilities, an Audit was conducted between February and May 2015 covering the period 2012-15. Audit test checked records of the BCWD at Secretariat, Commissionerates of BCW and MBCW and District level officers i.e. DBCOs of four selected districts² out of 32 districts in the State. Besides, audit scrutinised records of 21³ (17 hostels for school students and four hostels for college students) out of 197 hostels in the four districts selected through random sampling. Audit findings are discussed in the succeeding paragraphs.

¹ Students, whose parental annual income does not exceed ₹ 1 lakh

² Chennai, Dharmapuri, Madurai and Pudukottai

³ Chennai District: 2 out of 12 hostels; Dharmapuri District: 6 out of 55 hostels, Madurai District: 6 out of 57 hostels (33 under DBCO and 24 under JD-KR) and Pudukottai District: 7 out of 73 hostels

Audit Findings

3.1.2 Admission of students in hostels

3.1.2.1 Delay in approval of additional seats by the Commissionerates

As per instructions of Commissioner, BCW, if additional seats were required over and above the sanctioned strength of school hostels, a report with justification for seeking additional seats should be submitted to the BCW and MBCW Commissionerates on or before 5th of July. Audit noticed that, during 2012-15, DBCOs of two test-checked districts viz., Dharmapuri and Pudukottai sought (either in August or in September of each year) additional seats from the Commissionerates for filling up of 1,357 seats (Dharmapuri: 180 + Pudukottai: 1,177) and Commissionerates approved⁴ (between September and November) the additional seats. Thus, during 2012-15 admissions against additional seats in school hostels took place belatedly with delays ranging from two to three months year after year and defeated the objective of providing food and accommodation facilities free of cost in time to the eligible school students.

3.1.2.2 Sanction of additional seats resulted in overcrowding of hostels

Apart from the delay in sanction of additional seats as discussed in the preceding paragraph 3.1.2.1, the impact of sanction of additional seats in two test-checked hostels of Pudukottai District is discussed below:

The original sanctioned strength in 33 out of 73 hostels in the district was increased permanently from 1,855 seats to 2,380 seats (by 210 seats in November 2008 and by 315 seats in August 2009) by GoTN. Further, based on recommendations of DBCOs, additional seats were sanctioned by District Collectors and Commissionerates on temporary basis year after year. The resultant admissions against additional seats are as detailed in **Table 3.1**.

Table 3.1: Details of overcrowding in two test-checked hostels in Pudukottai district

Sl. No.	Name of the hostel	Original SS	Revised SS	Students admitted in hostels during			Area (in sq.m)	
				2012-13	2013-14	2014-15	R	A
1	BC school Boys Hostel, Keeranur	55	70	102 (146)	96 (137)	103 (147)	652	465
2	BC school Boys Hostel, Karambakudi	50	65	72 (111)	75 (115)	71 (109)	605	223

SS: Sanctioned Strength; R: Requirement as per norms for the revised SS; A: Actually available

Figures in brackets indicate percentage of admission vis-à-vis revised sanctioned strength

Source: Compiled from details obtained from the department

⁴ Two hundred and fifty two additional seats in September 2012; 955 additional seats in October 2012, 2013 and 2014 and 150 additional seats in November 2014

As seen from **Table 3.1**, during 2012-15, sanction of additional seats had resulted in overcrowding in the two school hostels and deprived students of an environment that was conducive to learning. Besides this, the overcrowding also resulted in inadequate basic facilities as discussed in paragraph 3.1.4.1.

3.1.3 Construction of Hostel buildings

Hostels with space and other infrastructural facilities as per norms are crucial for providing an atmosphere conducive to pursue studies unhindered. As per norms prescribed (February 2002) by GoTN, the plinth area for hostels with capacity of 50 students was 465.39 sq.m. As on 31 March 2015, 1,301 BC, MBC and DNC welfare hostels with sanctioned strength of 81,064 seats were maintained in the State. Of these 1,128 were functioning in Government's own buildings and the remaining 173 were operating from rented buildings. Construction of hostel buildings and their maintenance and repairs were carried out through the Public Works Department (PWD).

The Department had taken up construction of 44⁵ hostel buildings during the period 2012-15 at a total cost of ₹ 36.78 crore in the four test-checked districts. Of these, 23 were completed (March 2015) and construction of remaining buildings was in progress. Results of test-check of records in this regard revealed the following:

3.1.3.1 *Hostels functioning either by sharing accommodation with another hostel or in rented building*

As per Government policy (2001-02), welfare hostels were to function from own buildings. Scrutiny of records in the test-checked districts revealed that welfare hostels functioned either by sharing accommodation with another hostel or in rented buildings resulting in hardship to students due to insufficient living space and basic facilities like bathrooms and toilets as discussed below:

Chennai District: Out of 12 hostels in this district for college students, four hostels shared accommodation with four other hostels, three hostels functioned in separate rented buildings and one hostel functioned independently in own building as detailed in **Table 3.2**.

⁵ Twenty seven new buildings sanctioned during 2012-15 and 17 buildings sanctioned prior to 2012

Table 3.2: Details of hostels sharing accommodation and in rented buildings in Chennai district

Sl. No.	Name of the college hostel	Own/ rented/ shared accommodation	San-ctioned strength	Admitted strength	Plinth area (sq.m.)	Available basic facility	
			2012-15	2014-15		Bathroom	Toilet
1	BC Boys Hostel, Chennai	Shared with Sl. No. 2 since 2011-12	100	85	..	6 (40)	6 (40)
2	BC Boys Hostel, Thirunagar	Own	145	85	668.90		
3	BC Boys Hostel, Saidapet (new)	Shared with Sl. No. 4 since 2005-06	85	85	..	6 (27)	7 (27)
4	MBC Boys Hostel, Choolaimedu	Own	75	75	465.39		
5	MBC Girls Hostel-II, Chennai	Shared with Sl. No. 6 since 2011-12	100	100	..	11(30)	8 (30)
6	BC Girls Hostel, Chepauk (new)	Own	80	80	465.39		
7	BC Boys Hostel, Saidapet (old)	Shared with Sl. No. 8 since 2010-11	140	62	..	8 (40)	7 (40)
8	MBC ITI Boys Hostel, Veperi	Own	105	94	622.45		
9	BC Boys Hostel Mylapore (new)	Rented	75	62	234.95	4 (13)	7 (13)
10	BC Boys Hostel, Mylapore (old)*	Rented	175	62	291.09	6 (29)	7 (29)
11	MBC Girls Hostel-I, Mannadi	Rented	100	100	316.98	5 (17)	5 (17)
12	BC Girls Hostel, Chepauk (old)	Own	90	90	465.39	14(15)	10(15)

* As the building housing the hostel was found unsafe, it was vacated and the students shifted (July 2015) to hostel at serial number 9

Figures in brackets indicate the requirement of bathrooms/toilets as per norms

Source: Compiled from details obtained from the department

Audit scrutiny in this regard revealed that

- Government sanctioned (July 2005) ₹ 31.50 lakh for hostel at serial number 10 of **Table 3.2** and ₹ 1.45 crore (November 2013) for each hostel building for hostels at serial numbers 1 and 9 of **Table 3.2** for construction of new buildings. However, site measuring 3,750 sq. m. was identified and handed over to PWD (April 2015) for construction of three buildings for these hostels. Subsequently, the District Administration and PWD proposed construction of a multi-storeyed building in the identified site to accommodate students of all the above three hostels, which was under examination. Thus, work had not commenced even after nearly 10 years in the case of one hostel and nearly two years in respect of two other hostels (September 2015) due to delay in handing over of site and in taking a decision on construction of hostel building.
- Similarly, though Government sanctioned (November 2013) ₹ 1.45 crore for each hostel for construction of new buildings for two girls' hostels at serial numbers 5 and 11 of **Table 3.2**, work had not commenced even after nearly two years, as transfer proposal for the identified land was under consideration of the Government (September 2015).

- In respect of BC boys hostel, Saidapet (new), which shared accommodation with another hostel since 2005-06, though proposal for land transfer was sent (December 2014) to Commissioner of Land Administration (CLA), approval was awaited (September 2015).
- For BC boys hostel, Saidapet (old), whose building and land were taken over (December 2010) for Chennai Metro Rail Project, a site belonging to PWD was identified (July 2015) after more than four years and proposal was sent to CLA (September 2015) for which consent was awaited.

Pudukottai District: BC school boys hostel at Karambakudi in Pudukottai District was functioning since 1981 in a rented building (with plinth area of 223 sq. m.) with sanctioned strength of 65 seats and admitted strength of 72, 75 and 71 in 2012-13, 2013-14 and 2014-15 respectively. To construct a building for the hostel, site was identified (in 2011) and funds amounting to ₹ 66.78 lakh were sanctioned (June 2012) by GoTN. However, as the identified site was found unsuitable, a new site was identified (January 2015) and handed over to PWD (January 2015). Revised estimate was sent (June 2015) to Government for revised administrative approval which was awaited (September 2015).

Madurai District: BC college Girls hostel at Sathamangalam in Madurai District shared accommodation (since 1997) with BC school Girls hostel functioning in Government owned building with plinth area of 297 sq. m. The combined sanctioned strength of the two hostels was 100 seats (50 in each hostel) requiring a plinth area of 1,231 sq. m. Though accommodation was shared by 96 students⁶, no action was taken by DBCO for nearly 18 years to construct a separate building for BC College Girls hostel (September 2015). Besides overcrowding, there were inadequate basic facilities as discussed in paragraph 3.1.4.1.

As a result of delays in identification or finalisation of sites and consequent delays in commencement of construction of new hostel buildings, hostels in the above three districts continued to operate either from rented buildings or by sharing accommodation in own or rented buildings with lesser living space and reduced hostel facilities like bathrooms and toilets for periods ranging from 3 to 10 years (September 2015). In Chennai district, the delays had also resulted in non-utilisation of full sanctioned strength as brought out in paragraph 3.1.3.2.

3.1.3.2 *Non-utilisation of the full sanctioned strength*

The sanctioned strength of 12 hostels (1,270 seats) in Chennai District could not be fully utilised and 459, 388 and 222 seats remained vacant during 2012-13, 2013-14 and 2014-15 respectively. This was due to shortage of space mainly on account of sharing of accommodation by hostels as brought out in paragraph 3.1.3.1 and unsafe condition of a portion of the building in

⁶ College hostel: 54 students and school hostel: 42 students admitted during 2014-15

one hostel⁷ (with 117 seats unavailable for filling). In this regard, Audit noticed that 349, 191 and 193 applicants in these years, though eligible, were not admitted. DBCO also attributed (November 2014) constraints of space and basic amenities as the reason for non-utilisation of the full sanctioned strength of the district.

3.1.3.3 Delay in occupation of new hostel buildings

During 2012-15, PWD handed over 21 new hostel buildings (Dharmapuri: 13 buildings and Pudukottai: eight buildings) completed at a cost of ₹ 13.89 crore to the department. However, these buildings were occupied belatedly after a delay of upto six months in respect of 10 buildings and upto 15 months in respect of 11 buildings.

As a result, 1,299 hostel students accommodated either in community hall/cyclone centre (three hostels) or in rented buildings (18 hostels) were deprived of improved facilities for 2 to 15 months besides avoidable payment of rent of ₹ 5.37 lakh for 16 hostels.

3.1.4 Maintenance of Hostels

GoTN provides funds in the annual budget for periodical maintenance of hostel buildings and the Commissioners of BCW and MBCW recommend priority list of works in this regard to the Engineer-in-Chief, PWD based on the priority list submitted by the DBCOs and JD-KR along with rough cost estimates obtained from field officers of PWD.

3.1.4.1 Provision of amenities in Hostels

Inadequate provision of toilets and bathrooms

As per norms prescribed by GoTN (February 2002), the State PWD provides for one bathroom and one toilet per six hostellers. However, due to functioning of hostels by sharing of accommodation with another hostel and in rented building there was shortfall in availability of number of bathrooms and toilets. The shortfall of bathrooms and toilets as of 2014-15 as worked out in Audit (July 2015) ranged between 5 and 21 and 4 and 20 respectively in nine hostels as detailed in **Appendix 3.1**.

Inadequate provision of other amenities

Similarly, inadequate provision of water supply arrangements and other facilities in two test-checked hostels was also noticed during joint inspection by Audit (March-April 2015) as discussed below:

- In BC school boys hostel, Keeranur, Pudukottai District, DBCO and other district level officers during inspections (between August 2013 and March 2015), pointed out non-availability of water supply in the existing borewell. Despite sanction (October 2013) of ₹ 5 lakh for carrying out water supply arrangements (₹ 1 lakh) and other works

⁷ Housing one hostel viz., BC college boys hostel, Choolaimedu @ Mylapore (old)

(₹ 4 lakh), Audit noticed (March 2015) that piped water supply was not available in bathrooms and toilets, due to non-functioning of motor pump. In reply, DBCO, Pudukottai stated that funds sanctioned during 2013-14 were utilised for carrying out civil works. Thus, the water supply problem in the hostel persisted even after more than two years (September 2015).

- Special Deputy Collector, Madurai, during inspection of hostel, suggested (February 2013) drilling of an additional bore well in MBC school boys hostel, Sedapatti, Madurai District, to overcome inadequate water level and Commissioner, MBCW sanctioned ₹ 2.30 lakh (October 2013) to PWD for water supply arrangements with instructions to complete the work within one month. However, the work had not commenced even after nearly two years (September 2015).

3.1.4.2 *Non-provision of prescribed quantity of food to hostel students*

Test check of records for rice and vegetables provided to students in two randomly selected months in each year (viz., August and February) during 2012-15 in five hostels revealed that quantity of rice and vegetables actually provided was below the norms prescribed by GoTN (September 2011) as detailed in **Table 3.3**.

Table 3.3: Details of rice and vegetables provided to hostel students during 2012-15

Name of the test-checked District	Category of Hostel	Rice provided per month per student (in kg)			Vegetables provided per month per student (in kg)		
		Norm	Actual	Shortage	Norm	Actual	Shortage
Dharmapuri	School	15	10.77	4.23	5	3.09	1.91
Pudukottai	School	15	12.51	2.49	5	5.04	..
Chennai	College	18	8.04	9.96	6	4.97	1.03
Madurai	School	15	13.90	1.10	5	5.10	..
Madurai	College	18	15.52	2.48	6	6.14	..

Source: Compiled by Audit from details obtained from the department

As seen from **Table 3.3** while vegetables were supplied as per norms except in test-checked hostels in Dharmapuri and Chennai Districts, there was shortfall in rice provided to students which ranged between 1.10 kg and 9.96 kg per month per student in all the test-checked hostels. In reply while DBCO, Dharmapuri stated (May 2015) that instructions had been issued to all wardens and matrons to provide rice and vegetables as per norms, no reply was furnished by the other DBCOs. Further, Mess Committee comprising of hostel warden, one secretary and two members selected by students from among the inmates as directed (March 2012) by GoTN was not formed in 13 out of 21 test-checked hostels during 2012-15.

3.1.4.3 Shortfall in conducting medical camps in hostels

As per GoTN instructions (July 2007), hostels should conduct three medical camps in a year⁸ to monitor the health of students. Details obtained from 21 test-checked hostels showed that during 2012-15, the shortfall in conducting medical camps ranged from 46 to 78 *per cent*. Further, no medical camp was organised in thirteen, six and four hostels during 2012-13, 2013-14 and 2014-15 respectively.

3.1.5 Manpower

Adequate manpower is one of the pre-requisites for proper functioning of hostels. The men-in-position in the test-checked districts during 2012-15 was as detailed in **Table 3.4**.

Table 3.4: Details of vacancies in test-checked districts during 2012-15

Year	Name of the post								
	Warden/Matron			Cook/Assistant Cook			Sanitary Worker*		
	S	A	V	S	A	V	S	A	V
2012-13	175	163	12	321	295	26	171	..	171
2013-14	174	156	18	332	304	28	171	..	171
2014-15	180	156	24	336	283	53	171	26	145

(S: Sanction; A: Actual; V: Vacancy)

* Including 163 sanitary worker posts created in June 2012

Source: Information furnished by the department

During 2012-15, the percentage of vacancies in the post of Warden/Matron ranged between 7 and 13. Audit noticed that despite instructions of Commissioner, BCW (August 2010) that wardens/matrons had to reside in the same town where the hostel is located, DBCOs of two test-checked districts entrusted additional charge of four hostels (in Madurai) and five hostels (in Pudukottai) to wardens who were holding regular charge of four and five other hostels respectively for a continuous period of more than six months during August 2013 to March 2015.

Similarly, the percentage of vacancies in the post of Cook/Assistant Cook ranged between 8 and 16 during 2012-15. Audit noticed that in five test-checked hostels⁹ as against two sanctioned posts of cook, only one cook was available in each hostel during 2013-15 resulting in hardship to the sole incumbent cook *viz.*, handling of heavy vessels, while cooking and serving food.

In respect of the post of Sanitary Workers, the percentage of vacancies ranged between 85 and 100 during 2012-15. Audit, however, noticed that in the test-checked districts all the posts sanctioned for Chennai (8 numbers) and

⁸ In three phases i.e. July, October and January of the academic year

⁹ DNC school boys, Kulamangalam, Pudukottai; MBC school boys, Harur, Dharmapuri; MBC school boys, Sedapatti, Madurai and Kallar college girls Moonrumavadi and Kallar school boys, K. Perumalpatti, JD-KR, Madurai

Dharmapuri (51 numbers) remained vacant (April 2015), whereas in Madurai and Pudukottai 19 out of 32 and 46 out of 72 posts respectively were not filled up (September 2015). In Chennai and Dharmapuri Districts, despite receipt (March and June 2013 respectively) of list of eligible candidates from the District Employment Officer, no interview was conducted to fill up the posts. While DBCO, Chennai attributed (June 2015) non-filling up of post to administrative reasons, DBCO, Madurai stated (April 2015) that action would be taken to fill up the posts early.

3.1.6 Monitoring

3.1.6.1 *Shortfall in conducting inspection of hostels*

As per instructions (October 2009) of Commissioner, MBCW the hostel inspection team comprising of district level officers not below the rank of Deputy Collectors with the District Collector, as Chairman was to look into maintenance of hostels, supply of food at prescribed scale and its quality and number of students available by conducting inspection of hostels at least once a month. Accordingly, all DBCOs were also instructed (August 2010 and May 2012) by Commissioner, BCW. Audit, however, noticed that during 2012-15, in the 21 test-checked hostels the shortfall in inspections conducted by DBCOs and other nominated officers ranged from 22 to 92 *per cent*, indicating poor monitoring of hostels, by district level officers.

3.1.7 Conclusion

There were delays in admitting school students to hostels against additional seats. Sanction of additional seats and sharing of accommodation by more than one hostel in the same building resulted in overcrowding in these hostels, besides inadequate availability of bathrooms, toilets and other amenities. Construction of newly sanctioned buildings for hostels was not commenced due to delay in identification of site and indecisiveness. Vacancies in key posts in hostels remained unfilled. Shortfall in conducting medical camps and hostel inspections was also noticed.

The matter was referred to Government in August 2015; reply has not been received (December 2015).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Provision of medical facilities at secondary care hospitals under DMRHS

3.2.1 Introduction

The Public Health facilities and Health Services play key roles in improving the health status of the population in the State and operate at three levels, Primary, Secondary and Tertiary. The Primary level network of Primary Health Centres and Health Sub-Centres offer Preventive, Curative and Rehabilitative services essentially to the rural population. A variety of

hospitals operate at the Secondary level, viz., Non-Taluk Hospitals (NTKH), Taluk Hospitals (TKH) and District Headquarters Hospitals (DHQH), which serve as Referral facilities besides offering Curative and Medical Speciality Services. Teaching hospitals including a handful of speciality hospitals at the tertiary level are the higher level medical institutions.

The Secretary, Health and Family Welfare Department heads the Department at Government level. The Director of Medical and Rural Health Services (DMRHS) is the administrative head for Secondary Care Hospitals in the State. At the district level, the Joint Directors of Health Services (JDHS) functioning under DMRHS, co-ordinate and implement various health programmes.

In order to assess whether necessary infrastructure facilities like buildings, medical equipment, beds, blood banks etc., were provided and adequate number of medical and para-medical personnel were posted and deployed effectively, records relating to provision of medical facilities in secondary care hospitals were examined during March to June 2015 at Secretariat, DMRHS and at secondary care hospitals at district level, by selecting three out of 31 districts (except Chennai). Further, records of 19 hospitals¹⁰ selected through random sampling method were test-checked covering the period from 2012-13 to 2014-15. Audit findings are discussed below:

Audit findings

3.2.2 Infrastructure

As per Indian Public Health Standards (IPHS) guidelines, the size of a hospital is derived from number of beds required. Further, the area will include the service areas such as waiting space, entrance hall, hospital service buildings and essential staff residences in the hospital premises.

Scrutiny of records relating to provision of infrastructure facilities in test-checked hospitals disclosed the following:

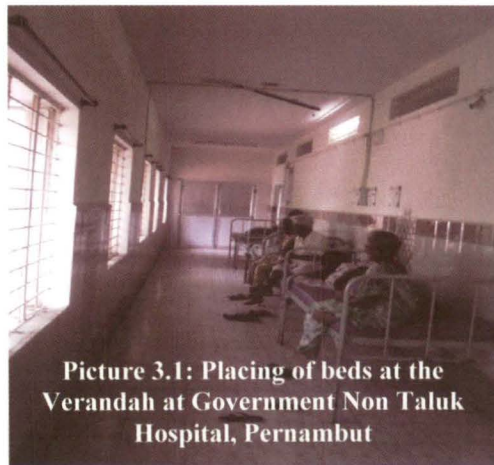
3.2.2.1 Deficiencies in hospital buildings

In 19 test-checked hospitals, the availability of buildings required for out-patients, in-patients, operation theatre, diagnostic laboratory and mortuary facility, etc., was examined and following deficiencies were noticed.

- JDHS, Vellore informed (May 2014) DMRHS that the 30 bedded in-patient (IP) (female) ward in Government (Non-Taluk) Hospital, Pernambut, Vellore District was functioning in a 60 years old building which had developed cracks and lost structural stability. Assistant

¹⁰ **Erode District:** Erode (DHQH), Bhavani (TKH), Gobichettipalayam (TKH), Anthiyur (NTKH), Kavinthapadi (NTKH); **Vellore District:** Walajapet (DHQH), Ambur (TKH), Arcot (TKH), Gudiyatham (TKH), Pentland (TKH), Pernambut (NTKH), Sholingar (NTKH); **Virudhunagar District:** Virudhunagar (DHQH), Aruppukottai (TKH), Rajapalayam (TKH), Sathur (TKH), Sivakasi (TKH), Tiruthangal (NTKH), Watrap (NTKH)

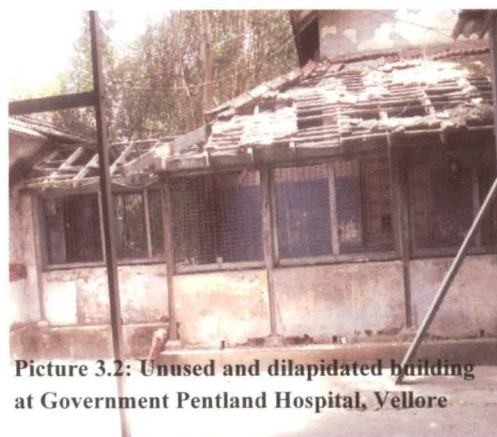
Executive Engineer, PWD, Vellore also certified (May 2013) that the building was in a dilapidated condition and unfit to accommodate in-patients in the building. Hence, all the in-patients of the 30 bedded hospital having 45 in-patients were shifted (January 2014) to another building in the hospital with 20 beds by placing the beds close to each other. Thus the patients were susceptible to infection. During joint inspection with hospital officials, it was noticed that the hospital was overcrowded and some of the patients were allotted beds which were placed in the verandah of the hospital (**Picture 3.1**). Though a proposal for construction of a male and female ward in the first floor of another building¹¹ inside the hospital campus at a cost of ₹ 1.93 crore was sent (August 2013) to DMRHS seeking funds for the year 2014-15, the approval for construction of building was not received till the date of audit. The DMRHS stated (October 2015) that the proposal for construction of additional building for the hospital has been submitted (July 2014) to Mission Director, National Rural Health Mission and orders for the same were awaited.



Picture 3.1: Placing of beds at the Verandah at Government Non Taluk Hospital, Pernambut

- As per IPHS, the old and dilapidated buildings which pose threat to public are to be demolished and constructed anew. As per Paragraph 260 (a) of Tamil Nadu Public Works Department Code, every public building borne on the PWD registers should be carefully examined once every year by the officers of the PWD in respect of the soundness or otherwise of the roof and floor, timbers in the buildings and in respect of their general conditions.

It was noticed that the Government Pentland Hospital, Vellore was functioning from November 2007 as a 100 bedded hospital under the control of Directorate of Medical Education. Subsequently it was converted as Taluk Hospital from January 2012 and transferred to the control of DMRHS. Out of the 44 buildings available within the premises of the Taluk Hospital, 23 buildings were kept unused from 2005, which included 11 buildings in dilapidated condition (**Picture 3.2**).



Picture 3.2: Unused and dilapidated building at Government Pentland Hospital, Vellore

¹¹ Constructed under National Rural Health Mission funds

However, demolition of the dilapidated buildings was not taken up with PWD till the date of audit. On this being pointed out by audit, the hospital addressed (April 2015) PWD regarding the structural stability of the unused buildings.

3.2.2.2 *Operation theatres*

Operation theatres not used for want of specialist Doctors

In 18 out of the 19 test-checked hospitals, a minimum of one General operation theatre (OT) was available and the OT in NTKH, Thiruthangal was under construction. Deficiencies noticed in the functioning of OTs are discussed below.

Scrutiny of records of TKH, Ambur revealed that the General OT in the hospital constructed in 1975 was kept unutilised from January 2013 due to non-availability of specialist Doctors viz., Obstetrics and Gynaecology Specialist (DGO) and Anaesthetist. As the two posts of DGO were vacant for the past five years and the post of Anaesthetist was lying vacant from August 2013, 113 Outpatient (OP) cases were referred to other hospitals for want of DGO, 180 OP cases and 185 Inpatient (IP) cases were also referred to other hospitals for want of Anaesthetist during the period from 2012-13 to 2014-15. Similarly, in respect of NTKH, Kavinthapadi, the OT was not utilised from July 2014 due to non availability of specialist Doctors viz., General Surgeon, DGO and Anaesthetist.

3.2.2.3 *Mortuary facilities*

As per IPHS norms, the mortuaries in the district hospitals should be provided with air conditioned post mortem room and a separate room for body storage should be provided with two deep freezers for preserving the body. Similarly, at least cold chamber for preservation of two bodies should be installed in sub-district hospitals.

Scrutiny of records revealed the following.

- In Pentland Hospital, Vellore, mortuary was not available and the cases were being referred to Vellore Medical College Hospital and in NTKH, Tiruthangal, the hospital building with provision for mortuary was under construction.
- In non-taluk hospital Kavinthapadi, the mortuary building constructed in 1994 at a cost of ₹ 2 lakh was kept idle from November 2005, as post mortems were not done due to public objection towards mixing of post-mortem waste in the open drainage on the road.
- Cold storage facilities were not available in 17 out of 19 test-checked hospitals where mortuary buildings were available, even though a total

number of 6,410¹² dead bodies were kept in mortuaries of 16 hospitals during the period 2012-15.

- In three¹³ taluk and five¹⁴ non-taluk hospitals cold chamber or even two body freezer box facility was not available indicating non-adherence to IPHS norms.

3.2.2.4 Bed strength in hospitals

In 12 out of 19 test-checked hospitals, audit noticed that effective bed strength was over and above the sanctioned bed strength of the hospitals and ranged from 8 to 79 *per cent* as depicted in **Table 3.5** below.

Table 3.5: Details of sanctioned bed strength and effective bed strength in test-checked hospitals

Sl. No.	Hospital	Sanctioned bed strength	Effective bed strength	Effective bed strength in excess of sanctioned bed strength (In <i>per cent</i>)
1.	Virudhunagar	330	393	19
2.	Walajapet	84	150	79
3.	Pentland, Vellore	100	110	10
4.	Ambur	115	140	22
5.	Gudiyatham	130	190	46
6.	Bhavani	102	156	53
7.	Gobichettipalayam	150	229	53
8.	Sathur	84	100	19
9.	Rajapalayam	164	202	23
10.	Aruppukottai	276	297	8
11.	Pernambut	30	45	50
12.	Anthiyur	58	67	16

Source: Based on particulars furnished by the hospitals

Though DHQH, Walajapet addressed (January 2015) JDHS, Vellore for sanction of adequate basic facilities for the excess bed strength, no action was taken so far (October 2015). The remaining 11 hospitals had not even addressed the authorities concerned requiring additional facilities for the excess bed strength.

12	District	2012-13	2013-14	2014-15	Total
	Vellore (6)	575	612	709	1,896
	Erode (4)	982	879	863	2,724
	Virudhunagar (6)	563	575	652	1,790
	Total (16)	2,120	2,066	2,224	6,410

¹³ Arcot, Bhavani and Sivakasi

¹⁴ Anthiyur, Kavinthapadi, Pernambut, Tiruthangal and Watrap

DMRHS replied (August 2015) that Government intends to provide quality medical facilities with the available space to the maximum patients who attend the hospitals and Government is aware of space constraints in hospital buildings and provision of sufficient space for beds. However, the reply was silent on any action plan for providing basic facilities to the excess bed strength operated by the hospitals.

3.2.3 Medical Equipment

Medical equipment constitutes an integral part of diagnostic and treatment procedure in hospitals.

3.2.3.1 Non-installation/idling of X-ray machines

Audit scrutiny revealed that there was idling/non-installation of equipment in the test-checked hospitals as discussed below.

- The Dental X-ray unit was transferred (September 2013) from NTKH, Watrap to DHQH Virudhunagar and the same was not put to use for want of Dental X-ray films in both the hospitals.
- In TKH, Ambur, the Adonis 300 MA X-ray unit purchased (October 2004) was non-functional since July 2009.
- In 15 out of 19 test-checked hospitals, the Cryotherapy equipment was not used due to non-availability of trained Doctors (eight hospitals), nitrogen leakage (four hospitals) and no cases requiring treatment with this equipment (three hospitals).

3.2.3.2 Safety measures in X-ray centres

As per Atomic Energy Act, 1962 read in conjunction with the Rules all persons who operate the medical diagnostic X-ray equipment for medical diagnosis have to register with Atomic Energy Regulatory Board (AERB) who issues licence to the Registrant. The registrant is responsible for installation of medical diagnostic equipment viz., X-Ray machine, C.T. Scanner and MRI Scanner in the location with appropriate shielding and ensuring continued radiation surveillance of all persons involved in the operation of those equipment.

Audit noticed that 18 out of 19 test-checked hospitals offered X-ray services. However, in 15 out of 18 hospitals, X-ray machines were operated without obtaining Certificate of Registration from the AERB, in contravention of the Rules.

- As per AERB norms, hospitals have to provide Thermo Luminescence Dosimeter (TLD) film badges to personnel working with X-ray unit, which is a protective device indicating permissible radiation levels. Audit noticed that the technicians manning the X-ray unit in eight out of 18 test-checked hospitals were not provided with TLD film badges in violation of provisions. In the absence of Certificate of Registration and provision of TLD film badges, audit could not obtain reasonable

assurance that patients and technicians were not being exposed to more than permissible radiation levels.

3.2.4 Speciality Services

3.2.4.1 Blood storage facilities

As per IPHS norms, blood storage facility is one of the essential services to be provided in District and Sub-district hospitals. In 19 test-checked hospitals blood storage facilities were available in 13 hospitals. However, Audit scrutiny of records revealed the following deficiencies.

Non-availability of blood storage facilities

- There was no blood storage facility in TKH, Sathur and in five NTKH viz., Pernambut, Anthiyur, Kavinthapadi, Watrap and Thiruthangal. In respect of NTKHs, Pernambut, Anthiyur and Watrap, 70, 56 and 35 cases respectively were referred to other hospitals during 2012-15, due to non-availability of blood storage facility. Thus, the first referral units without blood storage facilities in the above test-checked taluk and non-taluk hospitals failed to ensure rapid and safe delivery of whole blood in an emergency.

Licence to operate blood bank/storage

As per Drugs and Cosmetics Act, 1940, licence to operate a blood bank for collection, storage and processing of whole blood are required to be obtained from State Drug Controller, which has to be approved by the Drug Controller (India), Central Licensing Approving Authority, New Delhi and renewed periodically.

- Out of the three DHQH test-checked, two DHQH viz., Erode and Virudhunagar did not get the licence renewed though they had applied for renewal of licence which expired in September 2014 and January 2012 respectively and these DHQHs continued collections, storage and issue of blood till the date of audit (June 2015).
- Two out of 10 taluk hospitals test-checked viz., Ambur and Gobichettipalayam were functioning without getting their licence renewed though their licences expired in June 2013 and December 2011 respectively. These hospitals had applied for renewal of licence and approval was awaited (July 2015).

3.2.5 Manpower

Quality health care services largely depends on the adequacy of manpower i.e., Doctors, Nurses and Paramedical staff in hospitals. IPHS recommends minimum essential manpower separately for Doctors, Nurses, Paramedical staff, etc., based on the bed strength of the District hospitals and Sub-district hospitals (TKH/NTKH). Details of sanctioned bed strength and staff strength

as per IPHS norms, men-in-position and percentage of shortage in 19 test-checked hospitals as of March 2015 are given in **Appendix 3.2**.

Though there was no shortage of Doctors in TKH Gudiyatham and TKH Gopichettipalayam and Nurses in TKH Sivakasi, shortages of Doctors, Nurses and Paramedical Staff were noticed in the test-checked hospitals as discussed below.

- The shortage of Doctors ranged from 10 to 38 *per cent* in respect of three test-checked DHQH, 29 to 58 *per cent* in respect of 8 out of 10 test-checked TKHs and 54 to 85 *per cent* in respect of six test-checked NTKHs.
- The shortage of Nurses ranged from 38 to 59 *per cent* in respect of three test-checked DHQH, 9 to 71 *per cent* in respect of 9 out of 10 test-checked TKHs and 43 to 78 *per cent* in respect of six test-checked NTKHs.
- The shortage of Paramedical staff ranged from 25 to 42 *per cent* in respect of three test-checked DHQH, 24 to 79 *per cent* in respect of 10 test-checked TKHs and 63 to 85 *per cent* in respect of six test-checked NTKHs.

Even though the test-checked hospitals had furnished the details of men-in-position and vacancies in the Institutional Services Monitoring Report (ISMR) to DMRHS every month, the posts were not filled till date of audit.

3.2.5.1 *Diversion of specialist Doctors to other hospitals*

Audit noticed that during 2012-15, in eight out of the 19 test-checked hospitals, specialist Doctors were diverted in 22 instances for periods ranging from 6 to 54 months (**Appendix 3.3**) resulting in denial of adequate specialised services to the needy patients in the parent hospital of these Doctors.

3.2.5.2 *Non availability of specialist posts*

Government sanctioned (July 2012) a post of Plastic Surgeon to the newly sanctioned Modern Burns Unit at Government Taluk Hospital, Sivakasi to reconstruct post burn wounds and scars and facial reconstruction due to burns. Government also specifically ordered that the post was not to be redeployed to any other unit/hospital. However, it was noticed that Plastic Surgeon posted (November 2012) in TKH, Sivakasi was transferred (March 2013) to Thoothukudi Medical College Hospital by Director of Medical Education in violation of Government orders and the post was vacant for more than two years. Due to non-availability of specialist post of Plastic Surgeon during 2012-15, a total of 58 cases were referred to Government Rajaji Hospital (GRH), Madurai. The Medical Officer of the hospital stated (June 2015) that the patients with large scars and big contractures are referred to GRH, Madurai. The hospital also stated that the demand of a plastic surgeon could not be met, so far.

In Taluk Hospital, Arcot out of the two DGO posts sanctioned, services of one DGO was diverted to Pentland Hospital, Vellore from June 2012 to April 2013 and from May 2013 to DHQH, Walajapet. The other DGO was diverted to GH, Cheyyar from December 2014 to till date. Thus, the services of two DGOs was not made available to the public which resulted in referral of 54 maternity cases to other hospitals during the above period.

In the DHQH, Walajapet, out of the two sanctioned posts of Ophthalmologists, one incumbent was diverted (December 2012) to Non-taluk Hospital, Kalavai and another incumbent who was posted in June 2014 also went on unauthorised absence from September 2014. Though a total number of 5,016, 5,299 and 5,500 OP cases with eye problems were attended by the Ophthalmic Assistant during the years 2012-13, 2013-14 and 2014-15 respectively, 336 cases requiring cataract surgery during 2012-15 were taken to Taluk Hospital, Arcot for surgery, thereby causing hardship to the patients.

Out of the three test-checked DHQHs which were provided with CT scan facility, in respect of DHQH, Virudhunagar and Walajapet, though a total of 14,686 and 863 CT scan tests were taken respectively for the period 2012-15, the reports were being handed over to patients on sending the films/reports to Radiologist available in Government Taluk Hospital (GTH), Tirupathur (in respect of DHQH, Walajapet) and GTH, Aruppukottai (in respect of DHQH, Virudhunagar). Though the Managing Director, Tamil Nadu Medical Services Corporation Limited requested (August 2014) DMRHS to provide Radiologists to the hospitals with CT scan facility to overcome the problem, no action was taken till the date of audit.

3.2.6 Conclusion

Inadequate infrastructure facilities were noticed in NTKH, Pernambut and Operation Theatres were not used for want of specialist Doctors in two hospitals. In 12 test-checked hospitals, the bed strength was over and above the sanctioned strength requiring additional facilities. Non-installation/idling of equipment was noticed in test-checked hospitals. Blood storage facilities were not available in hospitals leading to referral of cases to other hospitals. Shortage/diversion of manpower was noticed in hospitals and the percentage of shortfall of Doctors, Nurses and Paramedical staff was significant.

The matter was referred to Government in August 2015; reply has not been received (December 2015).

SPECIAL PROGRAMME IMPLEMENTATION DEPARTMENT

3.3 Free Distribution of laptop computers to students of Government/Government aided Schools and Colleges

3.3.1 Introduction

Government of Tamil Nadu introduced (June 2011) the scheme of 'Free distribution of laptop computers' to students studying in Government and Government aided Higher Secondary schools (for students studying in plus two) and colleges, in the State to facilitate them in acquiring better computer skills. The Electronics Corporation of Tamil Nadu (ELCOT) was entrusted with the task of procuring laptop computers under the scheme. The Directorate of Technical Education (DoTE), Directorate of School Education (DSE) and Directorate of Collegiate Education (DCE) were to prepare the list of schools and colleges under their control along with number of students and furnish the details to ELCOT. Based on the consignee list given to the selected suppliers by ELCOT, laptop computers were to be distributed to the institutions and the Heads of institutions were to disburse the laptop computers to students.

During 2011-15, out of ₹ 3,231.75 crore allotted, ₹ 3,231.74 crore was spent on procurement of 21,90,683 laptop computers, out of which 21,69,196 laptop computers were distributed to students, leaving 21,487 laptop computers available in the districts.

Audit was conducted between February and June 2015 to assess whether the laptop computers were distributed in time to all eligible beneficiaries and whether adequate support services were provided for usage of the laptop computers. Records for the period 2011-12 to 2014-15 were test checked in the Department, DSE, DCE, DOTE and the three¹⁵ District Collectorates (out of total 32 districts in the State), 42 out of 147 schools, six out of seven Engineering Colleges, seven out of 44 Arts and Science Colleges and six out of 24 Polytechnic Colleges in the selected districts. Audit findings are given below.

Audit Findings

3.3.2 Distribution of laptop computers

3.3.2.1 Delay in distribution of laptop computers

The guidelines on the scheme provided a schedule according to which students studying in a particular year of a course were to be provided laptop computers in 2011-12, 2012-13 and 2013-14.

¹⁵ Chennai, Coimbatore and Tiruchirappalli

However, it was seen that 5,400 students in 33 test-checked schools were distributed laptop computers two to twelve months after the end of the academic year (month of March) for the year 2012-13. Similarly, 5,882 students of 36 schools were distributed laptop computers two to seven months after the end of the academic year for the year 2013-14, as detailed in **Table 3.6**.

Table 3.6: Delay in distribution of laptop computers to students

Name of the District/Year	2012-13			2013-14		
	No. of schools	No. of students	Period of delay	No. of schools	No. of students	Period of delay
Chennai	13	2,299	2 to 4 months	13	2,341	2 to 3 months
Coimbatore	10	1,559	8 to 12 months	13	1,951	4 to 7 months
Tiruchirappalli	10	1,542	2 to 4 months	10	1,590	2 to 3 months
Total	33	5,400	2 to 12 months	36	5,882	2 to 7 months

It was noticed that the purchase orders were placed by ELCOT between November 2011 and October 2012 for 2011-12, February 2013 and July 2013 for 2012-13 and in May 2014 for 2013-14. The belated finalisation of the suppliers led to distribution of laptop computers to students at the fag end of the academic year or after the academic year came to a close.

ELCOT attributed (June 2015) delays in 2011-12 and 2012-13 to inability to import Hard Disk Drives (HDD) by the suppliers, due to flood in Thailand, which is the major source of supply of HDD used in laptop computers. The delay in 2013-14 was attributed to delay in finalisation of the suppliers and the operation of model code of conduct for the 2014 General Elections.

However, it was noticed that funds were released to ELCOT belatedly, during October 2011 to March 2013 for the year 2011-12; during April 2013 to March 2014 for the year 2012-13 and during May 2014 to October 2014 for the year 2014-15, which could also be attributed to delayed distribution of laptop computers to students.

3.3.2.2 Distribution of laptop computers to students studying in self-financing courses

The scheme guidelines (August 2011) provided for supply of laptop computers to students of Government and Government aided schools and colleges in the State. The Principal Secretary to Government, Special Programme Implementation Department (SPID) in reply to a paragraph¹⁶ which was included in Audit Report 2013-14, pointing out avoidable expenditure on supply of laptop computers to students studying in self financing stream in

¹⁶ Included as Paragraph 3.4.5 of the CAG's Audit Report for the year ended March 2014 – General and Social Sector – Government of Tamil Nadu

Government aided schools, stated (August 2014) that only students studying in aided sections were eligible to get the laptop computers and that laptop computers were inadvertently given to the students studying in the self-financed sections of the partially aided schools.

Scrutiny of records relating to test-checked colleges showed that 1,61,359 laptop computers costing ₹ 242.30 crore were distributed to students studying in self financing courses in Government aided Arts and Science Colleges, Engineering Colleges and Polytechnic Colleges, who were ineligible, as detailed in **Table 3.7**.

Table 3.7: Laptop computers distributed to ineligible students of self-financing courses

Category of Institution	Number of laptop computers distributed			Cost of laptop computers (₹ in Crore)
	2011-12	2012-13	2013-14	
Arts & Science Colleges	84,365	41,672	Nil	187.56
Engineering Colleges	5,519	5,398	Nil	16.75
Polytechnic Colleges	10,449	9,838	4,118	37.99
Total	1,00,333	56,908	4,118	242.30

This had resulted in irregular expenditure of ₹ 242.30 crore. This was brought to the notice of SPID (June 2015) and reply in this regard is awaited (September 2015).

3.3.2.3 Theft of laptop computers

The guidelines on the scheme (August 2011) provided that each institution should identify and earmark proper storage space in their respective institution for the safe keeping of the laptop computers till these are distributed to the students.

However, it was noticed that 724 laptop computers were lost due to theft (upto September 2015) in schools. Of these 128 were found and in respect of 38 laptop computers, ₹ 5.70 lakh has been recovered from the officials concerned and credited to Government account. The remaining 558 laptop computers in respect of which First Information Reports (FIRs) were lodged with the Police, were yet to be traced or the cost recovered from the officials concerned, as detailed in **Table 3.8**.

Table 3.8: Theft of laptop computers in schools

Year	No. of laptop computers lost in theft	No. of laptop computers retrieved	Cost of laptop computers recovered (₹)
2011-12	237	30	3,89,035
2012-13	239	54	1,80,688
2013-14	165	44	Nil
2014-15	83	Nil	Nil
Total	724	128	5,69,723

Similarly, in respect of Arts and Science colleges 14 laptop computers distributed to the colleges for the years 2012-14, were yet to be traced (October 2015). The theft of laptop computers indicated lacuna in safe storage in schools and colleges.

3.3.2.4 Students left out of the scheme

Under this scheme, the students studying in Government and Government aided Schools, Arts and Science Colleges, Engineering Colleges and Polytechnic Colleges are eligible. These students were to be covered as in **Table 3.9**.

Table 3.9: Plan of coverage of students under the scheme

Year	Schools	Arts / Science Colleges	Engineering Colleges	Polytechnics
2011-12	Plus Two(12th Standard)	1 st & 3 rd year Students	2 nd & 4 th year Students	1 st & 3 rd year Students
2012-13	Plus Two (12th Standard)	3 rd year Students	2 nd & 4 th year Students	1 st & 3 rd year Students
2013-14	Plus Two (12th Standard)	----	----	1 st year Students

Though Government decided to provide laptop computers free of cost to all students studying in Government/Government Aided Schools and Colleges, students studying in the following courses in Government/Government Aided Colleges were omitted to be covered under the scheme.

- First year students of Arts & Science Colleges and Engineering Colleges admitted in 2012-13 and who studied plus two in private schools, prior to joining the college, were not covered under the scheme. The details in respect of test-checked institutions are furnished in **Table 3.10**.

Table 3.10: First year students not covered under the scheme

Name of the Institution	Number of students not covered
PSG College of Technology, Coimbatore	874
Government Arts College, Coimbatore	353
Bishop Heber College, Tiruchirappalli	54
Presidency College, Chennai	124
Loyola College, Chennai	218
Ethiraj College, Chennai	416
Government College of Engineering, Chennai	571
Total	2,610

- Five hundred and ten Students of lateral entry admitted directly in second year of three test-checked Polytechnic Colleges in 2011-12, 2012-13 and 2013-14 were not covered under the scheme.

- Science graduate students of Engineering Colleges were not covered under the scheme. In the test-checked Coimbatore District, it was noticed that 157 students of B.Sc. Applied Sciences course, who studied during 2011-15 in PSG College of Technology, Coimbatore were not covered under the scheme. It was noticed from the records of the College that the Principal of the College had intimated to the Commissioner of Technical Education in November 2012, the details of students of B.Sc programmes in the College, for distribution of laptop computer. In reply to audit, the Principal of the College stated (May 2015) that no free laptop computers were sanctioned and received from DoTE, Chennai for the B.Sc Applied Science students and hence these students were not provided with laptop computers.

3.3.3 Finance

3.3.3.1 *Non-remittance of liquidated damages to Government Account*

As per the contract entered into with the suppliers of laptop computers, liquidated damages were to be levied on the supplier, in the event of non-fulfillment of delivery schedule, at the rate of one *per cent* per week on the value of the undelivered quantity of the order, subject to a maximum of five *per cent* of the undelivered quantity. The conditions also stipulate that the amount on liquidated damages would be automatically deducted from the bills submitted by the supplier to ELCOT.

It was noticed that ELCOT had deducted ₹ 71.32 crore from the suppliers, due to delay in supply of laptop computers under Phases II (2012-13) and III (2013-14). However, the amount collected has been retained in ELCOT account instead of remitting into Government account.

The Government in Finance Department informed (October 2015) ELCOT that liquidated damages recovered from the suppliers of laptop computers had to be remitted to Government along with interest thereon and requested to remit the retained liquidated damages amounting to ₹ 74.51 crore, along with interest thereon, to the Government.

3.3.4 Conclusion

The laptop computers were distributed belatedly to students after the close of the academic year, due to delayed release of funds to ELCOT. Laptop computers were distributed to students studying in self financing courses in Government Aided colleges, though they were not eligible under the scheme. There were losses due to theft in schools and colleges, which indicated lacuna in safe storage of laptop computers.

The matter was referred to Government in July 2015; reply has not been received (December 2015).

**MUNICIPAL ADMINISTRATION AND
WATER SUPPLY DEPARTMENT**

**CHENNAI METROPOLITAN WATER SUPPLY AND
SEWERAGE BOARD**

**3.4 Information Technology Audit on Computerised Billing and
Collection in Chennai Metropolitan Water Supply and
Sewerage Board**

3.4.1 Introduction

Chennai Metropolitan Water Supply and Sewerage Board (Board) caters to the growing needs of water supply and sewerage services in Chennai Municipal Corporation (CMC). The Board migrated to a new computerised system called “Enterprise Resource Planning” (ERP) in April 2004 at a total cost of ₹ 9.63 crore from its earlier stand-alone Unix/COBOL Systems. ERP system was rolled out in February 2007 after providing necessary infrastructure and connectivity. ‘Billing and Collection’ was one of the computerised activities. In July 2011, due to expansion of city limits, 42 local bodies¹⁷ got merged with CMC and the number of Area Offices and Depots increased from 10 to 15 and 161 to 200 respectively. As of now, there are 11.5 lakh assesseees in Chennai including added areas under the Board’s jurisdiction. The Board collects Water Tax (WT) at seven *per cent* of the Annual Value (AV) of properties in respect of core CMC area and 23.33 *per cent* of property tax collected by CMC in respect of added areas. Water Charges (WC) are collected for properties provided with water connections at different rates for domestic and non-domestic purposes in core areas and in respect of added areas, the rates at which WC were collected by the erstwhile local bodies before merger are continued to be collected by the Board.

In paragraph 1.4.9 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2010 - Civil - Tamil Nadu, short assessments and short raising of demands due to incorrect classification of properties, non-collection of WT, adoption of lower AV, non-updation of the Board’s database and non-raising of demands for metered connections leading to loss of revenue to the Board were pointed out. The Audit findings were not taken up for discussion by the Committee on Public Undertakings as of November 2015. However, the Board, in its explanatory notes on the audit findings submitted (May 2013) to Government, stated that in respect of cases pointed out by Audit, necessary corrective measures were taken by the Board by raising demands, updation of its database and integration of New Water Connection system with the ERP system.

¹⁷

Nine Municipalities, eight Town Panchayats and 25 Village Panchayats

In order to ensure whether recurrence of such deficiencies was actually prevented in the present Billing and Collection Module of the ERP system of the Board, data relating to the period from 1 April 2010 to 31 March 2015 were examined in Audit. The audit findings revealed that the deficiencies still persist in the Billing and Collection Module of the ERP system. The findings are given below.

Audit findings

3.4.2 Short assessment of WT due to incorrect adoption of AV

The Board obtains periodically data from CMC in respect of all new properties and those properties which underwent AV revisions. CMC data are used for updating the Board's database. Audit found that AV of properties in the Board's database was lower than AV in CMC database in 40,372 cases¹⁸ (37,627 in added areas and 2,745 cases in core areas). The short raising of demand for WT in 2,745 cases in core areas¹⁹ worked out to ₹ 7.56 crore (calculated for the period from their respective effective half-year upto second half-year of 2014-15).

It was also found that in 671 cases in added areas, WT collected was not based on property tax records as available in CMC's database. There was short raising of demand of ₹ 2.27 crore in added areas (671 cases) for the period from respective effective half-years²⁰ upto second half-year of 2014-15, due to non-updation of property tax in the Board's database.

Audit test checked records of Zone VIII of CMC and made a comparison of the Board's database with CMC's web portal. It was noticed that there were 387 cases of new assessments and 51 cases of AV change as per the data obtained from web portal of CMC, while only 335 and 36 cases were updated respectively in the Board's database in February and March 2015. This could be attributed to the fact that AV updation was carried out by the Board only if there was upward revision of AV as per CMC data. The updation is to be carried out for all cases irrespective of difference in AV being lower or higher. However, the software was designed to carry out the updation only in respect of cases where new AV of CMC is higher and the Board's AV is equal to old AV of CMC. Failing to update the lower AV cases would result in their non-updation in future also and the cases would remain unreconciled between CMC and the Board's database, which would defeat the very purpose of updation of database.

Government replied (November 2015) that out of 2,745 cases pointed out by audit in core areas, demands for WT amounting to ₹ 4.38 crore in respect of

¹⁸ Cases where difference in AV was lesser than ₹ 100 were not taken into account

¹⁹ In core areas, the WT is calculated based on the AV assessed by CMC viz. @ 7 per cent of AV per annum

²⁰ In respect of added areas, the effective half-year has been reckoned from first half-year of 2011 considering the fact that these areas have been merged with CMC in that year

2,488 cases were raised and the remaining 257 cases were under verification. In respect of added areas, Government stated that the demands were raised for the first time from 2nd half year of 2014-15 in 644 cases to the tune of ₹ 1.25 crore and remaining 27 cases were under verification.

3.4.3 Incomplete data transfer of 'Live' properties - Short assessment of WT

It is imperative that WT is to be paid in respect of all properties that are 'live' in the data of CMC. Analysis of data revealed that 9,425 consumers in core areas and 17,266 consumers in added areas existed in CMC's database but not in the Board's database. This omission of records in the Board's database led to short assessment of WT amounting to ₹ 21.82 crore in core areas and ₹ 1.67 crore in added areas. This indicated deficiencies in the existing internal control for ensuring completeness in transfer of data from CMC.

Government replied (November 2015) that out of 9,425 cases pointed out by audit, demands were raised for 6,489 cases for ₹ 17.43 crore and remaining 2,936 cases were found to be inactive either requiring verification or clarification. Further, out of 17,266 cases in added areas, demands were raised for 17,136 cases amounting to ₹ 3.88 crore and in respect of 130 cases, demands could not be raised due to non-availability of street names and codes.

3.4.4 Mismatch of consumer numbers between CMC's database and the Board's database

The Board adopted CMC number for assessing WT and WC. However, data analysis showed that there were several 'live' assesseees in the Board's database which could not be directly linked to CMC's database through their consumer numbers as their consumer numbers adopted in the Board's database were different from those in CMC's database. As a result, updates of AVs relating to these properties could not flow to the Board's data in the existing arrangement.

On examination of database, Audit found that 35,011 consumers (Consumer Number with 13 digits) existed in the Board's database without corresponding records in CMC's database. This could be attributed to the fact that the consumer number in CMC's database would have undergone change due to reallocation of Division within the same area and this was not updated in the Board's database. Hence, in these cases, the Board's AV cannot be updated on par with CMC's AV due to non-matching of consumer numbers, which would result in financial implications.

Government replied (November 2015) that the mismatch of consumer numbers between CMC's database and the Board's database for 35,011 cases pointed out by audit in current database needed reconciliation with CMC.

3.4.5 Billing of consumers with temporary numbers – Non-updation of data from CMC

Whenever a new water connection is given to a property yet to be assessed by CMC, a temporary number is assigned by the Board for identification based on which WC are collected till the property is regularly assessed and a permanent consumer number is assigned by CMC.

Analysis of data relating to 2010-14 disclosed that in 495 cases, even after one year from the date of provision of water connections, the temporary numbers in the Board's database were not substituted with regular CMC numbers assigned by CMC. This would result in non-updation of data in case of change in AV for these properties in future. Though the Information Technology Department of the Board generates such cases and forwards the same to Area Offices for assigning permanent number of CMC, due to lack of proper monitoring at the Head Office level, temporary numbers continue to exist in the system.

Government replied (November 2015) that for exempted properties, CMC numbers assigned by CMC were continued and for properties not assessed by CMC, temporary numbers assigned by the Board were continued. Hence, to overcome the difference between the database of CMC and the Board, it has been decided to share the Board's new water and sewer connection database with CMC for early assessment and easy correlation of data.

3.4.6 Incorrect classification of property – Short assessment of WC

Water charges are lower for domestic properties and higher for commercial and industrial properties. Though data on usage was available with CMC, the Board adopted its own methodology for assessing the same. A comparison between master database available in the Billing and Collection system of the Board and CMC's data obtained by the Board for periodical updation of master data, revealed that in 6,778 cases, the category was "domestic" in the Board's database, whereas the same was "commercial/mixed" in CMC's database. This resulted in loss of revenue of ₹ 15.47 crore upto second half-year of 2014-15.

Government replied (November 2015) that out of 6,778 cases pointed out by audit, the changes were effected and demands raised (for six half-years as per convention for omission cases) for 5,135 cases for an amount of ₹ 2.79 crore and that the remaining 1,643 cases were under verification.

3.4.7 Non-collection of WT due from regular assesses paying WC

On examination of the data it was found that in 10,831 cases, demands for WC were raised but not for WT, though these properties were not exempted from payment of WT. These 10,831 cases were compared with CMC's database and it was found that there were 1,324 cases in core areas. This resulted in non-raising of WT demands to the tune of ₹ 3.38 crore in respect of 1,324

water connections for the period from their respective effective half-year up to second half-year of 2014-15.

Government replied (November 2015) that the 1,324 cases pointed out by audit would be verified and reply furnished on completion of field verification.

3.4.8 Non-raising of demands in respect of metered connections

For properties with metered connections, the Board raises demands for WC monthly based on meter readings. Examination of the data with reference to Demand table revealed the following discrepancies:

(i) In 6,617 instances, no demand for WC was raised for “metered connections”. Though these consumers were given connections, WC demands for these consumers were not available in the Billing and Collection Demand table. The details are given in **Table 3.11**.

Table 3.11: Non-raising of demands for metered connections

Category	No. of Connections	Sum of months due	Rate per month (in ₹)	Quantum of demand not raised (in ₹)
Commercial Others-MS	582	13,554	650	88,10,100
Domestic-MS	4,879	1,00,596	50	50,29,800
Partly Commercial-MS	1,156	29,748	150	44,62,200
Total	6,617			1,83,02,100

Source: Analysis of data furnished by the Board

(ii) In 249 cases, WC demands were raised belatedly resulting in loss of revenue of ₹ 4.18 lakh exclusive of surcharges.

(iii) In 131 cases, though WC demands were raised, the demands were not generated periodically (monthly) and hence, there were missing demands for intervening months resulting in loss of revenue of ₹ 2.38 crore exclusive of surcharges.

(iv) In 2,174 cases (with regular CMC numbers), WC demands were not generated from certain periods till March 2015. The omission resulted in loss of revenue of ₹ 14.92 crore exclusive of surcharges.

These types of discrepancies could have been avoided by the Board by incorporating suitable controls in the system.

Government replied (November 2015) that in respect of 6,617 cases pointed out by audit relating to non-raising of demands for metered connections, though it was marked as “metered” at the time of giving water connections, meters were not fixed. Hence, action has been taken to raise demand for WC at ‘flat rate’. In respect of 131 cases relating to missing demands for metered connections, Government stated that one demand for ₹ 1.62 crore relating to Tamil Nadu Slum Clearance Board tenements was compensated by

Government by way of 100 *per cent* grant and the remaining 130 cases were under verification. Further, it was stated that out of 2,174 cases relating to demands not generated for certain periods, demands were raised for 1,515 consumers for an amount of ₹ 53 lakh and in respect of remaining 659 cases action was being taken.

3.4.9 Non-raising of demands for WC for unmetered connections

On scrutiny of new water connections data pertaining to the period 2010-15 with Demand table in Billing and Collection Module, audit found that details of rates and demands for WC were not available in the Demand table in respect of 3,275 unmetered connections. Category-wise connections are summarised in **Table 3.12**.

Table 3.12: Details not available in the demand table

Category	Number of Connections	Sum of months	Rate (in ₹)	Aggregate demands not raised (in ₹)
Commercial Others-F-UM	13	372	650	2,41,800
Domestic-F-UM	3,201	93,102	50	46,55,100
Government Hospital-F-UM	1	24	200	4,800
Non Water Intensive - F-UM	8	168	400	67,200
Partly Commercial-F-UM	52	1,314	150	1,97,100
Total	3,275			51,66,000

Source: Analysis of data furnished by the Board

Thus, the application software did not have the validation control to ensure that demands were raised for the all the new water connections from the date of connection though New Water Connection system was integrated with the ERP.

Government replied (November 2015) that action would be taken to verify and raise demands for 3,275 unmetered connections. Further, it was stated that the water and sewer connection module was integrated with the billing and collection module with validation controls and hence the water and sewer charges demand would be automatically raised on entering the date of connection.

3.4.10 Acceptance of multiple applications for New Water Connection from same applicant

Any misrepresentation in the information regarding the “category” and the “area” of the building furnished by applicant, found during field inspection by the Board officials, attracts additional charges and penalty (equal to twice the difference amount). In the application software, provision is available to collect such amount as additional charges and penalty.

Examination of all the new water connections for the period 2014-15 disclosed that out of 11,912 applications for new connection, in 16 instances more than one application was entertained from the same applicant with changes in information under category/area. For instance, an applicant applied for a new water connection declaring it as “economically weaker section”²¹, for which he needs to pay ₹ 100 only. On inspection, if it was found by the Board that the declared plinth area was more and hence the applicant had to pay the regular charge of ₹ 5,000 for new connection as additional amount plus penalty amount of ₹ 5,000 (Total due ₹ 10,000) for wrong declaration.

Further, on scrutiny of the new water connections²² for the period pertaining to 2011-15, out of 60,507 applications for new connection, in 26 combined applications (sewer and water) and 6 applications for water connection, the connection to the premises was established without levying penalty for the properties in which deviations were done.

Audit observed that absence of validation control in the application software entertains multiple applications for new connections from the same applicant having the same CMC number.

Government replied (November 2015) that a control mechanism was being introduced in the software to block duplicate registration and display warning message. Further, new item “levy of additional amount and penalty” for additional dwelling units was being added in the ERP system to avoid the random usage of the terminology “building under deviation”.

3.4.11 Conclusion

Audit examination of data for the period 2010-15 pertaining to Billing and Collection Module of the ERP system of the Board revealed short assessments of WT/WC due to incorrect adoption of AV, incomplete data transfer of “Live” properties, incorrect classification of property, category mismatch between New Water Connection system and Billing and Collection module and discrepancies in raising of demands in respect of metered connections. Based on the observations of audit, the Board has taken remedial action by raising demands amounting to ₹ 30.26 crore.

²¹ Economically Weaker Section – The building should be exclusively used for domestic purpose and built-up area should not exceed 500 Sq.ft.

²² Separate application software was developed for handling New Water/Sewer Connections and integrated with Billing and Collection module of the ERP system.

3.5 Unfruitful expenditure

HIGHER EDUCATION DEPARTMENT

3.5.1 Unfruitful expenditure under Tele-education project

Failure of the University of Madras to identify suitable personnel to operate and maintain the Virtual University Programme and the Tele-education project created at a cost of ₹ 4.91 crore resulted in idling of the equipment besides non-achievement of objective of tele-education.

For setting up of a Virtual University (a) by connecting Universities of Madras, Calcutta and Bombay to offer joint degree programmes, PG programmes, Ph.D. programmes through knowledge sharing among the faculties and students, (b) to enhance the present Distance Education system using the state-of-the-art Tele-education facilities to its affiliated colleges and learning centres through Tele-Education Network, the University of Madras (University) allotted ₹ 6.50 crore²³ for the project from the grant received from GoI. Telecommunications Consultants India Limited, New Delhi (TCIL), a Government of India enterprise, was appointed by the GoI as the implementing agency for the above project. Accordingly, the University entered into an agreement with TCIL in January 2008 for establishment of Virtual University-Tele-education Project for completion within a period of nine months from the date of receipt of first instalment i.e. January 2009.

The project could not be completed in time due to various constraints and was finally completed on 09 February 2011. As a result, only 15 Tele-education sessions were delivered to students upto 6 February 2012 at 10 remote colleges/campuses. Thereafter, no programmes were conducted.

Audit scrutiny (May 2014) revealed that the Syndicate in its meeting held on 12 June 2009 approved creation of various posts²⁴, which were not filled so far. Due to this, TCIL provided operational support services for the project from February 2011 to December 2012. The Expert Committee of the University, in its meeting held on 16 August 2012, discussed the issue and considering the high cost charged by TCIL for providing operational personnel, resolved to train the University staff to run the programme. Though three University staff were trained by TCIL for three months for operational support services, these officials left the University without any notice thereby rendering the project non-functional.

Audit scrutiny further revealed that as against the claim of ₹ 5.70 crore an amount of ₹ 4.91 crore was paid to TCIL including service charges. It was noticed from the report of the Co-ordinator of the Tele-education project that in five out of the ten remote locations/colleges where the equipment were

²³ June 2005 : ₹ 2 crore, November 2005 : ₹ 3 crore and September 2006 : ₹ 1.50 crore

²⁴ Director, Systems Manager, Data Processing Manager, Technical Officer, Assistant Technical Officer, Technical Assistant and Technician

installed (Cost: ₹ 66.03 lakh) most of the equipment was either not in working condition or treated as e-waste. In one college, most of the equipment was reported stolen. Though an interim report on status of the Virtual University was submitted (April 2014) by the Co-ordinator stating lack of staff, technological obsolescence and poor maintenance of equipment and systems as primary reasons for inactivity of the Virtual University, no action was taken by the University (May 2015).

Thus, lack of planning and failure of the University to address various issues resulted in idling of the equipment worth ₹ 4.91 crore, besides non achievement of the objective of tele-education.

The Registrar, in reply (August 2015) stated that interference due to weather conditions and rain had a big impact on the services. Obstructions in the line of sight like tall buildings and structure developments also came between the source and destination. The performance degraded slowly and finally there was a complete loss of wireless signal. As connectivity between the remote locations degraded slowly due to technical malfunction of WiMax²⁵ equipment, the programme was not conducted further. It was further stated that to restore the activities, the University was taking necessary steps for implementation of 16 Mbps leased line circuit from BSNL. Fresh recruitment was also being considered for the posts of Web and Content Administrator, Assistant System Administrator and Programme and Data Integrator to continue the session from this year onwards.

The reply is not tenable, as the above factors should have been taken into account at the initial stage itself. Effective action was not taken by the University for appointment of suitable technical staff for day to day operation and maintenance of equipment which resulted in unfruitful expenditure of ₹ 4.91 crore incurred under the project.

The matter was referred to Government in June 2015; reply has not been received (December 2015).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5.2 Unfruitful expenditure on strengthening of pharmacies

Buildings for pharmacies attached to two Hospitals of Indian Medicine, constructed at a cost of ₹ 1.65 crore could not be put to use for four and five years respectively, due to non-procurement of equipment despite availability of funds.

Based on the Detailed Project Report (DPR) submitted (February 2008) by the Principal Secretary & Director, Indian Medicine & Homoeopathy, GoTN, GoI sanctioned (February 2008) ₹ 1.50 crore (₹ 85 lakh towards construction of building and ₹ 65 lakh towards purchase of machinery and equipment) for strengthening of Pharmacy at Arignar Anna Government Hospital of Indian

²⁵

WiMax: Worldwide Interoperability for Microwave access

Medicine, Arumbakkam, Chennai (AAGHIM) under the Centrally Sponsored Scheme for Quality Control of Ayurvedic, Siddha, Unani and Homoeopathy drugs during 2007-08.

Scrutiny of records (September 2014) in the AAGHIM and the Commissionerate of Indian Medicine and Homeopathy (CIMH) revealed the following:

Initially, the Superintendent, AAGHIM intimated (May 2008) the requirement of a building along with site location details to PWD with a request to furnish a plan and estimate for construction of building for pharmacy. The site was, however, changed (July 2008) in view of the non-feasibility of constructing additional buildings over and above the existing building. Accordingly, the Superintendent, AAGHIM submitted (March 2009) a revised proposal on requirement of buildings to PWD with request to provide plan and estimate for the construction of building for pharmacy attached to AAGHIM, which was furnished by PWD in May 2009.

CIMH approved the Plan and estimate of the building and sanctioned (October 2009) ₹ 85 lakh towards construction to the Executive Engineer (EE), PWD, Buildings Construction Division III, Chennai and the amount was released in December 2009. The building was constructed at a cost of ₹ 85 lakh and handed over to the AAGHIM in September 2011, after three and a half years from the date of sanction of funds by GoI, mainly due to lack of planning in selection of the site and the consequent delay in preparation of plan and estimate. Even after completion, the building could not be put to use (June 2015), due to non-procurement of machinery and equipment despite availability of funds.

Though the Superintendent, AAGHIM submitted (July 2008) proposal for procurement of machinery and equipment for ₹ 65 lakh to CIMH, funds were released to Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited (TAMPCOL)²⁶ only in January 2014. However, all the required machinery and equipment were not procured. The Finance Advisor and Chief Accounts Officer, CIMH attributed (July 2015) the delay to vacancy in the post of Superintendent from 2008.

Similarly, GoI sanctioned (February 2008) ₹ 1.20 crore for strengthening of Pharmacy (₹ 80 lakh for construction of building and ₹ 40 lakh for machinery and equipment) at Government Siddha Medical College (GSMC), Palayamkottai, Tirunelveli District under the same Centrally Sponsored Scheme. The CIMH accorded administrative sanction and disbursed (June 2008) ₹ 80 lakh to EE, PWD, Buildings Construction Division, Tirunelveli towards construction of building for pharmacy. Though the building was completed in March 2010, funds (₹ 40 lakh) were released to TAMPCOL towards procurement of equipment only in October 2014, after delay of four

²⁶ A GoTN Undertaking nominated as an exclusive Nodal Agency for procurement and supply of all kinds of instruments, machineries and equipment etc., for Indian System of Medicine Institutions functioning under the control of CIMH

years. As of September 2015, only tenders had been called for and procurement was yet to be made. The building could not be put to use (June 2015), due to non-procurement of machinery and equipment.

Thus, buildings for pharmacies attached to the two Hospitals of Indian Medicine, constructed at a cost of ₹ 1.65 crore, could not be put to use for four and five years respectively, due to non-procurement of equipment despite availability of funds.

In reply, the Principal Secretary & CIMH stated (July 2015) that the building constructed for pharmacy attached to AAGHIM was being used for storing and packing of drugs, production of drugs with existing equipment and also for taking classes for students. He further added that 75 *per cent* of the machinery required for pharmacy attached to AAGHIM was supplied and installed. It was also stated that the building constructed for GSMC, Palayamkottai was being used by the pharmacy for drying medicines and also for preservation with existing equipment.

The reply is not tenable, in view of the fact that the buildings were not utilised for the envisaged purposes.

3.6 Avoidable expenditure

HEALTH AND FAMILY WELFARE DEPARTMENT

3.6.1 Unintended benefit to insurance company

Failure on the part of Tamil Nadu Health Systems Society to include a saving clause in the agreement for adjusting the excess premium paid under CMCHIS resulted in unintended benefit of ₹ 7.11 crore to the insurance company.

GoTN launched (July 2011) “Chief Minister’s Comprehensive Health Insurance Scheme” (CMCHIS), by terminating the then existing health insurance scheme implemented during February 2009 to May 2011, for providing affordable and quality health services to the people.

The Tamil Nadu Health Systems Society (TNHSS), a society registered under the Tamil Nadu Societies Registration Act, 1975, was designated as the implementing agency for the scheme. The entire cost of the premium would be borne by the State Government on behalf of the beneficiaries. The Project Director, TNHSS was to float the tender as per the Tamil Nadu Transparency in Tenders Act 1998 and the Rules framed thereunder.

TNHSS invited tenders in November 2011 and United India Insurance Company (Company) was selected as the successful bidder. An agreement was entered into with the Company (December 2011) to implement the scheme for a period of four years from 11 January 2012. The annual premium payable to the company by TNHSS was approved by State Empowered Committee constituted (July 2011) under the chairpersonship of Chief

Secretary to GoTN as ₹ 497 plus applicable Service Tax per family for medical benefits.

As per clause 4 (d) of the agreement, GoTN provided basic details of eligible person and his or her family members to be covered under the scheme viz., numbering about 1.34 crore²⁷ families (approximately) to the insurance company immediately after the award of tender. The names of eligible persons and his or her families not included in the list should be enrolled and health insurance identity cards issued to them. The premium was to be paid every year in four quarterly instalments.

Scrutiny of records revealed that GoTN provided basic details of 1.34 crore families to the insurance company for coverage under the new scheme based on the database of earlier scheme. Accordingly, TNHSS paid ₹ 183.64 crore²⁸ as first quarter insurance premium to the company on 9 January 2012 for 1.34 crore families.

However, the insurance company finally issued 1.29 crore health cards to families which were found eligible under the scheme. Since the GoTN had made payment for first quarter based on 1.34 crore families, it requested for refund of excess premium paid from the insurance company, which was not agreed to by the company in the absence of enabling clause in the agreement regarding refund and as the first premium payment was based on data furnished by the Department as per tender/agreement condition.

Thus, failure of GoTN to provide the correct basic details of eligible families and non-incorporation of suitable clause for adjustment of excess payment of premium resulted in avoidable excess payment of ₹ 7.11 crore²⁹ besides undue benefit to the insurance company.

Government, in reply, stated (December 2015) that the families in the database were treated under the scheme even without the smart card and the treatment was given based on the ration card and income certificate issued by Village Administrative Officer. The reply is not tenable as the TNHSS, while implementing the previous insurance scheme during February 2009 to May 2011 included a saving clause wherein it was stated that if the list of eligible persons given by the Government in the first quarter was less than 100 lakh families, the excess premium paid would be adjusted in the next quarter. Further, reply on treatment given to families based on ration card etc., cannot be accepted in the absence of data in support of treatment given to such

²⁷ Based on the available database pertaining to an earlier Insurance scheme implemented during 2009-11

²⁸ Premium @ ₹ 497 for 1.34 crore families per annum : ₹ 665.98 crore
First quarterly premium (25 per cent) : ₹ 166.49 crore
Service Tax @ 10.3 per cent : ₹ 17.15 crore
Total : ₹ 183.64 crore

²⁹ $1,34,00,000 - 1,28,81,404 = 5,18,596$ families \times ₹ 497 \div 4 = ₹ 6,44,35,553
Service tax @ 10.3 per cent = ₹ 66,36,862
Total ₹ 7,10,72,415
or ₹ 7.11 crore

families. Thus, non-provision of similar saving clause in the conditions of current agreement resulted in an unintended benefit to the insurance company to the tune of ₹ 7.11 crore including service tax for the first quarter of first policy year.

CO-OPERATION, FOOD AND CONSUMER PROTECTION DEPARTMENT

3.6.2 Avoidable liability due to retention of high cost borrowings in District Central Co-operative Banks

Failure of the Department to restrict release and retention of higher cost borrowings in current account of District Central Co-operative Banks of the concerned districts resulted in avoidable liability of ₹ 1.82 crore to Government.

According to Article 210 A of the Tamil Nadu Financial Code Volume 1, only so much of the grant should be paid during any financial year as is likely to be expended during the year. Release of grant should be regulated based on the utilisation of grant for that purpose. GoTN implements the Integrated Co-operative Development Project (ICDP), a Central Sector Scheme, through the National Co-operative Development Corporation (NCDC). The project is implemented in the selected districts³⁰ over a period of five years as per the terms and conditions specified by NCDC. NCDC extends assistance to implement ICDP in a selected district based on detailed project report (DPR)³¹, keeping in view the local resources and requirements. The Project is implemented by a Project Implementation Agency (PIA) generally the District Central Co-operative Bank (DCCB). To assist the DCCB in project Implementation, a Project Implementation Team (PIT) is constituted by PIA at the District level to implement the scheme of various sub-projects for the societies, assess the society-wise infrastructural and other requirements and provide assistance accordingly.

NCDC funds the ICD Projects through State Government under two heads viz., loan for creation of infrastructure facilities such as godowns, banking counter, transport vehicles, small processing units, etc., strengthening of share capital/ providing margin money for augmenting the business of the societies and subsidy for project implementation, manpower development and training, monitoring and incentives. The loan component was to be repaid with interest at the NCDC rate ranging from 7.5 to 12.5 *per cent* with a moratorium of upto three years. Initially funds for the ICDP were provided by the GoTN every year from the budget, splitting the loan component and share capital assistance extended by NCDC, requiring Registrar of Co-operative Societies (RCS) to

³⁰ Project period: 2010-15 – Dindigul, Sivagangai and Tirunelveli districts; 2011-16 – Nagapattinam and Vellore districts

³¹ The project report is prepared by a multi-disciplinary group of the State Government or by an outside consultancy organisation identified for the purpose

draw the bill and transfer the funds to the Tamil Nadu State Co-operative Bank (Apex Bank), which in turn, will transfer the funds to DCCB of the concerned district. Subsequently the released amount of ICDP is reimbursed by NCDC.

Audit scrutiny of records (July 2014) in the Office of Registrar of Co-operative Societies, Chennai revealed that GoTN sanctioned (2010-15) and released an amount of ₹ 100.51 crore³² upto January 2015 to Dindigul, Sivagangai and Tirunelveli districts. Further, GoTN sanctioned (2011-16) and released ₹ 70.06 crore³³ upto January 2015 to Nagapattinam and Vellore districts. Assistance was to be released to co-operative societies for various sub-projects as proposed in the macro plan based on their request. Though DCCBs utilised ₹ 159.27 crore on implementation of sub-projects, they failed to refund ₹ 11.30 crore³⁴ to GoTN, resulting in retention of borrowed funds outside Government Account and avoidable payment of interest as Government is financing the societies under ICDP at higher interest compared to rate of market borrowings.

Audit scrutiny further revealed that data for the requirement of sub-projects by Co-operative Societies were collected and their requirement was ascertained during 2006-07. The project report was submitted to State Level Co-ordination Committee by the project consultant in May 2008. After obtaining the financial approval from NCDC, the scheme was started for implementation from 2011 onwards based on the requirement assessed in the year 2008 (i.e.) after considerable delay in preparation and submission of project Reports. The reasons attributed for not taking up the sub-projects by the societies was (a) the requirement of the co-operative societies were fulfilled by their Directorates through some other schemes during the time gap (proposals and release of funds under ICDP), (b) non-availability of site for construction of buildings, etc., (c) unwillingness of the societies and lack of infrastructure and other facilities to implement the sub-projects and their conditions were not sound enough to repay the loans and (d) in some of the societies the assistance was not required.

Thus, failure of the department to assess the actual requirement of the societies while preparing the DPR, to execute the sub-projects as per the macro plan and to restrict release and retention of higher cost borrowings in current account of DCCBs of the concerned districts resulted in avoidable liability of ₹ 1.82 crore³⁵ to Government.

While accepting the Audit observation, the Principal Secretary to Government, Co-operation, Food and Consumer Protection Department stated (September

³² Dindigul: ₹ 30.86 crore, Sivagangai: ₹ 27.44 crore and Tirunelveli: ₹ 42.21 crore

³³ Nagapattinam: ₹ 40.24 crore and Vellore: ₹ 29.82 crore

³⁴ Dindigul: ₹ 0.95 crore, Nagapattinam: ₹ 5.41 crore, Sivagangai: ₹ 0.67 crore, Tirunelveli: ₹ 2.28 crore and Vellore: ₹ 1.99 crore.

³⁵ Worked out based on average rate of Market borrowings at the rates 2010-11: 7.53 per cent, 2011-12 and 2012-13: 7.43 per cent and 2013-14: 7.90 per cent

2015) that since ICDP aims at equipping the co-operatives with need based requirement, identification of any infrastructure project and its execution has always been entangled with issues like land acquisition and the reasons for ICDP funds lying in each district is district specific, project specific, interdependent and correlated with all the sectors of the co-operatives with unique reasons of their own. However, "Investment Plan" has been proposed for new ICDP for approval of the Government. The reply is not tenable, since the project was implemented in the year 2011 based on the requirement assessed in the year 2008 which led to not taking up the sub-projects as proposed and the Department failed to assess the exact requirement of the co-operative societies and restrict release of funds.

3.7 Idle investment

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7.1 Funds kept outside Government Account

Funds amounting to ₹ 7.36 crore provided for construction of masonry choolas in schools, for safe disposal of used sanitary napkins and installation of vending machines were kept idle outside Government Account for more than two years due to indecisiveness in finalising the implementing agency and the technology.

GoTN in Health and Family Welfare (H&FW) Department sanctioned (November 2011) ₹ 44.21 crore³⁶ for implementation of Menstrual Hygiene Programme (MHP), under which adolescent girls in rural areas, postnatal mothers who delivered in Government institutions and women prisoners were supplied with sanitary napkins free of cost. During 2011-15, an expenditure of ₹ 113.29 crore was incurred to procure and supply 11.99 crore sanitary napkins by Tamil Nadu Medical Services Corporation (TNMSC) to the Deputy Directors of Health Services for supply to the beneficiaries.

The total sanctioned amount included ₹ 8.45 crore for construction of masonry choolas (at ₹ 5,000 per unit) for safe disposal of used sanitary napkins and installation of vending machines (at ₹ 20,000 per unit) in 3,200 schools. GoTN also ordered that the District Collectors concerned would be provided with funds and they were the implementing agencies for construction of choolas and installation of vending machines through the Rural Development and Panchayat Raj (RD&PR) Department.

The Directorate of Public Health and Preventive Medicine (DPH&PM), with the permission of GoTN transferred (March 2012) ₹ 8.45 crore to the Personal Deposit (PD) Account of TNMSC. The Managing Director, TNMSC informed

³⁶ ₹ 30.72 crore for procurement of sanitary napkins; ₹ 0.78 crore towards transportation charges; ₹ 0.11 crore towards training; ₹ 4.10 crore for printing of Adolescent Health Cards; ₹ 8.45 crore for construction of masonry choolas and installation of vending machines; and ₹ 0.05 crore for IEC activities

DPH&PM (April 2012) that TNMSC did not have requisite manpower and facilities for taking up the construction of masonry choolas and requested entrustment of both the works to some other agency.

Based on a request (June 2012) from the Tamil Nadu Corporation for Development of Women (TNCDW), GoTN amended (February 2013) its earlier order issued in November 2011, nominating TNCDW as the implementing agency for construction of 3,200 masonry choolas at a cost of ₹ 6,000 per choola and providing that the excess cost would be adjusted with the available fund for the procurement of vending machines. Accordingly, TNMSC transferred (March 2013) ₹ 8.45 crore to TNCDW, which in turn, released (July 2013) ₹ 1.92 crore³⁷ to its 32 District Project Officers (DPOs) for construction of choolas.

Meanwhile, the Managing Director, TNCDW, based on representations made by the DPOs that the environment would be affected by use of choolas and that the adolescent girls were afraid of using choolas, sought permission (November 2013) from the Principal Secretary, H&FW Department for construction of incinerators instead of choolas. Subsequent to this, schools in Chennai Corporation, where incinerators were installed, were inspected (January 2015) by an expert team which concluded that choolas would be constructed, as the incinerators involved high cost, increase in electricity charges and requirement of separate manpower etc.

TNCDW reported (September 2015) to audit that out of ₹ 1.92 crore released to 32 districts for construction of 3,200 choolas for which Administrative Sanction was given, 954 choolas were constructed at a cost of ₹ 57.24 lakh in 19 districts. TNCDW also released (April 2015 and August 2015) ₹ 70 lakh³⁸ to the 32 DPOs for installation of 315 vending machines, out of which 260 vending machines had been installed at a cost of ₹ 52 lakh. Thus, ₹ 1.09 crore only had been utilised under the scheme leaving the balance amount of ₹ 5.83 crore in the savings bank account of TNCDW and ₹ 1.53 crore available with the DPOs concerned (August 2015).

Thus, indecisiveness in finalising the implementing agency and the technology to be adopted led to keeping of funds amounting to ₹ 8.45 crore in PD Account for one year and subsequently fund amounting to ₹ 7.36 crore remaining outside Government Account for more than two years besides non-achievement of the envisaged objective of safe disposal of used sanitary napkins in schools in 13 districts and partial achievement in 15 districts out of the total 32 districts³⁹ in the State.

When the matter was referred to Government, the Secretary, H&FW Department replied (August 2015) that delay in transferring the work from the

³⁷ For 32 districts, 100 choolas per district and one choola at the rate of ₹ 6,000

³⁸ For 30 districts, five vending machines per district and for two districts, 100 vending machines per district, one vending machine costing ₹ 20,000

³⁹ Fully achieved in four districts viz. Coimbatore, Tiruppur, Villupuram and Virudhunagar

RD&PR Department to TNCDW was purely due to time taken for assessment of feasibility by the RD&PR Department.

The reply is not acceptable as feasibility and modalities of implementation of the programme were studied after sanction of funds by the Government which resulted in locking up of funds amounting to ₹ 7.36 crore, outside Government Account, for more than two years.

SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT

3.7.2 Non-construction of group houses for transgenders

Funds amounting to ₹ 1 crore provided for construction of group houses for transgenders were kept idle outside Government Account for more than five years, due to indecisiveness in fixing the unit cost of houses and poor monitoring.

GoTN approved a scheme of “Construction of Group Houses for transgenders” (Scheme) and sanctioned (March 2010) a sum of ₹ 1 crore⁴⁰ fixing the unit cost as ₹ 55,000 in line with that of the cost fixed for group houses under Indira Awaas Yojana (IAY) in 2009-10. GoTN instructed (March 2010) the Commissioner of Social Welfare (CSW) to construct the group houses through District Rural Development Agencies (DRDAs) initially for 182 transgenders who were issued free house site pattas in 10 districts. The funds sanctioned were disbursed (30 March 2010) to the respective District Collectors (who are also the Chairmen of DRDAs) who deposited the funds in Savings Bank Account operated separately for the scheme.

Scrutiny of records of Secretariat, Social Welfare and Nutritious Meal Programme Department and CSW revealed (July 2014) that District Collectors in two test-checked districts (Krishnagiri and Erode) sought (September and October 2010) enhancement of unit cost from ₹ 55,000 to ₹ 75,000⁴¹ as the houses could not be constructed within the unit cost sanctioned for 2009-10. GoTN accordingly revised (February 2011) the unit cost to ₹ 75,000 and restricted the number of group houses to 133 in seven districts by reallocating (August 2011) ₹ 1 crore sanctioned earlier. Subsequently, after a lapse of nearly one year, District Social Welfare Officers (DSWOs) of Erode, Sivaganga and Thanjavur districts stated (June 2012) that due to higher unit cost⁴² worked out by DRDAs concerned, the scheme could not be implemented. Thereafter, the Tamil Nadu Transgenders Welfare Board considering the plea of the District Administrations concerned, decided (August 2012) to seek ₹ 25,000 in addition to unit cost of ₹ 75,000 sanctioned by GoTN.

⁴⁰ Unit Cost: ₹ 55,000 x Number of houses: 182 = ₹ 1,00,10,000

⁴¹ Revised cost fixed under IAY for 2010-11

⁴² Ranged between ₹ 1.58 lakh and ₹ 1.80 lakh

Based on this, CSW requested (May 2013) GoTN for additional funds of ₹ 33.25 lakh. Pending approval of this, CSW submitted (November 2014) revised proposal to GoTN for construction of houses for transgenders under the Chief Minister's Solar Powered Green House Scheme (CMSPGHS) and requested funds for incurring additional expenditure of ₹ 1.79 crore⁴³. In the meantime, the Director of Rural Development and Panchayat Raj stated (March 2015) that construction of houses under CMSPGHS would be possible only if transgender beneficiaries contributed their share. GoTN is now exploring the possibility of constructing group houses for transgenders under IAY (March 2015).

Thus indecisiveness and poor monitoring on the part of the Department resulted in non-achievement of the objective of providing group houses to transgenders besides parking of ₹ 1 crore outside Government account for more than five years.

The matter was referred to Government in June 2015; reply has not been received (December 2015).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7.3 Non-establishment of Trauma centre

The building constructed for Trauma centre at a cost of ₹ 77.20 lakh at Kanyakumari Medical College Hospital could not be put to use for more than three years.

GoI, under a Centrally Sponsored Scheme (Scheme) viz., 'Assistance for capacity building' for developing a network of "Trauma centres" along the golden quadrilateral⁴⁴, sanctioned ₹ 9.63 crore (October 2008) to GoTN. GoI released (December 2008) ₹ 80 lakh for building/construction activities towards up-gradation and strengthening of emergency facilities i.e. Trauma centre – level II⁴⁵ at Kanyakumari Government Medical College Hospital (KGMCH) for different approved components⁴⁶. The grant-in-aid was to be deposited in a separate bank account and utilised expeditiously along with interest earned, if any, only for the intended purpose. The sanction *inter alia* prescribed for submission of Utilisation Certificate (UC), expenditure statement and audited accounts to GoI within 12 months of release of the grant. GoI further directed (November 2012) that, henceforth, grants-in-aid would be released for ongoing schemes only to grantee institutions who had

⁴³ Cost adopting CMSPGHS unit rate: ₹ 2.79 crore *minus* Funds already sanctioned: ₹ 1 crore

⁴⁴ In the North-South and East-West corridors of National Highways

⁴⁵ As per World Health Organisation prescription, there are three levels of trauma centres differentiated on the basis of resources available viz., Level I, Level II and Level III

⁴⁶ Building: ₹ 80 lakh, Equipment: ₹ 5 crore, Manpower: ₹ 3.80 crore and Others: ₹ 3 lakh

submitted all UCs in respect of all schemes/programmes of the Ministry of Health and Family Welfare.

Scrutiny of records of Secretariat, Health and Family Welfare Department pertaining to the period May 2013 to June 2014 revealed the following:

GoTN accorded sanction (February 2010) for ₹ 80 lakh and after Public Works Department completed (May 2012) the construction of Trauma centre at a cost of ₹ 77.20 lakh, submitted the UC (July 2013) to GoI. Subsequently GoI sanctioned (January 2013) ₹ 4.97 crore for procurement of equipment for the Trauma centre and advised (May 2013) GoTN to submit pending UCs.

However, due to non-submission of pending UC by GoTN for ₹ 13.50 lakh in respect of another GoI scheme viz., “Strengthening and Up-gradation of Psychiatric wing” for which grant-in-aid of ₹ 43.50 lakh⁴⁷ was released to KGMCH in 2008-09, GoI expressed its inability (May 2013) to release the next instalment of ₹ 4.97 crore.

The Public Accounts Committee, earlier, had expressed serious concern over delays in creation of facilities in hospitals, after completion of civil works on several occasions⁴⁸. GoTN had also assured simultaneous co-ordinated action for commissioning medical facilities without loss of time in future. Despite specific instructions of GoTN (September 2013 and October 2014) to the Director of Medical Education (DME) to expedite submission of pending UC for ₹ 13.50 lakh to GoI, this was not done (July 2015).

Thus, failure of the Department to furnish UC not only resulted in non-release of grant by GoI but also in non-achievement of the objective of establishing a Trauma centre for providing comprehensive emergency medical services to patients who suffered traumatic injuries. During 2012-15 (upto July 2015) a total of 2,443⁴⁹ persons were involved in highways accidents. Even three years after completion of civil works at a cost of ₹ 77.20 lakh, the Trauma centre was bereft of required equipment and specialised staff.

In reply, the DME stated (July 2015) that equipment for Trauma centre at KGMCH was not procured and recruitment of specialist Doctors as envisaged under the scheme had also not yet been done as GoI had not released the funds. The DME also confirmed that the Dean, KGMCH had not furnished UC for the balance amount of ₹ 13.50 lakh.

⁴⁷ Civil work completed in September 2010 at a cost of ₹ 30 lakh and UC for expenditure incurred furnished to GoI

⁴⁸ Para 10.2.3, 33rd Report (VII Assembly) – 1984-85; Para 6.4, 50th Report (X Assembly) – 1991-92; Para 8.1.5, 60th Report (X Assembly) – 1991-92; Para 6.4, 322nd Report (XI Assembly) – 2000-01; Para 3.9, 324th Report (XI Assembly) – 2000-01; Para 4.9, 141st Report (XII Assembly) - 2002-03 and Sl. No. 2, Para 10.2.3, 69th Report (X Assembly) – 1991-92

⁴⁹ 2012: 731 persons (injured: 601 + killed: 130); 2013: 619 persons (injured: 493 + killed: 126); 2014: 656 persons (injured: 556 + killed: 100); 2015: 437 persons (injured: 367 + killed: 70)

The matter was referred to Government in July 2015; reply has not been received (December 2015).

3.8 Regularity Issues

HEALTH AND FAMILY WELFARE DEPARTMENT

3.8.1 Irregular utilisation of Government receipts

Government receipts of ₹ 625.24 crore collected as claims by various Government Hospitals under CMCHIS were kept outside Government account, out of which an expenditure of ₹ 488.24 crore was incurred, in contravention of the Constitutional provision and the Tamil Nadu Treasury Rules.

Article 266 of the Constitution of India provides that all revenues received by the Government of a State shall form part of the Consolidated Fund of the State. Further, Rule 7(1) of the Tamil Nadu Treasury Rules stipulates that all moneys as defined in Article 266 of the Constitution, received by Government servants in their official capacity shall, without undue delay, be paid in full into the Treasury or into the bank and that moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from Government Account.

In order to achieve the objective of universal health care for providing affordable and quality health services to the public, GoTN formulated (July 2011) Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS). Tamil Nadu Health Systems Society (TNHSS) has been designated as the implementing agency for the scheme. According to the scheme guidelines, the Project Director, TNHSS would pay the insurance premium to the insurance company on behalf of the eligible persons. The premium would be paid every year in four quarterly instalments.

The insurance company would ensure that the eligible person and members of his family are given cashless treatment in the accredited hospitals. The hospital would raise the bill on the insurance company. Government ordered (July 2011) that the performance of the Government hospitals would be improved under the scheme as full package cost would be given to the Government hospitals along with incentive to the operating team. The sharing pattern of funds for the cost of consumables, institutional development and incentive to operating team shall be in the ratio of 60:25:15 respectively. This was further revised⁵⁰ in November 2012, May 2014 and October 2014.

50	Date of Issue of Government Order	Sharing Pattern			
		Incentive	Consumables	Infrastructure	Corpus fund
	November 2012	15	50	22.5	12.5
	May 2014	15	50	20	15
	October 2014	15	45	20	20

Government issued (10 April 2012) guidelines for creation of insurance wards in Government hospitals under the scheme and a new separate bank account to be opened in any Nationalised Bank for all transactions of claim amounts. A Committee headed by Dean in respect of Medical College hospitals and Hospital Superintendent/Chief Medical Officer in respect of Government Headquarters hospital/other Government hospitals were to be constituted for maintenance of accounts and approval of expenditure. The Committee would be given full responsibility in respect of purchases, items to be purchased and decisions on all expenditure out of claim amounts etc.

Scrutiny of records⁵¹ (May 2015) revealed that a total sum of ₹ 2,522.99 crore was paid as premium by Government to the Insurance Company upto the second quarter of fourth policy year. An amount of ₹ 625.24 crore was received by 150 Government Hospitals towards claim amount during January 2012 to May 2015. Out of this, ₹ 488.24 crore was spent for various purposes viz., incentives to medical team (₹ 82.84 crore), cost of consumables (₹ 271.98 crore) and infrastructure (₹ 133.42 crore) and the balance amount of ₹ 137 crore was retained (May 2015) outside Government account (bank account) by various hospitals.

The receipts from the claim amount should have been credited to Government account and funds, for incurring expenditure, should have been obtained through budgetary provision, with the approval of the State Legislature. Further, the Finance Department, in response to an earlier Draft Paragraph (Paragraph 4.5.2 of CAG's Audit Report (Civil) – 2005-06 – Government of Tamil Nadu) relating to retention of inspection fees by the Director of Collegiate Education directed (May 2005) all the Secretaries to Government to remit all revenue receipts collected into Treasury then and there. Collections should, on no account, be utilised for meeting any expenditure and the practice of retaining Government revenue outside Government Account be discontinued.

The Project Director (PD), TNHSS in reply (July 2015) stated that the decisions in this regard were taken by the core committee constituted by all the Government Medical College Hospitals/Government Hospitals. Further, since the accounts are maintained as per the guidelines/instructions issued in Government Order dated 10 April 2012, the question of contravention of the provisions of Tamil Nadu Treasury rules does not arise. Government endorsed (November 2015) the reply given by PD, TNHSS.

Reply of the Government is not tenable as the Government order instructing Government Hospitals to keep the amount collected as claim in the bank

⁵¹ DME, DMRHS, and TNHSS, Government Tiruvarur Medical College Hospital (Period of Audit: July 2011 to June 2012), Government Arignar Anna Memorial Cancer Hospital, Kancheepuram (Period of Audit: September 2011 to October 2012) and Office of Deputy Director of Health Services, Tiruvarur (Period of Audit: December 2011 to October 2013)

account and incurring expenditure therefrom was in contravention of the provisions of the Constitution and Rule 7(1) of Tamil Nadu Treasury Rules.

HEALTH AND FAMILY WELFARE AND LABOUR AND EMPLOYMENT DEPARTMENTS

3.8.2 Avoidable financial burden due to non-adherence to Revolving Fund guidelines

Failure to adhere to provisions of guidelines relating to State's share of expenditure incurred from Revolving Fund operated under Employees' State Insurance Scheme resulted in incorrect adjustment by Employees' State Insurance Corporation (ESIC), besides blocking up of ₹ 43.83 crore with ESIC.

The Employees' State Insurance Scheme (Scheme) is administered by the Employees' State Insurance Corporation (ESIC), New Delhi as per the provisions of Employees' State Insurance (ESI) Act, 1948 enacted by the Parliament. The Scheme provides medical facilities through a network of ESI dispensaries and ESI hospitals to insured employees and their families (Insured-Persons) registered under the scheme⁵². While the Regional Director (RD) and the State Medical Commissioner (SMC) administer the scheme in the State on behalf of ESIC, the GoTN is represented by Labour and Employment Department and the Director of Medical and Rural Health Services, ESI (DMRHS (ESI)) in this regard. The expenditure under the Scheme is initially met by GoTN against budget allocation. As per Agreement between ESIC and GoTN, the expenditure is shared in the ratio of 7:1 by annual reimbursement from ESIC towards its 7/8th share.

To avoid delays and hardship to Insured-Persons while claiming advance or reimbursement of medical expenses for speciality/super speciality treatment, ESIC decided (October 1999) to create a Revolving Fund (Fund). Accordingly, GoTN gave concurrence for setting up (August 2002) the Fund with a corpus of ₹ 5.79 crore from ESIC and issued guidelines for the maintenance of the Fund. The Fund was placed under the control of RD (ESIC) and was operated by him. The total expenditure incurred from the Fund was to be shared between ESIC and GoTN in the ratio of 7:1. As per the Fund guidelines, all expenditure relating to speciality/super speciality treatment was to be met initially from the Fund. While 7/8th share of the total expenditure was to be recouped quarterly by ESIC, the remaining 1/8th of total cost was to be borne by GoTN.

Scrutiny of records of DMRHS (ESI), Chennai during March to April 2015 revealed that during 2009-10 to 2012-13, ESIC, while arriving at the amount payable to GoTN during each financial year in respect of its share (7/8th) pertaining to expenditure on the ESI scheme i.e. other than from the Fund, incorrectly adjusted total expenditure (instead of 1/8th share of GoTN)

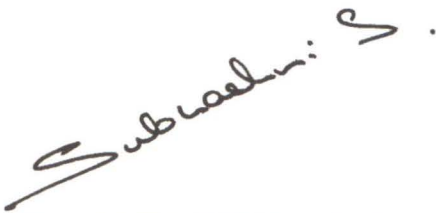
⁵² Financed by contributions as a fixed percentage of wages from employees (1.75 per cent) and employers (4.75 per cent) respectively

incurred under the Fund as GoTN's share and deposited a lesser amount into GoTN account. As this erroneous adjustment was done by ESIC in each year during the above period, the resultant arrears of ESIC share due to GoTN had mounted over the years and stood at ₹ 31.33 crore (June 2015) as detailed in **Appendix 3.4**. It was further noticed that similar errors in adjustment had also occurred during 2004-05 to 2008-09, which involved an arrear amount of ₹ 12.50 crore.

It was noticed in Audit that despite clear stipulation in the Fund guidelines on the manner of annual remittance of GoTN share (1/8th) of Fund expenditure to ESIC, this was not followed. Instead, both Labour and Employment Department and DMRHS (ESI) corresponded with ESIC requesting settlement of arrears. Though ESIC agreed (June 2014) to settle the past dues, the same was not settled (June 2015). Thus, non-adherence to Fund guidelines resulted in blocking of ₹ 43.83 crore with ESIC.

The matter was referred to Government in July 2015; reply has not been received (December 2015).

Chennai
The 21 March 2016


(SUBHASHINI SRINIVASAN)
Principal Accountant General
(General and Social Sector Audit),
Tamil Nadu and Puducherry

Countersigned

New Delhi
The 22 March 2016


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.5.2; Page 4)

Department-wise details of Inspection Reports and Paragraphs pending

Sl. No.	Name of the Department	Number of Outstanding	
		Inspection Reports	Audit Observations
1.	Adi Dravidar and Tribal Welfare	187	1,144
2.	Backward Classes, Most Backward Classes and Minorities Welfare	104	417
3.	Co-operation, Food and Consumer Protection	135	465
4.	Finance	48	97
5.	Health and Family Welfare	799	3,705
6.	Higher Education	362	1,413
7.	Home	461	1,579
8.	Housing and Urban Development	66	223
9.	Labour and Employment	90	198
10.	Law	11	32
11.	Municipal Administration and Water Supply	162	358
12.	Personnel and Administrative Reforms	5	21
13.	Planning, Development and Special Initiatives	23	73
14.	Public	20	58
15.	Revenue	1,275	4,215
16.	Rural Development and Panchayat Raj	95	607
17.	School Education	637	2,051
18.	Social Welfare and Nutritious Meal Programme	209	705
19.	Special Programme Implementation	1	4
20.	Tamil Development and Information	46	121
21.	Tourism, Culture and Religious Endowments	33	108
22.	Welfare of Differently Abled Persons	75	301
23.	Youth Welfare and Sports Development	18	61
	Total	4,862	17,956

Appendix 2.1

(Reference : Paragraph 2.1.8.1 (iv): Page 25)

Deficiencies noticed in the upgradation of schools component

Name of the district	Name of the school	Deficiencies noticed
Tiruvannamalai	Municipal High School, Giridharanpettai	The school was functioning in the new building from 2014-15, though it was only structurally completed. The flooring, electrical works and painting works were still pending in Headmaster room, one classroom, science Laboratory, computer room and toilets in the new building. The school did not have compound wall and water facilities for drinking and toilets.
Thanjavur	Government High School, Thaligaividuthi	The newly constructed school did not have water facilities. The toilets were under repair.
Thanjavur	Government High School, Naduvor	The school was functioning in the new building from 2013-14, though it was only structurally completed.
Theni	Government High School, Muthumariamman Nagar	Out of 10 classrooms to be constructed, only five classrooms were completed and remaining five classrooms were only structurally completed. Electricity and water connections were yet to be obtained for the new school. Further, since the science laboratory and library in the new building were being used as classrooms, the laboratory articles were kept in a store room in the elementary school campus and the library books were stacked in cupboards / almirahs of the Headmaster room.
Theni	Government High School, Myladumparai	The construction works, entrusted to SMDC, commenced during 2011. Out of 10 classrooms, only five classrooms were constructed in the ground floor and used (50 per cent of the work) and the remaining works were in progress.
Theni	Government High School, Kombaitozhu	Out of 10 classrooms to be constructed, only five classrooms were structurally completed (50 per cent of the work) and used. The construction of first floor was under progress. The school was allotted three classrooms in the Elementary school campus and until 2014-15, classes for VI and VII standards were being conducted in open spaces / verandahs. After the construction of the ground floor structurally, the high school classes were shifted to the new building and the existing classrooms allotted in elementary school were being used as laboratories and library from 2015-16. Electricity and water connections were yet to be obtained for the new school.
Erode	Government High School, Thavittupalayam	Due to delay in identification of land and its transfer in the name of Chief Educational Officer, the construction of the Government High School, Thavittupalayam, in Erode District, upgraded during 2009-10 was commenced only during December 2014. Due to non-completion of the new school building, the school was functioning in the elementary school campus till April 2015.
Dindigul	Government Higher Secondary School, Thalaiyoothu	The school had been upgraded as high school from 2009-10 and the school started functioning from 01 June 2010. Further, the school was subsequently upgraded as Higher Secondary School during 2011-12. The construction commenced in 2011 in the school. As on date, the construction of the school has been structurally completed. Finishing works viz., plastering, Electrification, provision of furniture and fittings etc., was in progress. All the classes in the high school building were occupied and classes are being run though the works were incomplete. Thus, when the construction work for high school was yet to be completed, upgradation as Higher secondary school without proper infrastructure was not in order.

Appendix 2.2

(Reference: Paragraph 2.2.2; Page 37)

Number of institutions/homes available in the State and their objectives

Sl. No.	Name of Office/ Institution/ Home	Objective of the Institution/Homes	Number of Institutions/ Homes under Directorate of Social Defence		Number of Institutions/ Homes under Commissionerate of Social Welfare		Total
			Government	Government aided NGOs	Government	Government aided NGOs	
1	Juvenile Justice Board	To deal with cases of children in conflict with law	32				32
(i)	Observation Home	Providing shelter, food and clothing, medical facilities to the children in conflict with law whose cases are pending before Juvenile Justice Boards.	6	2	--	--	8
(ii)	Special Home	Providing shelter, food and clothing to the children in conflict with law committed by the Juvenile Justice Boards for long term rehabilitation.	2	--	--	--	2
2	Child Welfare Committee	To deal with neglected, abandoned, surrendered and abused children who are in need of care and protection produced before the Committee and send them to their families or Children Homes.	32				32
(i)	Reception Unit	Providing shelter, food, clothing and education to the children under inquiry before the Child Welfare Committees	9	14	--	--	23
(ii)	Children Home	Providing shelter, food and clothing to the children committed by Child Welfare Committee for their long term rehabilitation.	10	20	27	171	228
3	Resource Centre	To provide psycho-social care and guidance to the children referred to them within that district in which it is located. Also counselling and guidance to parents. Undertake research programmes on the prevalence of Juveniles in conflict with law.	--	18	--	--	18
4	Open shelter for children in need in Urban and semi-urban areas	To provide a safe place of shelter to all children in need of care and protection particularly beggars, street and working children, rag pickers, small vendors, street performers, orphaned, deserted, trafficked and runaway children, children of migrant population and any other vulnerable group of children.	--	14	--	--	14
5	After Care Organisation	Providing shelter, food and clothing to the children discharged from Children Homes/Special Homes.	3	--	--	--	3

Appendix 2.3

(Reference: Paragraph 2.2.5; Page 38)

List of Government run Homes and orphanages and NGO run homes covered in audit

SL. No.	District	SL. No.	Name of Home/Orphanage run by Government	Controlling Authority	SL. No.	Name of Home run by NGOs	Controlling Authority
1	Chennai	1	Government Observation Home Chennai	DSD	1	Children Home under Balavihar for Boys, Chennai 10	DSD
		2	Government Special Home, Chennai (Girls)	DSD	2	Children Home under Sevasamajam, Boys Home, Saligramam	DSD
		3	Government Children Home, Chennai	DSD	3	Children Home under Sevasamajam Children Home, Pallipet	DSD
		4	Government Children Home, Chennai – 113	DSD	4	Children Home under Balavihar for Girls, Chennai 10	DSD
		5	Government Orphanage, Kosapet, Chennai 12	CSW	5	Young Women's Christian Association	CSW
		6	Government Orphanage, Waltax Road, Chennai 600 003	CSW	6	Sree Seva Mandir	CSW
		7	Reception Units - Government Children's Home for Boys, Royapuram, Chennai-13	DSD	7	Chennapuri Annadhana Samajam, Park Town	CSW
		8	Reception Unit - Government Children Home for Girls, Chennai 600 013	DSD	8	Bala Bhavan Boys Home, Pallipet	CSW
2	Coimbatore	1	Government Orphanage, Peelamedu, Coimbatore	CSW	1	Observation Home under Discharged Prisoners Aid Society, Pappanaicken Palayam, Coimbatore	DSD
					2	St. Marys Home for Children, Karumathampatti	CSW
					3	Reception Unit, Don Bosco Anbu Illam Social Service Society. Ukkadam, Coimbatore	DSD
3	Dindigul	1	Government Orphanage, Collectorate, Dindigul	CSW	1	Children Home for Boys and Girls at Pudhuyugam	DSD
					2	District Multipurpose Social Service Society Nehruji Nagar, Dindigul	DSD
					3	Gandhi Seva Sangam, Chatrapatti	CSW
					4	Sanmarga Gurukulam Orphanage, Keeranur	CSW
					5	St. Phelomena Home for children, Mettupatti	CSW

SL. No.	District	SL. No.	Name of Home/Orphanage run by Government	Controlling Authority	SL. No.	Name of Home run by NGOs	Controlling Authority
4	Kancheepuram	1	Government Special Home for Boys, GST Road, Chengalpattu	DSD	1	Jeevan Ganodhaya Charitable Trust, KK Nagar, Kancheepuram (Resource centre)	DSD
		2	Reception Unit - Government After Care Organisation, Chengalpet	DSD	2	St. Louis Home for Children, Chellampattidai Edayarpakkam	CSW
		3	Government After Care Organisation, Athur, Chengalpet, Kancheepuram	DSD	3	Universal Welfare Foundation, Pozhichalur	CSW
		4	Government Orphanage, Pillaiyar Palayam, Kancheepuram	CSW			
5	Madurai	1	Government After Care Organisation, Muniyandi Koil Street, Madurai	DSD	1	Observation Home for Boys and Girls under Madurai Children Aid Society, Kamarajar Road, Madurai (NGO)	DSD
		2	Government Orphanage K.K. Nagar, Madurai	CSW	2	Vidiyal Shelter Home, Kennath Nagar, Muthupettai, Madurai East	DSD
					3	Resource Centre, M.S. Chellamuthu Trust, KK Nagar, Madurai	DSD
					4	Balar Illam, Thirumangalam Taluk	CSW
6	Theni				1	Nehru Destitute Children Home, Bodinaickanur	CSW
					2	Resource Centre - Centre for Development of Communication Trust, Kamatchipuram, Theni District	DSD
7	Tiruchirappalli	1	Government Observation Home for Boys and Girls, East Boulward Road, Tiruchirappalli	DSD	1	Tamil Nadu Students Home, Thiruverumbur	CSW
		2	Government Orphanage, Mathur, Tiruchirappalli	CSW	2	St. James Home for Children, Melapudur, Tiruchirappalli	CSW
					3	Children Home under HOPE World Wide, Edamalaipattipudur	DSD
8	Tiruvallur				1	St. Eugene's Home for Children, Arambakkam, Gummdipoondi	CSW
					2	Sarojini Varadappan Girls Higher Secondary School, Poonamallee	CSW
					3	St. Annes Home for Children, Perumpakkam, Kilacheri	CSW
					4	Little Flower Home for Children, Madharpakkam	CSW
					5	Children Home for Boys under IRCDS, Tiruvallur	DSD
					6	Children Home for Girls under IRCDS, Tiruvallur	DSD

Appendix 2.4

(Reference: Paragraph 2.2.6.3; Page 42)

(A) Number of juvenile crimes during 2010-14 and rate of juvenile delinquency

Year	Incidence of		Percentage of juvenile crimes to total crimes	Estimated population of the State (In lakh)	Rate of juvenile delinquency (juvenile crime per lakh of population)
	Juvenile crimes (In Number)	Total crimes (In Number)			
2010	962	1,85,678	0.52	676.32	1.42
2011	1,233	1,92,879	0.64	721.39	1.71
2012	1,443	2,00,474	0.72	731.92	1.97
2013	1,436	2,03,579	0.71	744.07	1.93
2014	945	1,93,200	0.49	744.07	1.27

(B) Number of Juveniles apprehended under IPC and SLL crimes during 2010-14

Year	Number of juveniles apprehended belonging to the age group			
	7-12 years	12-16 years	16-18 years	Total
2010	131	605	908	1,644
2011	251	596	1,236	2,083
2012	383	870	2,289	3,542
2013	348	921	1,873	3,142
2014	Details not available			1,892

Appendix 2.5
(Reference: Paragraph 2.2.6.3; Page 42)
Nature of crimes committed by juveniles

Nature of crime	2010	2011	2012	2013	2014	Total	Percentage to total crimes
Theft	381	499	395	453	319	2,047	19
Prohibition Act	11	1	7	0	0	19	0
Gambling	0	2	7	0	0	9	0
Hurt	129	140	203	136	5	613	6
Burglary	147	154	188	162	119	770	7
Riots	34	40	50	63	23	210	2
Murder	34	45	62	55	53	249	2
Rape	11	14	27	32	12	96	1
Kidnapping	2	9	12	17	4	44	0
Other crimes	763	1,001	2,380	1,817	1,014	6,975	63
Total	1,512	1,905	3,331	2,735	1,549	11,032	

Appendix 2.6

(Reference: Paragraph 2.2.8.9; Page 53)

**Cadre-wise men-in-position in the sampled Government homes
as on 31 March 2015 (CSW & DSD)**

Name of the Post	Sanctioned	Men-in-Position	Vacant
Government Special Home for Boys, Chengalpattu (DSD)			
Superintendent	1	-	1
Medical Officer	1	-	1
Psychologist	1	1	-
Assistant Superintendent	1	1	-
High School H.M.	1	1	-
Middle School HM	1	1	-
Office Manager	1	1	-
Probation Officer	1	1	-
Assistant	4	-	4
Junior Assistant	5	4	1
Typist	1	1	-
Record Clerk	2	2	-
Escort Peon	1	-	1
Office Assistant	3	-	3
School Assistant	4	2	2
Tamil Pandit	2	2	-
Secondary Grade Teacher	13	2	11
Drawing Master	2	1	1
House Master	10	1	9
Pharmacist	1	1	-
Male Nursing Assistant	2	0	2
Tailoring Instructor Grade I	1	0	1
Weaving Instructor Grade I	1	0	1
Weaving Instructor Grade II	1	1	-
Band Master	1	0	1
Agricultural Asst	1	0	1
Physical Education Teacher	3	1	2
Mason Instructor	1	0	1
Soap Chemist	1	1	-
Head Gardener	1	1	-
Gardener	3	0	3
Chief Guard	1	1	-
Wireman	1	1	-
Gateman	3	3	0
Secondary Grade Warden	2	1	1
Guard	5	1	4
Remand Assistant	1	0	1

Name of the Post	Sanctioned	Men-in-Position	Vacant
Watchman	5	5	-
Cook	7	2	5
Hair dresser	2	0	2
Washer man	1	0	1
Sanitary Worker	5	1	4
Women Servant	1	0	1
Total	106	41	65
Government Observation Homes, Chennai and Tiruchirappalli (DSD)			
Superintendent	2	2	-
Probation Officer	3	2	1
Assistant Superintendent	1	-	1
Assistant	2	1	1
Junior Assistant	3	1	2
Secondary Grade Teacher	2	1	1
Physical Education Teacher	1	-	1
Tailoring Instructor	1	-	1
Weaving Instructor	1	1	-
Record Clerk	3	3	-
Junior Reception Unit Assistant	7	0	7
Cook	4	2	2
Office Assistant	1	-	1
Matron Grade I	1	-	1
Warden Grade II	5	5	-
Matron Grade III	1	-	1
Watchman	11	9	2
Gardener	1	-	1
Sanitary Worker	3	1	2
Ayah	2	1	1
Electrician	1	-	1
Male Nursing Assistant	1	-	1
Driver	1	-	1
Senior Reception Unit Assistant	1	-	1
Total	59	29	30
Government After Care Organisation, Athur, Chengalpattu and Madurai (DSD)			
Superintendent	2	1	1
Assistant	2	2	-
Junior Assistant	1	1	-
Warden Grade I	2	2	-
Book Binding Instructor Grade I	1	1	-
Cook	3	3	-
Watchman	4	3	1
Sanitary Worker	2	1	1

Name of the Post	Sanctioned	Men-in-Position	Vacant
Assistant Training Officer	1	-	1
Book Binding Assistant	2	-	2
Black Smith Instructor	2	-	2
Gardener	3	-	3
Office Assistant	4	-	4
Typist	1	-	1
Total	30	14	16
Government Children Homes, Kellys and Royapuram, Chennai (DSD)			
Superintendent	2	-	2
Deputy Superintendent	1	1	-
Assistant Superintendent	1	1	-
Manager	2	2	-
Assistant	5	-	5
Junior Assistant	2	2	-
Typist	2	1	1
Office Assistant	3	2	1
Chief Matron	1	-	1
Record Clerk	2	2	-
Matron Grade II	9	7	2
Female Nursing Assistant	1	-	1
Male Nursing Assistant	2	1	1
Secondary Grade Teacher	13	6	7
Middle School H.M.	1	1	-
High School H.M.	1	1	-
Head Master	1	1	-
Tailoring Instructor	1	1	-
Tailoring Instructor Grade II	4	1	3
Embroidery Mistress	1	-	1
Music Mistress	1	-	1
Physical Education Teacher	2	1	1
Women Welfare Officer	1	1	-
Wireman	1	-	1
Watchman	7	4	3
Gardener	1	-	1
Women Guard	1	1	-
Guard	4	2	2
Tamil Pandit	2	2	-
Drawing Mistress/Master	2	-	2
B.T. Assistant	3	3	-
Cook	5	3	2
Sanitary Worker	7	1	6
Matron Grade III	1	-	1

Name of the Post	Sanctioned	Men-in-Position	Vacant
Accountant	1	-	1
Pharmacist	2	1	1
Gate Man	6	4	2
Case Worker	1	-	1
House Master	3	1	2
Band Master	1	1	-
Book Binding Grade I	1	1	-
Mat Weaving Instructor	1	-	1
Mason Instructor	1	1	-
Total	110	57	53
Government Children Homes, Chennai I, Chennai II, Coimbatore, Dindigul, Kancheepuram, Madurai, Tiruchirappalli (CSW)			
Superintendent	7	4	3
Accountant	7	2	5
Typist	5	5	-
Senior Matron	7	-	7
Junior Matron	7	7	-
Special Grade Teacher	1	1	-
Sec. Grade Teacher	23	16	7
Tailoring Instructor	3	-	3
Craft Instructor	2	1	1
Ayah	6	4	2
Sweeper	6	4	2
Sanitary Worker	4	4	-
Scavenger	2	1	1
Cook	11	6	5
Night Watchman	7	2	5
Helper	51	23	28
Assistant Cook – Daily wage	3	2	1
Part Time Medical Officer	2	-	2
Total	154	82	72
Grand total	459	223	236

Appendix 2.7

(Reference: Paragraph 2.2.8.10; Page 53)

Inadequate infrastructural facilities

(i) Dormitory – 40 Sq.ft. per juvenile/child with sufficient cross ventilation

Government run Homes

Sl. No.	Name of the children home	Sanctioned Strength	Actual Strength (Maximum number of children accommodated during 2010-11 to 2014-15)	Required space for actual strength (in Sq.ft.)	Actual (In Sq.ft.)	Short fall (In Sq.ft.)	Percentage of Short fall
1	Government Children Home, Chennai	300	231	9,240	1,320	7,920	86
2	Government Orphanage, Collectorate, Dindigul	250	249	9,960	2,820	7,140	72
3	Government Orphanage, Pillaiyar Palayam, Kancheepuram	250	126	5,040	2,000	3,040	60
4	Government Orphanage K.K. Nagar, Madurai	250	184	7,360	2,700	4,660	63
5	Government Orphanage, Mathur, Tiruchirappalli	250	236	9,440	3,200	6,240	66

NGO run Homes

Sl. No.	Name of the children home	Sanctioned Strength	Actual Strength (Maximum number of children accommodated during 2010-11 to 2014-15)	Required space for actual strength (in Sq.ft.)	Actual (In Sq.ft.)	Short fall (In Sq.ft.)	Percentage of Short fall
1	Tamil Nadu Students Home, Thiruverumbur	50	41	1,640	1,260	380	23
2	Nehru Destitute Children's Home, Bodinaickanur	100	100	4,000	3,700	300	8
3	Destitute Home run by Sarojini Varadappan Girls Higher Secondary School, Tiruvallur	100	80	3,200	2,000	1,200	38

(ii) Workshop – 1,125 sq.ft. for Home with 50 children

Government run Homes

Sl. No.	Name of the children home	Sanctioned Strength	Required (In Sq.ft.)	Actual (In Sq.ft.)	Short fall (in Sq.ft.)	Percentage of Short fall
1	Government Children Home, Chennai – 113	50	1,125	Nil	1,125	100
2	Government Orphanage, Collectorate, Dindigul	250	5,625	Nil	5,625	100
3	Government Orphanage, Pillaiyar Palayam, Kancheepuram	250	5,625	Nil	5625	100
4	Government Orphanage K.K. Nagar, Madurai	250	5,625	Nil	5,625	100
5	Government Orphanage, Mathur, Tiruchirappalli	250	5,625	Nil	5,625	100

NGO run Homes

Sl. No.	Name of the children home	Sanctioned Strength	Required (In Sq.ft.)	Actual (In Sq.ft.)	Short fall (in Sq.ft.)	Percentage of Short fall
1	Children Home under Sevasamajam Childrens Home, Pallipet	50	1,125	Nil	1,125	100
2	Balar Illam, Thirumangalam Taluk	50	1,125	Nil	1,125	100
3	Tamil Nadu Students Home, Thiruverumbur	50	1,125	Nil	1,125	100
4	St. Marys Home for Children, Karumathampatti	50	1,125	Nil	1,125	100
5	St. Louis Home for Children, Chellampattidai Edayarpakkam Post	50	1,125	Nil	1,125	100
6	Nehru Destitute Children's Home, Bodinaickanur	100	2,250	Nil	2,250	100
7	Gandhi Seva Sangam, Chatrapatti	50	1,125	Nil	1,125	100
8	Bala Bhavan Boys Home, Pallipet	25	1,125	Nil	1,125	100

Appendix 2.8

(Reference: Paragraph 2.2.8.12; Page 55)

Inadequate bathroom and latrine facilities in the sampled homes

Name of Home	Sanctioned Capacity	Requirement as per norms		Available		Shortfall	
		Bathroom	Latrine	Bathroom	Latrine	Bathroom	Latrine
Government Orphanage, Mathur, Tiruchirappalli	250	25	35	5	16	20	19
Government Orphanage, Collectorate, Dindigul	250	25	35	24	25	1	10
Government Orphanage, Pillaiyar Palayam, Kancheepuram	250	25	35	6	8	19	27
Government Orphanage K.K. Nagar, Madurai	250	25	35	2	16	23	19
Government Orphanage, Peelamedu, Coimbatore	250	25	35	4	10	21	25
Tamilnadu Students Home, Thiruverumbur	50	5	7	2	5	3	2
Chennapuri Annadhana Samajam, Park Town, Chennai	100	10	14	5	10	5	4
Bala Bhavan Boys Home, Pallipet	25	3	4	2	2	1	2
Total	1,425	143	200	50	92	93	108

Appendix 2.9

(Reference: Paragraph 2.3.4; Page 61)

Description of Modules of the "Project Empower"

Sl.No.	Name of the Module	Description
1.	Candidate Profile module (Registration module)	Registering the educational details, renewals, additional qualifications, transfers etc., of the candidates.
2.	Employment Exchange module (Vacancy module)	Selection of candidates based on requirements of establishment subject to conditions like seniority, other reservations etc.
3.	Employment Market Information module	To provide information at short intervals about the structure of employment in the public and private sectors area.
4.	Unemployment Allowance module	Provide assistance to registered candidates who are not employed for more than five years from the date of registration, subject to the conditions.
5.	Administration module	Maintenance of employee details, Pay, Provident Fund, Gratuity accounts, Training details etc.
6.	Human Resource module	
7.	Budget and Accounting module	To plan and anticipate the cost and expenditure involved for various schemes operated in the Department.
8.	Vocational Guidance module	Activities include registration guidance, individual information, review of old registrants, group discussions, dissemination of career information, apprenticeship placements and training placements.
9.	Grievance Redressal module	Handling individual petitions, Chief Ministers' Cell petitions and RTI petitions.

Appendix 2.10

(Reference: Paragraph 2.3.8.1; Page 63)

Payment of unemployment allowance to ineligible candidates in 2014-15

District	Processed Quarter	Data base maintained in	No. of ineligible candidates	Ineligible amount disbursed (in ₹)
DEO, Santhome	3 rd	MS Access	254	12,70,000
DEO, Villupuram	3 rd	Excel	32	19,800
DEO, Pudukottai	1 st	ECS software	2	4,800
DEO, Tiruchirappalli	1 st	Registers (manual form)	5	3,250
DEO, Salem	4 th	ECS software	2	1,200
Total				12,99,050

Appendix 2.11

(Reference: Paragraph 2.3.9.1 (a); Page 65)

Sample cases of large-scale manual interventions in system generated list

DEO/Year	Vacancy ID	Post	No. of candidates generated from vacancy module	Number of candidates communicated to the employer after tagging manually
Salem/2014	SLD2014SG00000359	Sanitary Assistant	141	9
Salem/2014	SLD2014SG00000122	Two posts of Office Assistant	523	5
Dindigul/2014	DGD2014SG00000007	One post of Watchman	30	5
Villupuram/2014	VPD2014SG00000191	10 posts of Village Assistant	2,122	30
Villupuram/2014	VPD2014SG00000283	One post of Record Clerk	67,417	5
Coimbatore/2014	CBD2014SG00000153	One post of Light Motor Vehicle Driver	30	5

Appendix 2.12

(Reference: Paragraph 2.3.9.1 (b); Page 68)

Incorrect selection list due to data migration/input/process errors

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
PEEO, Chennai -CHP2014PG00000116 - P.G.Asst Zoology, Thiruvallur Higher Secondary School			
1	Omission of Registration Number CHP1990M00007992 in the selection list due to incorrect assignment of "Dead" profile status by system as on 01.07.2014, the crucial date of generation of list.	The crucial date was given only for reckoning the age while doing selection and not for verifying the Profile status of the candidates in the live register. Hence there was no omission of the candidate with registration number CHP1990M0007992 which showed profile status "D" prior to selection.	Selection of candidates is done based on crucial date for qualifying age as well as their Profile Status. Candidates with requisite age and 'Live'/'Re-registered'/'Active' Profile Status are short-listed for selection. The incorrect assignment of "D" profile status by the computer system to an eligible candidate as on 1 st July 2014 is not justifiable. Since, the vacancy module and the Registration module are integrated with each other, any error in the Registration module would have a direct bearing on the selection process of candidates run through the vacancy module. Incorrect Profile Status affects a candidate's opportunity for selection despite having the requisite age and qualification. Hence, such errors would lead to incorrect selection list.
PEEO, Chennai, TN2014SQ00000235 - seven posts of Graduate Engineer Trainee (Chemical), TN News Print Ltd.			
2.1	Though the employer had requested for 1:15 ratio, the vacancy ratio adopted is 1:5. On discussion, it had been stated that for State Quasi Sector employers, the ratio adopted was 1:5. However, in 238 State Quasi selections the ratio adopted was more than 1:5	According to Government Order (GO) 18 Labour & Employment Department dated 25.02.2008 for filling of all categories of posts coming under the purview of Government Departments., Local bodies, Co- operative Institutions , Public Sector undertakings, Government aided education institutions etc. the employment office should sponsor candidates in the ratio of 1:5.	The reply of the Department is not acceptable since examination of data revealed that in 238 selections for State Quasi Sector employers, the ratio adopted was more than 1:5. Uniform selection process based on GO has not been followed. In the 238 selections, the authority under which the deviations from the ratio of 1:5 were done has not been stated. This results in denial of opportunities for some candidates while the candidates selected in excess (due to higher ratio) are given undue advantage over others.
2.2	Same candidate selected more than once in same Vacancy_ID. Verification of final list was not done. Candidates in the selected list at Sl.No.1 and Sl.No.2 are one and the same	Due to oversight, the error had been made. This would be avoided in future.	Though the Department had accepted the error in selection due to oversight, the reason and circumstances under which a candidate had been selected more than once in the same Vacancy ID denying the opportunity of another candidate had not been clarified to Audit. Database purification and procedural control will prevent such errors.
2.3	Despite employer's request for candidates with specific percentage of marks, the selection had been made based on qualification specific only. Though provision is available in the database to capture and store total marks and percentage details, it had not been captured for majority of the registrations.	No provision made in the selection module to select according to the percentage of marks.	Failure to capture total marks and percentage details in the database is reiterated. Request has not been made to the software developer to make provision for selection based on the marks details also. Action is required to be taken to make the procedural changes as well as suitable instructions given to capture the data completely.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
PEEO, Chennai, CHD2014SG00000055 - Librarian, Directorate of Art and Culture			
3.1	Though employer had specifically requested for Degree in Library Science candidates (NCO-'13418'), the selected candidates possessed '13410'-'CLIS Librarian', Qualification_code-'TECH', Qualification-'C3' which was 'Govt.Cert./ISC'. Only 2 selected candidates possessed qualification as per employer's requirement.	The employer had prescribed the essential qualification for the post of Librarian as Bachelor's degree in Library and Information Science. This office deals with B.LIS as per SEECM 10/2013. Previously this qualification has been dealt with by Professional and Executive Employment office (PEEO). The NCO allocated for B.LIS was 134.10 at PEEO whereas the NCO allotted for C.LIS at this office was also 134.10. After issue of the above SEECM, the NCO for C.LIS has been re-allocated with 134.18. Hence, the selection has been made considering 134.10 or 134.18. The list has been prepared choosing the B.LIS candidates by tagging ineligible candidates.	The allocation of NCO 134.10 to C.LIS initially and with 134.18 subsequently is immaterial. Since, the request from the employer is very specific i.e. B.L.I.S. qualification for the post, selection of candidates with C.LIS (13410) is not justifiable. Since the database contains only NCsO and Seniority Dates, the basis on which the tagging had been done to exclude ineligible C.LIS is not clear. Improper selection of NCsO and manual tagging has resulted in selection of candidates who did not possess the requisite qualifications as required by the employer. Updation of NCO Master, procedural controls and proper training to officials dealing with selection would prevent such errors.
3.2	Since the employer had requested for Priority category candidates, selection had been done for priority candidates. However, the order of priority as followed in the State had not been done	Since Destitute Widows with required qualification were not available, other senior priority category candidates have been sponsored.	As per audit generated list, Destitute Widows as well as Inter Caste Marriage candidates with requisite qualifications are available in the database. Further, the omission of eligible candidates as per order of priority has not been clarified.
3.3	Crucial date for reckoning the age limit as requested by the employer was "As on 1 st July of the year in which the appointment is to be made"	The crucial date for reckoning the age limit has been taken as 01.07.2013, as the vacancy year is 2013. (Since the vacancy has been notified on 24.01.2014)	Despite employer's request that the crucial date was to be taken as on 1 st July of the year in which appointment was to be made viz. 1 st July 2014, department's reply stating that the vacancy year viz. 2013 was considered, is not justifiable. Since the appointment could have been made in July 2014 only, considering July 2013 was incorrect. This had resulted in generation of incorrect selection list. Proper training to officials dealing with selection would prevent such errors.

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Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
PEEO, Chennai - CHD2014SG00000084 - Music Teacher, K.T.C.T. Girls' Higher Secondary School (Government aided)			
4.1	Though employer had requested a range of qualifications, selection has been done for 'GF'-'Graduate Fine Arts' with Major1 as '2S'-'Music' (NCO -'18030')	The employer had notified the requisite qualification as "Degree with Music under Part III", the selection had been made on qualification basis only. Hence, other NCOs could not be considered for nomination.	"Degree with Music under Part III" was one of the requisite qualifications required by the employer for the post. Employer's requisite qualifications are detailed below: Degree with Music under Part III (or) S.S.L.C. and Sangeetha Bushana of Annamalai University (or) Sangeetha Vidwan title from the Director of Government Examinations (or) S.S.L.C. and Government Technical Exam, Higher grade in Music and Technical Teachers' Certificate (3 months certificate course) (or) Diploma in Music awarded by the Director of Government Examinations (or) Teachers' Certificate in Indian Music issued by the Director of Government Examinations. Therefore, the omission of other NCsO had resulted in denial of opportunity for candidates who possessed the requisite qualifications. Imparting proper training to officials dealing with selection would prevent such errors.
4.2	Though the employer had requested for 'Telugu' as Mother Tongue/ Medium/ Second Language, this criterion had not been considered during selection. It had also been requested that 'Tamil' candidates would be considered in the absence of candidates with 'Telugu' as mother tongue. In the selected list, only 3 candidates have 'T2'-'Telugu' as Medium/Second Language. Based on the employer's requirement, Audit had generated a list of candidates. 3 candidates from Exchange's selected list would be eligible for selection along with candidates shortlisted in the audit generated list.	Though the employer had requested for Telugu as mother tongue, senior candidates without Telugu as mother tongue were also nominated since sufficient candidates with Telugu as mother tongue were not available for nomination.	The reply is not acceptable since sufficient number of candidates with Telugu as the mother tongue/ medium/ second language were available in the database, so as to meet the requirement of the employer. List generated by audit based on requisite qualifications included candidates as per employer's request. Due to improper selection of criteria, it had resulted in denial of opportunity to eligible candidates with requisite qualifications and selection of candidates had been done by giving undue advantage over others. Imparting proper training to officials dealing with selection would prevent such errors.
DEO, Dindigul - DGD2014SG00000007 - Watchman, Ex Service Men Welfare Office, Dindigul			
5.1	One eligible candidate with Registration No.2000M003315 existing in the Foxbase database was not existing in the on-line database and has been selected.	While preparing the selection list, it had been noticed many eligible candidates were not included in the online selection. This issue was reported to the developer and this issue had been almost rectified.	The process of migration of data from legacy system to new system was not fully ensured. As a result, two lists were prepared (one from Foxbase and another from new online system) to ensure that no eligible candidates were left out. This only proves that the data migration process was not effective despite considerable investment of money and manpower on it.
5.2	Employer had submitted a request to generate the "Crucial date" as 01/01/2014 for calculating the age of the candidates to be selected. However, it had been observed that the crucial date adopted was 01/07/2013 without recording any reasons.	Reply to audit observation is awaited.	The reason for incorrect adoption of crucial date has not been clarified to Audit. This error affects the system generated list since the age and profile status as on crucial date are considered during selection process.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
5.3	Based on the General category, the list includes women candidates also. Since the post is for night watchmen, the provision of 'only men' could have been invoked.	Reply to audit observation is awaited.	The Department quoted Employer's letter wherein the directions (September 2000) of the Hon'ble High Court, Madras were cited, according to which women were not to be sponsored for watchman vacancy. Hence the department should have filtered selection for men only in the system itself. The reason for selecting a woman candidate for the post of night watchman has not been clarified to Audit.
DEO, Tiruvarur - TRD2014PG00000136 Physical Education Teacher, Saraswathi Vidyalaya Aided Middle School, Poonthottam			
6.1	Same NCsO had been given in both General and Professional Exchanges with same NCO Description. Since the employer had requested for B.P.Ed./M.P.Ed., clarification had been sought if the request had been forwarded to PEEO for generating selection list in their exchange also in order to send a consolidated list to the employer. If it had not been done, the reason for the same was sought.	It was replied that since the employer was a private school and almost all M.P.Ed. candidates might have registered their B.P.Ed. qualifications in the District Office, the request had not been communicated to PEEO.	Reply is not acceptable since the selection process cannot be done on assumption basis that all M.P.Ed. candidates would have registered their B.P.Ed. in DEO. Failure on the part of DEO to forward the request to PEEO is reiterated. It has resulted in denial of opportunity to eligible candidates with requisite qualification. Imparting proper training to officials dealing with selection would prevent such errors.
6.2	It has been observed that though the employer had requested for 'Men' candidates, appropriate input viz. Only Men Required has not been given as 'True'. Hence, a female candidate was also included in the generated list and later deleted manually.	Though the employer had requested to sponsor men candidates, the request was not considered since there was no reservation for men in the 200 point communal roster. The female candidate had been deleted because of ineligibility.	Manual tagging of female candidate stating ineligibility is not justifiable when correct input based on employer's request could have been given which would have filtered the selection of female candidates in the system itself.
6.3	Candidate with Registration Number 'TRD1998M00005306' had Seniority date '01-09-2005' for NCO '19361'. However, in the selection list his Seniority date was '13-08-1997' which was the Seniority date for NCO 'X0210' - '8 th Pass'. In the list generated and verified by audit, it was observed that this candidate's position is approximately 172 nd . This has resulted in ineligible candidate being selected at the cost of eligible candidates.	On the date of selection i.e. on 07/03/2014 in the Registration No. TJD1998M00005306, the 'Seniority From' correction for NCO 19361 was 13/08/1997. Hence it was included in the selection list. At a later date, his seniority for 19361 was verified and corrected as 01/09/2005.	Reply is not acceptable. Data integrity has been compromised due to manual intervention. Ground on which his seniority had been updated to later date after selection process has not been clarified. Candidates approach the DEO when their seniority dates are later in the online system than their original employment card. In this case, it has been stated that the updation had been done to later date which is not logical. Further, Department in its reply to another audit observation had stated that in some cases the seniority of the highest qualification of the candidate had been stored as seniority for all other qualifications of a candidate. In such a case, the reply in this instance that the seniority of lower qualification had been stored in that of higher qualification is contradictory.

SL No.	Audit Findings in Brief	Reply of the Department	Remarks
DEO, Pudukottai - PDD2014SG00000311, PDD2014SG00000312, PDD2014CG00000313 - Mechanic, Motor Vehicle, Bharat Heavy Electricals Ltd., Power Plant Piping Unit, Thirumayam			
7.1	In Vacancy_Agelimit table, the inputs for Maximum Age were 27 years for all communities for Vacancy_Id 'PDD2014CG00000313'. Relevant age relaxation is to be given to candidates belonging to communities other than OC when considered under General Turn also. Due to this, five candidates had not been considered for selection though they possessed earlier seniority under General Turn Non-Priority category.	The employer had notified apprentice vacancies of 3 reservations SC, OBC and OC. Though, selection could have been made with a single order card for all the three reservations, due to inexperience in selection process by the user, three separate order cards were booked. Later invariably only one order card was booked for each notification.	The reply is not acceptable since community-wise age relaxation could be given in a single order. Generation of more than one order card results in same candidate being selected under different categories more than once for the same post and manual tagging, which is error-prone and time consuming, is necessary for elimination. This resulted in denial of opportunity for eligible candidates.
7.2	As per employer's request, candidates with only '84330' NCO were eligible and candidates with both '84330' and '84331' were not eligible. Since users are not given option in the system to filter such candidates, selection had been done based on '84330' NCO and system had generated list which included candidates with '84331' NCO also.	Request for the provision for selection by excluding NCO's was submitted to the vendor and it is under consideration.	The Department had accepted that the system lacked the provision to exclude any NCO and hence has selected candidates with both 84330 and 84331 NCsO. Since the Vendor has not provided for exclusion of candidates who had undergone apprentice training, selection is done with both the NCsO and manually tagged for exclusion. Procedural control would prevent such errors.
7.3	Candidates with Registration Numbers 'PDD2010M00000404' and 'PDD2007M00005652' had been selected under SC and General lists. Candidate with Registration Number 'PDD2007M00004909' (Differently Abled) had been selected under SC, OBC and General lists. This repetition of candidates had resulted in 4 other eligible candidates losing their opportunities for selection	The repetition of candidates in OBC and OC reservations was due to selection made in two different order cards. If it had been made in single order card, no possibility for repetition. The repetition in selection was noticed and deleted in the sponsored list.	The department had accepted the audit comment regarding duplication. However, the duplication has been observed in the sponsored list only. This has resulted in denial of opportunity of candidates with requisite qualifications. Proper training for officials dealing with selection process would prevent such errors.
7.4	Candidate with Registration Number 'PDD2010M00000404' had two seniority dates '23.10.2010' with Status 'I' and '24.11.2010' with Status 'A' for NCO '84330'. The circumstances under which the Status was Inactive, was required to be clarified to audit.	The Status "I" did not denote inactive, it was "Incoming" i.e. transferred from other exchanges.	Reply is not acceptable since as per procedure, transferred candidate's seniority should be maintained and it should not result in two records with different seniorities for same NCO. Hence data integrity is compromised. Procedural control would prevent such errors.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
7.5	2 eligible candidates under SC category ('PDD2004M00004652' & 'PDD2009M00012311') and two eligible candidates under OBC category ('PDD2014M00001524' & 'PDD2005M00006152') with inter seniority have been omitted. Twenty three candidates with inter seniority under GT category had been omitted. This had also resulted in 28 candidates with later seniority being selected. The reason for this omission and discrepancy was required to be clarified to audit.	<p>PDD2004M00004652 – “84513” – Diesel Mechanic Trade.</p> <p>PDD2009M00012311 – “84513” – Diesel Mechanic Trade.</p> <p>PDD2005M00006024 – “87210” – Welder – Gas & Elect Trade</p> <p>PDD2006M00001539 – “85220” – Electronic Mechanic Trade</p> <p>PDD2005M00005362 – “87110” – Plumber Trade</p> <p>PDD2009M00012384 – “84513” – Diesel Mechanic Trade</p> <p>PDD2014M00001524 – “84330” – Included in Sl.No.11 of the OBC list.</p> <p>PDD2008M00008477 – “84330” – Not renewed at the time of list taken</p>	<p>Possessed “84330” – Motor Mechanic Trade also.</p> <p>Not in the generated OBC list.</p> <p>Expiry date 30/06/2017 with “L” profile status. Hence, the audit finding on omissions of these eligible candidates along with other eligible candidates (reason not clarified to audit) is reiterated.</p>
DEO, Trichy - TCD2014SG00000177 - Nursing Assistant Grade II, ESI Hospital, Trichy			
8.1	Eight eligible candidates in the selection list generated by audit did not find a place in the finalised list sent by the Department.	It was checked by audit that the booking of order card was correct and in order. The status of remaining seven was checked in online. Among them only one candidate registered his priority of Ex-Servicemen after the job card was generated. Reason for non inclusion of all other candidates could not be assessed by this office.	Procedural lapse or manual intervention could have resulted in the omission of eligible candidates. Due to lack of audit trail, responsibility for this discrepancy cannot be fixed.
8.2	Selected candidate with Registration Number ‘TCD2003M00006191’ had been placed vide Order No.873/N2/2013 dated 24 September 2014 and the fact of this appointment had been communicated vide Lr.No.873/N1/2013 dated 24 October 2014. However, it had been observed that the candidate had ‘Live’ Profile Status till 4 December 2014. Due to failure of updation, this candidate had been selected for another five selections, resulting in loss of opportunity for five other candidates.	After the receipt of result of selection, a clarification was sought from the employer about the date of joining. On receipt of reply, placing is accounted in online.	The selection had been done in September 2014 and communication regarding appointment sent in October 2014. Note Order had been given on 09/10/2014 for updation of Profile Status but action had been delayed. Hence, the candidate had been selected for five other Vacancy IDs though placed in employment, denying opportunity to five other candidates.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
DEO, Trichy - TCD2014SG00000004 - Four posts of Women Driver			
9.1	Based on the inputs, Audit had generated a list of candidates. Though nine eligible candidates were in the database under MBC category, only one eligible candidate had been short-listed, finalised and list sent to employer. Therefore, three candidates with earlier seniority and one candidate with later seniority had not been considered for selection. In the audit generated list, the three short-listed candidates finalised and list sent to employer, under BC candidates are in 13 th , 20 th and 30 th position. Therefore, five eligible candidates have been omitted and five candidates with later Seniority have been selected Similarly, under GT category, two eligible candidates with earlier seniority have been omitted and three short-listed candidates finalised and list sent to employer have positions beyond 25. Hence, three candidates with later Seniority were considered for selection while four eligible candidates have been omitted.	In vacancy id TCD 2014SG00000004, for MBC female non priority only one candidate, for BC female non-priority only three candidates for GT female non priority only four candidates were nominated as available in LR in online and hence their names were sponsored to the vacancy exchange. It is ascertained from the vacancy exchange, the vacancies were subsequently cancelled by the employer and no one was called for interview.	Since the employer had requested under Community criterion "If Destitute Widow is not available, then women", selection should have been done on non-priority basis also under each community category. Procedural lapse or manual intervention could have caused the omission of eligible candidates. Due to lack of audit trail, responsibility for this discrepancy cannot be fixed. Non-conduct of interview cannot justify the selection of ineligible candidates and omission of eligible candidates. Action taken to prevent such errors has not been clarified to Audit.
DEO, Trichy - TCD2014SG00000677 - Four posts of Night Watchman, Criminal Unit of Trichy District			
10.1	Though candidates with Registration Nos. TCD1985M00014677, 'TCD1993M00012852' and 'TCD1996M00001162' had earlier seniority when compared with that of Registration Nos. 'TCD1998M00049358', 'TCD2000M00000977' and 'TCD2000M00009030', the latter have been included in the GTGRE (General Turn General Reserve) category.	TCD1985M00014677, TCD1993M00012852 and TCD1996M00001162 registrations are in lapse. Hence, their names were not sponsored to the employer.	The audit generated list has taken into consideration the expiry date and profile status of the candidates as on crucial date. These candidates are "PH -Ortho" Priority candidates whose profile status should be "Always Live". Hence, the reason stated by the department is not acceptable.
DEO, Villupuram - VPD2014SG00000283 - Record Clerk, M/s Srimath Sivagnyana Balaya Swamigal Tamil Arts & Science College, Mailam			
11.1	The employer's requirement was for candidates within Tindivanam Taluk. However, online selection had been done for Tindivanam Taluk and by deploying manual search on address information in the PDF file, the candidates of Mailam Union were marked and then taken to Excel Sheet for arriving at the final list of five candidates. The final list was ultimately sorted according to the seniority of candidates in Mailam Union. A candidate VPD2001M00001079 with seniority 22/06/1995 was omitted from the selection list since his address information did not contain the Block "Mailam" though the village "Dhazhuthali" of the candidate came under Mailam block.	As pointed out in audit, this candidate's eligibility was confirmed and had been sponsored to the employer, with requisition to consider this candidate also in the selection process as per norms.	Non-capture of complete address details viz. District, Village, Taluk, Block data in the relevant fields provided, had led to manual selection which was error-prone. Imparting proper training/instructions to end users can prevent such errors.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
DEO, Villupuram - VPD2014SG00000191 - 10 posts of Village Assistants, Taluk Office, Gingee, Revenue Department, Villupuram			
12.1	The employer's request was village based. The list containing 2,122 records generated was converted to PDF, based on the address information, candidates were filtered and then the list fed into Excel Sheet for arriving at the final list containing 30 candidates. If the village information in the candidate_profile data was incomplete, the search operation on the PDF file would not give the correct result. Out of 2,122 records, village code was available only for 327 records.	As per SEECM 7/2012, the preference for Village Administrative Officer post had been in the order of Village, Taluk and District levels.	Non-capture of complete address details viz. District, Village, Taluk, Block data in the relevant fields provided, had led to manual selection which was error-prone. Imparting proper training/instructions to end users can prevent such errors.
DEO, Salem, SLD2014SG00000359 -Sanitary Worker, Town Panchayat, Ayodhyapattinam, Salem			
13.1	The application software generated a list containing 141 records of Priority "MBC" candidates. The DEO subsequently filtered the DW candidates (Destitute Widow) from the list of 141 and generated a list containing nine candidates. From the list of nine candidates, after manual verification five candidates as against one vacancy was prepared. Audit by deploying all the parameters got a set of five candidates which were different from the list finalised by DEO	The reasons for discrepancy in the selection list prepared by online system and audit were as follows –	The reply of the Department only shows that they are still dependent on Foxbase database.
		SLD2012F00006894 particulars were not found in the live register of the Foxbase server (DBF). So a call letter sent to the candidate for verifying the registration particulars. But she had not responded.	Since the details of eligible candidates are not available in the new online system, it is clear that the process of migration of legacy data is not complete.
		SLD2009F00001746 was found as "Placed" in foxbase server. Candidate was placed as watchman in DEO, Salem vide Vacancy Order Card No.SLD2012F00000213 dt.25/05/2012. Candidate placement particulars were not uploaded to online server. And the same was updated later.	Reply that the placement particulars of SLD2009F00001746 missing in online system, is not acceptable since the Vacancy Order Card No. SLD2012F00000213 has been generated on 25/05/2012 and the placed status should have been updated in the online system also and not just in Foxbase system. Omission of such updation would lead to 'Placed' candidates being selected for other vacancies denying opportunity to other eligible candidates. In reply, Department quoted Employer's letter wherein the directions (September 2000) of the Hon'ble High Court, Madras were cited, according to which women were not to be sponsored for watchman vacancy. Hence, the reply that the female candidate had been placed as Watchman is contradictory.

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
DEO, Salem, SLD2014SG00000122 - 2 Posts of Office Assistant, Salem Treasury			
14.1	<p>The selection is for two posts of Office Assistants, one each from SCAWP (DW) and in GTP.</p> <p>Since there were no candidates under SCAWP(DW), DEO generated a list of 523 GT Priority candidates for the requirement. From this, 33 DW candidates were shortlisted. The list was further manually verified and 5 candidates were finally selected and taken to PDF for 1 vacancy.</p> <p>A similar exercise was done by audit (on data as on 05th December 2014) by deploying the required parameters and the final list generated by the software and the audit list was different.</p>	<p>SLD2009F00000019 had priority as DW in Foxbase server. Since, the DW priority candidates are very limited in the live register, verification in Foxbase server was done in order to avoid any omission. Hence, after verification with Foxbase server, the candidate was sponsored in DEO, Salem list.</p> <p>SLD2007F00004537 generated in Audit list but not in DEO, Salem list. The reason for which is not known and hence brought to the notice of the software developer.</p> <p>SLD2008F00020495 is found as "placed" in Foxbase server. This fact was not updated in online server. This has now been updated in the online server.</p>	<p>The reply of the Department only shows that they are still dependent on Foxbase database.</p> <p>Since the details of eligible candidates are not available in the new online system, it is clear that the process of migration of legacy data is not complete.</p> <p>Due to process failure, the eligible candidate had been omitted by the new online system.</p> <p>Reply that the placement particulars of SLD2008F00020495 missing in online system, is not acceptable since the Vacancy Order Card No. SLD2012F00000054 had been generated in 2012 and the placed status should have been updated in the online system also and not just in Foxbase system. Omission of such updation would lead to 'Placed' candidates being selected for other vacancies denying opportunity for other eligible candidates.</p>
DEO, Coimbatore, CBE2014SG00000153 - Light Motor Vehicle Driver, O/o Joint Commissioner of Labour, Coimbatore			
15.1	<p>Audit observed that all the requisite parameters i.e 8th Standard or III Form and Current License for Light Motor Vehicle along with necessary relaxations. It was observed that the final list generated by the DEO was not fully system generated and prepared after manual checking. Moreover, the DEO had not applied the conditions that the candidate should pass the Eighth Standard. CBD1999M10002829 with NCO 98640 and seniority 23/09/1998 had been omitted. The reason for the omission was required to be furnished to Audit.</p>	<p>The list generated through online consisted of 30 candidates list. All the first four registrations were checked manually with four Normal and one PH Ortho candidates. CBD1999M10002829 with NCO 98640 and seniority 23/09/1998 was generated under NCO 98660 SF and not under 98640 SF. Only computer selection was made and after manual checking, list was sent to employer. When both NCsO 98640 and 98660 were given for selection, since this candidate had NCsO 98640 SF 23/09/1998 and 98660 SF 09/08/1998, online selection list should have generated, his 98640 seniority also. Online selection had been done based on his seniority for NCO 98660 and not NCO 98640, due to highest NCO capturing. Brought to the notice of software developers to rectify the defaults noticed.</p>	<p>Based on the employer's request, selection had been done for both NCsO 98640 and 98660, the omission of CBD1999M10002829 with NCO 98640 with <i>inter se</i> seniority is not justified. It has been observed that even for the other final list candidates, the seniority for higher qualification has only been considered. The selection should be based on seniority of minimum requisite qualification only. Omission was due to procedural lapse. Though NCO Seniority option has been provided in the selection module, the user had not utilised by inputting the NCO based on which the selection was to be done.</p>

Sl. No.	Audit Findings in Brief	Reply of the Department	Remarks
15.2	Audit observed that candidates with Reg. Nos. CBD2001M10001721 with NCO 98660, Seniority 25/06/2001 and CBD1999M00011921 with NCO 98640, Seniority 23/08/2007 have been omitted in the final list. The reasons for the omissions were required to be furnished to Audit.	Reply to audit observation is awaited.	Though they are PH-Ortho priority candidates, they have <i>inter se</i> seniority to other Non-Priority candidates under the General Turn category. The reason for their omission has not been clarified to Audit. The system generated list should have been based on seniority irrespective of Priority/Non-Priority under General category. Hence, omissions were due to procedural lapse.
PEEO, Chennai,TN2014SQ00000470 - Manager (Accounts), Salem District Co-operative Milk Producers Union Limited			
16.1	Candidate with Registration No. CHP2010F00056642 had Profile Status 'P'- Placed but the placement date and 'vacancy_id' not available.	Placement date and vacancy ID could not be ascertained in present module.	Without placement details of the candidates, whether their 'Placed' Profile Status is valid or manipulated cannot be ascertained. Hence, omission of these candidates in the shortlist is questionable.

Appendix 2.13

(Reference: Paragraph 2.3.9.3 (e); Page 76)

Discrepancies in Qualification table which contain the educational/technical qualifications of the candidates

2,559 records with 'HSC' Qualification Code and 2,872 records with 'SSLC' Qualification Code have irrelevant Qualifications viz. 'Graduate Engineering', 'Graduate Arts', 'A.C.S.', etc.
79,51,011 records have data in the field Qualification Code but without information on qualification.
2,220 records have data neither in the Qualification Code nor in the Qualification. These records will not be included during selection process based on qualifications due to non-availability of data in these vital fields.
1,54,042 records have Qualifications which could not be linked to Qualification_Reference table for knowing the Qualification Description
4,783 records with NCO 'X0110' have data as 'SSLC' neither in the field Qualification_Code nor in the field Qualification. Similarly, 1,230 records with NCO 'X0115' have data as 'HSC' neither in the field Qualification_Code nor in the field Qualification.
On comparison of Candidate_NCO table with Qualifications table, it has been observed that 1,77,42,184 distinct registration numbers exist in Candidate_NCO table while only 1,71,22,800 distinct registration numbers exist in Qualifications table.
The count of NCsO for an individual, in Candidate_NCO table differs from the count of qualifications in the Qualifications table for 30,81,575 registration numbers. Of which, 8,33,536 registration numbers have lesser NCsO when compared to Qualifications table and 22,48,039 registration numbers have more qualifications when compared to NCsO in Candidate_NCO table.

Appendix 3.1

(Reference: Paragraph 3.1.4.1; Page 86)

Particulars of shortfall in availability of toilets and bathrooms in test-checked hostels

Name of test-checked hostel	Own or rented building	Sanctioned Strength (SS) (during 2014-15)	Admitted Strength (AS) (during 2014-15)	Number of bath rooms/ toilets to be provided for SS as per norms		Number of bath rooms/ toilets available in the hostel		Shortfall w.r.t SS as per norms	
(1)	(2)	(3)	(4)	(5)		(7)		(8)	
				B	T	B	T	B	T
Chennai District									
BC College boys hostel, Saidapet (New)	Own	85	85	27	27	6	7	21	20
MBC College boys hostel, Choolaimedu at Saidapet		75	75						
MBC College girls hostel, I (New) at Mannadi	Rented	100	100	17	17	5	5	12	12
Pudukottai District									
BC School boys hostel, Keeranur	Own	70	103	12	12	6	6	6	6
BC School boys hostel, Karambakudi	Rented	65	77	11	11	..	1	11	10
DNC School girls hostel, Nagudi	Rented	50	59	8	8	1	4	7	4
Dharmapuri District									
MBC School girls hostel, Irumathur	Rented	50	54	8	8	3	3	5	5
Madurai District									
BC College girls hostel, Sathamangalam	Own	50	54	17	17	5	7	12	10
BC School girls hostel, Sathamangalam		50	42						

(B: Bathroom; T: Toilet)

Appendix 3.2

(Reference: Paragraph 3.2.5; Page 96)

Shortage of Manpower in test-checked hospitals

Hospital	Category	Sanctioned bed strength	Doctors				Nurses				Paramedical staff			
			Norms as per IPHS	Men-in-position	Vacancies	Percentage of shortage w.r.t. IPHS norms	Norms as per IPHS	Men-in-position	Vacancies	Percentage of shortage w.r.t. IPHS norms	Norms as per IPHS	Men-in-position	Vacancies	Percentage of shortage w.r.t. IPHS norms
Walajapet	DHQH	84	29	18	11	38	45	28	17	38	31	18	13	42
Virudhunagar	DHQH	330	50	34	16	32	135	66	69	51	66	40	26	39
Erode	DHQH	608	68	61	7	10	225	92	133	59	100	75	25	25
Aruppukottai	TKH	276	50	25	25	50	135	48	87	64	66	32	34	52
Rajapalayam	TKH	164	34	21	13	38	90	35	55	61	42	14	28	67
Ambur	TKH	115	24	10	14	58	35	18	17	49	38	17	21	55
Arcot	TKH	82	24	12	12	50	35	10	25	71	38	14	24	63
Gudiyatham	TKH	130	24	24	0	0	35	28	7	20	38	28	10	26
Pentland	TKH	100	24	13	11	46	35	20	15	43	38	8	30	79
Bhavani	TKH	102	24	13	11	46	35	21	14	40	38	24	14	37
Gobichettipalayam	TKH	150	24	24	0	0	35	32	3	9	38	29	9	24
Sathur	TKH	84	24	17	7	29	35	25	10	29	38	19	19	50
Sivakasi	TKH	140	24	17	7	29	35	38	-3	+9	38	20	18	47
Pernambut	NTKH	30	20	7	13	65	18	10	8	44	27	7	20	74
Sholingar	NTKH	72	24	6	18	75	35	20	15	43	38	14	24	63
Anthiyur	NTKH	58	24	8	16	67	35	8	27	77	38	6	32	84
Kavinthapadi	NTKH	30	20	4	16	80	18	6	12	67	27	7	20	74
Tiruthangal	NTKH	50	20	3	17	85	18	4	14	78	27	4	23	85
Watrap	NTKH	92	24	11	13	54	35	17	18	51	38	10	28	74

DHQH : District Headquarters Hospitals; TKH : Taluk Hospitals; NTKH : Non-Taluk Hospitals

Appendix 3.3

(Reference: Paragraph 3.2.5.1; Page 96)

Details of doctors who were diverted to other hospitals

Sl. No.	Hospital		Post*	Period of diversion	
	From	To		From	To
1.	Walajah DHQH	NTKH, Sholingur	DGO (3)	01.04.2012	13.02.2013
2.		NTKH, Kalavai	DO (1)	18.02.2012	Till date
3.		TKH, Pentland	DA (2)	07.12.2012	10.10.2013
4.		TKH, Tiruppathur	DMRD (1)	2012	Till date
5.	Ambur TKH	DD, Leprosy, Vellore	DD (1)	07.07.2014	Till date
6.		DD, Family Welfare	DGO (1)	10.07.2013	31.07.2014
7.	Arcot TKH	TKH, Pentland	DA (1)	30.01.2012	06.06.2013
8.		TKH, Pentland	DGO (1)	25.06.2012	30.04.2013
9.		DHQH, Walajapet	DGO	01.05.2013	Till date
10.		DHQH, Walajapet	DCH (1)	28.08.2014	Till date
11.		TKH, Cheyyar	DGO (1)	13.12.2014	Till date
12.	Gudiyatham TKH	TKH, Pentland	DCH (5)	01.04.2012	Till date
13.		TKH, Ambur	DCH (5)	03.07.2012	Till date
14.		TKH, Pentland	DGO (3)	12.11.2013	31.03.2015
15.	Pernambut NTKH	TNGMSSH, Chennai	MS (2)	27.01.2014	20.09.2014
16.	Bhavani TKH	DHQH, Erode	BDS (1)	25.03.2013	OCT 2013
17.		TKH, Sathiyamangalam	MS (ENT) (1)	24.12.2014	Till date
18.	Anthiyur NTKH	TKH, Gobichettipalayam	DGO (1)	28.07.2013	Till date
19.		TNHSP, Erode	DCH (1)	01.08.2013	30.4.2014
20.	Sathur TKH	TKH, Srivilliputhur	DCH (1)	13.09.2010	01.04.2015
21.		DHQH, Virudhunagar	D ORTHO (1)	01.01.2014	02.04.2015
22.		DHQH, Virudhunagar	DGO (2)	01.10.2014	Till date

* Figures in brackets indicate men in position prior to diversion

BDS : Dental Specialist; D ORTHO : Orthopaedic Specialist; DA : Anesthetist; DCH : Paediatrics Specialist; DD : Dermatologist; DGO : Obstetrics and Gynecology Specialist; DMRD : Radiologist; DO : Ophthalmology specialist; MS : General Surgery Specialist; MS (ENT) : ENT Specialist

Appendix 3.4

(Reference : Paragraph 3.8.2; Page 125)

Details of expenditure incurred from Revolving Fund and reimbursement amount due to State Government

(In ₹)

Year	Total expenditure incurred under Revolving Fund	Actual ESIC share @ 7/8th	Actual State Government share @ 1/8th	Amount incorrectly adjusted by ESIC as State Government's share	Excess amount adjusted by ESIC and due to State Government (Col. 5 – Col 4)
(1)	(2)	(3)	(4)	(5)	(6)
2009-10	4,81,05,494	4,20,92,307	60,13,187	4,81,05,494	4,20,92,307
2010-11	9,96,26,000	8,71,72,750	1,24,53,250	9,96,26,000	8,71,72,750
2011-12	9,44,95,458	8,26,83,526	1,18,11,932	9,44,95,458	8,26,83,526
2012-13	11,57,93,101	10,13,18,963	1,44,74,138	11,57,93,101	10,13,18,963
Total	35,80,20,053	31,32,67,546	4,47,52,507	35,80,20,053	31,32,67,546

Glossary of abbreviations

Abbreviations	Full Form
AAGHIM	Arignar Anna Government Hospital of Indian Medicine, Arumbakkam, Chennai
ACO	After Care Organisation
ACR	Additional Class Rooms
AERB	Atomic Energy Regulatory Board
AMC	Annual Maintenance Contract
APPs	Assistant Public Prosecutors
AV	Annual Value
AWP&B	Annual Work Plans & Budget
BC	Backward Classes
BCW	Backward Classes Welfare
BCWD	BC, MBC and Minorities Welfare Department
C&AG	Comptroller and Auditor General of India
C&AG's (DPC) Act	Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act
CAATs	Computer Aided Audit Techniques
CCIs	Child Care Institutions
CCTV	Closed Circuit Television
CHP	Chennai PEEO
CIMH	Commissionerate of Indian Medicine and Homeopathy
CLA	Commissioner of Land Administration
CMC	Chennai Municipal Corporation
CMCHIS	Chief Minister's Comprehensive Health Insurance Scheme
CMSPGHS	Chief Minister's Solar Powered Green House Scheme
CSS	Centrally Sponsored Scheme
CSW	Commissionerate of Social Welfare
CSW	Commissioner of Social Welfare
CWCs	Child Welfare Committees
DA	Differently-abled
DBCOs	District Backward Classes and Minorities Welfare Officers
DCCB	District Central Co-operative Bank
DCE	Directorate of Collegiate Education
DCPOs	District Child Protection Officers
DCPUs	District Child Protection Units
DD	Deputy Director
DDs	Demand Drafts

Abbreviations	Full Form
DEOs	District Employment Offices
DET	Directorate of Employment and Training
DHQH	District Headquarters Hospitals
DME	Director of Medical Education
DMRHS	Director of Medical and Rural Health Services
DNC	Denotified Communities
DoTE	Directorate of Technical Education
DPC	District Programme Co-ordinator
DPOs	District Project Officers
DPR	Detailed Project Report
DPs	Draft Paragraphs
DR	Disaster Recovery
DRD	Director of Rural Development
DRDAs	District Rural Development Agencies
DSD	Directorate of Social Defence
DSE	Director of School Education
DSWOs	District Social Welfare Officers
EE	Executive Engineer
ELCOT	Electronics Corporation of Tamil Nadu
EMI	Employment Market Information
ERP	Enterprise Resource Planning
ESI	Employees' State Insurance
ESIC	Employees' State Insurance Corporation
GHS	Government High School
GoI	Government of India
GoTN	Government of Tamil Nadu
GRH	Government Rajaji Hospital
GSMC	Government Siddha Medical College
GTH	Government Taluk Hospital
H&FW	Health and Family Welfare
HDD	Hard Disk Drives
IAY	Indira Awaas Yojana
ICDP	Integrated Co-operative Development Project
ICPS	Integrated Child Protection Scheme
IPHS	Indian Public Health Standards
IRs	Inspection Reports
IS	Information Systems

Abbreviations	Full Form
ITI	Industrial Training Institutes
JDHS	Joint Directors of Health Services
JD-KR	Joint Director (Kallar Reclamation), Madurai
JJ Rules	Tamil Nadu Juvenile Justice (Care and Protection of Children) Rules
JJBs	Juvenile Justice Boards
KGMCH	Kanyakumari Government Medical College Hospital
LED	Labour and Employment Department
MBC	Most Backward Classes
MBCW	Most Backward Classes and Denotified Communities Welfare
MDP	Madurai PEEO
MHRD	Ministry of Human Resource Development
MLACD	Member of Legislative Assembly Constituency Development
MPLAD	Member of Parliament Local Area Development
NABARD	National Bank for Agriculture and Rural Development
NAC	National Apprenticeship Certificate
NCDC	National Co-operative Development Corporation
NCO	National Code of Occupation
NGOs	Non-Governmental Organisations
NTKH	Non-Taluk Hospitals
PA	Performance Audit
PAB	Project Approval Board
PAC	Committee on Public Accounts
PD	Personal Deposit
PEEOs	Professional and Executive Employment Offices
PET	Physical Education Teacher
PIA	Project Implementation Agency
PIT	Project Implementation Team
PWD	Public Works Department
RCS	Registrar of Co-operative Societies
RD	Regional Director
RD&PR	Rural Development and Panchayat Raj
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
SCPS	State Child Protection Society
SEMIS	School Education Management Information System
SMC	State Medical Commissioner
SMDC	School Management and Development Committee

Abbreviations	Full Form
SPD	State Project Director
SPID	Special Programme Implementation Department
SSA	Sarva Shiksha Abhiyan
SSLC	Secondary School Leaving Certificate
TAMPCOL	Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited
TCIL	Telecommunications Consultants India Limited, New Delhi
TET	Teachers Eligibility Test
TKH	Taluk Hospitals
TLD	Thermo Luminescence Dosimeter
TNCDW	Tamil Nadu Corporation for Development of Women
TNHSS	Tamil Nadu Health Systems Society
TNMSC	Tamil Nadu Medical Services Corporation
TNSWAN	Tamil Nadu State Wide Area Network
TRB	Teachers Recruitment Board
TSG	Technical Support Group
UA	Unemployment Allowance
UAT	User Acceptance Test
UC	Utilisation Certificate
UDISE	Unified District Information System for School Education
WC	Water Charges
WT	Water Tax