



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
General and Social Sector
for the year ended March 2018**



लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Karnataka
Report No.4 of the year 2019**

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Comptroller and Auditor General of India
on
General and Social Sector**

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Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2018 has been prepared for submission to the Governor of Karnataka under Article 151 (2) of the Constitution to be tabled in the State Legislature.

The report contains significant results of performance audit and compliance audit of the Departments and Autonomous Bodies of Departments of the Government of Karnataka under the General and Social Sectors including Departments of Health and Family Welfare, Housing, Kannada & Culture, Labour, Minority Welfare, Pre-University Education, Primary & Secondary Education, Revenue, Rural Development & Panchayat Raj, Social Welfare and Technical Education.

The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2017-18 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to period subsequent to 2017-18 are also included, wherever found necessary.

The audit was 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) relates to matters arising from performance audit of selected programmes and activities and compliance audit of Government Departments and Autonomous Bodies.

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

The primary purpose of the Report is to bring important results of audit to the notice of the State Legislature. 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 policies and issue directives that will lead to improved management, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the significant deficiencies and achievements in implementation of selected schemes, significant audit observations made during compliance audit and follow-up on previous Audit Reports. Chapter-II and Chapter-III of this report contains findings arising out of Performance Audit and observations arising out of compliance audit in Government Departments and Autonomous Bodies respectively.

1.2 Auditee Profile

The Principal Accountant General (General & Social Sector Audit), Karnataka, Bengaluru, conducts audit of expenditure under the General and Social Services Sectors incurred by 65 Departments in the State and 11 Autonomous Bodies. The Departments are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers working under them.

The summary of fiscal transactions of the Government of Karnataka during the year 2016-17 and 2017-18 is given in **Table-1.1** below:

Table 1.1 Summary of fiscal transactions in 2017-18

(₹ in crore)

Receipts			Disbursements		
	2016-17	2017-18		2016-17	2017-18
Section A: Revenue					
Revenue Receipts	1,33,213.79	1,46,999.65	Revenue Expenditure	1,31,920.75	1,42,482.33
Tax revenue	82,956.13	87,130.38	General Services	31,264.56	34,484.44
Non-tax revenue	5,794.53	6,476.53	Social Services	54,549.24	58,652.35
Share of Union taxes/ duties	28,759.94	31,751.96	Economic Services	40,421.37	42,855.78
Grants-in-aid and contributions from GOI	15,703.19	21,640.78	Grants-in-aid and contributions	5,685.58	6,489.76
Section B: Capital and others:					
Misc. Capital receipts	26.96	3.70	Capital Outlay	28,150.43	30,666.76
			General Services	1,060.39	977.45
			Social Services	6,896.84	8,676.76
			Economic Services	20,193.20	21,012.55
Recoveries of Loans and Advances	99.84	136.93	Loans and Advances disbursed	1,934.38	5,092.22
Public debt receipts**	31,155.92	25,121.86	Repayment of public debt**	7,420.24	8,269.16
Contingency Fund	-	-	Contingency Fund	-	-
Public Account Receipts	1,79,318.45	2,00,615.43	Public Account disbursements	1,67,153.81	1,94,536.63
Opening Cash Balance	27,118.23	34,353.58	Closing Cash Balance	34,353.58	26,184.05
Total	3,70,933.19	4,07,231.15	Total	3,70,933.19	4,07,231.15

Source: Finance Accounts 2017-18.

** Excluding net transaction under ways and means advances and overdraft.

1.3 Authority for conducting Audit

Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971, give the Comptroller and Auditor General (C&AG) of India the authority for conducting Audit. C&AG conducts audit of expenditure of the Departments of Government of Karnataka under Section 13¹ of the C&AG's (DPC) Act. C&AG is the sole auditor in respect of 11 Autonomous Bodies, which are audited under Sections 19(2)² and 19(3)³ of the C&AG's (DPC) Act. In addition, C&AG also conducts audit of 298 other Autonomous Bodies, under Section 14⁴ of C&AG's (DPC) Act, which are substantially funded by the Government. 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 Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts 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 accounts of Corporations established by law made by the State Legislature on the request of the Governor.

⁴ 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 anybody 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.

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

Under the directions of the C&AG, the Office of the Principal Accountant General (General & Social Sector Audit), Karnataka, Bengaluru, conducts the audit of Government Departments/Offices/Autonomous Bodies/Institutions under the General and Social Sector, which are spread all over the State. The Principal Accountant General (General & Social Sector Audit) is assisted by three Group Officers and various subordinate officers.

1.5 Planning and conduct of Audit

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

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

During 2017-18, in the General & Social Sector Audit Wing, 6,288 party days were used to carry out audit of 507 units and to conduct one performance audit and two compliance audits.

1.6 Significant audit observations

In the last few years, Audit reported on several significant deficiencies in implementation of various programmes/activities through performance audits, as well as on the quality of internal controls in selected Departments, which impact the success of programmes and functioning of the Departments. Similarly, the deficiencies noticed during compliance audit of the Government Departments/Organisations were also reported upon.

1.6.1 Performance Audit of programmes/activities/Departments

The present report contains one performance audit. The highlights are given in the following paragraphs:

1.6.1.1 Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

The Government of India (GoI) launched the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) with an objective to improve access, quality and equity by providing access to secondary and higher secondary schooling within

reasonable distance through improved physical facilities and qualified teachers and also by giving special focus to girls, scheduled caste and tribal children and differently abled children in the age group of 14-18 years. A Performance Audit of the RMSA scheme during the period 2013-14 to 2017-18 was conducted to assess whether the above objectives were achieved and we observed the following:

Rashtriya Madhyamik Shiksha Abhiyan Samithi, Karnataka (RMSASK) could not absorb the available funds in a timely manner. The utilisation of funds during 2013-14 to 2017-18 ranged between 30 and 55 *per cent*. The scheme's intervention was mainly focused on upgradation/strengthening of schools as 56 *per cent* of allocation was towards it leading to the neglect of other components such as computer aided education, procurement of laboratory items, furniture, *etc.*

(Paragraph 2.1.6)

In order to improve access, the Perspective Plan of Karnataka envisaged that secondary and higher secondary schools to be within reasonable distance. However, as at the end of March 2018, 4,361 habitations did not have access to secondary education. In addition, the perspective plan had envisaged to realign the structure of school education with the national level pattern by 2017 but the higher secondary continued to be under the Pre-University Board. Hence, both the targets were not achieved.

(Paragraph 2.1.7.1)

The target set in the Perspective Plan for enhancing quality in secondary education through infrastructural facilities like sufficient classroom, laboratories, library, separate toilet for girls and boys *etc.*, were yet to be achieved. Due to delay in executing civil works, out of 2,396 schools taken up for upgradation/strengthening during 2009-10 to 2017-18, only 1,740 schools were completed with 140 works in progress and balance 516 yet to be taken up. As of March 2018, RMSASK had not taken up any major/minor repairs though 1,367 and 1,494 schools respectively were in need of repairs. While the classroom student ratio of the Government schools was well within the prescribed ratio of 1:40, school-wise analysis showed that out of 4,677 Government schools run by Education Department, 2,721 schools had ratio ranging between 1:41 and 1:69.

[Paragraph 2.1.8.1 (a) (c) (e)]

The Pupil Teacher Ratio (PTR) of the State was well within the prescribed ratio of 30:1. However, in 874 schools, the PTR ratio was more than 30:1 as there was no monitoring in deployment of teachers at school level. Though RMSA specified that subject-wise teachers were required to be deputed in every school, it did not ensure proper balance of teachers as 642, 491 and 500 schools out of 15,666 schools did not have teachers for core subjects *viz.*, mathematics, science and social science respectively.

[Paragraph 2.1.8.3 (b) (c)]

In 342 schools of eight test-checked districts, we noticed the following:

- lack of sufficient classrooms in 22 schools;
- 65 schools did not have both science as well as computer laboratories;
- though 199 schools claimed to have library facilities, 99 schools did not have separate library facilities;
- though all the schools except one had toilet facilities, toilets lacked maintenance in many (52 out of 163) schools; and
- in 73 out of 252 aided and unaided schools, even though the infrastructure and teaching facilities were not in accordance with the norms prescribed by the State, recognitions of the schools were renewed.

[Paragraph 2.1.8.1 (e) & 2.1.8.2]

Due to delay in construction of model schools as well as recruitment of teachers in these model schools, the schools were yet to reach the standard of Kendriya Vidyalaya. Though RMSA envisaged Vocational Education for enhancing employment opportunities, the State is yet to integrate the Vocational Education into the secondary education system as the students were neither assessed nor issued with proficiency certificate.

[Paragraph 2.1.10 (1) & (2)]

The State was able to improve the participation of children in secondary education from 75 *per cent* in 2009-10 to 82 *per cent* in 2017-18, however, it was yet to achieve the target of 100 *per cent* GER by 2017. The GER of girls, SC and ST children was at 83, 79 and 73 *per cent* respectively against GER of the State at 82 *per cent*. Though the State had not achieved target of 100 *per cent* as envisaged in the Perspective Plan of Karnataka, it had ensured almost equitable participation from the special focus group in secondary education. However, it had not monitored the participation of differently abled children in secondary education.

(Paragraph 2.1.9.2 & 2.1.11.2)

Due to ineffective bottom-up planning, the annual and perspective plans were not need based and realistic. This coupled with deficient monitoring at all levels led to non-achievement of objectives of the RMSA basically in improving access and quality of secondary education. Thus, the impact of RMSA on secondary education was not visible in terms of financial and outcome indicators when compared to State's intervention.

(Paragraph 2.1.12)

1.6.2 Compliance Audit

Audit has also reported several significant deficiencies in critical areas, which impact the effective functioning of Government Departments/Organisations. Some significant audit findings are as under:

1.6.2.1 Thematic audit on the promotion and propagation of the Language and Culture of Karnataka

The main objective of Kannada and Culture Department is development of Kannada and promotion of culture. Though the Department has brought out a Cultural Policy after around 42 years of its existence, an action plan needs to be

framed in order to implement the recommendations in the Policy. Further, ineffective action of the State in obtaining required infrastructure resulted in non-establishment of a dedicated Centre of Excellence for studies in Classical Kannada in Bengaluru. Consequently, utilisation of the GoI grants was in a slow pace. In addition, though the Government framed various schemes/programmes to promote culture by encouraging/honouring individuals/institutions, the objective was not achieved due to lapses in guidelines and also due to non-compliance to the existing guidelines which resulted in assistance being released to ineligible institutions/trusts and non-utilisation of assistance for the purpose for which it was released. During 2013-14 to 2017-18, part of the grants released to various Authorities, Academies, Prarishaths and Rangayanas functioning under the Department for promotion of Kannada and Culture remained un-utilised and outside Government Accounts which once again indicated lapses in monitoring of utilisation of grants. Thus, even though Government released huge amounts for promotion and propagation of Kannada and Culture, the objective of the Department was not achieved to a substantial extent.

(Paragraph 3.1)

1.6.2.2 Thematic audit on Construction and maintenance of hostels for Scheduled Caste students

The State Government had not brought out any guidelines for construction of hostels. The non-construction of hostel at Byadgi and the incomplete work at Betagera indicated lack of proper planning/prioritisation in constructing the hostels.

The number of students accommodated in the hostels in the State exceeded the envisaged capacity. This was because the State Government directed (July 2013) the Social Welfare department to accommodate all SC students who have sought admission for the hostels, irrespective of the sanctioned strength of the hostels.

Out of 190 test-checked hostels in 16 taluks, 74 hostels (39 *per cent*) were accommodating more students than the capacity. In 10 hostels, the crowding was to the extent of more than 100 *per cent*. On the other hand, 85 hostels (45 *per cent*) of the hostels were under-utilised. In 18 hostels, the extent of under-utilisation was less than 10 *per cent* and in 30 hostels, it ranged between 12 to 25 *per cent*. While the extent of under-utilisation in 26 hostels ranged between 26 to 50 *per cent*, it was 53 to 83 *per cent* in the balance 11 hostels. It was also seen that crowding was more in girls' hostels as compared with the boys' hostels.

The exemption provided under clause 4(g) of the KTPP Act, 1999, violated the guidelines of Central Vigilance Commission and was against the judgement of the Hon'ble Supreme Court. This led to indiscriminate entrustment of works on nomination basis to the agencies. There were delays in commencement and completion of works by the constructing agencies. In violation of the codal provisions, the department entrusted 12 works estimated to cost ₹45.63 crore to these agencies without ensuring the availability of sites.

The department had not furnished the details of repair/renovation works taken up during the period 2013-14 to 2015-16. Further, 376 (50 per cent out of 755 works taken up during 2016-17 and 2017-18 with a stipulated period of six months' completion were yet to be completed. There were instances of non-execution of repair/renovation works which were incorrectly reported as being completed.

There were deficiencies in providing facilities such as cots, beds, mattresses, toilets and bathrooms to the inmates of the test-checked hostels.

The tendering process was not compliant with the provisions of the KTPP Act, 1999. The evaluation of tenders was not consistent with the criteria spelt out in the tender documents. Awarding several works in excess of the capacity of the contractors led to chronic delay in execution of works.

Funds were released in lump sum to the construction agencies without effecting statutory deductions and Further Security Deposit (FSD) resulting in non-recovery of ₹14.86 crore towards income tax and ₹37.16 crore towards FSD. The constructing agencies retained the savings realised on construction of works without remitting it to the department. The construction agencies/department officers did not comply with the various instructions stipulated in the sanction orders leading to absence of effective monitoring.

(Paragraph 3.2)

1.6.2.3 Other audit observations

Failure of the Taluk Health Officer, Pavagada to comply with the provisions laid down in Karnataka Financial Code, 1958 for preparation of bills and supervision resulted in misappropriation of ₹2.81 lakh by the First Division Assistant of the said office.

(Paragraph 3.3)

Failure of the Deputy Director, Pre University Education, Ballari in rendering accounts for the amount drawn and non-maintenance of cash book as per provisions of the Karnataka Financial Code resulted in suspected misappropriation of ₹six lakh.

(Paragraph 3.4)

Karnataka Housing Board could not monitor its funds requirement due to its instructions to transfer funds only on certain dates. This resulted in avoidable finance charges of ₹0.63 crore on the overdraft account.

(Paragraph 3.5)

The Department of Minority Development extended financial assistance under 'Bidaai' scheme of ₹50 lakh to ineligible beneficiaries on account of non-verification of documents submitted by the beneficiaries.

(Paragraph 3.6)

The Karnataka State Board of Wakf failed to comply with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948. As a result, the Board did not make statutory payment which amounted to ₹1.09 crore towards the Employees Provident Fund and Employees State Insurance.

(Paragraph 3.7)

Non-compliance by the Deputy Directors of Public Instruction/Block Education Officers and Karnataka Text book Society to the orders and instructions issued by Government resulted in avoidable expenditure of ₹1.13 crore.

(Paragraph 3.8)

Erroneous classification of land in the final notification of acquisition issued and non-initiation of timely corrective action by the Government resulted in avoidable payment of compensation of ₹10.53 crore to the land owners.

(Paragraph 3.9)

The Executive Engineer, Panchayat Raj Engineering Division, Harapanahalli failed to acquire land for the works of water supply schemes in Davanagere district before commencement of works resulting in unfruitful expenditure of ₹47.55 crore and denial of safe drinking water.

(Paragraph 3.10)

The Department of Rural Development and Panchayat Raj, in violation of the Karnataka Education Act, 1983, prescribed levy and collection of education cess by Gram Panchayats. Accordingly, 197 test-checked GPs had levied and collected ₹2.69 crore as at the end of March 2017.

(Paragraph 3.11)

Due to non-conducting of demand survey, deficiencies in preparing estimate and drawings for construction of a women's hostel by the Department of Karnataka Public Works, Ports and Inland Water Transport and Karnataka Housing Board (KHB), buildings constructed at a cost of ₹1.86 crore remained incomplete and unutilised for more than four years.

(Paragraph 3.12)

1.7 Responsiveness of Government to Audit

1.7.1 Outstanding Inspection Reports

The Hand Book of Instructions for Speedy Settlement of Audit Observations issued by the Finance Department in 2001, provides for prompt response by the Executive to the Inspection Reports (IRs) issued by the Accountant General (AG) to ensure rectificatory action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, *etc.*, noticed during the inspections. The Heads of Offices and next higher authorities are required to comply with the observations contained in IRs, rectify the defects and omissions promptly and report their compliance to AG, who forwards a half yearly report of pending IRs to the Secretaries of the Departments to facilitate monitoring of the audit observations.

As on 31 March 2018, 3,420 IRs (18,207 paragraphs) were outstanding against all Departments. Year-wise details of IRs and paragraphs outstanding are detailed in **Appendix-1.1**. A review of the pending IRs issued up to March 2018 showed that while five *per cent* of the total IRs pending *i.e.*, 183 IRs (1,613 paragraphs) was pending for less than one year, 2,421 IRs (13,903 paragraphs) were pending for more than one year but for less than 10 years. However, around 24 *per cent* of IRs *i.e.*, 816 IRs (2,691 paragraphs) were pending for more than 10 years. Further review of IRs pending for more than 10 years revealed that Higher Education and Revenue Departments had highest pendency of IRs at 109 and 163 respectively.

1.7.2 Response of Departments to the draft paragraphs

The Performance Audit, two Thematic Audits and 12 Draft paragraphs were forwarded demi-officially to the Principal Secretaries/Secretaries of the Departments concerned between June 2018 and November 2018 to send their responses within six weeks. Based on audit observations, action was initiated in respect of two Draft paragraphs which have been considered by this office and have not been included in this Report. Government replies were received for the Performance Audit, the two Thematic Audits and all the paragraphs. The replies, wherever received, are suitably incorporated in the Report.

1.7.3 Follow-up action on Audit Reports

The Hand Book and the Rules of Procedure (Internal Working), 1999, of the Public Accounts Committee provides for all the departments of Government to furnish detailed explanations in the form of Action Taken Notes (ATNs) to the audit observations included in Audit Reports, within four months of their being laid on the Table of Legislature.

The administrative departments did not comply with these instructions and five departments as detailed in **Appendix-1.2** did not submit ATNs for 10 paragraphs for the period 2011-12 to 2016-17 even as on 31 December 2018.

1.7.4 Paragraphs to be discussed by the Public Accounts Committee

Details of paragraphs (excluding General and Statistical) pending discussion by the Public Accounts Committee as on 31 December 2018 are detailed in **Appendix-1.3**.

Chapter-II

Performance Audit

Chapter-II

Performance Audit

Department of Primary and Secondary Education

2.1 Rashtriya Madhyamik Shiksha Abhiyan

Executive Summary

The Government of India (GoI) launched the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) with an objective to improve access, quality and equity by providing access to secondary and higher secondary schooling within reasonable distance through improved physical facilities and qualified teachers and also by giving special focus to girls, scheduled caste and tribal children and differently abled children in the age group of 14-18 years. A Performance Audit of the RMSA scheme during the period 2013-14 to 2017-18 was conducted to assess whether the above objectives were achieved and we observed the following:

Rashtriya Madhyamik Shiksha Abhiyan Samithi, Karnataka (RMSASK) could not absorb the available funds in a timely manner. The utilisation of funds during 2013-14 to 2017-18 ranged between 30 and 55 *per cent*. The scheme's intervention was mainly focused on upgradation/strengthening of schools as 56 *per cent* of allocation was towards it leading to the neglect of other components such as computer aided education, procurement of laboratory items, furniture, *etc.*

(Paragraph 2.1.6)

In order to improve access, the Perspective Plan of Karnataka envisaged that secondary and higher secondary schools to be within reasonable distance. However, as at the end of March 2018, 4,361 habitations did not have access to secondary education. In addition, the perspective plan had envisaged to realign the structure of school education with the national level pattern by 2017 but the higher secondary continued to be under the Pre-University Board. Hence, both the targets were not achieved.

(Paragraph 2.1.7.1)

The target set in the Perspective Plan for enhancing quality in secondary education through infrastructural facilities like sufficient classroom, laboratories, library, separate toilet for girls and boys *etc.*, were yet to be achieved. Due to delay in executing civil works, out of 2,396 schools taken up for upgradation/strengthening during 2009-10 to 2017-18, only 1,740 schools were completed with 140 works in progress and balance 516 yet to be taken up. As of March 2018, RMSASK had not taken up any major/minor repairs though 1,367 and 1,494 schools respectively were in need of repairs. While the classroom student ratio of the Government schools was well within the prescribed ratio of 1:40, school-wise analysis showed that out of 4,677 Government schools run by Education Department, 2,721 schools had ratio ranging between 1:41 and 1:69.

[Paragraph 2.1.8.1 (a) (c) (e)]

The Pupil Teacher Ratio (PTR) of the State was well within the prescribed ratio of 30:1. However, in 874 schools, the PTR ratio was more than 30:1 as there was no monitoring in deployment of teachers at school level. Though RMSA specified that subject-wise teachers were required to be deputed in every school, it did not ensure proper balance of teachers as 642, 491 and 500 schools out of 15,666 schools did not have teachers for core subjects *viz.*, mathematics, science and social science respectively.

[Paragraph 2.1.8.3 (b) (c)]

In 342 schools of eight test-checked districts, we noticed the following:

- lack of sufficient classrooms in 22 schools;
- 65 schools did not have both science as well as computer laboratories;
- though 199 schools claimed to have library facilities, 99 schools did not have separate library facilities;
- though all the schools except one had toilet facilities, toilets lacked maintenance in many (52 out of 163) schools; and
- in 73 out of 252 aided and unaided schools, even though the infrastructure and teaching facilities were not in accordance with the norms prescribed by the State, recognitions of the schools were renewed.

[Paragraph 2.1.8.1 (e) & 2.1.8.2]

Due to delay in construction of model schools as well as recruitment of teachers in these model schools, the schools were yet to reach the standard of Kendriya Vidyalaya. Though RMSA envisaged Vocational Education for enhancing employment opportunities, the State is yet to integrate the Vocational Education into the secondary education system as the students were neither assessed nor issued with proficiency certificate.

[Paragraph 2.1.10 (1) & (2)]

The State was able to improve the participation of children in secondary education from 75 *per cent* in 2009-10 to 82 *per cent* in 2017-18, however, it was yet to achieve the target of 100 *per cent* GER by 2017. The GER of girls, SC and ST children was at 83, 79 and 73 *per cent* respectively against GER of the State at 82 *per cent*. Though the State had not achieved target of 100 *per cent* as envisaged in the Perspective Plan of Karnataka, it had ensured almost equitable participation from the special focus group in secondary education. However, it had not monitored the participation of differently abled children in secondary education.

[Paragraph 2.1.9.2 & 2.1.11.2]

Due to ineffective bottom-up planning, the annual and perspective plans were not need based and realistic. This coupled with deficient monitoring at all levels led to non-achievement of objectives of the RMSA basically in improving access and quality of secondary education. Thus, the impact of RMSA on secondary education was not visible in terms of financial and outcome indicators when compared to State's intervention.

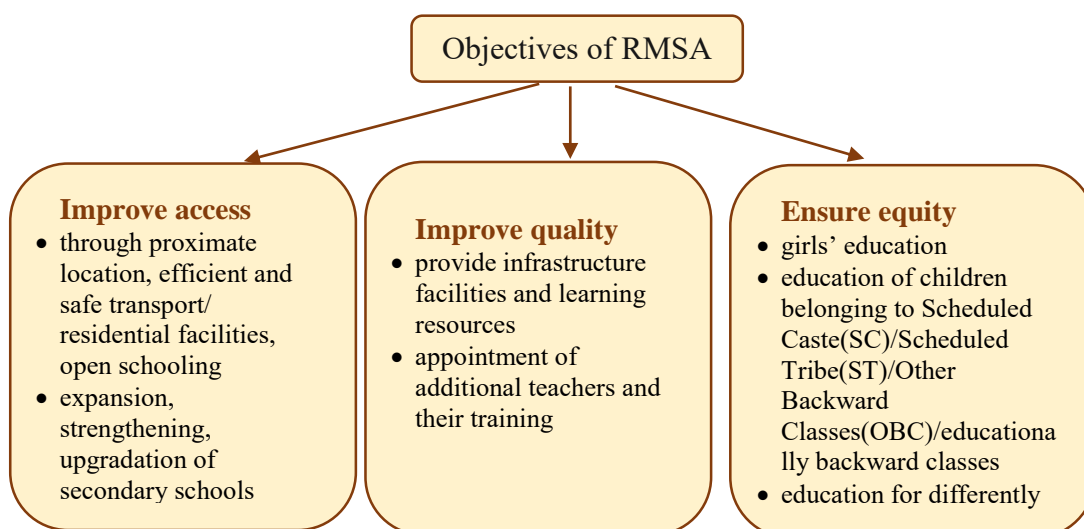
(Paragraph 2.1.12)

2.1.1 Introduction

In India, the enrolment of children in educational institutions is pyramidal. Enrolment at the lower classes is highest and it declines in each succeeding class and is lowest in higher education. While Classes 9 and 10 constitute the secondary stage⁵, Classes 11 and 12 are designated as higher secondary stage.

In March 2009, the Government of India (GoI) launched a country-wide secondary education development programme called the "Rashtriya Madhyamik Shiksha Abhiyan⁶ (RMSA)". From 2013-14, RMSA subsumed four⁷ existing centrally sponsored schemes into its fold. The vision of the RMSA was to provide secondary school within reasonable distance, achieve Gross Enrollment Ratio (GER) of 100 *per cent* by 2017, universal retention by 2020 and provide access to secondary education with special references to economically weaker, educationally backward, girls and differently abled children. The above vision was translated into the following objectives indicated in **Chart-2.1**.

Chart-2.1: Objectives of RMSA



The United Nation in its Millennium Development Goal-2 aimed to achieve universal primary education by 2015. It extended its target to secondary education in its Sustainable Development Goal (SDG) No. 4. India is committed to the United Nation's SDGs No.4 of ensuring that all boys and girls complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes (**Appendix-2.1**). Further, the said SDG aims to significantly increase access to Information and Communications Technology and strives to provide universal and affordable access to the Internet in least developed countries.

⁵ The normal age group for secondary stage is 14 to 16 years and for higher secondary stage, it is 17 to 18 years.

⁶ The objective of RMSA (scheme) was to enhance access to secondary education, improve its quality and remove gender, socio-economic and disability barriers.

⁷ (i) Scheme for Construction and Running of Girls' Hostel, (ii) Information and Communication Technology (ICT) in School, (iii) Inclusive Education for disabled in the Secondary Stage (IEDSS) and (iv) Vocational Education.

2.1.2 Organisational setup

RMSA is implemented through ‘Rashtriya Madhyamik Shiksha Abhiyan Samithi-Karnataka (RMSASK), a registered society, established (May 2009) under the administrative control of the Department of Primary and Secondary Education. While the ‘Governing Council’ headed by the Hon’ble Chief Minister, steers the RMSA mission, the Executive Committee (EC) chaired by the Principal Secretary (Primary and Secondary Education) administers the programme. The State Project Director (SPD) who is the Member Secretary of the EC is responsible for implementation and monitoring. At the district level, the Deputy Director of Public Instruction who is the District Project Officer (DPO) implements RMSA along with the District Level Samithi, District Implementation Committee and District Resource Group. At block level, the Block Education Officer {Block Resource Centre (BRC)} implements the scheme. At village/school level, the School Development and Monitoring Committee (SDMC) is responsible for implementation.

2.1.3 Audit objectives

The Performance Audit was conducted to assess whether the primary objectives of the RMSA were achieved:

- through improved access to secondary education;
- ensuring quality in secondary education; and
- equity in secondary education.

2.1.4 Audit Criteria

The Performance Audit was benchmarked against the following:

- Karnataka Education Act, 1983 and Rules there-under;
- The broad vision of the 12th Plan Document, Millennium Development Goals and Sustainable Development Goals;
- Framework for Implementation of RMSA;
- Manual on Financial Management and Procurement for RMSA;
- Planning and Appraisal Manual for Secondary Education;
- Guidelines on various components *viz.* Information & Communication Technology (ICT), Inclusive Education of the Disabled at the Secondary Stage (IEDSS), Girls Hostel & Vocational Education;
- Instructions from the Government of India to States/UTs regarding the RMSA.

2.1.5 Audit scope and methodology

The Performance Audit was conducted between April and August 2018 covering the period 2013-14 to 2017-18⁸ through a test-check of records in the offices of Commissioner for Public Instruction, SPD-RMSA, DPOs in eight⁹

⁸ In respect of non-recurring expenditure like construction/upgradation/strengthening of schools, major repairs and performance indicators, the period from 2009-10 to 2017-18 *viz.*, period of RMSA has been covered.

⁹ Belagavi, Bengaluru (Urban), Chamarajanagar, Chitradurga, Hassan, Kalaburagi, Vijayapura, and Yadgir.

test-checked districts out of 30 districts in the State and 342¹⁰ out of 6,275 secondary schools in the eight test-checked districts. Probability proportional to size without replacement method was adopted for selection of eight districts, two from each of the four revenue divisions in the State viz. Belagavi, Kalaburagi, Bengaluru & Mysuru. The 342 secondary schools were selected adopting random sampling from the eight test-checked districts. In addition, eight Model Schools and seven Girls Hostels in the sampled districts have been test-checked (**Appendix-2.2**). Audit objectives, criteria and scope of audit were discussed in an entry conference (March 2018) with the Principal Secretary, Primary and Secondary Education Department.

The Government replied (February 2019) that none of the better performing districts were selected for test-check by Audit as most of them had low Human Development Indices (HDI). The reply did not consider the fact that the sampling was based on the district-wise population of children in the age group of 14-18 years as discussed in the entry conference. Further analysis of HDI revealed that the sample has fairly represented all strata in the divisions.

The methodology adopted for audit included scrutiny of files and documents, collection of data, issue of audit enquiries/questionnaires/proformae and examination of records. Besides, joint inspections along with Head master/Block Educational Officer/District Level Officer and surveys of school children and headmasters were conducted to ascertain facilities available and provided in the school.

An Exit conference was held in January 2019 with the Principal Secretary to the Government, Department of Primary and Secondary Education wherein the audit findings were discussed. The report takes into account the replies furnished by the Government.

2.1.6 Utilisation of funds

The ratio of funding pattern of RMSA between the Central and State Governments until 2014-15 and thereafter is 75:25 and 60:40 respectively. Utilisation of funds during 2009-10 to 2017-18 is indicated in **Appendix-2.3**

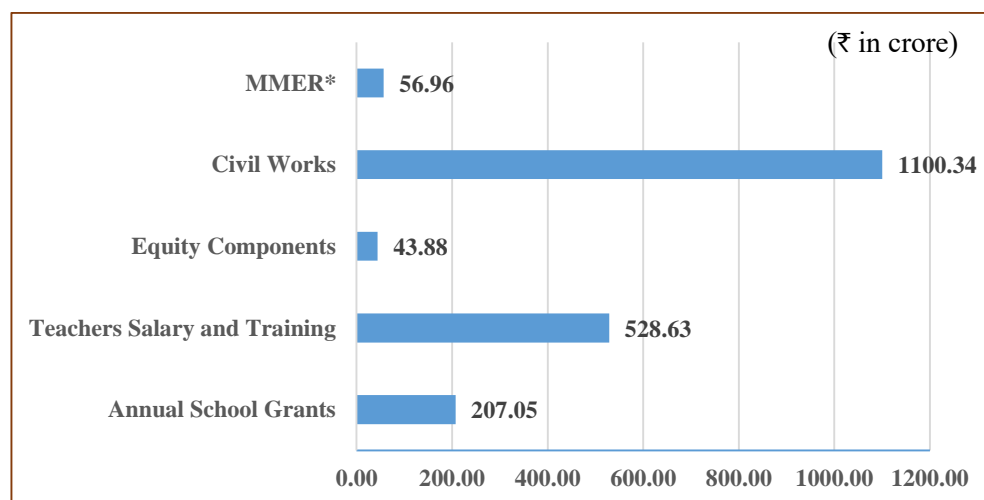
During the period of audit coverage viz., 2013-14 to 2017-18, the percentage of utilisation ranged between 30 and 55 indicating that the RMSASK could not absorb the available funds in a timely manner. The reasons for non-utilisation are brought out in the paragraphs discussed subsequently. The non-utilisation of funds impacted achievement of the objective of enhancing quality of secondary education discussed in paragraph 2.1.8.1(a).

The Government while accepting that RMSA could not completely utilise the funds, stated that utilisation of substantial amount of funds provided under non-recurring grant was delayed. The non-utilisation of funds impacted achievement of the objective of enhancing quality of secondary education discussed in paragraph 2.1.8.1(a).

¹⁰ Out of 363 which were selected for test-check, 21 schools were either non-working or non-responsive to Audit. Hence, Audit test-checked only 342 schools.

Further, component wise analysis of the allocation of funds¹¹ showed that while 56 per cent of allocation was towards upgradation/strengthening of schools, 27 per cent was towards salary and training of teachers. The balance was distributed between other components which is indicated in the **Chart-2.2** below.

Chart-2.2: Component-wise allocation of funds under RMSA



*Management, Monitoring, Evaluation and Research (MMER)

Thus, RMSA's intervention was mostly towards physical infrastructure.

Audit findings

The data on number of secondary schools in the State and the enrolment of children in the secondary schools, the GER, and the retention rate before commencement of RMSA *i.e.*, as on September 2008, commencement of audit period *i.e.*, end of March 2014 and after 10 years of implementation of RMSA *i.e.*, as at the end of March 2018 is indicated in the **Table-2.1**.

Table-2.1: Trend in the parameters

Categories	2008	2014	2018
Number of schools	11,753	14,469	15,666 ¹²
Enrolment in schools	15,57,708	16,84,704	17,59,737
Enrolment of girls	7,47,660	8,09,890	8,42,943
Enrolment of SC/ST	3,67,722	4,09,352	4,45,829
Enrolment of differently abled children	NA	14,084	9,818
GER	68.4	76*	82.37
Retention rate	NA	82.7	88

Source: Information furnished by State Project Director, RMSA

*2014-15

From the Table, it is evident that though there is an increasing trend in almost all the parameters, we noticed that the targets of RMSA were yet to be achieved in the State. While the State's effort in attaining GER of 82 per cent and

¹¹ Component wise expenditure not available with RMSASK. Hence audit analysed on the allocation of funds.

¹² Government schools-5,330; Aided schools-3,803; Unaided schools-6,533.

retention rate of 88 *per cent* as at the end of March 2018 was commendable, it however, needs to put in additional and sustained effort to achieve the vision of the scheme. The reasons for non-achievement of RMSA outputs and its outcome are discussed objective wise in this report.

2.1.7 Improved access to secondary education

RMSA aimed to improve access to secondary education through decreasing the distance a child has to travel to reach a secondary and higher secondary school, improvement in transport facilities and open schooling.

The Perspective Plan for expanding secondary education for 2009-2017 for Karnataka (Perspective Plan of Karnataka) envisaged all secondary and higher secondary schooling within reasonable distance and realignment of the structure of school education with the National level pattern by 2017. However, we noticed that both the targets were not achieved. Further observations on accessibility is discussed in the subsequent paragraphs.

2.1.7.1 Coverage of Habitation

The major objective of the RMSA was to improve access to secondary schooling through proximate location *i.e.*, Secondary Schools within 5 kms and Higher Secondary Schools within 7-10 kms. The Perspective Plan of Karnataka¹³ envisaged secondary schooling within five kms of all habitations by 2011-12. The following are the audit observations:

- RMSASK had not maintained either the list of all the habitations in the State or the habitations with secondary schools. Hence, audit could not assess whether all the habitations had secondary schooling within five kms. From the information furnished by RMSASK to audit, we noticed that as at the end of 2010-11 and 2017-18, 11,609 and 4,361 habitations respectively did not have access to secondary education within five kms. Thus, though the habitations without access to secondary education had decreased from 11,609 to 4,361, the target as per the Perspective Plan of Karnataka was not achieved. Further, analysis of the data showed that the RMSASK had accelerated its pace in providing secondary education during its initial years of implementation of the RMSA and thereafter the pace had almost stagnated. Due to non-availability of the list of habitations with secondary schools, audit could not verify the veracity of information on habitations produced to audit.
- RMSASK had not carried out any exercise to ascertain the availability of higher secondary schools, in accordance with the specified norm of seven km radius of habitation.

Thus, children of all habitations did not get secondary/higher secondary schooling within reasonable distance.

The Government accepted (February 2019) that it was committed to make secondary and higher secondary education available for all the habitations. However, it stated that covering 93 *per cent* of the habitation was a feat in itself.

¹³ Perspective Plan for expanding secondary education for 2009-2017 for Karnataka.

It further stated that GIS mapping is being currently used for deciding location of schools.

2.1.7.2 Arrangement for transport facilities

The RMSA framework envisaged efficient and safe transport arrangements or residential schooling depending on local circumstances *viz.*, hilly regions, remote area *etc.* As already discussed in the previous paragraph, since 4,361 habitations lacked access to secondary education, identification of the habitations which required efficient and safe transport facilities or residential schools was of utmost importance. However, we noticed that no such exercise was conducted by RMSASK. As a result, RMSASK had neither provided any transportation facilities in any habitations nor had it proposed for construction of residential schools. During the survey of habitations in two districts, we observed that children from Kabanahalli, Khanapura Taluk habitation of Belagavi district and Nine¹⁴ habitations of Chamrajnagara District had to walk a minimum of six kilometers through forest area to their school since there were no transport facilities available.

Thus, due to non-identification of habitations which required access to secondary schools or transport facilities or residential schools, the children of many habitations were deprived the ease of access to secondary education and had to walk more than five kms to reach a school.

2.1.7.3 Open schooling

Open schooling plays a critical role in providing access, specially to disadvantaged groups like SC, ST, girls and differently abled children. However, we noticed that RMSASK had not assessed and identified the habitations which required open schooling nor had it maintained data on the number of children utilising the open school facilities in the State. Thus, students of disadvantaged segments, like SC/ST and girls were not identified for providing support by developing a detailed and well thought out plan for mobilisation and publicity of open schools.

The Government replied (February 2019) that open schooling was addressed by autonomous institutions including Karnataka Open University (KOU). The reply is incorrect as the KOU addresses higher education and the RMSASK is yet to assess habitations which require open schooling for secondary education.

2.1.7.4 Upgradation of schools

Increased access to schools also included expansion and strengthening of existing secondary and higher secondary schools and upgradation of upper primary schools to secondary schools or secondary schools to higher secondary schools based on school mapping. The Perspective Plan of Karnataka envisaged up-gradation of 2,000 upper primary schools by 2012.

¹⁴ Padasalanatha, Indiganatha, Thekane, Thokere, Tulasikere, Kokkabaree, Kombudukki, Doddanee and Changadi.

We noticed that the State had proposed upgradation of only 558 schools during the period 2009-10 to 2017-18. Against the proposal, the Project Approval Board (PAB) approved a total of 488 schools for up-gradation which covered construction of physical infrastructure, procurement of furniture and laboratory items for these schools and appointment of teachers. However, out of these 488 schools, civil works were taken up only in 254 schools. Due to non-completion of the approved works, further proposals of the RMSASK were not considered by PAB. Thus, against the target of 2,000 schools to be upgraded, only 254 were taken up for upgradation physically. (Construction of schools is discussed in subsequent paragraphs).

Further, while teachers were appointed in 399 schools, 455 teachers approved by PAB for the balance 65 schools were not appointed by the Government due to non-approval of the proposal by Finance Department. As a result, these upgraded schools were functioning without adequate infrastructure as well as teaching facilities.

The functioning of four upgraded school out of 91 Government schools test-checked in audit is detailed in **Appendix-2.4**.

The Government replied (February 2019) that due to non-release of GoI funds, there was delay in execution of works. Thus, due to delay in release of funds, the upgradation of the schools was only in name and the actual upgradation of schools in terms of infrastructure and human resources did not take place. Observations on availability of infrastructure as well as human resources in upgraded schools are discussed in paragraph 2.1.8.

Recommendation-1: The State needs to undertake comprehensive school mapping in order to provide access to schooling in uncovered habitations and also to identify the requirement of each school.

2.1.7.5 Institutional reforms not taken up

The Perspective Plan of Karnataka, envisaged realigning the structure of school education with the National level pattern wherein Class-8 was to be brought into the elementary system. The State, however, did not undertake the institutional reforms envisaged in the Perspective Plan. Instead, majority of the schools in the State still followed 7+3+2 system of schooling. While, 7+3 is covered under primary and secondary education, the higher secondary is addressed through the Pre-University Board. Further, the Government had appointed (January 2012) a Committee under the Chairmanship of Dr.R.Govinda, National University of Educational Planning & Administration (NUEPA), New Delhi and Commissioner of Public Instruction as Member Secretary to report on how the system of Class-1 to Class-12 education should be functioning in the State. Though the Committee had submitted its report (August 2012), the State was yet to take a decision on its implementation. Thus, the higher secondary was not covered under RMSA. Due to this, the State lost the opportunity of receiving RMSA funds for enhancing infrastructure, access and information technology in higher secondary schools.

2.1.8 Enhancing quality of secondary education

RMSA sought to enhance quality in secondary schools through improved physical facilities, qualified teachers and learning resources at least according to the prescribed standards through financial support in case of Government/ Government aided and Local body schools and appropriate regulatory mechanism in case of other schools.

The State envisaged progressing towards 100 *per cent* learning achievement level by 2017. The strategies employed by the State included providing laboratory, library and computer learning facilities in the schools, ensuring Pupil Teacher Ratio (PTR) of 1:30, rationalisation of teacher deployment, recruitment of subject specific teachers, monitoring of attendance of students and teachers *etc.* The target of achieving the basic infrastructure facilities in all schools by 2017 was not realised even as of March 2018 due to delay in construction. While the State had a favourable PTR even at the commencement of the project, it did not succeed in rationalisation of teacher deployment. While the Perspective Plan estimated requirement of 10,000 teachers by 2017, there was significant shortfall in their recruitment. As a result, many schools suffered without subject specific teachers. While the RMSA had specified outcome indicators for monitoring the progress in quality improvement like student attendance rate, student achievement levels, availability of learning facilities *etc.* the required data for monitoring their progress was not collected by RMSASK. The assessment of learning achievement level by Karnataka School Quality Assessment and Accreditation Council (KSQAAC) during 2018 showed an achievement of less than 50 *per cent* in secondary level.

Audit observations with regard to each target for ensuring quality in secondary education are discussed below.

2.1.8.1 Infrastructure

Large-scale inputs in terms of additional schools, upgradation of schools through additional classrooms, *etc.*, need to be provided to meet the challenge of numbers and quality. Infrastructural support could include the following:

- Opening of new schools/upgradation¹⁵ of upper primary schools
- Strengthening¹⁶ of existing secondary and higher secondary schools
- Major repairs
- Minor repairs
- Teacher's quarters

All the above, *inter alia*, require assessment of existing physical infrastructure.

Audit observations on infrastructure are discussed below:

¹⁵ Providing additional secondary classes to the upper primary school along with infrastructure.

¹⁶ For existing secondary schools by providing components like additional classroom, science laboratory, computer room, arts and craft room, library, *etc.*

(a) Opening of new schools/upgradation of upper primary schools/strengthening of existing secondary schools

During 2009-10 to 2017-18, while upgradation and strengthening of schools were taken up, no new schools were opened under RMSA. The details of upgradation of upper primary schools/strengthening of existing secondary schools approved by PAB during 2009-10 to 2017-18 is indicated in **Table-2.2**.

Table-2.2: Upgradation/strengthening of schools

(₹ in crore)

Year	Number of schools		Amount	Number of schools					
	Upgradation	Strengthening		Completed		In progress		Not taken up/ Surrendered	
				Upgraded	Strengthened	Upgraded	Strengthened	Upgraded	Strengthened
2009-12	329	1,895	741.27	230	1,510	24	116	75	269
2013-14	28	00	22.56	0	0	0	0	28	0
2014-15	66	04	52.71	0	0	0	0	66	4
2015-16	45	09	42.69	0	0	0	0	45	9
2016-17	20	00	00	0	0	0	0	20	0
2017-18	00	00	00	0	0	0	0	0	0
Total	488	1,908	859.23	230	1,510	24	116	234	282

Source: Information furnished by State Project Director, RMSA

From the table, it is seen that 2,396 out of 4,677 Government schools have been taken up for upgradation/strengthening during 2009-10 to 2017-18. Of these, 1,740 schools have been completed and 140 works are in progress. In respect of balance 516 schools' tenders for works are yet to be called for. Further, we noticed that 1,740 works were completed only after delays of more than six years. The delay was attributed to delay in handing over of sites and drawings, non-availability of sites, *etc.* In addition, we observed that due to delay in execution of works, ₹123.74 crore sanctioned for upgradation during 2009-16 and ₹65.96 crore sanctioned during 2009-10 and 2010-11 for strengthening were surrendered (2016-17) to GoI.

Audit analysed the delay and noticed that in 2,024 out of 2,396 works, there was delay which ranged from 2 to 1,456 days in handing over the site to the contractors as the land required was not in possession of the RMSASK (**Appendix-2.5**). This was in violation of the Karnataka Public Works Departmental (KPWD) Code which stipulates that no works should be taken up for execution unless land required for the work is in possession of the Department concerned. According to the Agreement, the works were to be completed within the stipulated period of 20 months from the date of issue of the work order. Due to delay in handing over the site, there was delay in execution of works which ranged between one to 48 months and also risk of cost overruns. The other reasons which are attributable for time overrun was delay in issue of drawings/Bill of Quantities (BOQs) *etc.* As on September 2018, while 77 works were near completion, 69 works were in various stages of construction such as foundation (10), plinth level (9) lintel level (4) and ground or first or second floor (46). The delay in execution of work in all these cases was attributed to delay in issue of drawings to contractors/ BOQs *etc.*

In addition, PAB withdrew 77 works approved by them citing non-availability of sites and non-requirement of the work at the specified place. This indicated that RMSASK had proposed works without undertaking proper requirement analysis and also availability of land.

Irregularities noticed in the execution of the upgradation and strengthening of schools are discussed in **Appendix-2.6**.

The irregularities discussed indicate that upgradation and strengthening of works were undertaken in a highly uncontrolled manner wherein all the norms of Karnataka Transparency in Public Procurement (KTPP) Act and KPWD Code were violated *viz.*, tenders were called for without technical sanction and also BOQ, tenders were modified after opening of tender, negotiations were conducted with the tenderers *etc.*

The Government stated (February 2019) that a committee has been constituted to look into the irregularities and submit a report. It has further stated that suitable action will be taken based on the report of the committee.

(b) Quality in execution of civil works

The contract agreement provided for a defect liability period of 12 months from the date of completion of the work and on issuance of Completion Certificate by the Competent Authority. The RMSASK was to examine all the completed works and notify the contractor of any defects before the end of the defect liability period. However, from the records produced to audit, we observed that no such examination was conducted by the RMSASK except in Davanagere district. In Davanagere district, though the consulting engineers appointed had inspected 48 completed works and had reported that the general quality of the building was not satisfactory in 45 cases, RMSASK did not take any action. Instances of poor quality of construction noticed during joint inspection of schools is indicated in **Exhibit-2.1**.

The Government replied (February 2019) that corrective action would be initiated.

(c) Major and Minor repair works

RMSA provides non-recurring grants for major repairs and recurring grants for minor repairs. Grants for repair were available for existing schools with own buildings. The major repair grants were to be utilised for adaptation of existing building environment (indoor and out-door) towards new pedagogy or retrofitting the existing buildings towards hazard resistance, thermal comfort, better light and ventilation. Similarly, the grants released for minor repairs were to be utilised for repair of school building, toilets, tanks, play grounds, campus, electrical/sanitary and other fittings, furniture and fixtures *etc.*

During 2010-11, though PAB had approved ₹1.72 crore for major repairs of 113 schools, RMSASK had not undertaken any major repair work. As a result, all the 113 schools continued without better light and ventilation. Without utilising the amount released earlier, RMSASK once again proposed major repairs (272) during 2014-15. PAB turned down the request as RMSASK had not furnished the list of schools which required major repairs. However, it did not furnish the list nor proposed the works in the subsequent year's proposal. This indicated that RMSASK proposed works to PAB without analysing the requirement of the schools. Subsequently, RMSASK surrendered ₹1.72 crore during 2016-17.

Exhibit-2.1
Poor quality in execution of civil works



Adarsha Vidyalaya Bheemalli, Kalaburagi



Government High School, Andola, Kalaburagi

Exhibit-2.2
Dilapidated buildings which required major repair works



GHS, Hanchur, Alur Taluk, Hassan



GHS, Seege, Hassan Taluk

Thus, no major repairs were undertaken by RMSASK during 2013-14 to 2017-18. Further, we noticed that no minor repairs were undertaken during the above period.

Information furnished by the Department showed that 1,367 schools required major repairs and 1,494 schools required minor repairs as on March 2018.

Hence, due to non-utilisation/non-seeking of grants for major as well as minor repairs, the schools continued to function in dilapidated buildings. Instances of schools functioning in dilapidated buildings are indicated in **Exhibit-2.2:**

Recommendation-2: RMSA needs to tender the civil works as well as take up major and minor repairs in a timely manner in order to enhance quality by providing physical infrastructure facilities.

Government accepted (February 2019) the recommendation.

(d) Residential quarters for teachers

The RMSA framework envisages construction of residential quarters for teachers in remote/hilly areas/difficult terrain. However, RMSASK neither conducted a survey nor constructed residential quarters at the secondary schools in remote areas.

(e) Availability of physical infrastructure

RMSA framework envisaged building additional classrooms in every upgraded upper primary school and schools identified for strengthening. Further, it envisaged one Science Laboratory, Laboratory for vocational education, Headmaster/Principal room, Office room, computer room, Art/Craft/Culture room, Girls activity room, Library room, separate toilet blocks for boys and girls and drinking water facility in each school. In addition, all the schools should have rain water harvesting system in their building plan itself. It stipulated broad National norms for physical infrastructure based on which the States were to frame their own norms. Though the State Government had its own norms which were almost in line with the National norms, the targets set with regard to infrastructure facilities in the Perspective Plan 2009-17 were yet to be achieved as seen from the succeeding paragraphs.

➤ ***Class rooms***

The RMSA framework stipulates that the classroom to pupil ratio should be 1:40. The classrooms should be in such condition that the classes accommodate 40 pupil comfortably with enough space for adequate benches and desks. If the number of pupil is more than 50 in a class, there should be at least two sections.

As per the data furnished by RMSASK for the year 2016-17, the overall classroom ratio as well as district-wise classroom ratio of secondary schools was found to be within the norm of 1:40 indicating that the classrooms were sufficient to accommodate the enrolment.

However, district-wise analysis and school-wise analysis indicated a different scenario. There were 4,677 Government schools (3,877/83 *per cent* schools in rural areas and 800/17 *per cent* in urban areas) as of March 2018, which were spread across 34 educational districts in the State. The Classroom Pupil Ratio across the rural and urban areas in the State is shown in the **Table-2.3** below:

Table-2.3: Classroom to Pupil Ratio across Rural and Urban areas in the State

Classroom-pupil ratio	Total number of schools	Number of schools (figures in bracket indicate percentage)	
		Rural Areas	Urban Areas
Ratio within 1:40	1,956	1,699 (87)	257 (13)
Ratio > 1:40	2,721	2,178 (80)	543 (20)
Total	4,677	3,877 (83)	800 (17)

Source: Information furnished by Commissioner of Public Instruction

Further analysis of 2,721 schools revealed that while these schools had ratio greater than the range of 1:40, 214 (8 *per cent*) schools (134 schools – 63 *per cent* in rural areas and 80 schools – 37 *per cent* in Urban areas) had ratio in the range of 1:61-69.

During joint verification of 342 schools, it was seen that 22 lacked sufficient classrooms. As a result, classes were being conducted by sharing classrooms of upper primary schools, sainik schools *etc.* **Table-2.3(a)** gives the details of the 342 schools test-checked by Audit.

Table-2.3(a): Availability of classrooms in test-checked districts

Name of the test-checked districts	No. of selected schools	No. of schools where sufficient classrooms were not available	Remarks
Belagavi	59	3	As per the norms, if the classroom strength exceeded 50, another section had to be formed. Even though the class strength ranged between 50 and 145, the children were accommodated in a single class itself. As a result, there was not enough space for benches/desks and also for children
Bengaluru	134	11	
Chamarajanagar	9	0	
Chitradurga	31	0	
Hassan	28	-	
Kalaburagi	43	2	
Vijayapura	29	0	
Yadgir	9	6	
Total	342	22	

Source: Information furnished by the sampled schools

The availability of other physical infrastructure in the test-checked secondary schools is indicated in charts given in **Appendix-2.7**. From the Appendix it is evident that the unaided schools are faring better than Government and aided schools.

Specific observations in the test-checked schools for other facilities are brought out in the succeeding paragraphs.

➤ **Laboratory facilities**

The RMSA framework envisaged that each secondary school be provided with a science laboratory and a language laboratory.

During joint verification of 342 schools, Audit noticed that none of the test-checked schools had established language laboratory and 65 schools did not have science laboratories. As a result, the children of these schools lost the opportunity to get first hand learning experience by performing various experiments on their own and also for the teachers to teach the children through experiment. Further, due to non-establishment of language laboratory, opportunity of acquiring language quickly and easily was lost.

In addition, we observed that out of 123 items of laboratory equipment specified for the secondary schools, 26 *per cent* of test-checked schools did not possess even half of the items specified. Out of 40 specified reagents, 33 *per cent* of test-checked schools did not have half the specified reagents. Audit conducted a survey on awareness of the laboratory safety measures among the science teachers, wherein it was found that 65 *per cent* of teachers were not aware of the safety measures.

The Government replied (February 2019) that instructions would be given to teachers with regard to safety measures while handling chemical reagents in the laboratory.

Scrutiny of procurement of laboratory equipment revealed non-compliance to procedures laid down which is indicated in **Appendix-2.8**.

➤ *Computer laboratory*

Information and Communication Technology is an omnibus support for the secondary education system. In this regard, RMSA emphasises provision of computer education by establishing computer laboratories in each school.

During joint verification, audit observed that 101 out of 342 schools did not have computer laboratory facilities. Further, audit analysed the availability of computers in the 342 test-checked schools. We observed that while 153 schools did not have computers at all, 74 schools had computers less than the minimum requirement of 10 computers. In all these schools, the enrollment of children ranged between 17 and 669. In the 66 selected schools of three test-checked districts, audit sought feedback from the children. The feedback of 205 out of 351 children indicated that the schools lacked computer facilities.

With the vision of computer literacy and to prepare the students for the digital future, GoI introduced the flagship scheme of Information and Communication Technology (ICT) in Schools in 2004. The scheme was implemented in three phases I, II and III. ICT phase III was implemented during 2008-09 to make computers accessible to every secondary school. The ICT scheme was implemented by the Department of State Educational, Research and Training (DSERT).

In Paragraph Number 4.11 of the Report of the Comptroller and Auditor General of India on General and Social Sector (Report No.10 of the year 2014), deficient implementation of the ICT scheme leading to cost overrun, locking up of funds and non-implementation of the scheme has been reported. Subsequently, the ICT scheme was subsumed under RMSA with effect from 2014-15. We observed that though the State had proposed various initiatives under the component during 2013-18, PAB had rejected the proposals pending rectification of the deficiencies in implementation of the ICT scheme prior to

2013-14. The details of implementation of ICT scheme are indicated in **Table-2.4**.

Table-2.4: Implementation of ICT scheme

(₹ in crore)

ICT	Schools approved		Expenditure incurred	Remarks
	Approved	Implemented		
Phase I	480	480	148.39	-
Phase II	2,279	1,568		711 schools cancelled and as a result had to surrender ₹47.63 crore
Phase III	4,396	-		The scheme was not implemented even though expenditure was incurred towards hardware, software <i>etc.</i>

Source: Information furnished by DSERT

Thus, implementation of ICT scheme in secondary schools did not take off and as a result the students of secondary schools were deprived of ICT education.

Meanwhile, Government of Karnataka re-organised (July 2016) the ICT initiatives into a comprehensive programme called Technology Assisted Learning Programme (TALP) subsuming ICT component (IT@Schools), Tele-education Scheme and Web-based UDISE System. The Programme was planned for implementation over a five-year period to cover Government primary, secondary and pre-university colleges. As per the implementation schedule, classroom teaching was to be started by November 2016 and hands-on practice for students by June 2017. However, neither classroom teaching nor hands-on practice has started to-date.

Thus, despite the launch of all these schemes to increase access to computers and improve proficiency in computers, in reality the schools did not have the requisite facilities and the children were denied the opportunity to become computer literate.

➤ *Arts and Craft*

The RMSA framework prescribes Art to be treated as a part of the curriculum and not as an extra-curricular activity. Hence, it stipulates that Art education must become both a tool for assessment of learning in all subjects and to be taught in every school up to Class X, and facilities and thereof to be provided.

In 121 schools of five¹⁷ test-checked districts, we observed that in 71 schools Arts and Craft was not part of the school curriculum, 73 schools did not have an Arts and Craft teacher, 95 schools did not have material and 109 schools did not have a separate Arts and Craft room.

➤ *Library*

BIS standards provide that a secondary and higher secondary school library building should have a Stack Room, a Librarian's Room and a Reading Room. In addition, the library has to provide sufficient space for reference, circulation counter, reference desk, books, periodicals, dailies *etc.*

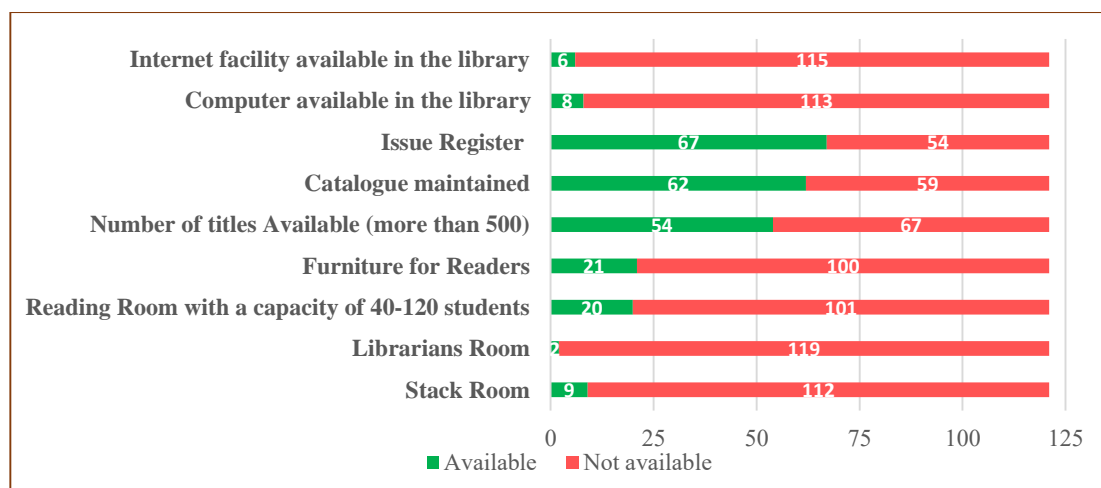
¹⁷ Belagavi, Bengaluru (North), Hassan, Kalaburagi and Yadgir.

Out of 342 schools test-checked, 199 schools claimed that they had libraries. However, during joint physical verification of these schools, we noticed that 99 schools did not have a separate library room as indicated in **Exhibit-2.3**.

In addition, we noticed that all the libraries in the test-checked schools lacked facilities required for a library.

The analysis of the library facilities in the sampled schools of five¹⁸ test-checked districts is indicated in **Chart-2.3**.

Chart-2.3: Library facilities in five test-checked districts



Since libraries are an important source of knowledge to young minds and impact positively on academic achievement, due to lack of a library in many schools, the children lost the opportunity to better their performance during examination.

The Government replied (February 2019) that due to insufficient allocation, provisions for facilities like Arts and craft-room, library-room, *etc.*, could not be made.

➤ **Toilets**

RMSA envisaged requisite number of toilet blocks in each school separately for teachers, boys, girls and differently-abled children. During 2013-14 to 2017-18, RMSASK had taken up construction of toilets in 186 schools at a cost of ₹4.32 crore. The details of construction of toilets taken up under RMSA are indicated in **Table-2.5**.

Table-2.5: Details of construction of toilets taken up under RMSA

Year	Particulars	Number of Schools	Number of toilets		Total	Amount released (₹ in crore)
			Boys	Girls		
2014-15	New Toilets	65	58	13	71	1.26
2014-15	Repair of dysfunctional toilets	75	59	42	101	0.86
Total		140	117	55	172	2.12
2015-16	Reconstruction of dysfunctional toilets	46	63	63	126	2.20
Total		46	63	63	126	2.20
Grand Total		186	180	118	298	4.32

Source: Information furnished by State Project Director, RMSA

¹⁸ Belagavi, Bengaluru (North), Hassan, Kalaburagi and Yadgir.

During joint verification of 342 schools, we observed that all the schools had toilet facilities except Laxman Rao Bore High School, Kalaburagi which did not have toilets for either girls or boys even though it had 110 students. However, toilets in 52 out of 163 schools in five¹⁹ test-checked districts lacked maintenance as indicated in **Exhibit-2.4**.

The Government while accepting (February 2019) replied that the funds available for maintenance of facilities at the school level was insufficient to meet the requirement. This along with behavioral pattern led to dysfunctional toilets.

Recommendation-3: Maintenance of toilets is of utmost importance as it has a visible impact on the health and hygiene of children as well as families. Hence, awareness programmes among children need to be conducted in order to stress on health and hygiene.

The Government accepted the recommendation and stated that maintenance of toilets would be attended to under Swachh Bharat Mission.

➤ ***Safety in schools***

A safe school environment is an enabling environment that supports a child's all-round development. All Departments of the Government of Karnataka, providing services to children were to notify Operating Guidelines and Procedures to implement the provisions of the Karnataka State Child Protection Policy. However, these guidelines are yet to be finalised by the Department.

Out of 342 test-checked schools, we noticed the following:

- There was no school compound wall in 27 per cent of the schools (**Exhibit-2.5**).
- Though 43 per cent of the Headmasters were aware of the disaster management guidelines, 83 per cent of schools did not have a documented disaster management plan.
- Structural safety audit of the building was not conducted in 43 per cent of the schools.
- The structures/roofs in eight schools of five²⁰ districts were made of asbestos sheet without ventilation, proper doors, etc., (**Exhibit-2.5**).
- Fire safety installations were either not available or not functional in 63 per cent of the private aided/unaided schools.
- Twelve schools had staircases without railings, roads passing through the school campus, open uncovered pond in the campus, electricity wire passing through the campus of the school, etc., (**Exhibit-2.5**).

The Government replied (February 2019) that a template instructing the schools to prepare school level safety and disaster management plan was prepared and circulated to schools.

¹⁹ Bengaluru-North, Belagavi, Hassan, Kalaburagi and Yadgir.

²⁰ Bengaluru (North), Belagavi, Hassan, Kalaburagi and Yadgir.

Exhibit-2.3

Schools without separate library rooms



Shri Ravalnath H S, Shivthan, Belagavi



Swarna High School, Holenarasipur, Hassan

Exhibit-2.4

Non-maintenance of toilets



Government High School, Kolagunda, Hassan



Government High School Sangal, Belgaum



Adarsha Vidyalaya Bheemalli, Kalaburagi

Exhibit-2.5

Schools without safe school environment



GJC, Sriramanagara, Hassan without compound wall and road passing through the school campus



Sri Sai Central High School, Kalaburagi functioning in a structure made of asbestos sheet



MR Aided High school, Sakaleshpura-Staircase without railings

Exhibit-2.6
Schools functioning without furniture



Adarsha Vidyalaya, Ramdurg, Belagavi



Government High School, Pethshirooru, Kalaburagi

Audit analysed availability of infrastructure in 342 test-checked schools with regard to five²¹ basic parameters and found that only 58 schools had all the five basic infrastructural facilities. Thus, though 56 *per cent* of allocation of funds was towards infrastructural facilities, due to delay in tendering of works and non-undertaking of major and minor repairs, the intervention of RMSA in providing infrastructural facilities for improving quality in education was insufficient.

The above instances [paragraphs 2.1.8.1(a) to (e)] indicate RMSASK's lack of commitment to the objective of enhancing quality of education. As a result, there was deficiency in providing infrastructural facilities to the students.

(f) Other facilities

In addition to physical infrastructure, quality interventions under RMSA included providing furniture and fixtures, laboratory equipment and Science and Mathematics Kit. Audit observations with regard to provision of these facilities is discussed below.

➤ **Furniture and fixtures**

RMSA stipulated that the existing furniture should be repaired as far as possible and actual requirement of furniture and fixtures for classrooms, laboratories, libraries and others should be worked out and projected in the Annual Plans. From the records of procurement of furniture and fixtures we observed the following:

- ✓ RMSASK did not assess the requirement of furniture and fixtures for schools. Hence, it could not seek funds in respect of schools which were not taken up for upgradation/strengthening. In respect of schools constructed/upgraded, the furniture was procured without assessment and hence some of the furniture was rendered unusable as discussed in the next paragraph.
- ✓ Before procuring furniture the layout for placing the furniture with regard to available room space, space required for other items of furniture *etc.* should be evaluated to avoid cramping. However, it was observed that while deciding on the furniture specifications, RMSASK did not consider the room layout plans. As a result, furniture such as cots, *etc.*, procured for Girls Hostels could not be conveniently accommodated in the hostel rooms.
- ✓ The PAB approved (2009-10 and 2010-11) budget for procurement of furniture as part of the up-gradation and strengthening components and the State Government accorded (December 2016) administrative approval for ₹71.24 crore towards the purchase. The Chief Executive Officers of the Zilla Panchayats were authorised to procure furniture according to the specifications finalised by the State Project Office (SPO). We observed that out of eight test-checked districts, supply of furniture in respect of six districts was yet to be completed even though 18 months have lapsed. In addition, we observed that tenders were yet to be (October 2018) finalised in Kalaburagi. The status of procurement is indicated in **Appendix-2.9**. In two schools we noticed that the schools lacked chairs and desks and the children had to sit on the floor (**Exhibit-2.6**).

²¹ Science laboratory, library, computer laboratory, art and craft room and compound wall.

Such instances coupled with the absence of basic requirements as detailed in subsequent paragraphs are likely to affect the retention of students in these schools.

- ✓ The K TPP Rule, 2000 stipulates that the minimum time to be allowed for submission of tenders in excess of ₹two crore would be 60 days. Any reduction of stipulated time was to be authorised by an authority superior to the Tender Inviting Authority for reasons to be recorded in writing. This was reiterated by the Finance Department during March 2011. Disregarding the above Rule, even though the tender exceeded ₹two crore, the SPO instructed the District offices to invite short-term tenders without recording any reasons.

Recommendation-4: Procurement of furniture and fixtures and lab equipment needs to be prioritised in order to provide basic amenities to children in schools.

The Government has accepted the recommendation and stated that it would implement it by pooling the available funds.

➤ ***Science and Mathematics Kits***

With a view to make learning a joyful and meaningful activity and to nurture interest in Science and Mathematics among children, PAB approved (2016-18) procurement of Science Kits and Mathematics Kits worth ₹2.39 crore under the sub-component Rashtriya Avishkar Abhiyan. Kits worth ₹2.39 crore were yet to be procured. The status of implementation of the activity is indicated in **Appendix-2.10.**

➤ ***Playing facilities***

RMSA framework envisages physical education and yoga for younger generation to ensure physical fitness and overall development. Hence, it stipulates that certain minimum outdoor and indoor facilities are needed in school premises.

In the 121 schools test-checked in five²² districts, there was no playground in 52 schools and playing equipment was not available in 100 schools (83 per cent).

2.1.8.2 Regulatory activity

RMSA has instituted a protocol in order to ensure quality education through physical facilities, staff, etc., in aided and unaided private schools. Audit observations in this regard are brought out in succeeding paragraphs.

²² Belagavi, Bengaluru (North), Hassan, Kalaburagi and Yadgir.

➤ *Non-revision of checklist*

In order to assess the adequacy of infrastructure, teaching and learning facilities in private secondary schools, the Department uses a checklist with specifications for each component such as classroom, library, *etc.* We noticed that the specifications in the checklist were not revised to comply with the standards prescribed in RMSA. Hence, there was a risk of extending recognition or grant-in-aid to ineligible schools.

➤ *Renewal of recognition in routine manner*

Renewal of recognition was done in a routine manner without ensuring availability of infrastructure or teaching facilities. In 73 out of 252 aided and unaided schools of test-checked districts, we noticed that though the infrastructure and teaching facilities were not in accordance with the norms prescribed by the State, the school's recognition was renewed. As a result, the recognition process did not succeed in enhancing the quality of schools in the State. In addition, we also noticed two²³ schools were functioning without renewal of recognition. This indicated lapse in monitoring and supervision.

➤ *Extension of grant-in-aid to ineligible schools*

Karnataka Education Act, 1983 and amendments issued from time to time require that a private school to be admitted for grant-in-aid must have a site or land for 30 years lease in the name of the Governing Council or Managing Committee. The rules also prescribed minimum infrastructure standards, *eg:* the classrooms were to be at least 360 square feet in size, and a detailed checklist for use by the Authorities in assessing and scoring the schools before extension of grant-in-aid. According to guidelines, the schools obtaining a minimum 60 marks in the assessment would be eligible for grant-in-aid.

In four²⁴ out of eight test-checked districts, we noticed extension of grant-in-aid to 23 out of 80 aided schools which did not comply with the required norms (**Appendix-2.11**).

Thus, though the regulatory mechanism was a tool to enhance quality of education in aided and unaided sector of secondary schools, the Government did not effectively use the mechanism to achieve its goal.

The Government replied (February 2019) that better school evaluation tools were available now and the quality of aided and unaided schools would improve after implementation of these tools.

Recommendation-5: The Department needs to devise a mechanism to conduct inspection periodically in order to monitor the quality of schools which could help during renewal of recognition of schools as well as extension of grant-in-aid.

²³ Yathish English High School, Bengaluru South and Hoysala High School, Bengaluru North.

²⁴ Bengaluru (North), Chitradurga, Hassan and Vijayapura.

The Government replied (February 2019) that it would adhere to a better mechanism to monitor the quality of schools.

2.1.8.3 Human resources

In addition to infrastructure, human resources *viz.*, headmasters, teachers, lab attendants need to be provided to meet the challenge of quality. RMSA envisaged subject wise teachers as well as specialised teachers for physical education, Arts and Craft *etc.*, to be deputed in all schools. Audit observations on availability and qualification of teachers / headmasters are discussed below.

(a) Assessment of teacher requirement

In the Perspective Plan of Karnataka, it has been recorded that there are enough teachers available for secondary classes in the State. It further qualified that the teachers did not have proper in-service training facilities and professional development programmes. As a result, in the Perspective Plan of Karnataka, no targets were fixed for recruitment of additional teachers for the existing secondary schools. It, however, indicated a target of 7,000 teachers to be recruited by 2017 in respect of upgraded schools. Scrutiny revealed that while assessing requirement of teachers in the existing secondary schools, demographic changes and transition rates of both teachers and students from elementary to secondary level, movement between government and private schools, school populations and number of sections in each classes, medium of instructions, retirement of teachers, *etc.*, were not taken into account. Thus, there was no mechanism in the Department to periodically assess the requirement of teachers at the secondary school level.

(b) Availability of teachers

RMSA seeks to ensure availability of five subject specific teachers plus one head teacher. The total number of teachers across secondary schools in Karnataka is indicated in **Appendix-2.12**.

Scrutiny of records of RMSASK revealed the following:

- Against a sanctioned strength of 1,16,999 teachers, the State has a working strength of 1,02,865 teachers *i.e.*, 12 *per cent* vacancy of teachers. We noticed that the percentage of vacancy is least in the unaided private schools. The percentage of vacancy of teachers is more in aided schools than in the Government schools.
- Headmaster posts were not sanctioned in 1,712 Government and Aided schools. In addition, we noticed that though there was sanctioned post of Headmaster in 706 Government schools and 570 Aided schools, the posts remained vacant. However, recruitment for the post of headmaster was not done since 2012. Since a headmaster is responsible for drawing a school development plan, execution of the plan, distribution of the work and its co-ordination and monitoring, 2,988 out of 8,525 Government and aided schools without headmasters suffered in respect of assessment and accordingly the facilities.
- Further analysis of availability of teachers revealed that while 1,068 Government secondary schools had excess teachers, 2,566 schools had

shortage of teachers. Hence, there was no rationale in deployment of teachers across the Government schools.

- In respect of subject specific teachers, against sanctioned posts of 42,337 teachers, 5,633 were vacant (13 *per cent* deficiency) in Government schools and against sanctioned posts of 33,470 teachers, 5,909 were vacant (18 *per cent* deficiency) in aided schools. Out of 15,666 secondary schools in the State, 642, 491 and 500 did not have Mathematics, Science and Social Science teachers respectively. This trend existed in the test-checked schools also. Thus, though the RMSA norms specified proper balance of subject teachers, the Department did not ensure proper balance of subject teachers in each school.

(c) Pupil Teacher Ratio

The RMSA framework envisaged a Pupil-Teacher Ratio (PTR) of 30:1. The Perspective Plan of Karnataka targeted the said PTR to be achieved in all schools by 2017. The PTR for the State during 2013-14 to 2017-18 is indicated in **Table-2.6**.

Table-2.6: PTR for the year 2013-14 to 2017-18

Year	Government			Aided			Unaided		
	No of students	No of Teachers	PTR	No of students	No of Teachers	PTR	No of students	No of Teachers	PTR
2013-14	6,14,280	38,982	15.76	5,43,220	29,030	18.71	4,67,602	35,233	13.27
2014-15	6,43,112	39,113	16.44	5,59,428	28,835	19.40	5,02,368	36,573	13.74
2015-16	6,35,860	38,923	16.34	5,53,952	28,854	19.20	5,22,266	37,091	14.08
2016-17	6,30,185	38,259	16.47	5,37,792	28,545	18.84	5,64,648	37,263	15.15
2017-18	5,97,332	38,401	15.56	5,06,976	28,188	17.99	5,96,157	36,276	16.43

Source: Information furnished by State Project Director, RMSA

The average PTR exceeded the requirements under the RMSA in all the five years which was a positive indicator. However, as already discussed in earlier paragraphs, there was uneven deployment of teachers in 874 Government schools which resulted in schools with higher PTR ratio as indicated in **Table-2.7** below:

Table-2.7: Uneven deployment of teachers

Pupil teacher ratio	Total number of schools	Number of schools (figures in bracket indicate percentage)	
		Rural Areas	Urban Areas
Ratio within 30:1	3,782	3,147 (83)	635 (17)
Ratio > 30:1	874	710 (81)	164 (19)
Total	4,656*	3,857 (83)	799 (17)

Source: Information furnished by Commissioner of Public Instruction.

* Information in respect of 21 schools was not available.

Further analysis of 874 schools revealed that 33 schools (4 *per cent*) were in the range of 100-226:1. Out of these 33 schools, we noticed that 31 schools (94 *per cent*) were in rural areas and two schools (6 *per cent*) were in urban areas. Two schools of test-checked Kalaburagi district, GHS-Dugnoor and Anjuman Urdu Girls High School-Shahbad had 249 and 206 students respectively on the rolls. Against this, only four teachers were available in both the schools.

(d) Recruitment of teaching and non-teaching staff

The Project Approval Board (PAB) approved recruitment of headmasters and subject teachers during the years mentioned there against in **Table-2.8**. The PAB had also approved financial support for the headmasters and subject teachers for years in which it was approved.

Table-2.8: Recruitment approved by the PAB

Period	Headmasters	Subject teachers	Government sanction
2009-14	333	1,970	March 2012 and February 2014
2014-15	66	330	December 2015
2015-16	45	225	Yet to be sanctioned

Source: Information furnished by Commissioner of Public Instruction.

From the Table, it is evident that there was delay in sanctioning of posts by the State Government. In addition, we observed that for the posts approved during 2009-14, the RMSASK was yet to fill up 284 posts (45 headmasters and 239 subject teachers). In respect of posts sanctioned in December 2015, recruitment process was yet to be completed. As a result, the State could not utilise the recurring assistance towards salary and allowances in respect of posts approved and lost central grant of ₹78.23 crore.

Similarly, though PAB had approved recruitment of 305 Office Assistants/MTS during 2013-14 and allocated ₹1.83 crore, no recruitment for the said post was undertaken.

The absence of a mechanism to periodically assess the requirement of teachers deprived the students of many schools of subject teachers with consequent impact on the quality of education.

The Government reply (February 2019) is as follows:

- The post of headmaster is a promotional post hence no direct recruitment to these posts could be done in RMSA period.
- Teacher deployment was done in the year 2016-17 where by excess teachers were identified and re-deployed to schools where teachers were needed.
- Permission for recruiting another 15,000 teachers has been obtained by the department including those for high schools.

Though reply can partially be accepted, in order to have Headmasters with higher qualification, the Government needs to amend the Cadre and Recruitment Rules, 1965.

(e) Qualification of the Teachers/Headmaster

The National Council for Teacher Education (NCTE) regulates the qualifications for a person to be employed as a teacher in schools including secondary and senior secondary schools as per its regulations issued during September 2001. Teachers for the State Government schools are recruited by the State Government. In respect of aided schools, teachers are recruited by the respective management after following recruitment process approved by the Department. In case of private schools, teachers are appointed by the respective private management. The Government and private managements were to

comply with the NCTE regulations. We, observed non-compliance to NCTE norms with regard to recruitment of teachers which is discussed below.

- The recruitment of teachers in Education Department was governed by the Cadre and Recruitment (C&R) Rules issued by the State Government during June 2003. However, the said C&R Rules were not in conformity with the standards prescribed by NCTE. As a result, the recruitment process of the State Government (*viz.*, 1,137 Assistant Teacher Grade and Physical Education Teacher, 444 teachers for Adarsh Vidyalayas and 146 teachers for the upgraded schools) notified during March-April 2015 was not in conformity with the standards prescribed by the NCTE.
- Subsequently, the State Government revised (September 2016) the C&R Rules granting retrospective effect from March 2015. The revised C&R Rules were partly in conformity with the standards prescribed by NCTE. Since the recruitment process was completed before revision of C&R Rules, seven teachers recruited in Government secondary schools and 20 teachers recruited in Government aided private secondary schools (**Appendix-2.13**) possessed qualifications which were less than that prescribed by NCTE.
- In the 172 private unaided schools test-checked we observed that 647 out of 3,163 teaching staff did not possess B.Ed qualification.
- The recruitment of headmasters in Education Department is governed by the C&R Rules, 1965 which has not been amended till date (October 2018). However, the State Government revised the C&R Rules for teachers in September 2016 as already discussed above wherein the qualification prescribed for teachers were more than those prescribed for the Headmaster. Hence, recruitment of Headmasters with lower qualifications than teachers could not be ruled out.

Recommendation-6: Recruitment of teachers with qualifications as prescribed in norms to be made to improve quality of education.

The Government accepted the recommendation.

2.1.9 Equity in secondary education

In order to provide equity in education, the RMSA gives special focus to groups *viz.*, girls, scheduled caste (SC) and tribal (ST) children, children from educational backward minority community and differently abled children.

The Perspective Plan of Karnataka envisaged 100 Gross Enrolment Ratio (GER) in the special focus groups by 2017. In the State, the GER of girls was at 83 *per cent* which was higher than the GER of boys (81.5 *per cent*). The GER of SC and ST was at 79 and 73 *per cent* respectively. Thus, though the State had not achieved target of 100 as envisaged in the Perspective Plan of Karnataka, it achieved substantial participation from the special focus group *i.e.*, girls and SC in education. However, further intervention in respect of ST group is necessary. Since the State has not computed GER with respect to differently abled children, it could not monitor the progress of participation of differently abled children in secondary education.

Audit observations are discussed in subsequent paragraphs.

2.1.9.1 Education for girls

Education of girls is the critical focus of RMSA. In order to bring down the dropout of girls in secondary and higher secondary schools and overcome gender disparities that persist in rural areas, GoI in co-ordination with the State Governments introduced various schemes such as hostels/residential schools, cash incentive, uniforms, books, etc.

(a) Girls' Hostel Scheme

The scheme envisages setting up of hostels with lodging and boarding facilities in the Educationally Backward Blocks (EBB) and areas nearing concentration of target groups so that girl students were not denied the opportunity to continue their study due to societal factors. Another objective of the scheme is to make Secondary and Senior Secondary education accessible to a larger number of girl students. The audit observations are:

- ✓ PAB sanctioned 74 Girls' Hostels for the state (62 in 2009-10 and 12 in 2013-14) out of which 66 hostels were made functional at temporary locations. The remaining eight hostels were yet to be made functional. Out of the functional 66 Hostels, though construction of buildings were completed in 47 hostels, they were yet to move to the permanent locations.
- ✓ In five²⁵ out of seven test-checked girls' hostels, we observed that against the capacity of 100 inmates, there were excess students enrolled in two girls' hostels (Holenarasipura-Hassan, Katgol-Belagavi). Further, the hostel in Chincholi did not have cooking stove and hence prepared food using firewood. In all the five hostels, the utensils for preparing food/for having food were not sufficient. The Hostels were to be provided with cots, beds, pillows, bed-sheets, etc. However, in all the five hostels, children were not provided with the above facilities. As a result, the children slept on the floor on mats without beds (**Exhibit-2.7**).

The Government replied (February 2019) that pending construction would be completed and made functional.

Recommendation-7: Infrastructure facilities to be dovetailed with construction of girls' hostels to provide all necessary basic facilities to the girl students in the hostel.

The Government accepted the recommendation and stated that action would be taken by including the cost of basic facilities along with the cost of the construction.

(b) Empowering girls with self-defence technique

As part of its efforts to enhance confidence levels among girls, and to equip them with the necessary skills to deal with a crisis, self-defence classes for high school girl students were offered. PAB approved ₹10.4 crore during the period 2013-18 under this component. The schools were required to conduct the classes on the basis of a time table/schedule of the self-defense classes. As per the schedule,

²⁵ Holenarasipura-Hassan, Katgol & Soundatti-Belagavi and Chincholi & Bheemanahalli-Kalaburagi.

Exhibit-2.7
Status of girls hostels



RMSA Girls Hostel, Chincholi, Kalaburagi where food is prepared using firewood



RMSA Girls Hostel, Bheemalli Kalaburagi where cots, bed, pillows etc., not provided



RMSA Girls Hostel, Soundatti, Belagavi where dining tables were not available

Exhibit -2.8
Disabled non-friendly ramps



Ramp without railings,
Government Highschool, Bannur, Hasan District



Ramp without double railings and non-accessible through wheel chair
Government High School, Belagavi



Ramp slippery and without railings
Government High school, Seege, Hassan

the Schools were to conduct only two classes per week and the classes were to be conducted in the regular class timings. In the test-checked schools, audit sought feedback from the girl students and the feedback received was positive indicating that the activity was well-received among girl students. However, we observed from the records that approved time tables were not part of the payment claims and classes were shown as conducted even on Sundays in two test-checked districts (Hassan and Belagavi). Payment vouchers in Hassan and Belagavi districts indicated doubtful claims as same instructor was shown as conducting more than eight classes per day across multiple schools at the same time.

2.1.9.2 Education for children with special needs

Realising that inclusion of children and youth with disabilities is not only a human right, but also promotes the development of social skills, GoI envisaged the scheme of Inclusive Education for the Disabled at Secondary Stage (IEDSS). This scheme would enable all students with disabilities completing eight years of elementary schooling an opportunity to complete four years of secondary schooling (classes 9-12), in an inclusive and enabling environment. IEDSS would also support training programmes for general school teachers to meet the needs of children with disabilities and forms part of RMSA. The scheme stipulates that all schools should be disabled friendly.

The audit observations on implementation of the IEDSS scheme are discussed below:

- ✓ The details of enrolment of Children with Special Needs (CWSN) during 2013-18 in the education in the State is indicated in the **Table-2.9**.

Table-2.9: Enrolment of CWSN in education during 2013-2018

Year	2013-14	2014-15	2015-16	2016-17	2017-18
CWSN population as per census 2011 (5 to 19 years)	3,30,781 (as per 2011 census)				
Number of students enrolled in education (6 to 16 years)	1,32,467	1,25,039	1,19,734	93,251	1,01,276
Percentage	40	38	36	28	31

Source: U-Dise data

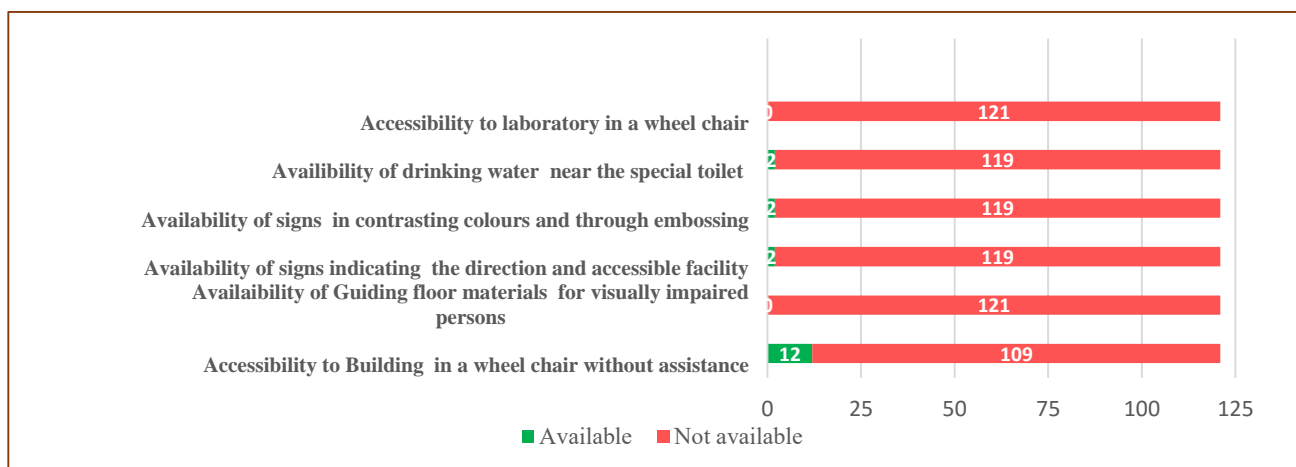
From the Table, it is evident that the ratio of the number of CWSN children enrolled in schools (both primary and secondary) to the number of CWSN children was declining. In the absence of survey by the Department for the Empowerment of Differently abled and Senior Citizens, the age-wise population in the category 13 to 18 years was not available in the State. Hence, audit could not arrive to a meaningful observation or derive a conclusion on CWSN children in secondary education.

- ✓ The “Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 enjoins upon the governments to create a barrier free environment for persons with disabilities and to make special provisions for the integration of persons with disabilities into the social mainstream. It *inter alia* enjoins upon the governments and local authorities to ensure, within their economic capacity provision for kerbs and slopes to be made in pavements for the easy access of wheel chair users, devising

appropriate symbols of disability and warning signals at appropriate places. Accessibility provides equal opportunity to specially-abled children by way of providing access to schools.

RMSA framework envisaged construction of ramps and disabled friendly toilets in schools along with accessible classrooms, hostel, laboratory and playgrounds. However, we noticed that the concept of barrier free access was limited mainly to provision of a ramp and concept of a barrier free school environment was not considered at all. This fact was confirmed from our assessment of 121 schools across five²⁶ test-checked districts (Chart-2.4).

Chart-2.4: Barrier free environment in schools



In respect of provisions of ramps and disabled friendly toilets in schools, we observed that out of 15,666 secondary schools, 10,047 schools did not have disabled friendly toilets and 11,162 schools did not have ramps. Even though 4,504 schools had ramps, the ramps did not address the requirements of specially-abled children. In the test-checked districts we observed that the ramps constructed were not in the ratio of 1:12, did not have double railings, were not accessible through wheelchair and were constructed using slippery material (Exhibit-2.8).

- ✓ The RMSA provided for identifying every child with disabilities at the secondary level and assessing his/her educational needs. The students were to be provided with support services like special educators. We observed that ₹21.20 crore released for Special Teachers were not utilised in the State during the period 2013-14 to 2017-18 as appointment was not done. In test-checked Bengaluru North District, it was seen that the district had identified the CWSN children and assessed the requirement of Special Teachers during the five-year period 2013-18. Though proposals for recruitment were submitted to the SPO every year, no action was initiated for their recruitment.
- ✓ Based on assessment, all children requiring assistive devices should be provided with aids and appliances procured in convergence with the Ministry of Social Justice and Empowerment, State Welfare Departments, National Institutions, voluntary organisations/NGOs etc.

²⁶ Belagavi, Bengaluru (North), Hassan, Kalaburagi and Yadgir.

In the test-checked Belagavi District, 232 children were identified as requiring aids and appliances and 21 children were identified as requiring corrective surgeries in the medical camps organised during 2016-18. However, it was observed that only 88 children were provided with aids and assistance and no corrective surgeries were conducted for 21 identified children. Further, the aids and appliances provided to 88 children were distributed only at the end of the academic year. In Kalaburagi and Hassan, the recommendation by the doctor for aids and appliances in the medical camps as well as documentary evidence for issue of the same was not available. In Bengaluru (South), the RMSASK is yet to procure the aids and appliances for the year 2017-18 till day (August 2018).

Recommendation-8: Ramps as well as disabled friendly toilets needs to be provided across all the schools.

The Government replied (February 2019) that implementation would be guided by resource availability.

It is evident from the above that priority for education to children with special needs was not given in the State under RMSA.

2.1.9.3 Education of children belonging to Scheduled Caste/Scheduled Tribe/Other backward classes/Educationally backward minorities

The educational development of children belonging to SC/ST/Other Backward Classes (OBC) and Educationally backward minorities is a special focus in RMSA. The intervention identified under the scheme was to be based on intensive micro planning along with setting up of Government schools, provision for hostel facilities, scholarships *etc.* The State Government through its various programmes under the Education Department also by the Social Welfare Department has established schools and hostels for the benefit of SC/ST/OBC and other minorities. Scholarship scheme is also implemented in the State through Social Welfare Department. Approximately, the State is incurring an expenditure of ₹4,185.17 crore towards implementation of the above schemes.

Audit examined 11 sampled schools managed by the Social Welfare Department and observed that none of these sampled schools possessed the required level of infrastructure facilities envisaged under the RMSA. Among these, four schools were sharing schooling and residential facilities with other nearby schools. As a result, the number of children in these schools exceeded the available capacity. Hence, the available school rooms were used for teaching and learning during day time and for lodging at night time.

Convergence with Social Welfare Department was of utmost importance. However, discussed in paragraph 2.1.12.1(d) and 2.1.12.2, the RMSASK did not ensure this.

2.1.10 Other components

2.1.10.1 Vocational education

The aim of introducing vocational education at secondary level and higher secondary level is to enhance the employability of youth through demand driven competency based, modular vocational courses and at the same time reduce the dropout rate at the secondary level. PAB approved (2012-13) 250 schools for introduction of vocational education in four National Occupation Standards compliant vocational courses viz., Automobile (Service Technician), IT and ITeS (IT Service Desk Attendant), Retail (Sales Associate) and Security (Unarmed Security Guard) and allocated ₹134.26 crore. While GoI released ₹22.44 crore, the State Government released ₹10.18 crore towards implementation of vocational education as at the end of March 2018. In this regard we observed the following:

- ✓ Vocational education was envisaged from Class 9 to Class 12 and hence the schools proposed should have had both secondary and higher secondary classes. Against the proposed 250 schools in the State, PAB cancelled 119 schools as the schools were either secondary or higher secondary schools. Out of the balance 131 schools, the RMSASK implemented vocational education only in 100 schools with effect from 2014-15. Further, it did not procure laboratory equipment for these schools. Hence, RMSASK did not utilise ₹13.18 crore out of ₹32.62 crore released towards the scheme.
- ✓ The students were to be assessed and issued certificates indicating their proficiency in the skills acquired. However, RMSASK had not conducted any such assessment during 2014-15 and 2015-16. In 2016-17 and 2017-18, though it assessed the students, certificates were not issued. Hence, in all the four years, proficiency in the skills acquired by students was not assessed.
- ✓ Audit assessed the availability of guidance material at the 121 test-checked schools for providing career guidance to the students and found that in 106 schools no such guidance was provided to the students.

Thus, it can be seen that the improper implementation of introduction to vocational education in the state was unlikely to serve the desired objective of enhancing the employability of the students.

The Government replied (February 2019) that it was planning to work more closely with the Directorate of Employment and Training and Skill Development Department to plug the gaps in the scheme.

2.1.10.2 Model Schools

According to the GoI scheme for Model Schools, a Model School should have infrastructure and facilities at least of the same standard as in a Kendriya Vidyalaya (KV) and with stipulations on pupil-teacher ratio, ICT usage, holistic educational environment, appropriate curriculum and emphasis on output and outcome. GoI approved (September 2009) 74 Model Schools in educationally backward blocks (EBB) in Karnataka.

The observations are discussed below:

- **Status of Construction of Model Schools**

The status of construction of 74 approved Model Schools is indicated in the **Table-2.10**.

Table-2.10: Status of construction of Model Schools

(₹ in crore)

Status of construction	Number	Estimated Amount	Contract Amount	Revised Amount	Expenditure
Completed and Handed Over	67	258.51	308.46	358.02	344.40
Under Progress	4	15.47	19.00	21.25	18.03
Completed & to be handed over	3	11.22	13.67	15.88	14.73
Total	74	285.20	341.13	395.15	377.16

Source: Information furnished by State Project Director, RMSA

Though the scheme was approved in September 2009, construction of buildings commenced only during the years 2013-14 (50) and 2015-16 (24), while the Model Schools started functioning in temporary locations from the academic year 2010-11 itself. Though the construction of model schools were required to be completed within 20 months, from the Table, we noticed that construction of seven Model Schools are yet to be completed/handed over. Hence they continue to function (August 2018) in temporary locations with associated infrastructure constraints even after eight years of their commencement.

The Government replied (February 2019) that works would be completed at the earliest.

- **Recruitment of teachers in Model Schools**

The State Government approved (August 2010) recruitment of 592 teaching and 370 non-teaching staff in 74 Model Schools. Analysis of the teachers in model schools of three test-checked districts *i.e.*, Chamarajanagar, Kalaburagi and Vijayapura showed that:

- Out of 56 sanctioned teaching posts in four Model Schools of Chamarajanagar district, 32 (57.14 *per cent*) and 12 (21.42 *per cent*) number of teaching posts were vacant in 2013 and 2017 respectively.
- Headmaster was not posted in one out of four Model Schools of Chamarajanagar district (Adarsh Vidyalaya, Kollegal).
- In Vijayapura district, out of 70 teaching posts, 36 posts (51.42 *per cent*) and 10 posts (14.28 *per cent*) were vacant in five Model Schools during 2013 and 2017 respectively
- Head Masters were not posted in four Model Schools of Vijayapura district (Indi and Hunashayal) and Kalaburagi district (Beemalli and Bibballi).

The Government replied (February 2019) that no separate recruitment has been proposed for Model Schools.

However, the Government also needs to deploy required teachers to model schools to ensure the optimum PTR and to provide the envisaged quality of education.

- **Observations in respect of model schools functioning in temporary locations**

In the eight test-checked Model Schools, we observed that three Model Schools were yet to be completed and hence were functioning in temporary locations since 2010-11. The status of three constructed model schools and two model schools functioning in temporary locations are discussed in **Appendix-2.14**.

Hence, due to delay in construction of Model Schools, the children in these Schools were deprived of the facilities on par with KVs.

The Government replied (February 2019) that it would address the issues noted by audit.

2.1.11 Outcome indicators for RMSA

The RMSA provided measurable education indicators at three levels *viz.*, Key Performance Indicators, Quality Indicators and System Indicators. The performance of the State for the entire period of RMSA in respect of major indicators are discussed in the succeeding paragraphs.

2.1.11.1 Enrolment of students in Secondary Schools

Though the number of Government schools which included schools run by local bodies increased from 4,504 to 4,722 during the period 2009-10 to 2017-18, the proportion as a percentage of the total number of secondary schools decreased from 36 to 30. During the same period, the number of aided and unaided schools grew by 32 *per cent* from 7,854 to 10,336. The number of students enrolled in Government Secondary Schools decreased from 7.02 lakh to 6.57 lakh whereas the enrolment of children in aided and unaided schools increased from 9.28 lakh to 11.03 lakh (**Appendix-2.15**).

The decrease in enrolment in Government schools including local bodies, despite increase in the number of schools indicated that though a thrust had been given to opening of new schools, there had been no concrete efforts to ensure enrolment/retention of students in Government schools. This coupled with fewer facilities in Government schools led to decrease in enrolment in Government schools.

2.1.11.2 Gross Enrolment Ratio

The Gross Enrolment Ratio (GER) is an indicator of the level of enrolment of children in the schools as well as the level of out of school children. With GER of 2008-09 as baseline, the Perspective Plan of Karnataka had projected 81 *per cent* GER by 2011-12 and 100 *per cent* by 2017. The GER of the State as well as GER of SC/ST and GER of Girls/Boys which are equity indicators are given in **Appendix-2.16**.

From the Appendix-2.16, we notice that GER of the State as of 2017-18 stood at 82.37 *per cent vis-a-vis* target of 100 *per cent*. Further, the GER of girls was higher than that of boys in almost all the years indicating that interventions in the form of incentives for girls' education had an impact. In addition, GER of SC and ST showed an increasing trend.

Analysis of the district-wise GER of 2017-18 indicated that there were wide disparities among districts in comparison with the State level average. While 12 districts registered GER higher than the State average, 18 districts reported GER lower than the State average with Yadgir standing lowest at 56.49 *per cent* (**Appendix-2.17**). Further, district-wise comparison of GER of 2017-18 with that of 2009-10 indicated that in six²⁷ districts, the GER had dropped considerably. RMSASK did not conduct any analysis to ascertain the reasons for such wide variations across districts and also for the drop in five districts. Further, reasons for low level of GER in Yadgir were not examined.

In the Exit Conference, it was stated that though the State could not achieve the target of 100 *per cent*, it was well above the National GER. Further, it was stated that the GER which was at 75 *per cent* during 2009-10 had increased to 82 *per cent* during 2017-18 was an achievement. This was not acceptable as both the Perspective Plan of Karnataka and the Annual Plans had projected 84 *per cent* GER by 2017 which on past performance based calculation method without intervention of RMSA. Thus, the achievement of 82 *per cent* cannot be attributed to RMSA by the State Government's own estimate.

2.1.11.3 Efficiency Indicators

The RMSA suggested measures such as monitoring of the attendance of children, organisation of retention drives, identification of children who are out of school after 8th standard, interventions for children who cannot attend regular schools *etc.* The Perspective Plan of Karnataka targeted enhancement of the retention and transition rate to 99 *per cent* and to reduce the drop-out rate to two *per cent* by 2017. The level of drop-out²⁸, retention²⁹ and transition³⁰ rate in the secondary level as of 2017-18 are indicated in **Appendix-2.18**.

Though the dropout rate at State level showed a decreasing trend during the period 2013-14 to 2017-18 except in 2016-17, the drop-out rate even at the end of 2017 was more than six *per cent*. The dropout rate of boys continued to be more than girls during the said period except in 2016-17. Analysis of district-wise dropout rate indicated that in the districts of Haveri, Dakshina Kannada, Bagalkote, Ballari, Chikkamagalur, Gadag, Kodagu, Shivamogga and Uttara Kannada, the dropout rate was more than 10 (**Appendix-2.19**) and the reasons for high dropout in the said districts was not researched by RMSASK.

²⁷ ChamaraJanagar, Chikkaballapura, Chickmagalur, Hassan, Mandya and Mysuru.

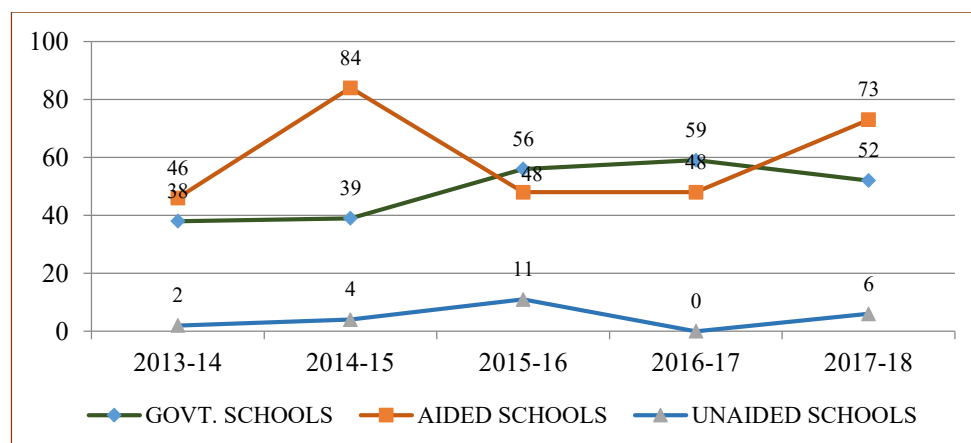
²⁸ Percentage of total number of children dropped out during the year compared against total number of children enrolled during the same year.

²⁹ Represents the degree of students in a particular academic year who continue to be in the school in the succeeding years.

³⁰ Indicates the extent by which students are able to move to the next higher level of education.

We analysed trends of drop-outs in different categories of test-checked schools (**Chart-2.5**) and we observed that the dropout in private schools were less which indicated that the interventions of the Government though RMSA and other State schemes was inadequate.

Chart-2.5: Trend in dropout in different categories of test-checked schools



PAB had emphasised (January 2010) the need for proper tracking of children passing out of Class 8. Considering the structure of school education in Karnataka which considers Class 8 to Class 10 as secondary education, the tracking of children passing out from Class 7 was most important. The field visits of schools indicate that there was no proper mechanism for tracking of children from Class 7 to Class 8 to ensure that all the children enrolled and passed out from the primary education system were brought to the secondary education system. As a result, the near universal enrolment obtained in the primary sector could not be replicated in the secondary education sector.

Thus, student retention rate of 99 *per cent*, drop-out rate of two *per cent*, student achievement level of 100 *per cent etc.*, set out in the Perspective Plan were not achieved during the project implementation period.

2.1.11.4 Examination results

The performance of the students of both Government and other schools in Class 10 Board examination, which is an indicator of quality education, was analysed to review whether RMSA’s objective of providing quality education was met.

The year-wise position of Class 10 results in the State during 2009-18 is indicated in **Appendix-2.20**.

The SSLC pass percentage increased from 66.81 during 2009-10 to 85.41 during the year 2013-14. It showed a declining trend thereafter and reached the lowest level of 73.46 *per cent* during the year 2016-17 and reached a level of 78.11 *per cent* during the year 2017-18. Hence, during last nine years, there was no significant improvement in the level of achievement of the students in the SSLC results. Thus, the interventions through RMSA had insignificant impact on the SSLC results.

2.1.11.5 Achievement survey

Karnataka School Quality Assessment and Accreditation Council (KSQAAC) conducted assessment of secondary schools during 2015-16 wherein 814 Government/aided/private schools were assessed to determine the level of school facilities. In the assessment, 495 schools secured grade of less than 'C' representing less than 50 per cent achievement. Further, KSQAAC conducted a census based state achievement survey during the year 2017-18 which covered 35.66 lakh students of Class 4 to Class 9 of Government and Government aided private schools. The summary of the survey findings conducted during 2017-18 is indicated below:

Achievement level of students of Class 4 to Class 7	73-79 per cent
Achievement level of students of Class 8	48 per cent
Achievement level of students of Class 9	51 per cent

While the survey conducted during 2015-16 indicated that the interventions of RMSA in the secondary schools in terms of infrastructure was insufficient, the survey conducted during 2017-18 highlighted the lack of quality of teaching in the Government and Government aided private secondary schools. Since the achievement of students of secondary school was around 50 per cent, the Department's focus should have been on recruitment of qualified teachers, providing in-service training programmes and teaching-learning facilities *etc.* However, from the records, we observed that no action was initiated towards improvement of quality based on the achievement survey.

The Government replied (February 2019) that the performance indicators of the State *vis-a-viz.*, other states were commendable. However, the State is yet to reach its own targets indicated in the perspective plan of Karnataka. It also stated that the survey helped to rollout remedial teaching.

Recommendation-9: Government needs to have a third party evaluation of the RMSA as conducted in case of Sarva Shikshana Abhiyan.

2.1.12 Planning, Monitoring, Evaluation and Research

For success of any project or a scheme, planning and monitoring plays a vital role. The non-achievement of the goals of RMSA was mainly due to ineffective planning and monitoring which is discussed in the succeeding paragraphs.

2.1.12.1 Planning

The RMSA framework gave due importance to the preparatory activities as they would help in quality implementation of the scheme. This mainly included, comprehensive school mapping exercise, micro planning exercise which include number of studies on the baseline assessment in a district and planning such as creation of educational plans, identification of team at District level *etc.* Audit observations in this regard are discussed in subsequent paragraphs.

(a) Comprehensive school mapping

In order to have a database for identifying deficiencies in existing secondary schools/higher secondary schools, identifying secondary schools for upgradation, identifying underserved areas to establish new schools, streamlining of non-government schools *etc.*, a comprehensive school mapping exercise was essential. Thereafter the un-served areas were to be physically verified, and based on the data, prioritisation was to be done. The State was to arrive at the year-wise gap in the existing secondary schools based on which new secondary schools to be opened and other strategies like residential schools/hostel facilities/ transportation facilities *etc.*, were to be planned. Alternatively, the State could use the habitations data of National Rural Drinking Water Programme (NRDWP) of each year for undertaking habitation mapping exercise in rural areas.

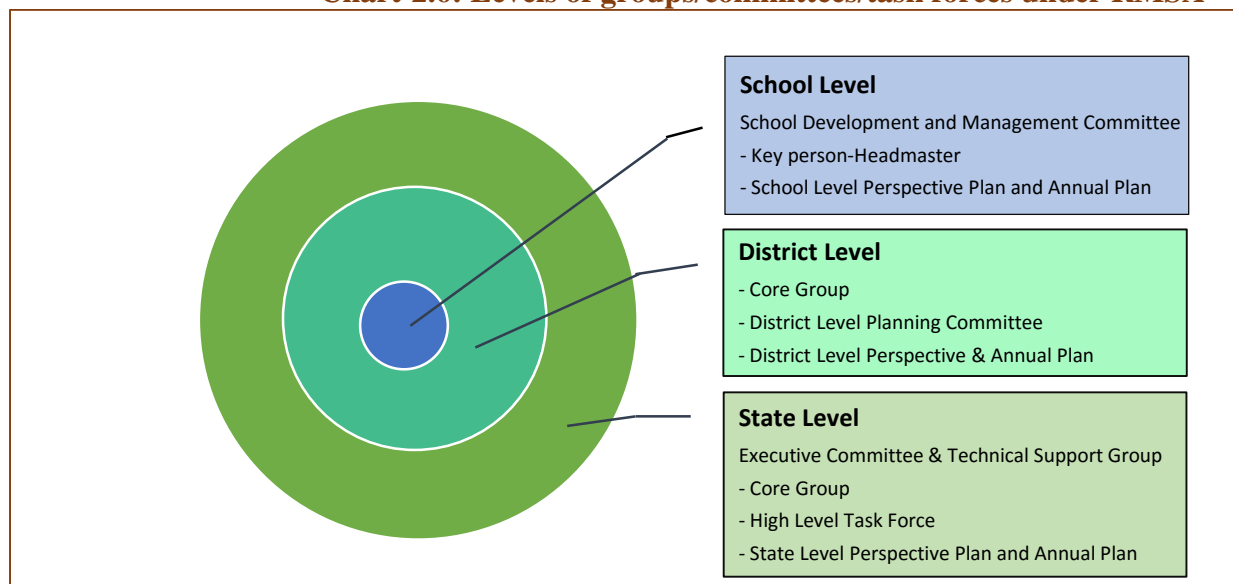
However, from the records made available to Audit, evidence of such mapping and prioritisation was not forthcoming either at the State level or for the eight test-checked districts. As a result, RMSASK could not maintain database on habitations as well as coverage of habitations which was discussed in paragraph 2.1.7.1. The State, thus, failed to adopt a systematic approach for identifying access intervention.

Recommendation-10: A comprehensive school mapping exercise needs to be undertaken in order to develop a reliable database at secondary level.

(b) Planning process

In order to reflect the current situation with regard to all aspects of the RMSA scheme, the framework envisages bottom-up approach of planning which starts from the school level plan and ends at the State level plan. The school plays a critical role in the planning process wherein the Head Master and his team functions as a local resource team for planning. The School Management Committee of every identified secondary Government and aided school has to prepare a school level Perspective Plan and Annual Plan. Based on this, each district will prepare a Perspective Plan and an Annual Plan. Thus, the district will be the unit of planning for implementation of RMSA. At the district level, the starting point for planning is the creation of a Core Group of governmental and non-governmental persons which undertakes extensive visit of habitations and villages/district to ascertain educational status and educational need.

Various planning groups/committees/task forces at the State level, district level and school level are indicated in **Chart-2.6**.

Chart-2.6: Levels of groups/committees/task forces under RMSA

The audit observations in respect of planning are as follows:

- While School Perspective Plans were not prepared in any of the test-checked schools, the Annual Plan was prepared only in 60 out of 170 Government and aided secondary schools.
- In all the eight-test checked districts as well as at the State level, a Core Group was not created.
- The District Level Planning Committee (DPC) was required to include targets in the Perspective Plan which were to be annualised and included in the Annual Plan. The plan targets were to be specified for major components of the RMSA. In addition, DPC was to identify the critical activities and develop a realistic implementation schedule. Component-wise major activities to be undertaken during the plan period along with an assessment of risks and uncertainties associated with the implementation were to be identified. However, it was noticed that DPC was not constituted in any of the districts test-checked. Hence, as a result, no targets were specified in the Annual Plans of the eight test-checked districts as well as in the State Level Plan. In addition, critical activities and implementation schedule were not identified or developed.

Thus, in the absence of planning as envisaged in the framework of RMSA, we could not ascertain whether the district level plans prepared were need based and realistic.

The Government while accepting (February 2019) that the audit findings were true, stated that an informal mechanism existed to include necessary inputs from individual schools in the district plans. However, we feel that since, the RMSA framework envisaged evidence based strategic plan, the Government needs to review the existing mechanism of planning in order to enrich the planning process.

Recommendation-11: Core groups may be constituted in the districts as well as at the State level to perform the functions contemplated in the RMSA framework.

The Government accepted the recommendation and stated that it would follow in letter and spirit in implementing similar programmes.

(c) Plans for infrastructure and procurement

Civil works under RMSA should start with school-wise compilation of physical and fund requirements. Thereafter infrastructure requirement for each district needs to be assessed. Provision of additional classrooms should be considered only after exploring possibility of repairs of the existing infrastructure. Once the total requirement for the district is obtained, it needs to be ascertained as to how much of this requirement could be funded through the on-going schemes and the gaps that need to be funded through RMSA.

Audit observed that there was no evidence of such assessment of the existing buildings, their condition, and repairability before proposing works. In the test-checked districts excess creation of infrastructure was seen as indicated in **Table-2.11**.

Table-2.11: Creation of excess infrastructure

District	Name of the school	Remarks
Belagavi	Government High School, Kadoli	One building each was constructed under Pancha Soulabya Scheme and RMSA. The building constructed under RMSA was lying vacant.
Belagavi	Government High School, Haliyal, Athani	Even though the school had its own building which was sufficient, a new building under RMSA was constructed. As a result, the earlier building was lying vacant.
Hassan	Government High School, Somanahalli	Even though the school had its own building, a new building was constructed under RMSA. Even after its completion, the new building was lying vacant as the school continued to run in old building.

Source: Information based on joint verification.

Similarly, in accordance with the provisions of the Manual on Financial Management and Procurement for RMSA, the procurement plan for a year was to be prepared at the beginning of every financial year. This was to be based on actual requirement and prepared after assessing the requirement of goods for the SPD office, district level offices and schools. However, we observed that no such procurement plan was prepared.

The Government accepted (February 2019) that no separate document existed. However, since the preparation of a separate procurement plan was mandatory the Government needs to consider the preparation of a procurement plan in order to dovetail its purchases with completion of civil works *etc.*

(d) Non-convergence with other departments and schemes

Implementation of RMSA seeks convergence and coordination with various other departments, schemes *etc.* Accordingly, the State is required to create an institutional mechanism for ensuring convergence and coordination with different departments such as Department of Social Welfare, Department of Backward Classes, Department of Youth Empowerment and Sports, Department of Women and Child Development, Department of Health and Family Welfare, *etc.*, MP LAD fund, MLA LAD fund, by including representatives of these Departments in State and District Level Planning Committees that anchor the RMSA. However, representatives from other Departments were not involved in any of these committees, and therefore were excluded from the planning process.

As a result, dovetailing of funds was not encouraged and also synergies such as transportation facilities to schools that could be provided through the Transport Department, compound walls for schools/playgrounds, *etc.*, that could be provided through MPLAD & MLALAD funds, aids and equipment to differently-abled children through Department of Empowerment of Differently Abled and Senior Citizens, *etc.*, was not explored. In addition, the RMSASK could have coopted departments such as Home, Employment & Training, Women and Child Development for creating awareness amongst children of ill effects of drug abuse, usage of internet, employment opportunities, empowerment of girls *etc.* Similarly, convergence with departments like Public Works, Fire, *etc.*, would have facilitated safety audit for preparation of disaster management plans at all levels.

2.1.12.2 Monitoring, Evaluation and Research

The RMSA Framework has stipulated various levels and also methods of monitoring, evaluation and research in order to supervise the implementation of the scheme and also to take corrective measures and strengthen implementation. Audit noticed the following deficiencies in monitoring, evaluation and research of implementation of RMSA and other subsumed schemes in the State.

- ***Review by Governing Council and Executive Council***

The Governing Council (GC) and the Executive Council (EC) are required to conduct minimum one and four meetings per annum respectively. However, in the last eight years, while the Governing council had met only once, the Executive council had met 11 times for the period from 2009-10 to 2017-18. Further, we noticed that EC had not met even once in 2010-11 and 2014-15. It had met only once in each year during 2015-16 to 2017-18. Hence, in the absence of regular meetings of GC as well as EC, monitoring of various activities was not adequate.

Review of proceedings of meetings conducted showed that the Deputy Commissioners of the districts and the Secretary to Government of Karnataka, Social Welfare Department had not attended any of the meetings. In addition, we noticed that the targets in terms of outcome indicators were not assigned to the district level implementing agencies as well as to the State. Thus, the monitoring at the executive level was deficient.

- ***Monitoring by the State Government***

The State Mission and the State Government were required to monitor all aspects of implementation of the RMSA including performance of all districts. In this regard, the State Government has to send a consolidated report to the GoI every six months. However, we noticed that the report was never sent for the period 2009-10 to 2017-18.

- ***District Level Committees***

Under the provisions of Financial Management and Procurement Manual of RMSA, a District Level Committee is required to be constituted to monitor progress in implementation of various measures under RMSA. In all the eight test-checked districts, District Level Committees were not constituted and hence

implementation of all components of RMSA, progress and quality of work, its payments, etc., were not monitored.

- ***Monitoring by Gram sabhas and Gram panchayat***

The Gram sabhas and Gram panchayats were also to monitor progress of implementation of all the components of RMSA at school level. In the eight test- checked districts, we observed that none of the schools was monitored by the Gram sabhas or Gram panchayats.

- ***School Development Management Committee (SDMC)***

As per provisions of Framework of the RMSA, the SDMC is required to monitor progress of implementation of all the components of the RMSA at the school level. Further, the SDMC has to inspect work sites, take stock of progress of non-recurring expenditure, take stock of status of education, equity aspects, quality aspects etc. In the test-checked 91 Government schools we observed from the records produced to Audit, that no such monitoring was done.

- ***Grievance redressal cell***

As per RMSA guidelines, the State Government was required to set up Grievance Redressal mechanism at the State, district and school levels. However, no such cell was set up at any level and no records relating to receipt/disposal of grievances were made available to audit.

- ***Evaluation***

The RMSA Framework stipulates that regular evaluation and sample surveys at the district level should be conducted and the findings of the studies should be used for initiating corrective action. As already discussed in paragraph 2.1.11.5 only two surveys were conducted during the period 2015-16 to 2017-18.

- ***Research***

The State Government was required to conduct independent research on different activities of RMSA by engaging independent institutes of repute. However, no such research studies were forthcoming from the records produced to audit.

Though there existed in-built monitoring and evaluation mechanism in the RMSA, inadequate action in this regard resulted in various lacunae in implementation of the scheme as already brought out in the earlier paragraphs.

Recommendation-12: For proper implementation of the RMSA scheme, Government needs to strengthen the inbuilt monitoring mechanism at all levels viz., constitution of district level committees, monitoring by Grama Sabha and Grama Panchayat etc.

2.1.13 Conclusion

The objective of RMSA was to improve access, quality and equity by providing access to secondary and higher secondary schooling within reasonable distance, through improved physical facilities and qualified teachers and also by giving special focus to girls, scheduled caste and tribal children and differently abled children. However, there was disparity in allocation of funds between various components of RMSA as majority of the funds were focused towards physical infrastructure alone.

Though the State was able to improve the participation of children in secondary education, it was yet to achieve the target of 100 *per cent* GER by 2017. In addition, it did not undertake necessary institutional reform to bring the higher secondary sector into the RMSA fold which deprived the children of age group 16-18 years of quality education.

The targets set by the State Government in its Perspective Plan for enhancing quality in secondary education through infrastructural facilities like sufficient classrooms, laboratories, libraries, separate toilets for girls and boys *etc.*, were yet to be achieved. Though the PTR of the State was well within the prescribed ratio of 30:1, there were many schools which had a PTR ratio of 30:1 because there was no monitoring in deployment of teachers at school level. Though RMSA specified that subject-wise teachers were required to be deputed in every school, the RMSASK did not ensure proper balance of teachers as many schools did not have teachers for core subjects *viz.*, mathematics, science and social science. Inordinate delay in execution of civil works in the initial years impacted provisioning of facilities in the upgraded schools as well as schools which were strengthened. ICT programme introduced in secondary schools was not implemented. In addition, many schools lacked computers and also computer laboratories. Hence, the State could not prepare the students of secondary school for the digital future.

The GER of girls, SC and ST children was at 83, 79 and 73 *per cent* respectively against GER of the State at 82 *per cent*. Though the State had not achieved the target of 100 *per cent* as envisaged in the Perspective Plan of Karnataka, it had ensured almost equitable participation from special focus groups in secondary education. However, it had not monitored the progress of participation of differently-abled children in secondary education.

Due to delay in construction of model schools as well as recruitment of teachers in these model schools, the schools were yet to reach the standard of a Kendriya Vidyalaya. Though RMSA envisaged Vocational Education for enhancing employment opportunities, the State is yet to integrate Vocational Education into the secondary education system.

Decentralised participative bottom-up planning did not materialise leading to plans which were not need based and realistic. Monitoring was deficient at all levels. This coupled with ineffective planning led to non-achievement of objectives of the RMSA. Thus, the impact of RMSA on secondary education was not visible both in terms of financial and outcome indicators compared to State intervention (₹5,100 crore approximately per year).

Chapter-III

Compliance Audit

Chapter-III

Compliance Audit

Department of Kannada and Culture

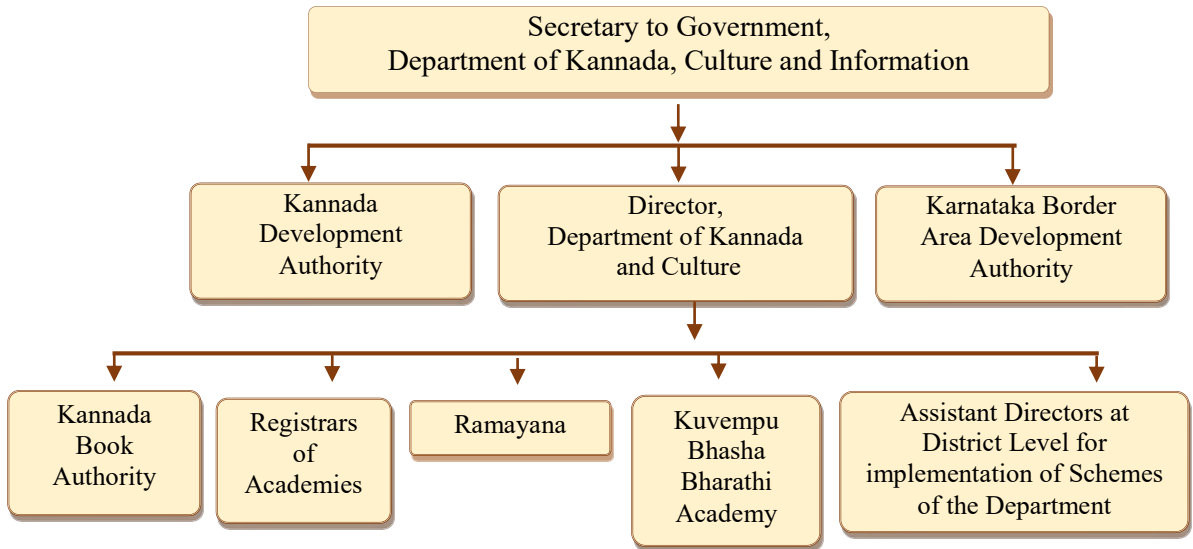
3.1 Thematic audit on the promotion and propagation of the Language and Culture of Karnataka

3.1.1 Introduction

The State of Karnataka has fostered various religions and philosophies, that in turn, have influenced literature, architecture, folklore, music, painting, and other arts. The cultural heritage of the State lies not only in art and architecture but also in its language. Kannada is spoken as a native language by about 66 *per cent* of the people of Karnataka (census 2011). It is the administrative language of Karnataka and is also recognised as a classical language³¹.

The promotion and propagation of the Language and Culture of Karnataka is under the overall control of the Secretary to Government, Department of Kannada, Culture and Information (Department). The organisational chart of the Department is indicated in **Chart-3.1**.

Chart-3.1: Organisational chart of the Department of Kannada and Culture



Audit covering the period 2013-14 to 2017-18 was conducted during April 2018 to August 2018 to assess whether the Department complied with the various guidelines issued for promoting and propagating Kannada including regional languages *viz.*, Tulu, Konkani, Kodava and Beary and Culture. This was done

³¹ Criteria for determining a language as Classical Language by GoI is high antiquity of its early tests/recorded history over a period of 1500-2000 years, literary traditions be original and not borrowed from other speech community and classical language & literature being distinct from modern form of the language.

through test-check of records of the Secretariat, the Directorate and Assistant Directorates of ten³² test-checked districts selected through Simple Random Selection Method. In addition, records of Kannada Development Authority (KDA), Karnataka Border Area Development Authority (KBADA), Kannada Book Authority (KBA), 10 out of 12³³ Academies in ten test-checked districts, all four Rangayanas³⁴, Kannada Sahitya Parishath (KSP) and Kannada Janapada Parishath (KJP) were test-checked. Audit methodology also included joint physical verification of the cultural bhavans with the representative nominated by the Department. The report takes into account the replies furnished by the Government in response to the audit observations communicated to them.

3.1.2 Utilisation of funds

The budget allocation and expenditure incurred during 2013-14 to 2017-18 is indicated in **Table-3.1**.

Table-3.1: Budget allocation and expenditure

(₹ in crore)

Year	Budget allocation	Expenditure	Percentage of expenditure to allocation
2013-14	372.41	309.67	83
2014-15	399.00	321.81	81
2015-16	433.77	399.55	92
2016-17	471.10	426.47	91
2017-18	544.06	505.15	93

Source: Information furnished by the Department

From the Table, it is noticed that the expenditure ranged between 81 and 93 *per cent* of allocation. Though most of the funds allocated were expended, there were lapses in implementing the schemes meant for promotion and propagation of Kannada language and culture which are discussed in subsequent paragraphs.

3.1.3 Audit findings

3.1.3.1 Delay in framing Cultural Policy

Though the Department has been in existence since 1977, it had not framed any cultural policy for the State. Hence, in order to frame cultural policy for the State, GoK constituted a 'Draft Review Committee' in June 2012 and again reconstituted it in August 2013. The committee submitted (June 2014) a draft Cultural Policy which included principles and recommendations. The State Government, further constituted (May 2016) a sub-committee to study the draft Cultural Policy and give its recommendations. The sub-committee in turn gave its recommendations in May 2017 which was approved by the Government

³² Bagalakote, Ballari, Belagavi, Bengaluru, Bidar, Chitradurga, Dakshina Kannada, Mandya, Mysuru, Shivamogga.

³³ (1) Karnataka Music and Dance Academy (2) Karnataka Drama Academy (3) Karnataka Literary Academy (4) Karnataka Fine Arts Academy (5) Karnataka Janapada Academy (6) Karnataka Kodava Academy (7) Karnataka Konkani Academy (8) Karnataka Tulu Academy (9) Karnataka Shilpakala Academy (10) Karnataka Yakshagana Academy (11) Karnataka Beary Academy (12) Karnataka Arebhashe Academy.

³⁴ Rangayana Mysuru, Rangayana Kalaburagi, Rangayana Shivamogga and Rangayana Dharwad.

during October 2017. However, the Department is yet to prepare (September 2018) an action plan for its implementation.

Government replied (December 2018) that it had issued orders with regard to awards, establishment of academics and also guidelines for appointment of Chairman/members of various Trusts/Foundations under the Department. It further stated that action would be initiated for implementing other recommendations in the policy. Hence, even though Government approved the cultural policy, the Department was yet to take action on all the recommendations.

3.1.3.2 Promotion and propagation of Kannada Language

(a) Non-establishment of separate Centre of Excellence for studies in Classical Kannada in Bengaluru

Subsequent to the recognition (October 2008) of Kannada as a Classical language, the Government of India (GoI) established (September 2011) a Centre of Excellence for studies in Classical Kannada (Centre) at the Central Institute of Indian Language (CIIL), Mysuru, GoI grants amounting to ₹8.91 crore was released during 2011-12 to 2016-17 and an expenditure of ₹2.78 crore has been incurred towards preservation, promotion and propagation of language, culture and heritage of Karnataka.

The Centre at the CIIL, Mysuru had incurred an expenditure of ₹0.68 crore during 2011-13 against release of ₹2.73 crore (25 per cent) as grants by GoI. Since the State Government felt that the utilisation of grants was meagre, it proposed (May 2013) for establishment of the Centre as an Independent Body at Bengaluru under the aegis of the State Government. In response, GoI accepted (October 2013) the proposal in principle but stipulated a condition. As CIIL, Mysuru was the policy advisor in the matter of languages to both GoI and also the States, the Ministry of Human Resources Development stipulated that the Centre after its relocation to Bengaluru would continue to remain with CIIL, Mysuru but with functional autonomy. It also directed to furnish details of the infrastructure required for establishing the Centre in Bengaluru for taking up the matter further. Though the State Government identified the required land in the Bangalore University campus, the land was yet to be handed over (September 2018) to the Department of Kannada and Culture. Hence, the request of the State Government for an independent Centre for implementation of its objectives was defeated as it was not established even after five years of sending the proposal to the GoI.

In addition, we observed that the CIIL had delayed appointment of staff for the existing Centre due to the request of the Government of Karnataka for an independent body. Hence, all the staff *viz.*, Project Director, Senior Fellow, Associate Fellow and other administrative staff were appointed only after September 2015.

Thus, inaction on the part of the State Government in obtaining infrastructure resulted in non-utilisation of Central Assistance optimally.

Government stated (December 2018) that in order to establish coordination between CIIL and Centre, a proposal for nominating a representative from the

Central Government in the Committee of the Centre has been submitted (August 2018) by the Department. However, the reply is silent with regard to its acceptance as well as on the reasons for delay for transfer of land.

(b) Non-monitoring of implementation of the Kannada Language Learning Act, 2015

The State Government enforced (May 2015) the Kannada Language Learning Act, 2015 to ensure learning of Kannada as one of the languages in all schools across the State. As per the Act, Kannada language is to be taught as a compulsory language in all classes in the schools in the State either as the first or second language in a phased manner from the academic year 2015-16. The Deputy Director (Administration) of Districts and Directors³⁵ were nominated for monitoring the implementation of the said Act only in May 2017. Thereafter, the State (Department of Education) framed Kannada Language Learning Rules in October 2017 and prescribed the implementation year as 2017-18. We observed that 47 schools³⁶ out of 26,031 schools across the State had not yet introduced Kannada as a compulsory language. Out of these 47 schools, 31 schools³⁷ were located in Bengaluru.

Government stated (December 2018) that a letter in this regard would be addressed to Primary and Secondary Education Department.

(c) Promotion of Kannada Language in Kannada and Regional films

In order to promote Kannada and other regional languages of the Karnataka film industry, the State Government introduced the Kannada Film Policy, 2011. The policy provided for subsidy for Kannada regional films under various categories viz., Children films, films based on stories prior to independence or any literary works, award winning movies and general category movies which intend to spread good messages. Under the general category, the subsidy for each movie was ₹10 lakh. The details of subsidy released to movies under the General category is given in **Table-3.2**.

Table:3.2: Details of subsidy released to movies under general category

(Amount ₹ in crore)

Year	No. of films in which subsidy extended	Amount of Subsidy	No. of Films released	No. of films Not released	Subsidy extended to films not released
2013	79	7.90	63	16	1.60
2014	89	8.90	58	31	3.10
2015	80	8.00	52	28	2.80
2016	101	10.10	46	55	5.50
Total	349	34.90	219	130	13.00

Source: Information furnished by the Department

From the above table we observed that while the number of movies in general category increased *i.e.*, from 79 in 2013 to 101 in 2016, the number of movies released decreased from 63 to 46. Hence, the percentage of films not released increased from 20 to 54 *per cent*. Thus, non-screening of movies resulted in

³⁵ Director (Secondary Education) for Bengaluru and Mysuru Division; Director (Department of Public Instruction) Kalaburagi for Kalaburagi division and Director (Department of Public Instruction) Dharwad for Dharwad division.

³⁶ 39 schools were Central Board of Secondary Education (CBSE) & Indian Certificate of Secondary Education (ICSE) Schools and eight schools were State syllabus schools.

³⁷ Eight State syllabus schools; 23 CBSE/ICSE schools.

non-achievement of the basic objectives of spreading good messages and promoting the regional art, culture, heritage *etc.* Since no monitoring mechanism was prescribed in the policy for release of films, the basic objective of promoting Kannada and other regional languages through screening of films was not achieved. Hence the State may consider to put in place a mechanism to monitor screening of Kannada films for which subsidy has been released.

3.1.3.3 Schemes for promotion and propagation of Kannada language and Culture.

To promote Kannada language and cultural development, the Department implements various schemes. The schemes and the expenditure incurred for the years 2013-14 to 2017-18 are detailed in **Appendix-3.1**. The audit observations in respect of implementation of the following five schemes are discussed in the subsequent paragraphs.

- Financial Assistance to Cultural Associations/Institutions for cultural programmes
- Financial Assistance to Cultural Associations/Institutions for construction of cultural bhavans
- Pension scheme for artists/litterateurs
- Sale of Kannada books printed by Department
- Digitisation of books

(a) Financial Assistance to Cultural Associations/Institutions for cultural programmes

The scheme provides for financial assistance to Cultural Associations/Institutions/ Trusts established only for the purpose of art, literature and culture. A scrutiny committee at the District level consisting of Assistant Director as head and maximum three members serving in the various Academies of the District or senior artists of various fields scrutinises the applications received and makes recommendations. The recommended applications received from the districts are placed before the Grants Sanction Committee for sanction of grants. The Committee is headed by a Chairman who is Principal Secretary to the Government of Karnataka, Department of Kannada, Culture and Information and consisting of one Member Secretary and six other members from various Departments.

During 2013-14 to 2017-18, a total of 3,738 grantees were sanctioned ₹65.54 crore. In the test-checked 10 districts, out of 1,982 cases involving ₹39.94 crore, we observed the following:

- (i) The project proposals were required to be submitted online. We, however, observed that in 40 cases even though applications were not submitted online, assistance amounting to ₹8.69 crore was extended based on recommendations of public representatives. In addition, we observed that eight applications which were received initially through online were rejected for non-submission of required documents, *viz.*, certified accounts, documentary evidence of photos, *etc.*, subsequently were extended financial assistance of ₹1.00 crore based on recommendations of public representatives. This indicated that these eight applications were subsequently considered without submitting applications through online

which was contrary to the guidelines. Further, this was indicative to the doubtfulness of utilisation of grants released towards conducting of cultural programmes.

- (ii) The quantum of financial assistance for an institution has not been defined under this scheme. As a result, there is no consistency in the amounts approved for financial assistance which ranged between ₹10,000 and ₹65 lakh in the test-checked cases. Further, no justification was recorded by the Grants Sanction Committee while deciding the quantum of financial assistance to institutions.
- (iii) In accordance with the Appendix 1 of the Government order (September 2015), financial assistance was to be extended only for institutions with the sole objective of conducting cultural programmes, promoting art and literature and not to institutions with multi-purpose activities. In 54 cases, assistance of ₹17.50 crore was extended even though the institutions had multi-purpose activities such as education institutions, rural development, media, disbursement of social security pension *etc.* Further scrutiny of the certified accounts submitted by three institutions indicated that financial assistance were utilised for purposes other than cultural activities *viz.*, salary to staff, sports festival, Republic day celebrations, agricultural expenses, pooja activities *etc.*
- (iv) Presence of four artists in the institution seeking financial assistance was mandatory. In 137 cases, audit noticed that even though the number of artists in the institution was less than four, financial assistance of ₹16.74 crore was extended.
- (v) Registration of institutions and submission of certificate of renewal of registration by the registered institutions is mandatory for applying for financial assistance. In one case, though the institution was not registered, it was extended financial assistance amounting to ₹1.50 crore during 2015-16 to 2017-18. Similarly, we observed that though four institutions had not renewed registration (**Appendix-3.2**), financial assistance amounting to ₹31.00 lakh was extended. Further, in 11 districts, financial assistance was extended to 120 institutions (January 2018) amounting to ₹1.60 crore through Deputy Commissioners for conducting Karaga Utsav³⁸. However, while releasing the amount, the Department did not stipulate any conditions such as registration numbers, renewal certificates, certified accounts, *etc.*, to be provided in order to ensure whether the institutions receiving assistance were registered or had renewed their registration.
- (vi) Applications were required to be accompanied *inter alia* by the audited statements of accounts. In 11 cases assistance of ₹1.44 crore was extended even though the institutions had not submitted their audited statement of accounts for the releases (₹3.38 crore) in the earlier years (**Appendix-3.3**).
- (vii) Though financial assistance was to be extended to an institution only once in a financial year, in 10 cases, assistance was extended twice in a financial year both online and offline. While online assistance was ₹34 lakh, the offline releases was ₹132.50 lakh. The grants sanction committee without

³⁸ Karaga Utsav is an oldest festival celebrated by 'Thigala' community of Southern Karnataka.

verifying the online releases, released the offline amount indicating serious lapses on the part of its functioning. (**Appendix-3.4**).

- (viii) The scheme guidelines do not provide for submission of utilisation certificate by the grantees on completion of the financial year. Hence, no utilisation certificates were available in the Department in respect of all the cases in the test-checked districts. Thus, audit could not verify the utilisation of the assistance.
- (ix) The scheme guidelines do not specify that the institutions should receive financial assistance only from one department/authority. In 35 cases, we noticed that the institutions had availed financial assistance both from the Department (₹65.50 lakh) as well as from the Karnataka Border Area Development Authority (KBADA) (₹134 lakh). Thus, there is no coordination between KBADA and the department in releasing of grants.
- (x) The Trusts are also extended with financial assistance under the scheme. Hence the scheme guidelines also apply for Trusts. The Department has been releasing grants for 23 Trusts/foundations established for preserving and propagating the contributions of literatures. The Department released ₹12 lakh each as grants for these 23 Trusts up to 2016-17 and ₹15 lakh each from 2017-18 onwards. Though the guidelines did not specify submission of utilisation certificates, while releasing the amounts, the Department had endorsed the condition that it should submit utilisation certificates for the amount released in respect of these Trusts. However, we observed that grants were released in respect of three Trusts despite non-submission of utilisation certificates for the previous years (**Appendix-3.5**). In addition, it was observed that the unspent grant of ₹12 lakh was kept as fixed deposits by one Trust³⁹. Thus, there were lapses in monitoring the utilisation of funds before release of grants for subsequent years.

From the above observations, we notice that there were lapses in framing guidelines as well as monitoring of utilisation of funds by the Department. This resulted in grant of financial assistance to ineligible institutions. Besides, the Department could not ensure that the funds released were utilised towards promotion of cultural activities.

Government stated (December 2018) as follows:

- Some cultural associations which had recommendations of Chief Minister, various Ministers and public representatives were extended financial assistance under discretionary powers of the Department.
- Guidelines of the scheme would be revised based on audit observations.
- Instructions would be issued to the Associates/Institutions/Trusts to utilise the amount in the relevant year itself.
- Action would be initiated to avoid lapses in monitoring pointed out by audit in future.

(b) *Financial Assistance to Cultural Associations/Institutions for construction of cultural bhavans*

The scheme provides financial assistance to Cultural Associations/Institutions established only for the purpose of art, literary and cultural activities for

³⁹ Alur Venkatarao Rastriya Memorial Trust, Dharwad.

setting up cultural bhavans. Constitution of a committee for sanctioning the assistance has not been defined in the guidelines of the scheme. Hence the Department itself sanctioned the assistance. We observed that most of the norms in the scheme were violated while sanctioning financial assistance.

During 2011-12 to 2017-18, a total of 1,094 grantees were sanctioned ₹131.32 crore. In the test-checked 10 districts, out of 532 cases involving ₹67.64 crore we observed the following:

- (i) As per the scheme guidelines, financial assistance is not to be extended for institutions conducting activities other than cultural activities viz., yoga, meditation, education and religious matters. However, we observed that in 53 cases, financial assistance of ₹13.33 crore (in excess of stipulated amount of ₹20 lakh in each case) was extended to yoga, educational and religious institutions.
- (ii) The institute seeking financial assistance should have completed three years from the date of its registration. However, in one case we observed that the Department had extended (March 2018) financial assistance of ₹60 lakh even though the institute had not completed three years after its registration (August 2015).
- (iii) The applications were to be accompanied with registration certificate or renewal certificate, bye-laws of the institute, audited statements of accounts of the previous years, details of activities undertaken by the institute, land documents such as rights and transfer certificate, pahani patra, encumbrance certificate, estimates, building plan etc. In 28 cases, we observed that though the institutes had not submitted all the requisite documents, financial assistance amounting to ₹9.97 crore (**Appendix-3.6**) was released to them.
- (iv) The guidelines prescribe that cultural bhavans are to be constructed in places which are accessible and convenient to the public. We observed that financial assistance of ₹1.25 crore was released for construction of Mylara Mahadevappa Cultural Bhavan in Haveri district next to an existing graveyard which is approximately four kms from the town. As a result, except for conducting the anniversary of Mylara Mahadevappa, the cultural bhavan remained unused.
- (v) The maximum financial assistance for an institute for construction of cultural bhavan as prescribed in the guidelines was ₹20 lakh. We, however, observed that in 20 cases, the Department had extended financial assistance in excess of the maximum limit as detailed in **Appendix-3.7**. This was indicative of its imprudent financial management.
- (vi) The guidelines stipulate that assistance is to be extended for construction of cultural bhavans and not for any other purpose. However, in eight cases, the Department extended assistance for construction of marriage halls, auditoriums. Besides financial assistance was extended for construction of toilets, renovation of temples, providing drinking water, drilling bore wells, purchase of site etc., in temple premises. The total assistance extended by the Department in respect of these cases worked out to ₹6.92 crore (**Appendix-3.8**).

- (vii) The scheme guidelines do not specify that the institution should receive financial assistance only from one department/authority. As a result, in ten cases, we noticed that the institutions had availed financial assistance from the Department (₹3.33 crore) as well as from other departments (₹5.75 crore) (**Appendix-3.9**). Hence there could be conflict between the objectives of department for extending financial assistance.
- (viii) The construction of cultural bhavans is to commence within 90 days and is to be completed within one year from the date of release of grants. In case of delay, the Department had to withdraw the sanction of assistance. However, we noticed that in seven cases (**Appendix-3.10**), though 74 to 340 months had elapsed since one year of the release of funds, the construction was yet to be completed. As a result, there was escalation in the cost of construction of cultural bhavans. However, the Department had not taken any action to withdraw the sanctioned assistance.
- (ix) The guidelines specify that a report on the activities conducted in each cultural bhavan were to be submitted to the Assistant Director at the District every year by the end of March. However, we observed that no such records were maintained at the District level and also in the cultural bhavans visited by Audit. Hence audit could not ensure the utilisation of the cultural bhavans for the purpose for which they were constructed.
- (x) Audit conducted joint physical verification of 174 cultural bhavans in 10 test-checked districts along with the staff of the Department. The Department had released ₹26.44 crore towards its construction. During joint physical verification, we observed that out of 174 cultural bhavans, 22 cultural bhavans were under construction and another 22 bhavans were only constructed as specified in the guidelines and utilised. The observations of audit in respect of balance 130 cultural bhavans are as follows:
- Though ₹3.49 crore was released for construction of 32 cultural bhavans, ₹60.33 lakh was utilised for construction of eight residential houses, ₹60 lakh for construction of three marriage halls, ₹74 lakh for construction of four indoor stadium and commercial purposes and ₹1.55 crore for other purposes such as store rooms, office rooms, etc.

		
Marata Cultural Bhavan, Mallikawada, Chikkodi Taluk, Belagavi district	Sri Channabasava Pattadeva Memorial Trust, Bhalki, Bidar District	Kittur Rani Chennamma Residential School, Kittur, Bailahongala Taluk, Belagavi district

- In respect of location, while 48 cultural bhavans constructed at a cost of ₹4.68 crore was in religious premises, two cultural bhavans constructed at cost of ₹60 lakh were in inaccessible location. Further, eight cultural

bhavans which were extended with assistance of ₹55.64 lakh was not located in places indicated in the applications.

- Twenty-six cultural bhavans were constructed in first floor instead of ground floor as stipulated in the guidelines,
- While six cultural bhavans constructed at a cost of ₹75 lakh were not maintained, eight cultural bhavans constructed at cost of ₹2.34 crore were lying idle and therefore, encroachment and miscreant activities cannot be ruled out.

Thus, the above observations clearly indicated that there were lapses in framing guidelines and also in monitoring of utilisation of funds. This resulted in utilisation of financial assistance for activities not related to promoting art and culture. Besides, non-utilisation of cultural bhavans for the intended purpose led to non-achievement of objective of propagating cultural activities in these cultural bhavans.

Government replied (December 2018) that all the Assistant Directors of the Districts have been addressed to furnish information on mis-utilisation of assistance. Further it has been informed that a circular with regard to maintenance and monitoring of Rangamandiras and Cultural bhavans would be issued. In addition, it has been stated that action would be initiated to avoid the lapses noticed during audit, in future.

(c) Pension scheme for artists/litterateurs

In accordance with Appendix 10 of the Government Order (September 2015), the artists and litterateurs who have contributed 25 years of service in the field of drama, music, folk arts, yakshagana, fine arts, literature *etc.*, and have attained 58 years of age are eligible for monthly pension of ₹1,500. The annual income of the pensioners should not exceed ₹40,000 for rural areas and ₹50,000 for urban areas. The artists drawing pension under any other schemes implemented by other departments are not eligible for pension under the said scheme. Further, as per the guidelines, the Assistant Director after scrutiny of the applications received, sends the applications to the Academy⁴⁰ concerned with his recommendations. The Assistant Director has to maintain copies of all such applications forwarded to the Academies and also has to issue an endorsement to the applicant. The Academies after scrutiny and interview of the applicant if required, sends the applications with their recommendations to the Department for further action.

We observed that there was no database of the artists and litterateurs who were eligible for pension. There were also no details of pension applications received by the Assistant Directors or applications forwarded to the Academies concerned which was in contrary to the guidelines. Further, details of pensioners drawing pensions in the district under the scheme, *etc.*, were not maintained in the District offices. The Academies (except Sahitya Academy) also had not maintained any database on applications received, applications forwarded to the Standing Committee with recommendations, date of forwarding applications,

⁴⁰ Academies such as Lalitha Kala Academy, Yakshagana Academy, Sahithya Academy *etc.*, to which the artists belonged.

applications rejected, *etc.* In the absence of such information, audit could not comment on the fruitfulness of the scheme. As per information furnished by the department, during 2013-14 to 2017-18, 5,527 artists/litterateurs were sanctioned pensions. The expenditure towards pension during the said period was ₹79.36 crore. Thus, due to non-availability of database on the pensioners, the veracity of the expenditure incurred on the pension scheme remain unascertained.

Further, from the records available, we observed that the pensions to artists were sanctioned only thrice⁴¹ in these five years, despite the fact that there were no delay on the part of the pensioners in submitting their applications for pension periodically. This indicated that no system existed in the Department to sanction pension periodically and the artists were deprived of financial assistance due to them. This could discourage artists/literatures whose income was minimal to pursue their service in the field of art and literature. Out of ₹86.73 crore sanctioned during 2013-14 to 2017-18 for release of pension, an amount of ₹79.36 crore was spent leaving a balance of ₹7.37 crore.

Government stated (December 2018) that action would be initiated for timely sanction of pension for artists/literatures.

(d) *Sale of Kannada books printed by Department*

Books printed through the Directorate office, Kannada Book Authority and Kuvempu Basha Bharathi Authority are supplied to the Assistant Director's office for its sale. In the 10 test-checked districts, we observed that no registers were maintained to indicate the number of books received, books sold, closing stock, value of closing stock *etc.* Besides, no physical verification of stock was conducted in nine out of the 10 test-checked districts. In Mandya district, we observed that books were dumped in a rented house. In addition, during joint physical verification, we also observed that 5,108 Rig Veda volumes valued at ₹12.91 lakh, 320 copies of Kumara Vyasa Bharatha valued at ₹5.76 lakh and 2,500 copies Punaravalokana valued at ₹7.50 lakh remaining unsold were dumped in all the district stores. No action was initiated by the Department to push the sales or distribute the books to Libraries, Universities, Colleges *etc.*, where books are well taken care of. Thus, the books printed could not reach the readers.



Books dumped in a rented house at Mandya

Government stated (December 2018) that there were shortage of staff and action would be initiated to set right the lapses noticed in audit.

⁴¹ 1 January 2013 (1,600 cases); 1 September 2015 (3,527 cases) and 1 January 2018 (2,000 cases).

(e) Digitisation of books

Digitisation means creating digital surrogates of books, which offers a variety of benefits, including increasing access, especially for patrons at a distance; contributing to collection development, through collaborative initiatives; enhancing the potential for research and education; and supporting preservation activities. Another major advantage of digitisation is that there is no physical limit for its storage capacity.

The Department initiated the process of digitisation and allotted ₹2.50 crore during December 2016. However, no targets were fixed or monitoring mechanism put in place. The department had not utilised the allocated ₹2.50 crore. As of July 2018, only 808 books with (2.01 lakh pages) were digitised and uploaded.

Thus, it was evident that process of digitisation was very slow despite availability of funds which indicated least priority bestowed on the concept of digitisation. As a result, benefits of digitisation of Kannada books did not reach the interested readers throughout the world and also could not be preserved for future generation.

Government stated (December 2018) that action would be initiated in this regard.

3.1.3.4 Working of Authorities, Academies, Parishaths, etc., under the Department

Karnataka Sahitya Parishath (KSP) was established (1915) to promote Kannada language through publishing of books, organising literary seminars and to promote research projects. Similarly, to preserve and present Karnataka’s folk heritage across the State, Karnataka Janapada Parishath (KJP) was established in 1979. With a view to make available good books for readers across the State, Karnataka Book Authority (KBA) was established in 1993. The Karnataka Border Area Development Authority (KBADA) was formed (April 2010) for the development of border areas of Karnataka and for monitoring and evaluating the implementation of projects and programmes related to the development of the border areas of Karnataka (Andhra Pradesh, Kerala, Maharashtra, Tamilnadu and Telangana).

The details of grants released to the above Authorities and Parishaths during 2013-14 to 2017-18 and expenditure incurred there against are indicated in the **Table-3.3**.

Table-3.3: Grants released and expenditure incurred during 2013-2018

(₹ in crore)

Particulars	Opening balance	Total Grants Released	Total	Total expenditure incurred	Closing balance	Remarks
Kannada Sahitya Parishat	3.34	35.37	38.71	31.72	6.99	Unspent amount of ₹4.19 crore of All India Kannada Sahitya Sammelanas conducted during the period 1997 to 2016 was kept in fixed deposits without being utilised for creation of fixed assets as per Bye-laws,

Particulars	Opening balance	Total Grants Released	Total	Total expenditure incurred	Closing balance	Remarks
Academies	6.09	80.62	86.71	70.15	16.56	Yearly audit of accounts of the academies was not being conducted regularly and funds were being released to these academies despite non-compliance to norms framed as per Bye-laws and academies were also not following KTPP rules while making purchases, printing of books, etc.
Kannada Book Authority	1.20	8.66	9.86	6.60	3.26	KBA had not submitted utilisation certificates and certified accounts since its inception in 1993 despite incurring expenditure of ₹24.62 crore.
Rangayana	1.97	41.56	43.53	32.47	11.06	Funds released for Talent search – children (₹3.00 crore), SCP/TSP funds (₹3.50 crore) and ₹92.21 lakh out of ₹3.24 crore for conducting janapada jatre were kept in bank account without being utilised for the intended purposes.
KBADA	0.56	105.07	105.63	103.74	1.89	As per the Bye-laws, at least one meeting in two months, i.e., six meeting per year is to be conducted. However, for the period 2013-14 to 2017-18 only 12 meetings were conducted as against the scheduled 30 meetings to be conducted. KBADA stated that since there were no sufficient subjects to be discussed meetings were not conducted.
Art Integration College, Kalaburagi		5.24				Extended grants for salaries though the role of the Department was to extend assistance for promotion of art and culture.

Source: Information furnished by the Department

The observations on the working of the above Parishaths and Authorities are as follows:

Karnataka Border Area Development Authority:

- As per the sanction orders issued by the Department, the KBADA had to furnish utilisation certificates for the grants sanctioned and released. However, we observed that though utilisation certificates were not submitted by the KBADA for the previous years, grants for subsequent years were released by the Department which indicated that there existed no monitoring mechanism to ensure utilisation of grants released.
- KBADA had released ₹53.28 crore to 558 institutions for construction of cultural bhavans, class rooms, libraries etc. During joint inspection of 130 constructions (₹13.67 crore) by the audit team along with the staff of the Department, it was observed that grants released for construction of cultural bhavans, class rooms, computer rooms, toilets, purchase of computer, etc., in respect of 59 cases were used for other purposes viz., construction of residence, hostels, etc.

- The KBADA Act, 2010 empowered KBADA to supervise the facilities required for drinking water, health, agriculture, irrigation, road and for other development works in the villages in the border area to be provided through the concerned departments. However, contrary to the above provision, we observed that out of ₹80.74 crore expended, ₹20.97 crore was incurred towards road works and drinking water. Hence, KBADA instead of supervising the works being implemented through the concerned department, utilised its own funds in the border areas of Karnataka for the works.

In view of the above observations *i.e.*, use of own funds for purposes not covered under KBADA Act, 2010, failure to submit utilisation certificates, we can conclude that the KBADA was not able to line up to the purpose for which it was established *i.e.*, to develop people in the border areas in all shears of life.

Kannada Sahitya Parishat:

- With a view to conduct literary activities, Government envisaged (December 2009) construction of Sahitya bhavan through Kannada Sahitya Parishat. Government allotted land in the city of Belagavi for the construction of Sahitya bhavan and it spent ₹33.14 lakh to construct. In addition to the above, Department released funds for construction of another Sahithya Bhavan at Belagavi at a cost of ₹3 crore. The said Bhavan was partially completed and an advertisement calling for letting out for commercial use was called for (May 2018). Hence the objective of construction of Sahitya Bhavan *i.e.*, to organise literary seminars was defeated. Furthermore, this is indicative of the fact that the construction of the additional Sahitya Bhavan was not at all required leading to the entire amount of ₹3 crore unfruitful.

Kannada Book Authority:

- One of the objectives of KBA was to publish select books in Kannada for assistance to the Kannada book publishing industry and distribute the books to all government and private schools and colleges in the State. Despite availability of funds (₹2.66 crore), the scheme was not implemented during 2014-15 and 2015-16. Though the same was included in the action plan for the years 2016-17 and 2017-18, no action was initiated.
- Further, in order to make good books available to readers in Karnataka and outside the State, KBA established (September 2015) 'Siriganda Pustaka Malige' in 18 districts in the State and in two places outside the State. During 2015 to 2018, against the stock of books worth ₹11.92 lakh in these outlets, only books worth ₹2.42 lakh were sold. However, the KBA had not initiated any steps to assess the reasons for lower sales or take any innovative action such as publicity through media to increase the interest of the readers/sales *etc.*

Hence, the KBA could not achieve its main objective of increasing readership and providing good books at affordable rates to the people.

Rangayana:

- The funds released (₹7.42 crore) during 2013-18 towards talents search in children and for conducting janapada jatre remained unutilised thereby defeating the purpose for which it was released *i.e.*, identifying various talents in children, reviving folklores of villages, *etc.*

Thus, from the above observations on authorities/parishats, we can conclude that though grants were released by the Department to these authorities/parishats, there was no monitoring mechanism for its utilisation. In addition, the objective of establishing these authorities/parishats were also not achieved.

Government stated (December 2018) that audit observations would be brought to the notice of KBADA. Further, it stated that action would be taken to increase the sales in Siriganda Pustaka Malige.

3.1.4 Conclusion

The main objective of Kannada and Culture Department is development of Kannada and promotion of culture. Though the Department has brought out a Cultural Policy after around 42 years of its existence, an action plan needs to be framed in order to implement the recommendations in the Policy. Further, ineffective action of the State in obtaining required infrastructure resulted in non-establishment of a dedicated Centre of Excellence for studies in Classical Kannada in Bengaluru. Consequently, utilisation of the GoI grants was in a slow pace. In addition, though the Government framed various schemes/programmes to promote culture by encouraging/honouring individuals/institutions, the objective was not achieved due to lapses in guidelines and also due to non-compliance to the existing guidelines which resulted in assistance being released to ineligible institutions/trusts and non-utilisation of assistance for the purpose for which it was released. During 2013-14 to 2017-18, part of the grants released to various Authorities, Academies, Parishaths and Rangayanas functioning under the Department for promotion of Kannada and Culture remained un-utilised and outside Government Accounts which once again indicated lapses in monitoring of utilisation of grants. Thus, even though Government released huge amounts for promotion and propagation of Kannada and Culture, the objective of the Department was not achieved to a substantial extent.

Government stated (December 2018) as follows:

- Action would be initiated to avoid the lapses indicated during Audit in future.
- Schemes would be implemented with compliance to guidelines.
- Action would be taken to achieve the objectives of the Department.

Department of Social Welfare

3.2 Thematic audit on Construction and maintenance of hostels for Scheduled Caste students

3.2.1 Introduction

The Constitution of India provides certain special Constitutional safeguards for the welfare of Scheduled Castes (SCs) and Scheduled Tribes (STs) and other weaker sections of the population, so that they could take their rightful place in the community.

In order to extend good facilities to the students and to discourage dropouts and also to educate and empower SC boys and girls, the Social Welfare (SW) department, Government of Karnataka, is running 1,231 pre-matric and 636 post-matric hostels throughout the State with a capacity to accommodate 1,56,130 students. During the year 2018-19, the number of students admitted stood at 1,59,054. The construction/repairs of hostels are entrusted to Nirmithi Kendra⁴² (NK), Karnataka Rural Infrastructure Development Limited⁴³ (KRIDL) and Karnataka Residential Educational Institutions Society⁴⁴ (KREIS).

3.2.2 Organisational setup

The administrative setup of the SW department comprises three levels – State, District and Taluk.

Additional Chief Secretary to Government (ACS) <i>Overall in-charge for implementation of all Schemes of the Social Welfare Department in the State</i>		
State level Commissioner of Social Welfare	District level Joint Director (JD) / Deputy Director (DD)	Taluk level Assistant Director (AD)
<i>Implementation and monitoring of all the Schemes at the State Level</i>	<i>Responsible for overall monitoring at the District level</i>	<i>Responsible for overall monitoring at the Taluk level</i>

3.2.3 Audit objectives

The compliance audit was conducted to ascertain whether:

- planning and implementation of construction and maintenance of hostels were in compliance with applicable rules/orders/circulars;

⁴² Nirmithi Kendras are technology transfer centres established (November 1988) by the State Government to take up training of masons, carpenters, and artisans and develop low cost technology alternatives. They shall also take up monitoring of low cost housing.

⁴³ A Government of Karnataka Undertaking involved in civil engineering construction and creation of assets in the State. It was established in 1971 and was earlier known as Karnataka Land Army Corporation.

⁴⁴ KREIS was established (October 1999) to establish, maintain, control, and manage residential educational institutions in the State.

- general principles governing sound financial management were complied with at various stages of implementation; and
- the department established a monitoring mechanism to ensure compliance to relevant rules during implementation and took suitable action in case of violation of rules.

3.2.4 Audit criteria

The following were the sources of audit criteria for the compliance audit:

- Karnataka Transparency in Public Procurement (KTPP) Act and Rules;
- Babu Jagjivan Ram Chhatrawas Yojana guidelines;
- Central Vigilance Commission guidelines (July 2007);
- Government Orders/Circulars issued from time to time;
- Departmental instructions, circulars and manuals, if any;
- The Karnataka Financial Code;
- Approved model plan for hostel buildings; and
- Byelaws, rules and regulations of the implementing agencies.

3.2.5 Audit scope and methodology

The compliance audit was conducted from May to August 2018 covering the period 2013-14 to 2017-18. Records of the Commissionerate, KREIS, 8 district offices and 16 taluk offices selected through statistical sampling method of “probability proportional to size without replacement” with expenditure on construction of hostel buildings for the period 2013-14 to 2017-18 as size measure were test-checked. The list of selected offices is indicated in **Appendix-3.11**.

There are 673 hostels in 42 taluks of eight selected districts. Audit test-checked the records relating to 190 hostels existing in 16 test-checked taluks and conducted a joint physical verification (JPV) of 72 of these 190 hostels along with the officials of the SW department and the findings noticed thereon are brought out in this report.

An entry meeting was held (6 April 2018) with ACS to discuss the audit objectives, scope and methodology. The results of the audit were discussed with the Principal Secretary, SW department on 27 December 2018. Replies received (January 2019) from the State Government are duly incorporated.

3.2.6 Past audit and recommendations of the Public Accounts Committee

A performance audit (PA) on the functioning of KREIS conducted during February to August 2013 covering the period 2008-09 to 2012-13 was included in the Report of the Comptroller and Auditor General of India, General and Social Sector Audit, Government of Karnataka (Para 2.1 of Report No.3 of 2014). The PA was discussed by the Public Accounts Committee (PAC) and

the report containing the recommendations was placed before the Legislature on 27 March 2017. Compliance to the recommendations in so far as they relate to KREIS have been verified and observations noticed thereon are incorporated wherever relevant.

3.2.7 Acknowledgement

Audit acknowledges the cooperation extended by the officers and staff of the Social Welfare Department in conducting the compliance audit.

Audit findings

The inability to provide hostels with facilities such as cots, mattresses, toilets/bathrooms, *etc.*, to the SC students could be attributed to lack of planning/prioritisation in establishing the hostels, non-execution of works, delays in completion of works, *etc.*, as detailed in the succeeding paragraphs.

3.2.8 Planning

Planning is the most important step to achieve the defined objectives and optimum utilisation of available resources. The planning process (1) identifies the goals or objectives to be achieved, (2) formulates strategies to achieve them, (3) provides the means required, and (4) implements, directs, and monitors all steps in their proper sequence.

3.2.8.1 Non-formulation of guidelines for construction of Government hostels

Establishing a hostel required compliance to criteria⁴⁵ such as (i) High concentration of SC population and low literacy among SCs in the area, (ii) Inadequate hostel facilities in the area, (iii) Adequate availability of school going SC children, (iv) Adequate number of educational institutions, and (v) Good accessibility and safety of girl students.

The Handbook on hostel maintenance of the SW department prescribed the format for submission of proposals for establishing the hostels which *inter alia* considered the factors such as number of educational institutions existing in the surrounding areas, number of SC students studying in these institutions, the distance of the institutions from the proposed place, *etc.*

Audit, however, did not come across submission of the proposals from the records produced by the test-checked districts/taluks. The Commissioner also did not make available the proposals received from the districts/taluks in respect of the test-checked hostels to audit. In the absence of the records, audit could not ascertain the sufficiency or otherwise of fulfilment of the requirements for establishing the hostels in the test-checked taluks and whether the hostels established were actually need based.

⁴⁵ General guidelines of the Ministry of Social Justice and Empowerment, Government of India.

Scrutiny of the records and joint physical verification revealed the following instances of improper planning/prioritisation for establishment of hostels.

(i) Non-construction of Pre-matric boys' hostel, Byadgi taluk, Haveri district

The pre-matric hostel established during 1962-63 was functioning in its own building. As the building was declared (June 2017) unfit for occupation by the Public Works Department, the hostel with 108 inmates was relocated to the first floor of the post-matric hostel building during 2017-18. It was later relocated during 2018-19 to the premises of the old Karnataka Model Primary School (KMPS), Byadgi Town as the post-matric hostel could not provide space due to admission of more number of post-matric students.

We observed that the AD, SW, Byadgi requested (June 2017) the DD, SW, Byadgi to demolish the old hostel building and construct a new one in its place. However, the DD has not initiated any action so far. Joint physical verification (July 2018) with the department staff showed that the existing space was not conducive for the hostel and was insufficient to accommodate all the inmates (**Exhibit-3.1**). The Diesel generator of 7.5 KVA capacity installed in the old hostel building was lying idle from June 2017 onwards. No action was taken to relocate the generator to needy hostels.

Exhibit-3.1: Existing hostel functioning in an old KMPS, Byadgi Town (26.07.2018)



We also observed that construction of new library cum computer laboratory was in progress within the campus of the old hostel building. The Commissioner, SW department had approved and entrusted (June 2017) the construction to NK and released ₹80.01 lakh. Since the old hostel building needs to be demolished and the fact that demolition and construction work take longer time, the possibility of utilisation of the new library cum laboratory on completion

appears to be bleak. The above instance indicates lack of proper planning by the department.

The State Government replied (January 2019) that the proposal for demolition of the existing building and construction of new building was received from the district only during August 2018 and action would be taken against the district authorities after seeking necessary explanation for the delayed attitude. It further stated that till such time the building is constructed and the inmates relocated to the new building, arrangements would be made to facilitate the use of library cum laboratory by the inmates of the post-matric hostel located in Byadgi town.

The reply is not convincing. A separate library cum laboratory was being constructed for post-matric students and the distance between post-matric hostel and pre-matric hostel premises is more than 2 km. Thus the issue of providing suitable hostel facilities to pre-matric students was not given adequate priority.

(ii) Pre-matric boys' hostel, Betagera, Basavakalyan Taluk, Bidar district – Incomplete work

SW department entrusted (2010-11) the work of construction of pre-matric boys' hostel building (50 strength) at Betagera, estimated to cost ₹92.00 lakh to KRIDL, Humnabad and released ₹20.00 lakh during the years 2010-11 and 2011-12. The stipulated period of construction was 11 months including monsoon period. KRIDL had incurred expenditure of ₹25.00 lakh as of July 2012 and thereafter stopped the work as no further instalments were released by SW department.

We observed during joint physical verification of work site that the agency had completed the work up to the basement level and provided steel rods for columns. A portion of the basement had developed cracks and the steel rods were rusted resulting in weak structure (**Exhibit-3.2**). Thus, the hostel building remained incomplete even after lapse of six years, rendering the expenditure unfruitful.

Exhibit-3.2: Incomplete pre-matric boys' hostel building, Betagera (04.07.2018)



The AD, SW, Basavakalyan stated (July 2018) that the work was stopped due to shortage of funds. He further stated that the matter was taken up with DD, SW, Bidar and action would be taken to complete the work at the earliest.

The State Government replied (January 2019) that the work could not be completed due to shortage of grants with ZP. The revised estimate for ₹124.42 lakh was received from the district for approval and is under process. This indicates lack of financial commitment. Further, the circumstances under which construction was taken up without ensuring fund availability as well as the implications of non-availability of hostel facility for a period of six years need to be examined.

As these are only illustrative cases, the State Government may examine similar cases in other districts and accord priority for establishment of hostels.

Further, the State Government had not brought out any guidelines for construction of hostels. The status of SC hostels as at the end of August 2018 is given in **Table-3.4**.

Table-3.4: Status of SC hostels as at the end of August 2018

Sl. No.	Type	State				Test-checked districts			
		Total	Own building	Rent free	Rented	Total	Own building	Rent free	Rented
1	Pre-matric	1,231	1,138	07	86	448	408	0	40
2	Post-matric	636	324	53	259	225	112	10	103
	Total	1,867	1,462	60	345	673	520	10	143

Source: Information furnished by the Commissioner, SW department

As can be seen from the above table, 18 *per cent* of the hostels in the State and 21 *per cent* in test-checked districts are functioning in rented building. The extent of post-matric hostels functioning in rented building was higher in comparison with pre-matric hostels. Further, out of 190 SC hostels in the test-checked taluks, 45 hostels (24 *per cent*) were functioning in rented buildings. As these rented buildings are not built to run hostels, there was lack of certain basic amenities like sufficient number of toilets/bathrooms, dining hall *etc.*, as noticed during joint physical verification.

The Commissioner, SW department accepted (October 2018) that no guidelines were formulated for construction of Government hostels and construction of hostels was being done as per the model plan. He also stated that during the last five years' more number of post-matric hostels were sanctioned and they were functioning in rented buildings.

3.2.8.2 Utilisation of hostels

As indicated in the introductory paragraph, the number of students accommodated in the hostels in the State exceeded the envisaged capacity. This was because the State Government directed (July 2013) the SW department to accommodate all SC students who have sought admission for the hostels, irrespective of the sanctioned strength of the hostels.

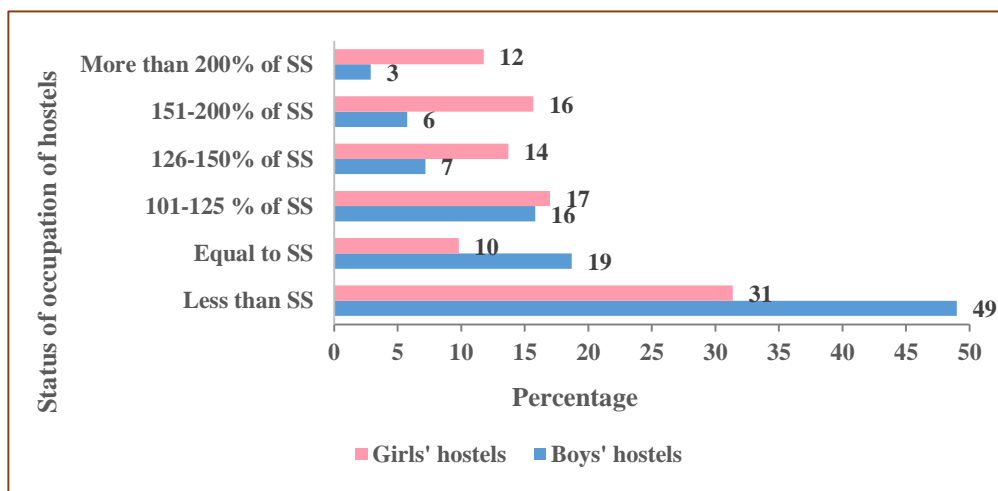
The status of occupation of 190 test-checked (139 boys' and 51 girls') hostels in comparison with the sanctioned strength during 2017-18 is given in **Appendix-3.12**.

Scrutiny showed that out of 190 test-checked SC hostels in 16 taluks, 74 hostels (39 *per cent*) were accommodating more students than the capacity. In 10 hostels, the crowding was to the extent of more than 100 *per cent*. On the other

hand, 85 hostels (45 per cent) of the hostels were under-utilised. In 18 hostels, the extent of under-utilisation was less than 10 per cent and in 30 hostels, it ranged between 12 to 25 per cent. While the extent of under-utilisation in 26 hostels ranged between 26 to 50 per cent, it was 53 to 83 per cent in the balance 11 hostels.

A comparison between boys' and girls' hostels showed that crowding was more in girls' hostels as depicted in **Chart-3.2**. Hostel-wise details are given in **Appendix-3.13**.

Chart-3.2: Status of occupation of test-checked hostels (2017-18)



We also observed that the department had not initiated any action to transfer the excess inmates in over-utilised hostels to other under-utilised hostels located in the same town. A few illustrative cases are given below:

- (i) The post-matric girls' hostel in Madhugiri town was accommodating between 135-215 inmates as against the sanctioned strength of 87 during the period 2013-14 to 2017-18. The new hostel constructed in the same town for post-matric girls that was functioning from the year 2017-18 had only 27 inmates against the sanctioned strength of 100.
- (ii) The post-matric boys' hostel-1 in Madhugiri town had occupation below the sanctioned strength throughout the audit period whereas, the post-matric boys' hostel-2 in the same town had excess occupancy during the same period.
- (iii) The post-matric boys' hostel in Holalkere town had occupancy between 123-225 inmates as against the sanctioned strength of 100. The new hostel in the same town, which started functioning from 2017-18 had 56 inmates against 90.

The over-utilisation had implications for the quality of facilities provided to the students and under-utilisation implied wastage of resources as detailed in Paragraph 3.2.11.

The State Government stated (January 2019) that the earlier order of July 2013 has been modified and has directed (August 2018) the department to redistribute the students as per the sanctioned strength.

3.2.9 Entrustment/Procurement on nomination basis

The SW department entrusted the work of construction of new hostel buildings and work of repairs/renovation to NK, KRIDL and KREIS during the period 2013-14 to 2017-18. KREIS was entrusted with the construction of new hostel buildings as it was following the process of inviting tenders for construction works undertaken by it. NK and KRIDL were entrusted with construction as well as repairs/renovation works.

3.2.9.1 Entrustment under clause 4(g) of the KTPP Act

(a) The Central Vigilance Commission (CVC) guidelines (July 2007), while referring to a Supreme Court of India judgment⁴⁶, stipulated that tendering process or public auction is a basic requirement for award of contract by any Government agency as any other method, especially award of contract on nomination basis would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties. The said guidelines also stipulated a departure from the aforementioned rule only in exceptional cases⁴⁷ where a Government Contract may be awarded on a nomination basis.

The SW department, in violation of the aforementioned CVC guidelines, entrusted works to NK and KRIDL on nomination basis, without following the procedure of open tender. None of these cases was exceptional case as per the CVC guidelines.

The entrustment to NK and KRIDL was based on the exemption provided by the State Government under clause 4(g)⁴⁸ of the KTPP Act for direct entrustment of construction works not exceeding ₹2.00 crore to KRIDL and for direct entrustment of various departmental works, involving environment friendly or low-cost building technology or innovative building materials or pre-cast technology to NKs. The works to be entrusted shall not exceed ₹2.00 crore.

We observed that in violation of the above notification, the Commissioner, SW department entrusted three works during 2014-15 to NK, the estimated cost of which exceeded ₹2.00 crore.

We also observed that these agencies were preparing the estimates and according technical sanctions themselves. The Government/SW department did not have any role in technical scrutiny. This procedure leads to conflict of interest and needs to be reviewed.

⁴⁶ Nagar Nigam, Meerut vs. A1 Faheem Meat Export Private Limited (arising out of SLP (Civil) No. 10174 of 2006).

⁴⁷ During natural calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or contractor has exclusive rights in respect of goods or services and no reasonable alternative or substitute exists; where the auction was held on several days but there were no bidder or the bid offered was too low, etc.

⁴⁸ The provisions of Chapter II – Regulation of procurement shall not apply to procurement of goods and services in respect of specific procurements as may be notified by the Government from time to time.

In respect of 40 works that were entrusted to NK and KRIDL during the years 2015-16 and 2016-17, the estimated cost of construction ranged between ₹199.01 lakh to ₹199.99 lakh. The number of students who could be accommodated in these hostels ranged from 50 to 150 and the hostels were proposed in and around the same places within the taluk. In accordance with the instructions (September 2012) of the Commissioner, SW department, the estimated cost of construction of hostel for 30 students ranged from ₹161.89 lakh to ₹171.90 lakh between various circles. For 93 students' strength, it was ₹245.81 lakh to ₹264.65 lakh and for 156 students, it ranged from ₹331.62 lakh to ₹358.55 lakh. Hence, it was not clear to audit as to how the estimated cost could be more or less the same despite the varied strength. Evidently, the department resorted to direct entrustment under the pretext of 4(g) exemption by restricting the estimates to less than ₹2.00 crore.

Further, in all the cases of entrustment on nomination basis, no agreements were entered into with the construction agencies by the department. In the absence of agreements, the department had no mechanism to initiate action against these agencies for delays in completion of the works.

(b) Similarly, DD, SW, Chitradurga entrusted (January 2018) the work of supply and installation of 72 numbers of solar home lighting systems to Karnataka State Electronics Development Corporation Limited (KEONICS) under clause 4(g) of the KTPP Act, 1999 after approval (November 2017) of the Chief Executive Officer, Zilla Panchayat, Chitradurga and the district level purchase committee (December 2017). The DD, SW drew (March 2018) ₹99.47 lakh from the Treasury and paid (May 2018) the same to KEONICS.

Scrutiny of records showed that the firm was exempted under clause 4(g) for taking up Information Technology (IT) projects only. As supply and installation of solar home lighting systems does not fall under IT category, entrustment of the work to the firm was incorrect and violated the provisions of the KTPP Act, 1999.

Audit obtained unit rates from various sources and found that the rates paid to the firm were substantially high resulting in cost difference of ₹40.26 lakh as indicated in **Table-3.5**.

Table-3.5: Statement showing the variation in rates

(Amount in ₹)

Sl. No.	Name of the component	Quantity procured	Rate paid per unit	Actual market price per unit	Difference per unit	Total cost difference	Source from where unit rate obtained
1	SPV 200W	72	34,200	4,883*	29,317	21,10,824	e-mail from the manufacturer.
2	Battery 150 AH	72	26,000	11,550	14,450	10,40,400	MRP printed on product package
3	9 W LED DC Tube	432	2,000	400	1,600	6,91,200	On line prices of best available products
4	Charge Controller	72	6,050	3,500	2,550	1,83,600	
Total						40,26,024	

* Market price of SPV 150W adopted as the firm supplied SPV 150W instead of SPV 200W as noticed during JPV conducted (June/July 2018) with the department officers.

Source: Information furnished by department and rates obtained by audit from other sources

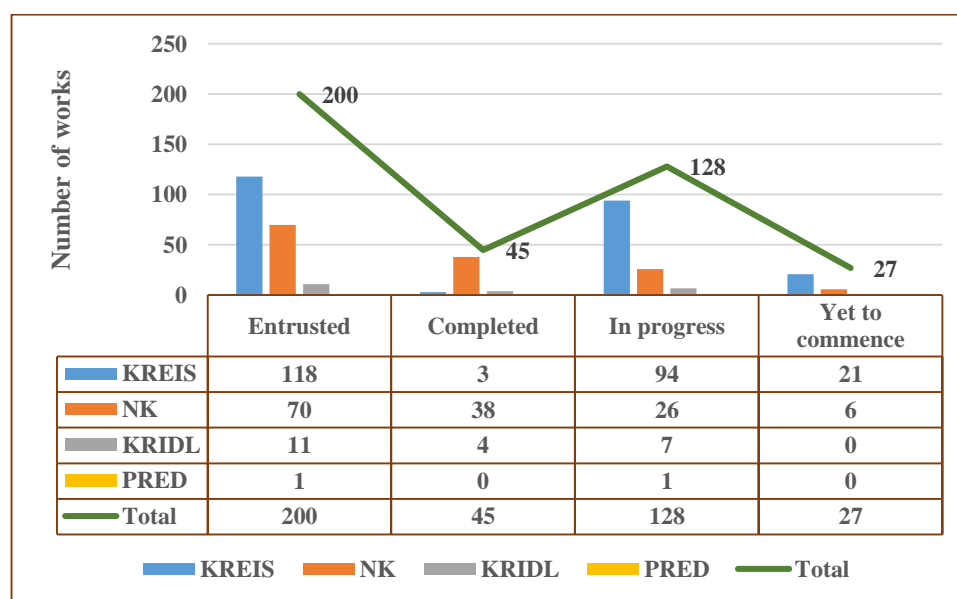
The JPV also showed that the firm had not handed over the copies of invoices and warranty card to the hostel authorities and the hostel authorities had not included these items in the stock register. The certificate of satisfactory receipt and installation of all items was not recorded by the Assistant Directors of taluks and wardens of hostels. Instead, a certificate signed by the hostel warden stating that the solar home lighting system was installed was forwarded to the DD. Consequently, payment was made without ensuring that the items supplied were as per the required specification.

Thus, approval of the CEO and district level purchase committee to entrust work without inviting tenders not only violated the guidelines of CVC but also resulted in the department not obtaining competitive rates and consequent excess expenditure.

3.2.9.2 Status of works entrusted to construction agencies

Out of 200 works taken up during the period 2013-14 to 2017-18, the State Government entrusted construction of 70 hostels (35 per cent) to NK and 118 hostels (59 per cent) to KREIS, 11 hostels to KRIDL and one work to Panchayat Raj Engineering Department. The agency-wise status of construction is depicted in **Chart 3.3**.

Chart 3.3: Agency-wise status of construction



As could be seen from the above chart, only 45 works (23 per cent) were completed, of which five works were completed on time and there was delay of 4 to 32 months in completion of the balance 40 works. The year-wise details of works sanctioned, completed and in progress is given in **Appendix-3.14**. Audit observed that the department took no action to expedite the construction.

3.2.9.3 Delay in commencement of works by construction agencies

We observed from the information furnished by the Commissioner and progress reports furnished by KREIS that there were delays in commencing the works by

the construction agencies from date of issue of work order/date of handing over of site during the period 2013-14 to 2017-18 as detailed in **Table-3.6**.

Table-3.6: Statement showing the delay in commencement of works

Sl. No.	Number of days of delay	No. of works		
		KREIS	NK*	KRIDL
1	> 30 ≤ 60	4	9	
2	> 60 ≤ 90	11	2	1
3	> 90 ≤ 120	12	2	
4	> 120 ≤ 180	17	4	
5	> 180 ≤ 240	4	6	
6	> 240 ≤ 300	8	1	
7	> 300	9	4	
	Total	65	28	1

* The information furnished by the Commissioner was inconsistent and incomplete. The delays have been worked out to the extent the information was complete.

Source: Information furnished by Commissioner, SW department and progress reports

It can be seen from the above table that KREIS and NK delayed commencement of work by more than six months in the case of 32 hostels proposed for accommodating 2,669 students. While the delays on the part of KREIS were attributed to delay in handing over site/non-availability of site at the time of commencement, reasons for delay on the part of NK were not evident from the records.

3.2.9.4 Non-execution of works due to non-availability of land

The provisions of Karnataka Public Works Departmental Code stipulate that no work should be entrusted for execution without ensuring the availability of the entire land required for the work. Further, as per the guidelines of the Centrally Sponsored Scheme – Babu Jagjivan Ram Chhatrawas Yojana, the State Governments shall send proposals to the GoI for establishment of hostels which *inter alia*, should specify the availability of land and attached proof of ownership and occupancy of land.

With reference to a similar observation (Paragraph 2.1.8.2 of the Report of the Comptroller and Auditor General of India on General and Social Sector Audit for the year ended 31 March 2013– Report No.3 of the year 2014, Government of Karnataka), the PAC recommended that the tender process for implementation of works should be taken up only after ascertaining the availability of site.

We observed from the scrutiny of records that the work of construction of 12 hostels estimated to cost ₹45.63 crore including one hostel under CSS were entrusted to NK and KREIS during the period 2013-14 to 2017-18 without ascertaining the availability of land. Consequently, the works were yet to be taken up. The details are indicated in **Appendix-3.15**.

Thus, the violation of guidelines and PAC recommendations resulted in non-execution of the works and consequent deprivation of facilities to the inmates.

The State Government stated (January 2019) that there were local disputes at the time of commencement of the works which led to delay in taking up the works. The reply clearly indicates that the department violated the statutory provisions as well as the recommendations of the PAC, of ensuring the availability of land free from all encumbrances before entrusting the work.

3.2.9.5 Construction of hostels under CSS – Babu Jagjivan Ram Chhatrawas Yojana

The scheme of construction of hostels for SC girls started from the 3rd five-year plan (1961-66) and for boys, it started with effect from the year 1989-90. GoI provides 100 *per cent* assistance to construct girls' hostels and 50 *per cent* assistance on matching share basis for construction of boys' hostels. The State Government was to ensure that they have clear ownership and occupancy status over the land where the hostels are to be constructed before forwarding the proposals to Ministry of Social Justice and Empowerment, GoI. The State Government was also to submit quarterly reports indicating both physical and financial progress till the completion of the hostels.

The State Government had submitted proposals for construction of four hostels under CSS during 2013-14 and two each for the years 2015-16, 2016-17 and 2017-18. GoI approved four proposals for the year 2013-14 and released (January 2014) ₹3.50 crore as first instalment. GoI was yet to approve the other six proposals (September 2018). The Department failed to draw the amount released by GoI in time and this resulted in non-utilisation of central assistance.

Audit observed that:

- In October 2017, the Commissioner, SW department entrusted the construction of four works proposed during 2013-14 to NK. NK did not commence the construction of these works as of August 2018 citing non-release of funds.
- The construction of two works proposed during 2015-16 was entrusted to NK in October 2017 without GoI approval. Of these, one was stated to be in progress and work on the other did not commence due to non-availability of site.
- The State Government neither accorded administrative approval nor ensured availability of sites before forwarding the proposal for construction of two hostels during the year 2016-17 to GOI. These works were yet to be entrusted.
- Both the works proposed during 2017-18 were entrusted (February 2018) to KREIS without obtaining the GoI approval. The works were yet to commence as of January 2019.

Thus, the State Government not only failed to utilise the available central assistance of ₹3.50 crore but also failed to obtain GoI approvals for the works proposed during the years 2015-16 to 2017-18. As a result, none of the works proposed under CSS could be completed during the audit period.

The State Government stated (January 2019) that the funds released by GoI for four approved works of 2013-14 were not released by the Finance Department so far and action was being taken to take up the works from out of the State funds. It further stated that two works each of 2015-16 and 2017-18 were under progress and action was being taken to undertake the works of 2016-17 from State funds. The reply was, however, silent on the non-receipt of the central assistance and the reasons for forwarding proposals without ensuring the availability of sites.

3.2.9.6 Repairs/renovations of hostels

The repairs/maintenance of hostels was taken up by the State Government out of its own funds. There were no norms for repair/renovation of hostels. During the period 2013-14 to 2017-18, the State Government took up 1,990 works of repairs/renovation estimated to cost ₹575.42 crore. The department did not furnish the status of the progress of the works for the period 2013-14 to 2015-16. The status of the progress of the repair works during the period 2016-17 to 2017-18 is given in **Table-3.7**.

Table-3.7: Status of repairs/renovations to hostels during 2013-14 to 2017-18

Year	No. of works sanctioned	Status of Repair/renovation work				Completed in per cent
		Completed	Work in progress	Yet to be started	Yet to be started due to non-release of funds	
2013-14	434	Audit called for the information during June 2018; it is not yet furnished by SW department (January 2019).				
2014-15	329					
2015-16	472					
2016-17	346	131	193	16	6	38
2017-18	409	101	183	123	2	25
Total	1,990	232	376	139	8	

Source: Information furnished by Commissioner, SW department

It could be seen from the above table that 376 works (50 per cent) out of 755 works taken up during the years 2016-17 and 2017-18 were under progress despite the fact that the stipulated time for completion of the works was six months from the date of issue of work order which was over in all these cases. No reasons were recorded for the delay in completion of the works.

The State Government stated (January 2019) that additional time was required to furnish the information for the years 2013-14 to 2015-16 as the same was called for from the districts. The reply indicates that there was absence of monitoring of the construction agencies by the department.

3.2.9.7 Incorrect reporting by construction agencies

The State Government entrusted the work of repairs/renovation of the hostels mainly to NK and KRIDL during the period 2013-14 to 2017-18. The progress report furnished by KRIDL/NK showed that the following works, for which the Commissioner released funds in full, were completed but JPV (May 2018 and July 2018) along with Wardens/officers revealed otherwise as indicated in **Table-3.8**.

Table-3.8: Statement showing the comparison of works as per progress report and JPV

(₹ in lakh)

Sl. No.	Name of the work	Estimated cost	Date of work order	Name of the agency	Status as per progress report	Status as per JPV
1	Water proofing of roof, ward robes, plumbing works and other works to post-matric girls' hostel, Sakleshpura	27.80	16.12.2017	KRIDL	Water proofing work completed and other works under progress	No such work taken up
2	Additional Rooms, Bath rooms, Toilets and other works to pre-matric boys' hostel, Hethur, Sakleshpura taluk	38.80	16.12.2013		All works have been completed	Plumbing work in bathrooms and toilets and laying of tiles was yet to be started.
3	Pre-matric boys' Hostel, Dombarmattur	14.75	1.12.2014	NK	Work executed and handed over to department	Gas pipe line work not completed
4	Pre-matric boys' Hostel, Savanur Town	17.50	1.12.2014			Gas pipeline work not completed. Water connection not provided to bathroom and toilets.
5	Pre-matric boys' Hostel, Huralikuppi	16.50	1.12.2014			Laying of tiles and Gas pipe line work not completed

Source: Progress reports of KRIDL/NK and Joint physical verification

In case of another seven repair/renovation works, the progress report of KRIDL (August 2018) cited non-execution of these works due to site problems. This could not be relied upon as the repair/renovation works pertained to existing hostels functioning in own buildings for which site problem would not arise.

The above instances clearly indicate incorrect reporting by the construction agencies and absence of monitoring by the department. Suitable deterrent action need to be taken against these agencies.

The State Government stated (January 2019) that three works of Haveri district have been completed and action would be taken to complete the two works of Hassan district at the earliest. It further stated that warning would be issued to the construction agency for incorrect reporting.

3.2.9.8 Lump sum release of funds to construction agencies without recovery of statutory deductions and further security deposit

The Commissioner at the time of according sanction for entrustment of works to NK and KRIDL directed the Joint Director/Assistant Directors to release the funds to the constructing agencies in stages depending on the progress of construction and after recovery of the statutory deductions along with Further Security Deposit (FSD) at five *per cent*. Further, Section 194 (C) of the IT Act, 1962, provides for recovery of income tax at two *per cent* of the contract price. However, the Commissioner in the same orders directed transfer of funds in full to the construction agencies through RTGS.

The Commissioner, SW department had released ₹743.21 crore to the construction agencies during the period 2013-14 to 2017-18. We observed that

the department released the funds in lump sum for all the works without effecting any recovery of the statutory deductions and FSD. The release of funds in lump sum thus, resulted in non-recovery of

- (i) Income tax of ₹14.86 crore (@ 2 per cent of ₹743.21 crore); and
- (ii) FSD of ₹37.16 crore (@ 5 per cent of ₹743.21 crore).

Hence, there was no control of the district and taluk level officers over these construction agencies.

The State Government stated (January 2019) that in accordance with the instructions (September 2018) of the Finance Department, TDS would be effected by the department only. The fact, however, remains that the department failed to deduct the statutory deductions at source as required and stipulated in its own orders.

3.2.9.9 Retention of funds by construction agencies

Scrutiny of the records of KRIDL showed that in eight cases pertaining to test-checked taluks, the construction agency had completed the works at a total cost of ₹4.48 crore as against the total estimated cost of ₹5.15 crore but failed to return the balance funds of ₹0.67 crore to the department as detailed in **Appendix-3.16**. The progress report furnished, however, indicated that the entire releases have been spent. In respect of NK, neither the department nor NK had furnished the records/information regarding the expenditure incurred on construction of works to audit for verification. Hence, we could not ascertain any retention of funds by it.

The State Government stated (January 2019) that necessary action would be initiated to take back the unutilised amount from the implementing agencies.

3.2.9.10 Locking up of funds with construction agencies

We observed from the scrutiny of the information furnished by Commissioner and progress reports furnished by KREIS and KRIDL that construction/repairs of few hostels could not be taken up due to land disputes, non-availability of sites, etc. The funds released to these agencies for these works were not returned to the department resulting in locking up of funds with the construction agencies. It is pertinent to mention here that the entire amount released to these agencies is treated as expenditure in the books of accounts of the State Government. An amount of ₹45.63 crore in respect of 12 construction works (as detailed in **Appendix-3.15**) and ₹2.07 crore in respect of 7 repairs/renovations works remained locked up with these agencies as at the end of August 2018. This practice of releasing the entire amount in advance carries risk of failure on the part of agencies to implement the work in a timely manner and hence, this needs to be reviewed.

The State Government stated (January 2019) that two works were under progress and action would be initiated to get back the amount for works that were yet to start along with interest. Thus, the department failed to effectively monitor the utilisation of funds.

3.2.9.11 Compliance to the provisions of Karnataka Transparency in Public Procurement Act, 1999 and Rules, 2000 and other instructions

➤ Invitation of short-term tenders

Rule 17 of KTPP Rules, 2000 specifies that the minimum time to be allowed for submission of tenders in excess of rupees two crore should be 60 days. Any reduction of the stipulated time was to be authorised by an authority superior to the Tender Inviting Authority for reasons to be recorded in writing.

In response to a similar observation (Paragraph 2.1.8.1(i) of the Report of the CAG on General and Social Sector Audit for the year ended 31 March 2013– Report No.3 of the year 2014, Government of Karnataka), the PAC recommended that the period of 60 days prescribed under the KTPP Act should be adhered to and reduction in time should be resorted to only under extreme circumstances.

Scrutiny of the records of KREIS showed that 119 e-tenders were invited for construction of Government pre/post-matric hostels for SC students during 2016-17 and 2017-18 and all these tenders except one tender were in excess of rupees two crore. We observed that the minimum time allowed for submission of tenders in 50 of these cases ranged from 7 to 58 days in violation of the KTPP Act and PAC recommendations. However, no reasons were recorded for inviting short-term tenders.

The State Government stated (January 2019) that in respect of eight works, the tenders were invited for the second and third time as there was no response for the first invitation and hence the time limit was reduced. The reply was silent about the remaining tenders.

➤ Delay in opening of financial bids

KREIS had invited tenders under the two-cover system for construction of hostels. As per Government instructions of June 2003, technical evaluation of the tenders after opening the first cover should be completed within 45 days. In exceptional cases, approval of the Secretary to the Government of the Department concerned is to be obtained where the period is more than 45 days but less than 60 days. If the period exceeds 60 days, the tenders are to be re-invited.

The PAC had also recommended that appropriate action should be taken to ensure that evaluation of the technical and financial bids be completed within 45 days as per the provisions of the KTPP Act.

We, however, observed that the time gap between the opening of the technical and financial bids ranged from 49 to 110 days in 46 cases.

The State Government stated (January 2019) that compliance to the statutory provisions would be ensured in future.

➤ *Award of contracts to a single contractor*

The criteria included in the tender documents for evaluating the tenders required the Tender Scrutiny Committee and the Tender Accepting Committee to check the aggregate of the qualifying criteria of the individual contracts and the Available Tender Capacity (ATC)⁴⁹, when the tenderer was the lowest for more than one contract. The contract was to be awarded if the tenderer satisfied the aggregate qualification criteria and had ATC more than the value of the tenders under consideration.

In response to a similar observation (Paragraph 2.1.8.1(iv) of the Report of the Comptroller and Auditor General of India on General and Social Sector Audit for the year ended 31 March 2013– Report No.3 of the year 2014, Government of Karnataka), the PAC recommended that KREIS prepare a suitable action plan to ensure that works are completed within the stipulated time besides initiating suitable action to address any shortcomings during implementation of the works.

Audit scrutiny of the records showed that where a single contractor had submitted tenders for more than one work, the tenders had been evaluated individually without considering the ATC of the tenderer. This resulted in award of greater number of works to a single contractor as detailed in **Appendix-3.17**.

Awarding several works in excess of the capacity of the contractors led to slippages and chronic delay in execution of works besides denial of envisaged hostel facilities to 4,188 students. We also observed that no plan of action was prepared by the Society as recommended by the PAC to ensure completion of works within the stipulated time.

The State Government stated (January 2019) that in respect of five works under Sl. No.1 of **Appendix-3.17**, there was a delay in handing over the site to the contractor. The reply, however, was silent on the other instances pointed out by audit.

➤ *Splitting of estimates*

As per the delegation of financial powers (April 2010), the Commissioner, SW department is empowered to accord Administrative approval for estimates of ₹1.00 crore for one work. We observed that the DDs of two districts (Hassan and Haveri) split seven works, totally estimated to cost ₹9.62 crore and each repair work exceeding ₹1.00 crore, into 18 estimates (two or more estimates), each valuing less than ₹1.00 crore to bring them within the powers of the Commissioner as detailed in **Appendix-3.18**.

⁴⁹ Available Tender Capacity (ATC) is assessed as $(A * N * 1.5 - B)$, where
A=Maximum value of civil engineering works executed in any one year during the last five years (updated to. * price level) taking into account the completed as well as works in progress.
N= Number of years prescribed for completion of the works for which tenders are invited.
B=Value at.....* price level, of existing commitments and on-going works to be completed during that next.... year (period of completion of the works for which the tenders are invited).

The State Government stated (January 2019) that the estimates were not split but estimates were prepared separately for repair works and renovation works and administrative approval was accorded for each estimate separately. It is evident from the reply that development works for the hostels were not taken up comprehensively as a single package but split into different estimates to avoid sanction of higher authorities.

3.2.10 Financial management

3.2.10.1 Budgetary process

The State Government provided funds for the construction, repairs/renovation and maintenance of hostels under the various heads of account as detailed in Paragraph 3.2.10.2. We observed from the records that SW department forwarded the requirement of funds under the various heads of account to the Finance Department. The proposals were based on the demand received from the districts and taking into account the budget allocation during the previous years.

The department releases the funds for construction, repairs and upgradation of hostels received by it to the construction agencies and the Finance department releases funds for maintenance of hostels to the Zilla/Taluk Panchayats for onward release to the district and taluk officers of the SW department.

3.2.10.2 Allocation, release and expenditure

During the period 2013-14 to 2017-18, the State Government released ₹723.65 crore for construction of hostels, ₹488.92 crore for repairs and upgradation and ₹1,608.75 crore for maintenance of hostels. The details of allocation, release and expenditure is exhibited in **Table-3.9**.

Table-3.9: Details of allocation, release and expenditure during the period 2013-14 to 2017-18

(₹ in crore)

Sl. No.	Head of Account	Allocation	Releases	Expenditure
1	4225-01-277-2-01 (CSS)	292.05	84.70	84.70
2	4225-01-277-2-03 (State)	638.95	638.95	558.04
	Total - construction	931.00	723.65	642.74
3	2225-01-053-0-01 (State)	488.92	488.92	488.92
	Total – repairs / upgradation	488.92	488.92	488.92
4	2225-00-101-0-29 (ZP) - P	281.27	284.26	270.74
5	2225-00-101-0-36 (ZP) - NP	108.63	103.48	98.45
6	2225-00-101-0-61 (TP) - P	180.07	178.51	168.12
7	2225-00-101-0-61 (TP) - NP	1,029.84	1,009.12	979.32
8	2225-00-101-0-67 (TP) - P	33.65	33.38	31.42
	Total - maintenance	1,633.46	1,608.75	1,548.05
	Grand Total	3,053.38	2,821.32	2,679.71

Source: Information furnished by Commissioner, SW department P- Plan NP – Non-plan

3.2.10.3 Unfruitful expenditure

Joint inspection of hostels showed instances of unfruitful expenditure in supply of diesel generators to hostels as detailed below:

- (a) There are 6 boys' hostels for post-matric students in Belagavi. Hostel 1 and 3 were functioning in the same building. Two generators of capacity 5 KVA and 7.5 KVA were already installed in this hostel building. However, two more generators of capacity 10 KVA were supplied (October 2017) to Hostel 1 and Hostel 2 (Hostel 2 was functioning in a rented building).
- (b) Both the girls' hostels for post-matric students were functioning in a single building. One generator of capacity 7.5 KVA was already installed in this building. However, one more generator of capacity 10 KVA was supplied (October 2017) to this hostel.
- (c) Out of six generators of 10 KVA capacity supplied (October 2017) to six hostels in Ramdurg taluk and functioning in own buildings, five were installed but were not connected and one was yet to be installed.

Thus, unnecessary supply of generators and non-installation and commissioning of generators resulted in unfruitful expenditure of ₹22.65 lakh.

The State Government stated (January 2019) that construction of own buildings was under progress and generator sets would be utilised in the new buildings. It further stated that the districts concerned would be instructed to utilise the generators completely or shift it to needy places.

3.2.10.4 Avoidable payment of rent

As stated in Paragraph 3.2.8.1 of this report, 18 *per cent* of the hostels in the State were functioning in rented buildings. Hence, the department took up construction of hostels to provide better facilities to the inmates and entrusted the works to the construction agencies. We observed delays in completion of the works by the construction agencies because of which the department had to continue the hostels in the existing rented buildings. This resulted in payment of rent of ₹75.47 lakh in respect of 16 hostels (detailed in **Appendix-3.19**), which was avoidable had the department ensured timely completion of the works.

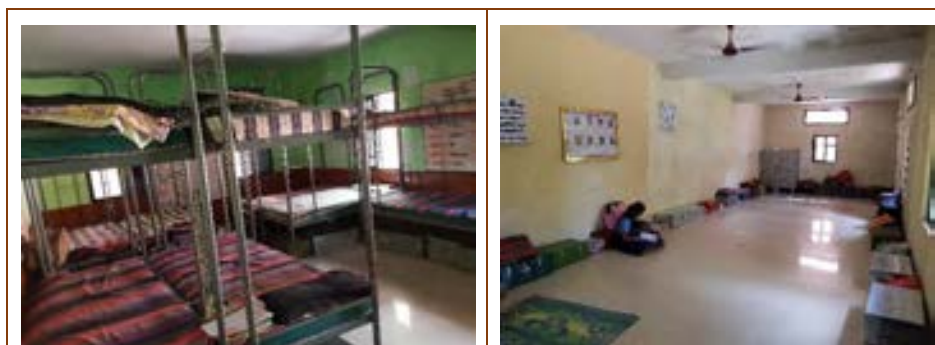
The State Government stated (January 2019) that action would be taken to get the works completed at the earliest and relocate the hostels functioning in rented buildings.

3.2.11 Availability of facilities in test-checked hostels

Audit conducted joint physical verification of 72 hostels in the test-checked taluks. In the absence of norms/guidelines of the State Government, the CSS guidelines were adopted as criteria. Status of availability of few facilities is detailed below:

❖ **Cots** – There were 6,334 inmates in the test-checked 72 hostels as against the sanctioned strength of 5,880. We observed that in 55 hostels, as against the requirement of 5,386 cots, there were 3,266 cots with a shortfall of 2,120 cots. Hence, the existing cots were either joined together to accommodate all the inmates or the inmates were sleeping on the floor (**Exhibit-3.3**). In 15 hostels, as against the requirement of 833 cots there were 1,126 cots with an excess of 293 cots. Two hostels had provided cots to all the inmates (115).

**Exhibit-3.3: Cots either joined or inmates sleeping on the floor
(Pre-matric girls' hostel, Ramdurg (29.06.2018))**



The State Government stated (January 2019) that procurement of additional cots is under process and would continue till such time all the hostels are supplied with two-tier cots. It further stated that the concerned district officers would be notified immediately to shift or return the excess cots to needy hostels.

❖ **Mattress and bedsheets** – The State Government stipulated (November 2014) that mattress and bedsheets (include bed spreads, chaddars, pillows and pillow covers) should be provided to hostel students once every three years. We observed that mattress, bed sheets and pillow/pillow covers were not supplied even once in 53, 30 and 39 hostels respectively during the audit period.

The State Government stated (January 2019) that 61,382 mattresses were being delivered through KREIS and further procurement would be done and supplied to all inmates in a phased manner.

❖ **Study tables** – The inmates of 60 hostels were not supplied with study tables. The State Government stated (January 2019) that all students would have study tables in the coming years, as envisaged by the Department.

❖ **Sports equipment** – The State Government specified (November 2014) the sports equipment to be provided in the hostels. The required equipment was provided in all the test-checked hostels.

❖ **Library books** - No norms were prescribed for the type and extent of books to be maintained in the libraries of the hostels. All the test-checked hostels generally provided books in the library.

❖ **Ramp for physically challenged** – The CSS guidelines stipulated that a few rooms/blocks of the hostels should be barrier free and facilities like ramps

have to be incorporated in the design for the convenience of students with disabilities. Such facilities were not available in 61 hostels.

The State Government stated (January 2019) that the hostels were constructed as per the approved plan of the State Government and not as per the CSS guidelines. The approved model plan was, thus, deficient as it did not consider the requirements for physically challenged.

❖ **Bathroom/toilet ratio** – In accordance with the CSS guidelines, there should be one bathroom and one toilet for every 10 inmates. 31 hostels had maintained this ratio. There was one bathroom and one toilet for every 11-20 inmates in 33 and 30 hostels respectively. In 8 and 11 hostels, more than 20 inmates were using one bathroom and one toilet respectively.

The State Government stated (January 2019) that there was a demand for construction of additional bathrooms/toilets and action would be taken to construct them based on the availability of funds.

❖ **Water supply** - There was continuous water supply in all the test-checked hostels.

❖ **Biometric system** – SW department issued (June 2017) circular directing all hostels to introduce biometric attendance system and upload the status daily with effect from 1 July 2017. This system was functioning effectively in 68 hostels.

❖ **CCTV** – The above circular also directed installation of CCTV cameras by the hostels. Thirty-five hostels including four girls' hostels had not installed the CCTV.

The State Government stated (January 2019) that CCTV had been installed in all girls' hostels housed in own building in the first phase and measures were being taken to install CCTVs even in rented building and remaining boys' hostels also.

❖ **Generators** – Only 23 test-checked hostels had generators for back-up power supply. The State Government stated (January 2019) that supply of diesel generators was being done in a phased manner to all hostels and was yet to be completed.

❖ Nine boys' hostels did not have a watchman and none of the test-checked hostels had separate rooms for warden and watchman as stipulated in the CSS guidelines.

The Commissioner, SW department stated (January 2019) that action has been initiated to fill up the posts through outsourcing.

3.2.12 Monitoring mechanism

Effective monitoring is a must for successful implementation and functioning of any scheme/activity. We observed that there was lack of monitoring with regard to the construction of the hostels as detailed below:

3.2.12.1 Non-adherence to the conditions stipulated in work orders

The work orders issued to the construction agencies like NK and KRIDL included certain conditions which were to be complied with by them. We observed non-compliance as indicated in **Table-3.10**.

Table-3.10: Statement showing the non-compliance by construction agencies

Sl. No.	Condition	Status of compliance	Impact
1	The final instalment should be released to the construction agency after the work has been satisfactorily completed and handed over to the department.	Funds are released in one lump sum before commencement of the work.	Though works are stated to have been completed, many of them have not been handed over to the department.
2	The construction agency shall submit progress reports to the Commissioner, District Officers and Taluk Officers periodically.	Progress reports were not made available to audit by the Commissioner, District and Taluk officers.	There was no monitoring on the progress of the construction by the department's officers.
3	On completion of the work, the construction agencies and social welfare officers should submit the Utilisation certificates (UCs) along with jointly signed photographs to the Commissioner, SW department.	In response to audit enquiry seeking production of UCs, the Commissioner stated (August 2018) that the same would be obtained and furnished.	It is evident from the reply that the construction agencies were not furnishing UCs.

Source: Information furnished by Commissioner, SW department

Thus, non-compliance to the conditions stipulated in work orders resulted in lack of effective monitoring of the progress of construction by the district and taluk level officers.

The State Government stated (January 2019) that appropriate directions would be issued to comply with the conditions stipulated in the work orders/release orders.

3.2.13 Conclusion

The State Government had not brought out any guidelines for construction of hostels. The non-construction of hostel at Byadgi and the incomplete work at Betagera indicated lack of proper planning/prioritisation in constructing the hostels.

The number of students accommodated in the hostels in the State exceeded the envisaged capacity. This was because the State Government directed (July 2013) the SW department to accommodate all SC students who have sought admission for the hostels, irrespective of the sanctioned strength of the hostels.

Out of 190 test-checked hostels in 16 taluks, 74 hostels (39 *per cent*) were accommodating more students than the capacity. In 10 hostels, the crowding was to the extent of more than 100 *per cent*. On the other hand, 85 hostels (45 *per cent*) were under-utilised. In 18 hostels, the extent of under-utilisation was less than 10 *per cent* and in 30 hostels, it ranged between 12 to 25 *per cent*.

While the extent of under-utilisation in 26 hostels ranged between 26 to 50 *per cent*, it was 53 to 83 *per cent* in the balance 11 hostels. It was also seen that crowding was more in girls' hostels as compared with the boys' hostels.

The exemption provided under clause 4(g) of the KTPP Act, 1999, violated the guidelines of Central Vigilance Commission and was against the judgement of the Hon'ble Supreme Court. This led to indiscriminate entrustment of works on nomination basis to the agencies. There were delays in commencement and completion of works by the constructing agencies. In violation of the codal provisions, the department entrusted 12 works estimated to cost ₹45.63 crore to these agencies without ensuring the availability of sites.

The department had not furnished the details of repair/renovation works taken up during the period 2013-14 to 2015-16. Further, 376 (50 *per cent*) out of 755 works taken up during 2016-17 and 2017-18 with a stipulated period of six months' completion were yet to be completed. There were instances of non-execution of repair/renovation works which were incorrectly reported as being completed.

There were deficiencies in providing facilities such as cots, beds, mattresses, toilets and bathrooms to the inmates of the test-checked hostels.

The tendering process was not compliant with the provisions of the KTPP Act, 1999. The evaluation of tenders was not consistent with the criteria spelt out in the tender documents. Awarding several works in excess of the capacity of the contractors led to chronic delay in execution of works.

Funds were released in lump sum to the construction agencies without effecting statutory deductions and FSD resulting in non-recovery of ₹14.86 crore towards income tax and ₹37.16 crore towards FSD. The constructing agencies retained the savings realised on construction of works without remitting it to the department. The construction agencies/department officers did not comply with the various instructions stipulated in the sanction orders leading to absence of effective monitoring.

Department of Health and Family Welfare

3.3 Misappropriation of ₹2.81 lakh

Failure of the Taluk Health Officer, Pavagada to comply with the provisions laid down in Karnataka Financial Code, 1958 for preparation of bills and supervision resulted in misappropriation of ₹2.81 lakh by the First Division Assistant of the said office.

Articles under the Karnataka Finance Code 1958 (KFC) and Karnataka Treasury Code 1963 (KTC) stipulate the following:

Article No.	Provisions
KFC	
3	Every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned. He should check the accounts as frequently as possible in order to see that his subordinates do not commit fraud, misappropriation or any other irregularity.
24(f)	Unless the Government have expressly authorised it in the case of any specified office, no bill or other voucher and no payment order shall be signed by a clerk for the head of office.
67	Each cheque book must be kept under lock and key in the personal custody of the drawing officer.
KTC	
68	When a bill is presented by a person who is not the drawing officer himself or his duly authorised banker, he shall be required to produce a letter from the drawing officer or the endorsee bank, in Form KTC-12.

In order to reduce infant and maternal mortality rate and encourage institutional delivery, Government of Karnataka launched (April 2012) Thayi Bhagya scheme. The scheme included a component ‘Prasuthi Aarika’, wherein a financial assistance of Rupees one thousand (first instalment) was provided to the pregnant women of below poverty line during her second trimester antenatal check-up. Prior to 2017-18, the scheme stipulated that the financial assistance to the beneficiary was to be provided through cheque. Further the expenditure and also identification of beneficiaries was to be initially audited by State Accounts Department (SAD) once in six months and submit the Audit Report both to the Government as well as to the Finance Department.

The procedure to be followed for drawing and disbursing financial assistance to the beneficiaries under the scheme is detailed below:

- (a) The applications received from the beneficiaries was to be scrutinised and signed initially by the Medical Officer of the concerned Primary Health Centre or the hospital where the beneficiaries were consulting. The said applications were to be forwarded to the Taluk Health Officer (THO), the Drawing and Disbursing Officer (DDO) who in**

turn countersigns the applications and forwards the same in original to the Gazetted Assistant (GA) at the District Health Office for approval. On receipt of the applications duly approved by the GA, a Detailed Contingent (DC) bill is prepared by the THO and forwarded to the District Health Office for counter signature by the GA. Thereafter, the bill is submitted by the DDO to the Treasury along with token for payment. The counterfoil of the token was to be retained by the DDO for receipt of payment by the Treasury. The Treasury Officer on verification of the correctness of the bill issues a cheque in favour of the DDO.

- (b) In order to facilitate disbursement by the implementing authorities, an intermediary account in the name of DDO is opened in a nationalised bank. The cheque issued by the Treasury is initially deposited in this intermediary account and subsequently disbursed to the beneficiaries through issue of individual cheques in the name of beneficiaries.

During 2017-18, audit of 19 THOs was conducted. On review of the records of the THO, Pavagada (October 2018), we observed that during 2016-17, ₹2.81 lakh drawn from the Treasury for providing financial assistance to 281 beneficiaries under 'Prasuthi Aarika' scheme was not disbursed to the beneficiaries. Further, scrutiny revealed that the First Division Assistant (FDA) of the office fraudulently drew the amount through four cheques issued by the Sub-Treasury Officer, Pavagada on 30 March 2017 and 31 March 2017. The modus operandi of the FDA was that the cheques issued by the Treasury in favour of the Manager, State Bank of Mysuru, Pavagada (intermediary account for the scheme) was credited to his personal account at the same bank by presenting fraudulent salary bills signed by himself. In this regard, we observed the following:

- The original applications of the beneficiaries duly approved by the THO, Pavagada and GA were not enclosed to the DC bill submitted to the Treasury, as the same were available (October 2018) in the office of the THO, Pavagada.
- Contrary to the Article 68 of KTC, the DC bill was presented to the Treasury by the FDA who was not the DDO.
- The DDO did not monitor either the payments by the Treasury against the DC bills signed by him or for presenting the cheques issued by the Treasury to the intermediary account in the name of DDO.
- However, the DDO had signed individual cheques in the name of the beneficiaries for extending financial assistance without confirming receipt of payment by the Treasury. We observed that 169 cheques signed by the DDO and not issued to the beneficiaries were available (October 2018) in the THO. In addition, contrary to article 67 of KFC, the cheque books were not in the custody of the DDO and also no stock register of cheque books was maintained.

- Reconciliation of accounts was not carried out by the DDO.
- The Directorate had not initiated action to get the expenditure of the scheme audited internally by the SAD. Contrary to the procedure being followed, the Sub-Treasury Officer, Pavagada had issued cheque favouring the Bank Manager instead of DDO.

Thus, the failure of the Directorate in Internal Control Mechanism and also on the part of the DDO in following procedure laid down in the KFC for preparation of bills and supervision thereon resulted in misappropriation of Government money to the extent of ₹2.81 lakh meant for Prasuthi Aarike scheme and thus depriving the beneficiaries of the benefits of the scheme.

The DHO replied (October 2018) that based on audit observations FDA has been suspended (September 2018). It is also stated that FDA had refunded ₹2.81 lakh (January 2018 and September 2018). Further, it has been replied that since the DDO failed in his duties of supervision and monitoring, it has been recommended to initiate action against him. Government in its reply (February 2019) has informed that charge sheet has been issued to the THO for dereliction of his duties.

Department of Pre-University Education

3.4 Suspected misappropriation of ₹six lakh from non-Government account

Failure of the Deputy Director, Pre-University Education, Ballari in rendering accounts for the amount drawn, and non-maintenance of cash book as per provisions of the Karnataka Financial Code resulted in suspected misappropriation of ₹six lakh.

Articles under the Karnataka Financial Code (KFC) stipulate the following:

Article No.	Provisions
3	That every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned. It also specifies that he has to render accurately and promptly all such accounts and returns relating to them as may have been prescribed by Government, the Accountant General or the competent departmental authorities.
49	The drawing officer supplied with funds for expenditure is responsible for such funds until an account of them has been rendered to the satisfaction of the Audit Office.
329	All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. Further, the cash book should be closed regularly and completely checked. Also, at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect.

The Department of Pre-University (PU) Education (department) during 2017-18 adopted NCERT syllabus for I PU course in the branches of Economics, Commerce and Business Studies. In order to familiarise the lecturers of Government and Government aided colleges with the subjects, the department, as a first step organised 12 days training programme in Economics. As per the memorandum issued (May 2017) in this regard, the Deputy Director Pre-University Education, Ballari was to organise a training programme from 18 May 2017 to 29 May 2017 at Nandi Pre-University College, Ballari. The expenditure of ₹5.86 lakh incurred towards the training programme was initially met (July 2017) from the savings bank account maintained by the Deputy Director, PU which was subsequently recouped (November 2017) after receipt of funds from the Government.

On scrutiny of the records and the cash book of the Deputy Director PU, Ballari during December 2017, we observed the following:

- In addition to ₹5.86 lakh incurred towards the training programme, an amount of ₹six lakh was drawn (May 2017) on self cheque by the then Deputy Director for conducting the same training programme. However, no vouchers or bills in support of the expenditure incurred were available in the records produced to audit. In addition, the present Deputy Director in his reply (June 2018) confirmed the fact that no vouchers in support of the said expenditure existed. Also, the transaction had been reflected in the cash book as payment without bringing in the encashment in the receipts side. Hence, the erstwhile Deputy Director had violated the articles of KFC by not rendering the account for the amount drawn and also by not reflecting the withdrawal of amount from the bank in the cash book as receipts.
- Guidelines for classification, remittance and use of Government and non-Government fees received in the Government and private aided colleges issued by the Department annually indicate that all examination fees of I PU are to be treated as non-Government fees and are to be remitted to the savings account of a nationalised bank opened in the name of the Principal of the concerned college. However, the Deputy Director PU of Ballari had opened a savings bank account with the State Bank of Mysore, Gandhinagar, Ballari under the name of Deputy Director of Pre-University Edu Exam. The authority under which the said account is being operated is not forthcoming from the records produced to audit.
- The Department had issued a circular (November 2016) authorising the Deputy Directors of PU to incur expenditure towards training programmes for the year 2016-17 from the consolidated funds of the colleges initially which were to be recouped later by the Government. However, during 2017-18, no such instructions were issued. Hence, action of the Deputy Director to draw funds without obtaining prior approval of the Department was irregular.

At the instance of Audit, action was initiated by the incumbent Deputy Director of PU, Ballari. Government has replied (November 2018) that the

previous Deputy Director has remitted (July 2018) ₹six lakh to the I Pre University Bank Account and further has stated that a charge sheet on the officer has been initiated during September 2018. However, the reply is silent on any mechanism being put in place to check such reoccurrences and also on the authority under which the account in the name of Deputy Director is being operated.

Thus, failure of the Deputy Director, PU in rendering accounts for the amount drawn, and non-maintenance of cash book as per codal provisions resulted in the suspected misappropriation of ₹six lakh.

Department of Housing

3.5 Imprudent management of funds

Karnataka Housing Board did not monitor its fund requirement due to its instructions to transfer funds only on certain dates. This resulted in avoidable finance charges of ₹0.63 crore on the overdraft account.

The Karnataka Housing Board (KHB) was established with an objective of providing housing across the State. The Board generates its revenue through sale of applications, initial deposits, sale of sites/houses/flats through auction/installments, rents on commercial buildings, penalty for delayed payments of instalments/rents *etc.* In addition to these, KHB avails loans and also credit through its overdraft account with the Corporation Bank (opened during December 2013) for its housing schemes as it does not receive any grants or assistance from the State Government. Apart from the main overdraft account, KHB is operating seven other accounts⁵⁰ in four banks for collection of its receipts and it had authorised all the bank branches of the said banks to accept remittances from the public. The interest rate charged by the Corporation Bank for the credits availed on the overdraft account for the period 2014-2017 ranged between 10.25 and 9.65 *per cent.* Meanwhile, KHB received savings bank interest rate for all the other collection accounts maintained in the four banks.

The receipts collected from the public are initially transferred to the main accounts of their respective banks and then later transferred to the main overdraft account of KHB. The power to transfer funds from the collection accounts to the main account rested with the Commissioner and the Controller of Finance of KHB.

On scrutiny of records of the KHB (January 2018), we observed that KHB had issued instructions from time to time as detailed in **Table-3.11** for transfer of funds to the main account.

⁵⁰ Axis Bank (2) IndusInd Bank (1), ICICI Bank (1) and Corporation Bank (3)

Table-3.11: Details of instructions issued for transfer of funds

Month and year	Instruction	Periodicity of transfer
February 2014	On 1 st working day of every month	Once in 30 days
February 2015	On 1 st and 16 th of every month	Once in 15 days
October 2015	Once in every two days	Alternate day
August 2016	Reminder to transfer on alternate day	

Source: Information furnished by KHB

Though it had issued instructions for transfer of funds, we observed that KHB had not executed any service level agreement with the banks, until January 2017 when it entered into an agreement for the first time with only one bank *i.e.*, IndusInd Bank Ltd.

Audit conducted study of the impact of the instructions issued for transfer of funds and also non-execution of the agreement with the banks from the period December 2013 to September 2016⁵¹. The observations of the audit after the study of 1,024 transactions are as under:

- Though KHB had issued instructions with regard to transfer of funds, due to absence of any agreements, the banks transferred the funds after a delay of two to 31 days.
- The transfer instructions were based on a transfer periodicity, rather than on a minimum required balance.
- In addition, as per the statement of transactions of the three test-checked⁵² collection accounts, on the date of the transfer, the banks had only partially transferred the amount collected and had retained substantial funds in the collection accounts.
- KHB did not monitor its funds requirement and on 74 occasions, KHB continued to have credits in the overdraft account despite having sufficient funds in its collection accounts.
- During December 2013 to September 2016, while KHB had paid ₹1.86 crore as interest for the overdraft availed, it had received ₹1.23 crore as interest from the receipts held in the various collection accounts. Thus, KHB incurred avoidable finance charges of ₹0.63 crore on the overdraft account.

KHB replied (July 2018) that costing of a project includes the interest component on the overdraft account. The reply is not acceptable as incurring avoidable financial charges on an overdraft account was against the canons of financial propriety.

Thus, inadequate monitoring of the fund requirement and non-execution of service level agreement with the banks led to avoidable finance charges of ₹0.63 crore on the overdraft account.

⁵¹ Reminders to transfer of funds on alternative days was issued to the banks and was complied with.

⁵² ICICI Bank, IndusInd Bank and Axis Bank.

The Government replied (September 2018) that if the banks levied minimum service charge of ₹100, then the KHB would have incurred ₹94.56 lakh as service charges during the said period which would be more than the avoidable finance charges. The reply is not acceptable as the service agreement entered by KHB did not include any service charges.

Department of Minority Welfare

3.6 Extension of financial assistance to ineligible beneficiaries

The Department of Minority Development extended financial assistance under 'Bidaai' scheme of ₹50 lakh to ineligible beneficiaries on account of non-verification of documents submitted by the beneficiaries.

The State Government launched (November 2013) 'Bidaai' scheme with the main aim of bringing a positive change to a family on the birth of a girl child by supporting the family financially for the marriage of the girl. The scheme provides financial assistance of ₹50,000 to poor minority community women (including widows and divorcees) to meet the wedding expenses.

The main conditions prescribed (November 2013) for disbursement of assistance included the following:

- The minimum age of the bride and bridegroom on the date of the marriage should be 18 years and 21 years respectively.
- The annual income of the family should be less than ₹1.50 lakh.
- The assistance would be available for only one member of the family once in a lifetime.

The scheme is implemented through the Department of Minority Development throughout the State. During 2014-15 to 2016-17, the department had incurred expenditure of ₹160.32 crore for providing financial assistance to 32,065 beneficiaries across the State.

On scrutiny of records of eight⁵³ test-checked districts of Director of Minorities Welfare Department during October 2017 to March 2018 out of 30 districts in the State, in two districts [Bengaluru (Urban) and Ballari] where financial assistance of ₹21.05 crore was provided to 4,208 beneficiaries, we observed the following:

- (a) Out of 4,208 beneficiaries, the age of 59 brides and 10 bridegrooms on the date of marriage as indicated in the documents *viz.*, Aadhar card, SSLC Marks card, Transfer Certificate *etc.*, provided in support of age was less than 18 years and 21 years respectively. Though the conditions of the scheme prohibited extension of financial assistance to minors and also the

⁵³ Ballari, Bengaluru (Urban), Dakshina Kannada, Hassan, Haveri, Koppala, Shivamogga and Vijayapura

Prohibition of Child Marriage Act, 2006 prohibits marriage of under aged individuals, the department had extended the scheme to minors. The financial assistance extended to these 69 beneficiaries was ₹34.50 lakh.

- (b) Further, in respect of 31 beneficiaries, we observed that the documents submitted in support of annual income, caste certificate⁵⁴ and date of birth were forged. Audit cross verified these certificates with the information available in the Government website ‘Nadakacheri’, which indicated that the original document varied with that produced to the department. This indicated that the department had extended the financial assistance of ₹15.50 lakh to these 31 beneficiaries without verifying the original documents. All the above 31 cases were referred to respective Tahsildars. The fact that the caste certificates produced by 11 beneficiaries were not original was confirmed by the three Tahsildars (Bengaluru North, Bengaluru South and Yelahanka). Confirmation from other Tahsildars is awaited.

Thus, processing of the applications by the officials of the departments without proper verification of documents resulted in extension of ₹50 lakh to ineligible beneficiaries in two districts. Since during 2013-14 to 2017-18, financial assistance of ₹330 crore has been extended to 66,010 beneficiaries under the scheme, the State Government may examine the matter in respect of all districts.

Government replied (December 2018) that due to work pressure, procedural irregularities had occurred. Further, it has been stated that all the district officers have been instructed to take proper measures for verification of documents.

3.7 Non-payment of statutory contributions to the employees

The Karnataka State Board of Wakf failed to comply with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948. As a result, the Board did not make any statutory payments which amounted to ₹1.09 crore towards the Employees Provident Fund and Employees State Insurance.

Section 8A of the Employees Provident Fund and Miscellaneous Provisions (EPF) Act, 1952 stipulates that the employer’s contribution payable by an employer in respect of any employee employed by or through a contractor may be recovered by such employer from the contractor, either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor. The current rate of the employer’s contribution towards an employee is 12 per cent of the basic pay and dearness allowance.

Also, Section 40(1) of the Employees State Insurance (ESI) Act, 1948 stipulates that the Principal Employer shall pay in respect of every employee, whether directly employed by him or by or through an immediate employer both the

⁵⁴ Annual income and Caste certificate issued by Tahshildar of Revenue Department.

employer's contribution and employee's contribution at the rates prescribed. The current rate prescribed for an employer is 4.75 per cent of the wages payable to an employee.

The Karnataka Board of Wakf (Board) requested (August 2010) M/s.Karnataka State Electronics Development Corporation (KEONICS), a Government of Karnataka Undertaking for supply of administrative staff⁵⁵ on contract basis. Since M/s.KEONICS failed to supply the required man power, the Board approached (September 2010) M/s.ACE Concepts, to supply the required administrative staff. The agency quoted service charges of ₹950 per employee which was agreed to by the Board (October 2010). However, from the records, we observed that against the quoted rate of ₹950, M/s.Ace Concepts had charged only ₹450 per candidate from 2010-11 to 2017-18.

Further, it was also observed that contrary to the provisions of the EPF Act, 1952 and the ESI Act, 1945, the Board had not paid the statutory payment (employer contribution) viz., PF contribution and ESI contribution to the staff employed by the Board on contract basis. The amount of statutory payments payable by the Board towards PF and ESI for the period 2010-11 to 2017-18 worked out to ₹78.38 lakh and ₹31.02 lakh respectively as detailed in **Table-3.12**.

Table-3.12: Details of non-payment of statutory contributions

Year	Total number of Employees	PF Contribution @ 12 per cent (₹ in lakh)	ESI contribution @ 4.75 per cent (₹ in lakh)
2010-11 to 2012-13	36	8.52	3.37
2013-14	158	18.07	7.15
2014-15 and 2015-16	86	24.41	9.66
2016-17 and 2017-18	83	27.38	10.84
Total		78.38	31.02

Source: Information furnished by Board

Thus, non-compliance of the provisions of the EPF Act, 1952 and ESI Act, 1945 by the Board resulted in non-payment of EPF and ESI to the extent of ₹1.09 crore to the employees appointed on contract. Besides, the employees appointed on contract basis were denied of benefits of free medical facilities, retirement benefits, etc. In addition, non-compliance of the provisions of the Act attracts implication of penalties viz., fines, interest and imprisonment.

Government replied (December 2018) that Karnataka State Board of Wakf is a statutory organisation established under the Wakf Act, 1995 and is an autonomous body with independent drawing and disbursing officer. Hence for further clarification, it has been stated to contact the Chief Executive Officer (CEO) of the Board. The CEO of the Board in his letter stated (November 2018) that services of hiring of services through M/s.Ace Concepts has been discontinued (May 2018) and has been handed over to a new agency who is

⁵⁵ 14 First Division Assistants and 7 Group D employees

deducting PF and ESI from the employees. However, the reply is silent on non-compliance of the provisions of EPF Act, 1952 and ESI Act, 1945 by the Board which resulted in non-payment of EPF and ESI to the extent of ₹1.09 crore to the employees appointed on contract.

Department of Primary and Secondary Education

3.8 Avoidable expenditure on printing of text books

Non-compliance by the Deputy Directors of Public Instruction/Block Education Officers and Karnataka Text book Society to the orders and instructions issued by Government resulted in avoidable expenditure of ₹1.13 crore.

The Karnataka Text Book Society (Society) established (April 2006) by the Government of Karnataka (GoK) is responsible for preparation, printing, publication and distribution of text books for the primary and secondary school students in the State. The Society assess (first quarter of academic year) the requirement of text books⁵⁶ to be printed for the next academic year through indents from Block Education Officers (BEOs). In addition, a buffer of five *per cent* is provided on the total requirement arrived from consolidation of the indents. Based on the indents finalised, the tenders for printing and supply of text books are invited so as to enable their distribution before commencement of the next academic year.

On scrutiny of records relating to printing and distribution of text books for the academic year 2016-17 during July 2017, we observed the following:

(i) Printing of text books in excess of requirement

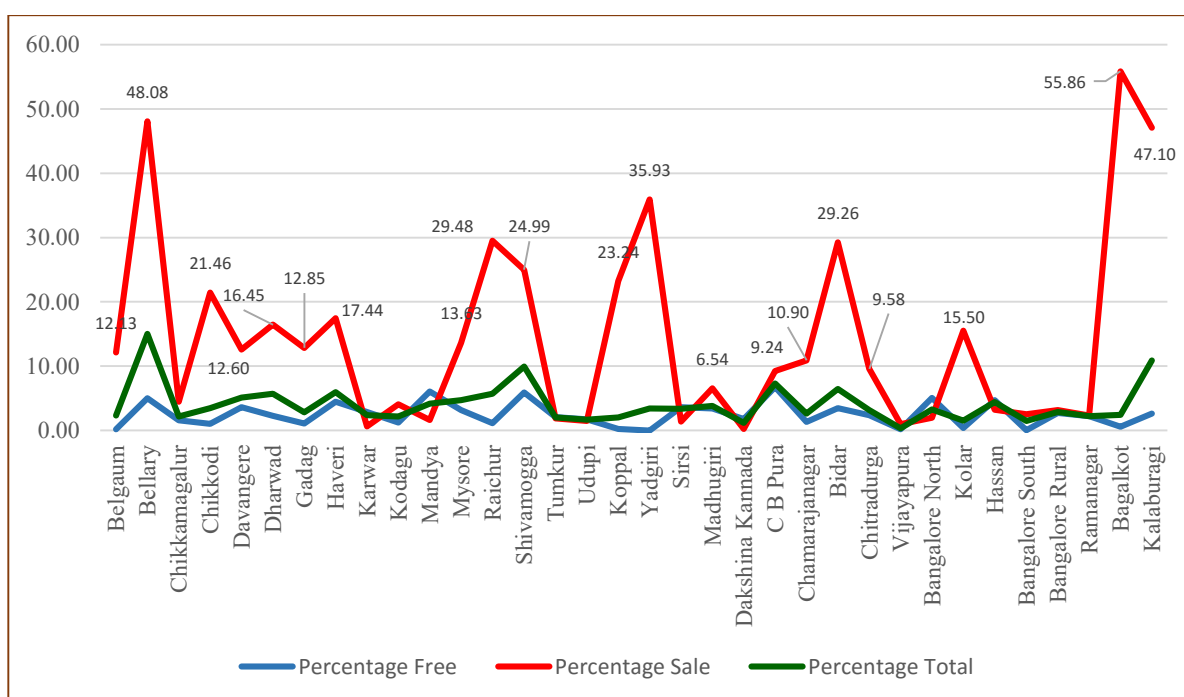
GoK had issued (September 2015) orders which stated that the revision of text books would be implemented from the academic year 2017-18. The Society while calling for indents (July 2015) to print text books, issued various instructions and directions to be kept in mind by the BEOs/Deputy Directors of Public Instruction (DDPIs) while finalising the indents. The directions stated that since the text books were to be revised from the academic year 2017-18, the indents were to be prepared with caution in order to have almost zero balance of text books after distribution in both free and sale categories. It further warned that concerned BEOs/DDPIs would be held responsible for excess books available, if any, after distribution. The Society while re-iterating (September 2015) the above directions informed that no provision for buffer would be made during 2016-17.

Audit, however, observed that contrary to the above directions, out of 4.57 crore books of 360 titles printed during 2016-17, as at the end of March 2017,

⁵⁶ Includes text books to be distributed free of cost as well as for sale.

3.25 lakh books of 178⁵⁷ titles which were in excess of five *per cent* of the books printed remained in stock. The value of the printing cost of these books works out to ₹0.76 crore. This indicated that there were lapses in preparation of indents by the DDPIs/BEOs. On further scrutiny of indents received (district wise), we observed that in 20 educational districts, the text books which remained in stock in respect of books for sale ranged more than five *per cent* *i.e.*, between 5 and 55 *per cent* of the indents furnished for text books (**Chart-3.4**). However, the records produced to audit did not indicate any action being taken against the BEOs/DDPIs concerned for the excess books remaining after distribution.

Chart-3.4: District-wise details of indents v/s textbooks remaining in stock



Due to revision of text books from the academic year 2017-18, the books remaining undistributed could not be used, thereby rendering the expenditure of ₹0.76 crore incurred on these books wasteful.

The Government replied (December 2018) that based on the directions of the Hon'ble High Court text books are printed in excess of five *per cent* of the indents. In addition, it has also stated that it is impossible to precisely calculate the requirement of books as the demand for text books is from various sources apart from the students studying in schools. Further, the Government stated that the excess books printed is around four *per cent* only and would be distributed to schools for using in their libraries.

⁵⁷ Excluding 10th standard core subjects which were not revised during 2017-18.



Excess books lying in godown

Though we understand that it is not possible to precisely calculate the requirement, the excess is required to be kept to the minimum as in 19 educational districts. Further, even after one year of its distribution, the books were lying in godowns without proper arrangements/ segregation of books as shown in Photograph.

(ii) Printing of text books using higher GSM⁵⁸ paper

The Government while approving (January 2015) the printing of text books in 70 GSM paper for the academic year 2015-16, instructed that text books be printed in 60 GSM paper from the academic year 2016-17 onwards. During 2017-18, in the technical specification report given by the Society, it was proposed to continue printing of the text books in 60 GSM paper considering the cost difference of ₹65,714 per MT between the two qualities of paper. However, we observed that the Society while placing (June 2015) orders for printing of text books for the academic year 2016-17 with the Government Printing Press, specified that the paper to be used as 70 GSM instead of 60 GSM in respect of nine titles of text books. Subsequently, the number of titles of books printed in Government Printing Press was revised (July 2015) to six. This resulted in excess consumption of 56.27 MT of paper and extra expenditure of ₹0.37 crore.

The Government replied (December 2018) that orders for printing six titles of text books in the Government Printing Press were issued prior to the decision of the Governing Council (November 2016) to print the text books using 60 GSM paper. The reply is not acceptable as the Government itself had instructed in January 2015 for the printing of the text books on 60 GSM paper from the academic year 2016-17.

Thus, non-compliance by the DDPIs/BEOs to the Government Orders issued with regard to preparation of indents for text books and instructions of Government with regard to printing of text books by the Society resulted in avoidable expenditure of ₹1.13 crore.

⁵⁸ GSM refers to measurement of paper density in Grams per Square Metre

Department of Revenue

3.9 Avoidable payment of compensation

Erroneous classification of land in the final notification of acquisition issued and non-initiation of timely corrective action by the Government resulted in avoidable payment of compensation of ₹10.53 crore to the land owners.

Provisions for acquisition of land under the Land Acquisition Act (LA Act), 1894 are as follows:

Section	Provision
4(1)	Publication of a preliminary notification by the Deputy Commissioner (DC) in respect of the land in any locality needed for any public purpose. The notification states the purpose for which the land is needed, describing the land by its survey number, its approximate area.
6(1)	Subsequent to the DC causing the land to be marked out and measured, the appropriate Government shall then make a declaration that the land is needed for public purpose.
11	Requires the DC to make an award of compensation for the land acquired after hearing objections, if any, from all the persons interested in the land.
13-A	The DC may, at any time, but not later than six months from the date of the award or before making reference to a Court under Section 18, by order, correct any clerical or arithmetical mistakes in the award or errors arising therein either on his own motion or on the application of any person interested or a local authority.

The Special Deputy Commissioner, Bengaluru issued preliminary notification (September 2008) and final notification (April 2010) for acquiring 56 acres 22 guntas of land located at Bellandur Amanikhane Village, Varthur Hobli, Bengaluru East. The notifications were issued on behalf of the Bangalore Water Supply and Sewerage Board for establishment of 120 MLD capacity Sewage Treatment Plant under Cauvery Water Supply Scheme, Stage IV, Phase II.

On scrutiny of records of Special Land Acquisition Officer (SLAO) (June 2017), we observed that the acquisition included 1 acre 29 guntas of land in survey number 293 of Bellandur Amanikhane Village, Varthur Hobli, Bengaluru East. In the preliminary notification (September 2008), while the said land was classified as tari⁵⁹ (31 guntas) and bagaithu⁶⁰ (38 guntas) land, the same was classified as tari (31 guntas) and kharab⁶¹ (38 guntas) land in the final notification (April 2010). On verifying the revenue records, we observed that one acre 29 guntas was classified as tari. Hence, there was classification error while issuing the final notification. Further, we observed that the SLAO, Bengaluru had communicated (June 2011) the said error to the Principal Secretary, Revenue Department and had requested approval for rectifying the

⁵⁹ Wet cultivation land.

⁶⁰ Irrigation land.

⁶¹ Uncultivable land such as dry land, ponds, rocks *etc.*

error. However, the request was turned down by the Government (August 2014) stating that no provisions existed for rectification after issue of final notification and passing of the award. This was contrary to section 13-A of the LA Act, 1964 which allowed correction of any clerical mistakes in the award.

In addition, we observed that based on the final notification, award for compensation was passed during December 2010. As per the award, the base price of kharab land was fixed at ₹12.50 lakh per acre and for other lands at ₹1.25 crore per acre. The compensation for the correct classification of land would have worked out to ₹3.47 crore⁶². Meanwhile, the landowners aggrieved by the error in the final notification as well as the final award notification approached Hon'ble High Court and sought quashing of both the preliminary and final notification along with the final award of compensation (August 2014). The Hon'ble High Court while allowing the writ petition, directed the SLAO to issue appropriate notice and pass award in accordance with the law as expeditiously as possible within outer limit of four months from that date and allow market value of land prevailing as on the date of order. Accordingly, the Government revised (September 2016) the compensation amount to ₹14 crore based on the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (LA Act), 2013. The compensation amount was paid to the land owners during September - October 2016.

Thus, erroneous classification of land in the final notification and also non-initiation of timely corrective action by the Government under the provisions of LA Act, 1964 resulted in avoidable payment of compensation of ₹10.53⁶³ crore to the land owners.

Government replied (December 2018) that opinion of the law department was obtained in this regard. The Law Department opined that it was not permissible by law to correct the 6(1) notification for the following reasons.

- Owners had not filed any application within the time prescribed for correction of classification of land.
- Nature of land was not indicated in the spot inspection report of the land acquisition officer.
- RTC/Pahani did not indicate the nature of land. However, the reply further states that action is being initiated against the officer/officials responsible for higher compensation.

The reply is not acceptable, since the special land acquisition officer had noticed the lapses on his own and had initiated action within the prescribed period. Hence, corrective action could have been initiated at the Government level. Further, even though RTC did not indicate the type of land, it indicated extent of Kharab land as 'NIL'. Hence the payment of higher compensation was avoidable.

⁶² It includes land cost ₹2.15 crore and ₹1.32 crore towards solatium, interest and Government expenses.

⁶³ ₹14 crore – ₹ 3.47 crore = ₹10.53 crore.

Department of Rural Development and Panchayat Raj

3.10 Unfruitful expenditure on water supply schemes

The Executive Engineer, Panchayat Raj Engineering Division, Harapanahalli failed to acquire land for the works of water supply schemes in Davanagere district before commencement of works resulting in unfruitful expenditure of ₹47.55 crore and denial of safe drinking water.

The provisions of Karnataka Public Works Departmental Code stipulate that no work should be entrusted for execution without ensuring the availability of the entire land required for the work. Further, clarification 4.4 of the Handbook on Forest (Conservation) Act, 1980 and Forest (Conservation) Rules, 2003, compiled by the Ministry of Environment and Forest, Government of India, states that work should not be started on non-forest land till the approval of the Central Government for release of the forest land under the Act has been given in respect of projects that involve both forest and non-forest lands.

The State Level Empowered Committee (SLEC) under the Chairmanship of the Minister of Rural Development and Panchayat Raj (RDPR) approved (November 2008) in principle (i) Water supply scheme (WSS) to Telgi and other 56 villages (estimated to cost ₹27.25 crore) and (ii) WSS to Harakanalu and other 29 villages (estimated to cost ₹23.31 crore) in Harapanahalli taluk of Davanagere district along with other water supply works to eliminate multiple water quality problems including excess fluoride and to provide safe drinking water. The SLEC stated that administrative approval would be given based on technical feasibility and availability of grants and directed the RDPR Department to initiate the preparation of Detailed Scheme Report from the shortlisted consultants.

Scrutiny of the records (August 2016) in the office of the Executive Engineer (EE), Rural Drinking Water Supply and Sanitation (RDW&S) division⁶⁴, Davanagere and additional information (copies of schedule of rates, survey report, DPR, agreements, running account bills, *etc.*) furnished (October 2017), revealed that the EE, PRED, Harapanahalli entrusted the work of preparation of DPRs in respect of WSS to Telgi and other 56 villages (June 2009) and WSS to Harakanalu and other 29 villages (December 2009) to a consultant (Sri Venkateshwara Grameena Engineering Consultants, Mysuru).

The DPRs of both the schemes prepared (September 2011) by the above consultant proposed common head works and water treatment plant near Garbhagudi village with River Tungabhadra as source. The DPRs indicated the various works to be undertaken, but failed to identify the lands required for these works as no detailed survey and investigation, required as per the terms of reference, was done.

⁶⁴ A separate Rural Drinking Water Supply and Sanitation Department was created *vide* Government Order dated 4.3.2014 for effective implementation and efficient monitoring of water supply schemes which were being implemented by PRE Department.

The State Government administratively approved (June 2010) both the water supply schemes under the sub-mission component of the National Rural Drinking Water Programme. The CE, PRED, Bengaluru, accorded (September 2011) technical sanction for WSS to Telgi and other 56 villages at an estimated cost of ₹30.17 crore and WSS to Harakanalu and other 29 villages at an estimated cost of ₹26.75 crore. The note accompanying the technical sanction, *inter alia*, stipulated that the required land be acquired before inviting tenders.

Both the schemes involved diversion of forest land of 3.841 hectares for undertaking the works of construction of Water Treatment Plant with main balancing tanks (1.514 hectares), construction of ground level storage reservoir, zonal balancing tank, pipeline and approach road (2.327 hectares). The EE, PRED, Harapanahalli, without ensuring the availability of land, invited tenders⁶⁵ and entrusted (January 2013) both the works to M/s Srinivasa Constructions India Pvt. Ltd., Bellary at an approved cost of ₹29.55 crore (15 *per cent* above sanctioned estimates) and ₹31.60 crore (16.58 *per cent* above sanctioned estimates) respectively with the stipulation to complete the works within 11 months 25 days including the monsoon *i.e.* by January 2014.

The entrustment of works was in violation of the above cited provisions and the schemes were not complete as of July 2018 due to non-acquisition of land. An expenditure of ₹23.82 crore (Telgi and other 56 villages) and ₹23.73 crore (Harakanalu and other 29 villages) was incurred as of July 2018.

Mentions were made in previous⁶⁶ Audit Reports on Local Bodies regarding unfruitful expenditure on water supply projects due to failure of RDPR Department in ensuring availability of lands before taking up such works. The Committee on Local Bodies and Panchayat Raj Institutions took serious note of the observations and recommended that delays due to non-acquisition of land should be avoided.

Thus, despite requisite codal provisions and being pointed out repeatedly by Audit, RDPR Department was taking up works without ensuring availability of land. In these two cases also, failure of the EE to acquire land before commencement of works resulted in the schemes remaining incomplete even after a lapse of five years from the date of entrustment and consequent unfruitful expenditure of ₹47.55 crore incurred so far besides denying safe drinking water facility to the targeted population (1,02,695) of these villages.

The State Government stated (August 2018) that the Forest Department has granted the land for construction of water treatment plant and balancing tanks and the required amount of ₹34.51 lakh has been deposited with the Forest Department. It also stated that the works are likely to be completed in

⁶⁵ Harakanalu and 29 other villages during April 2012 and Telgi and other 56 villages during July 2012.

⁶⁶ Paragraph 2.3 of Audit Report – 2009, Paragraph 2.3 of Audit Report – 2010, Paragraph 2.4 of Audit Report – 2012 and Paragraph 3.1.8.3(b) of Audit Report – 2016.

November 2018 and water would be supplied to all the villages before the start of summer season.

The reply does not address the reasons for entrustment of work without ensuring the availability of land. Moreover, the Central Government had approved in principle (Stage I) diversion of forest land of 1.514 hectares only on 1 March 2017 and for 2.327 hectares of forest land on 4 December 2017 and the final approval for transfer of forest land from the Central Government in respect of both the schemes was still awaited (September 2018).

3.11 Incorrect levy and collection of education cess

The Department of Rural Development and Panchayat Raj, in violation of the Karnataka Education Act, 1983, prescribed levy and collection of education cess by Gram Panchayats. Accordingly, 197 test-checked GPs had levied and collected ₹2.69 crore as at the end of March 2017.

Section 2 of The Karnataka (Enhancement of Certain Cesses) Act, 1976 through amendment to Chapter III of the Karnataka Compulsory Primary Education Act, 1961 (KCPEA, 1961), stipulated that for promoting primary education in the State, education cess shall be levied at the rate of 10 paise in the rupee on (i) land revenue, (ii) state revenue mentioned in Schedule A and (iii) items of tax mentioned in Schedule B⁶⁷. Section 17-A stated that the local authority shall be entitled to deduct ten *per cent* of the amount recovered as the cost of collection and the balance shall be paid to the State Government. Further, Section 146(1) of the Karnataka Education Act, 1983⁶⁸ (KEA, 1983), repealed the KCPEA, 1961 and there was no stipulation for levy and collection of education cess in the KEA, 1983.

Audit scrutiny (June/September 2017) of records of 60 Gram Panchayats (GPs) and information gathered through issue of proforma (June/July 2017) from 137 GPs for the period 2012-13 to 2016-17 showed that education cess of ₹2.69 crore⁶⁹ was collected by the GPs as at the end of March 2017. The Department of Rural Development and Panchayat Raj (RDPR) *vide* its circulars (seven circulars from May 2003 to November 2016) had clearly directed and prescribed the forms to the GPs to levy and collect education cess at 10 *per cent* of the tax on land and buildings and remit it to the concerned head of account. These directions were clearly in violation of the KEA, 1983 as the statutory provisions governing levy and collection of education cess were repealed with effect from 1 June 1995.

While the GPs complied with the directions for levy and collection of education cess, only 49 GPs complied with remitting it to the concerned head of account and had partially remitted ₹41.73 lakh⁷⁰. The other 148 GPs had not made any

⁶⁷ Taxes on buildings and lands and taxes on vehicles and animals.

⁶⁸ The Karnataka Education Act, 1983 came into effect from 1 June 1995.

⁶⁹ Includes education cess collected prior to April 2012.

⁷⁰ The documentary evidence for the remittance of ₹16.25 lakh by 23 GPs was not furnished to audit.

remittances. The GPs had utilised ₹1.07 crore towards payment of salary, water charges, and general expenses resulting in diversion of cess amount, and had retained ₹1.20 crore with them as detailed in **Appendix-3.20**.

Thus, the above directions of the RDPR department led to unlawful levy and collection of education cess of ₹2.69 crore by the test-checked GPs and further resulted in irregular retention and diversion due to non-remittance of education cess. These are only illustrative cases and highlight the risk of similar omission in other GPs, not covered in test audit. The State Government, therefore, needs to look into this issue in all the 6,022 GPs and take appropriate corrective measures.

The State Government issued (April 2017) instructions directing all the GPs to remit all the cesses (includes 10 *per cent* education cess also) levied and collected on property tax before March 2018. The State Government in continuation of the above instructions further directed (June 2018) all the GPs to remit the education cess to the concerned head of account. The status of remittances by GPs was yet to be furnished to audit.

The State Government accepted (January 2019) the audit observation and stated that the GPs were not empowered to collect the cess in the absence of specific provision in the Karnataka Gram Swaraj and Panchayat Raj Act, 1993. It further stated that it is under the consideration of RDPR Department to give up this practice of collecting the cess and to transfer the amount collected to the concerned entity.

Department of Technical Education

3.12 Unfruitful expenditure on construction of women's hostels

Due to non-conducting of demand survey, deficiencies in preparing estimate and drawings for construction of a women's hostel by the Department of Karnataka Public Works, Ports and Inland Water Transport and Karnataka Housing Board (KHB), buildings constructed at a cost of ₹1.86 crore remained incomplete and unutilised for more than four years.

Clause 61 of the Karnataka Public Works Departmental (KPWD) Code, 2014 states that Surveying and Engineering Drawings are the vital aspects of any Civil Engineering project that result in effective design, estimation and execution. Further, clause 90 (4) of the KPWD Code, 2014 states that before preparation of an estimate for buildings, soil properties are to be got tested by the Quality Control Laboratories. Based on the soil properties (Soil Bearing Capacity) report, the foundation soil for buildings, foundation and structural design, details for each component of the structures and architectural drawings are to be incorporated in the estimate of a particular work which would also avoid preparation of revised estimate.

The Government of India (GoI) extended one-time financial assistance for the Construction of Women's Hostels under the scheme 'Sub-Mission on Polytechnics under Coordinated Action for Skill Development'. This scheme was to be implemented in All India Council for Technical Education approved Government/Government aided Polytechnics (@ ₹1.00 crore per polytechnic for accommodating 50 boarders). Under the Scheme the State Government undertook construction of women's hostel in 57 Government Polytechnics. The records of Directorate of Technical Education (DTE) indicated that while 36 works were completed, 21 were under various stages of completion. Audit test checked three out of 36 works completed viz., Dharmaprasanna Aralaguppe Chandras Gowda Government Polytechnic (DACGP), Chikkamagalur, Government Polytechnic Nagamangala and Government Polytechnic Tumkur. The observations of two polytechnics are discussed below:

- ***DAC Government Polytechnic, Chikkamagalur***

The Principal of the DACGP entrusted (November 2011) the work to Karnataka Public Works, Ports and Inland Water Transport Department (Department). DTE accorded (November 2011) administrative approval to the plan and the estimate submitted by the Executive Engineer, for construction of a 703 sq mtr women's hostel. After following all the tender procedures, the department awarded the work (November 2012) to the lowest bidder at a tendered cost of ₹1.05 crore which was 10 per cent above the estimated cost based on Schedule of Rates of 2009-10. The stipulated date of completion of work was eight months from the date of handing over of the site. The total grant of ₹0.90 crore received for the said work was deposited with the department between January 2012 to June 2014.

During execution of the foundation work, the contractor observed that the strata met loose black soil which necessitated change in the design of the foundation. Accordingly, the Department re-designed the foundation and also revised the estimate which required an additional amount of ₹1.50 crore. Audit observed that the soil test was not conducted before preparation of the initial estimate and drawings. Further, the conditions in the sanction order of grants stated that estimated cost over and above ₹1.00 crore was to be provided either by the State Government or by the Institute itself. The DTE instead of providing additional funds through the State Government, reduced the scope of the work to 500 sq.mtrs from 703 sq.mtrs in order to restrict the work to ₹1.00 crore. Thus the capacity of the hostel to accommodate 50 boarders was proportionately reduced for 36 students which was contrary to scheme guidelines.

On completion of the work, the contractor submitted (June 2014) his final bill for ₹0.97 crore and the building was handed over to the Principal, DACGP (July 2014) with the specific remark that electrical and water supply work was pending. However, the utilisation certificates/status of progress achieved under the scheme furnished to GoI (September 2014, July 2015, February 2016 and June 2018⁷¹) indicated that the work was completed and the hostel was ready

⁷¹ It also indicated that hostel was not handed over to the Principal.

for occupation. It was also stated that the hostel was occupied since 2015-16. In order to ascertain the fact, a joint inspection⁷² of the hostel constructed was conducted (July 2018) and the following were noticed:

- Electrical and water supply work was pending.
- Doors and windows were not fixed.
- The structure had developed a horizontal crack in the toilet area.

The joint inspection established that the building was not fit for use even after four years of completion of its construction, and the claim of the DTE that the building was complete and ready for use was factually incorrect.

In addition, we observed that the GoI had communicated (September 2016) to the DTE that the Physical Progress Report of DACGP did not have a certificate that the construction had been laid as per AICTE norms and that the building had minimum 50 beds in order to release the final grant. However, response of the DTE to the above was not forthcoming from the records furnished to Audit. Consequently, GoI did not release the final installment of grant.

Thus, failure to conduct the soil test before preparation of estimate and drawings resulted in cost escalation. As a consequence, there was reduction in built up area which reduced the boarding capacity of the hostel. This not only violated the conditions of the scheme but also in non-release of the final instalment of GoI grants. On account of all these factors, the building remained incomplete and as a result, the basic objective of providing women's hostel in polytechnic was defeated even after incurring expenditure of ₹0.97 crore.

• ***Government Polytechnic Nagamangala***

Similar to DACGP Chikkamagalur, we observed that the women's hostel constructed at a cost of ₹0.89 crore by KHB remained unoccupied. However, the utilisation certificates furnished to the GoI (September 2014/July 2015) indicated that the work was completed and occupied. During joint inspection we noticed that the structure had developed cracks, doors and windows were stolen and hence it was not fit for occupation. Further, it was ascertained orally that due to availability of free women's hostel by Backward Class Department, there was no demand for the said Hostel. This indicated that the construction of women's hostel was proposed without conducting demand survey.

Hence, construction of hostels without conducting demand survey resulted in non-occupation of hostel, thereby rendering the expenditure of ₹0.89 crore incurred on it unfruitful.

Thus, the objective of the scheme of providing hostels for girls was defeated in both the places.

While accepting the facts with regard to DACGP Government Polytechnic, Chikkamagalur, the Government stated (November 2018) that the estimate was

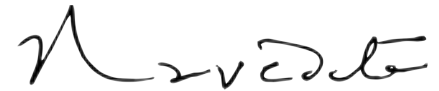
⁷² Audit team with the officer nominated by the institution.

prepared without soil test report as the site of construction was not finalised. Further, it stated the following:

- Currently, the building has been repaired, all doors and windows fixed, electrical and water supply were also provided.
- Since there are no girl students willing to stay in the hostel, it has been decided to provide the six room ladies hostel to boys for proper utilisation of building.
- On receipt of balance amount of ₹10 lakh, three rooms in first floor would be completed for accommodating 50 students.

The reply not only confirmed the fact that estimate of the work was prepared without soil testing but also that construction of girls' hostel was taken up without need assessment. Consequently, allocating the hostel to boys violated the basic objective of the scheme of providing girls hostel. Since the hostel could accommodate only 36 students, the release of balance grants by GoI was remote.

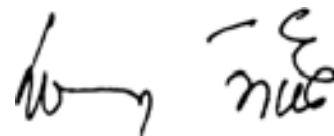
Bengaluru
The 1st October, 2019



(E.P.Nivedita)
Principal Accountant General
General and Social Sector Audit
Karnataka

Countersigned

New Delhi
The 4th October, 2019



(Rajiv Mehrishi)
Comptroller and Auditor General of India

Appendices

Appendix-1.1
(Reference: Paragraph-1.7.1, Page-9)
Year-wise breakup of outstanding Inspection Reports and Paragraphs issued upto 31 March 2018

Sl. No	Name of the Department	Less than One Year			1 to 2 years		2 to 5 years		5 to 10 years		More than 10 years	
		No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	
1	Administration & Justice	0	0	0	0	4	14	0	0	0	1	1
2	Administrative Training Institute	0	0	0	0	1	3	0	0	0	0	0
3	Advocate General	0	0	0	0	2	5	0	0	0	1	1
4	Agriculture	0	0	3	10	5	28	6	32	3	3	7
5	Animal Husbandry and Veterinary Services	0	0	2	14	2	17	1	7	1	1	6
6	Archaeology & Museum	0	0	1	7	6	52	2	9	2	5	8
7	Archives	0	0	0	0	2	5	0	0	0	0	0
8	Consumer Forum	0	0	0	0	0	0	0	0	0	0	0
9	Disabled Welfare	0	0	0	0	0	0	0	0	0	3	4
10	District Administration	0	0	0	0	0	0	0	0	0	0	0
11	Personnel and Administrative Reforms	0	0	2	14	13	119	12	39	12	44	135
12	Drug Controller	0	0	4	5	7	11	0	0	0	3	3
13	Election	0	0	2	12	1	7	3	11	3	3	10
14	Employment & Training	0	0	25	160	35	134	27	41	27	8	10
15	Employees State Insurance	0	0	20	50	12	29	4	6	4	1	1
16	Factories & Boilers	0	0	0	0	0	0	0	0	0	0	0
17	Finance	10	63	3	27	6	32	1	2	1	14	28
18	Finance & Fiscal Policy	0	0	0	0	3	24	2	7	2	0	0
19	Fire & Emergency	0	0	8	36	5	23	2	3	2	0	0
20	Fisheries	0	0	0	0	1	7	1	9	1	1	1
21	Governor's Office	0	0	0	0	0	0	0	0	0	0	0
22	Guest House	0	0	0	0	2	11	2	7	2	5	10
23	Health & Family Welfare	58	434	60	448	125	659	99	269	99	63	143
24	Higher Education	35	342	135	969	162	1,030	92	291	92	109	413
25	Home Guard	0	0	1	5	1	4	6	9	6	2	2

Sl. No	Name of the Department	Less than One Year		1 to 2 years		2 to 5 years		5 to 10 years		More than 10 years	
		No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras
26	Horticulture	0	0	2	8	3	19	0	0	0	0
27	Housing	1	17	4	34	6	44	13	67	49	132
28	Information Publicity	0	0	1	7	3	21	7	27	8	14
29	Indian System of Medicine and Homeopathy	6	40	17	89	20	60	6	9	9	12
30	Kannada & Culture	2	17	3	31	33	216	19	102	15	51
31	Karnataka Gazette	0	0	0	0	0	0	0	0	0	0
32	Karnataka Administrative Tribunal	0	0	0	0	0	0	0	0	0	0
33	Karnataka Health System Development and Reforms Project	12	80	0	0	18	99	8	19	6	111
34	Karnataka Public Service Commission	0	0	0	0	2	5	0	0	0	0
35	Karnataka Rural Infrastructure Development Limited	0	0	0	0	1	29	2	10	1	1
36	Labour	4	19	5	81	5	55	3	16	2	22
37	Law & Parliamentary	0	0	9	44	28	119	87	214	78	151
38	Legislative Secretariat	0	0	0	0	0	0	0	0	0	0
39	Lokayukta	0	0	1	3	3	14	0	0	1	1
40	Medical Education	1	24	22	251	24	252	50	215	63	106
41	National Cadet Corps	0	0	0	0	0	0	0	0	0	0
42	Payment Of Pension	0	0	1	7	3	15	0	0	0	0
43	Planning & Statistics	0	0	0	0	0	0	0	0	0	0
44	Police	0	0	23	145	38	172	31	54	14	28
45	Pre-University	20	355	24	110	91	393	35	60	26	39
46	Printing & Stationery	0	0	5	24	4	20	4	15	14	20
47	Prison	0	0	9	60	3	18	9	15	1	2
48	Primary & Secondary Education	1	6	62	316	60	236	30	58	7	14
49	Prosecution	0	0	0	0	2	11	1	1	0	0

Appendix-1.1 conclud.

Sl. No	Name of the Department	Less than One Year		1 to 2 years		2 to 5 years		5 to 10 years		More than 10 years	
		No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras
50	Public Libraries	2	16	12	68	30	140	6	17	1	1
51	Rural Development and Panchayat Raj	0	0	0	0	0	0	0	0	2	9
52	Revenue	0	0	81	1,167	163	1,765	213	1,073	163	968
53	Saamik Welfare	9	30	1	3	2	7	2	2	0	0
54	Social Welfare	0	0	3	26	8	111	13	69	5	9
55	State Accounts	0	0	0	0	1	9	1	1	0	0
56	Town Planning	0	0	1	7	2	5	2	3	0	0
57	Translation	0	0	0	0	0	0	0	0	0	0
58	Urban Development	2	37	4	49	12	165	26	144	36	87
59	Urban Land Transport	0	0	3	28	2	14	2	3	0	0
60	Watershed Development	0	0	0	0	0	0	0	0	0	0
61	Welfare Of Backward Classes	1	6	0	0	0	0	0	0	0	0
62	Welfare Of Minorities	0	0	1	9	1	14	1	5	3	3
63	Welfare Of Scheduled Caste and Scheduled Tribes	0	0	0	0	0	0	0	0	0	0
64	Women & Child Welfare	19	127	22	163	17	121	26	74	44	110
65	Youth & Sports	0	0	1	23	1	15	0	0	1	17
	Grand Total	183	1,613	583	4,510	981	6,378	857	3,015	816	2,691

Appendix-1.2
(Reference: Paragraph-1.7.3, Page-9)
Details of Departmental Notes pending as of 31.12.2018
(Excluding General and Statistical Paragraphs)

Sl. No.	Department	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1	Health and Family Welfare Department (Medical Education)	-	-	-	02	-	-	02
2	Home	-	-	-	-	-	01	01
3	Revenue	02	02	-	-	-	01	05
4	Social Welfare	-	-	-	-	01	-	01
5	Backward classes welfare department	-	-	-	-	-	01	01
	Total	02	02	-	02	01	03	10

Appendix-1.3
(Reference: Paragraph-1.7.4, Page-9)
Paragraphs (excluding General and Statistical) yet to be discussed by PAC as of 31.12.2018

Sl. No.	Department	95-96	98-99	00-01	01-02	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	Total
1	Agriculture	-	-	-	-	-	-	-	-	1	-	-	-	-	1	-	-	-	-	02
2	Animal Husbandry and Veterinary Services	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	02
3	Education	-	-	-	-	1	-	2	1	1	3	2	-	-	1	3	2	-	2	18
4	e-Governance	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	01
5	Finance	-	-	1	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	03
6	Health and Family Welfare	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	2	04
7	Home	-	-	-	-	-	-	-	-	-	-	-	2	-	-	1	1	-	1	05
8	Horticulture	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	02
9	Housing	-	-	-	-	-	1	1	1	-	-	-	1	-	1	1	1	-	1	08
10	Information, Tourism, Kannada and Culture	-	-	-	-	-	1	-	-	-	-	-	1	-	-	1	-	-	-	03
11	Labour	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	02
12	Revenue	-	-	-	-	-	1	1	-	-	1	-	-	4	4	-	-	2	1	14
13	Social Welfare	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	02
14	Urban Development Department	-	-	-	-	-	-	-	1	-	-	1	4	5	4	2	1	2	3	23
15	Women & Child Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	01
16	Forest, Ecology & Environment, Urban and H&FW	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	01
17	Department of Medical Education	-	-	-	-	-	-	-	-	-	-	-	-	-	2	1	2	-	-	05
18	Personnel and Administrative Reforms (DPAR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	01
19	Empowerment of Differently Abled and Senior Citizens	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	01
20	Printing, Stationery and Publications	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-	02
21	Backward classes welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	01
Total		1	1	1	-	1	3	6	4	4	5	4	8	10	15	10	10	7	11	101

Appendix-2.1

(Reference: Paragraph-2.1.1, Page-15)

Targets of United Nation's Sustainable Developmental Goal No.4 -Quality Education

- By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes.
- By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
- By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
- By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations.
- By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.
- By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all.
- By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.
- By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states.

Appendix-2.2

(Reference: Paragraph-2.1.5, Page-17)

Test-checked model schools and girls hostels

Name of the District	Infrastructure and Teaching-Learning			Model School	No. of Girls Hostels
	Government	Aided	Unaided		
Belagavi	22	16	21	1	2
Bengaluru Urban	6	24	124	0	0
Chamarajanagar	7	1	1	1	1
Chitradurga	14	15	2	0	0
Hassan	14	6	8	1	1
Kalaburagi	17	6	21	2	2
Vijayapura	6	14	9	1	1
Yadgir	5	0	4	2	0
TOTAL	91	82	190	8	7

Appendix-2.3

(Reference: Paragraph-2.1.6, Page-17)

Utilisation of funds under RMSA during 2009-10 to 2017-18

(₹ in crore)

Year	GoI/GoK grants	Opening Balance	Interest received	Total amount available	Expenditure	Percentage of expenditure
2009-10	72.98	-	0.01	72.99	0.15	0.20
2010-11	42.82	72.84	2.20	117.87	20.94	17.77
2011-12	55.66	96.93	3.77	156.35	76.06	48.65
2012-13	131.03	80.29	4.16	215.48	79.25	36.78
2013-14	479.99	136.23	5.94	622.16	189.57	30.47
2014-15	382.43	432.59	13.97	828.99	344.37	41.54
2015-16	227.09	484.62	14.09	725.80	385.15	53.07
2016-17	249.38	340.65	11.75	601.77	329.69	54.79
2017-18	325.64	272.08	9.42	607.14	328.85	54.16
Total	1,967.02		65.35		1,754.03	

Appendix-2.4

(Reference: Paragraph 2.1.7.4, Page 21)

Functioning of test-checked upgraded schools

Sl No	Name of the School	Observations
1	Upgraded Kannada Higher Primary School, Tigadi, Chikkodi Division, Belagavi District	The school was upgraded during 2016-17 and is running with three Teachers (Science, Mathematics and Hindi Teachers) on deputation from the neighbouring school for three days in a week. Further, the school has no library, laboratory, computer and staff room. However, the civil works were yet to be taken up.
2	Government High School, Indi Taluk, Vijayapura District	The School was upgraded during the year 2014-15. However, the civil works were yet to be taken up.
3	Nilavade, Khanapur, Belagavi District	
4	Government High School Kumbara, Sakaleshpura, Hassan District	The school was upgraded during the year 2009-10. The school does not have library, laboratory and computer room.

Appendix-2.5
(Reference: Paragraph-2.1.8.1(a), Page-23)
Delay in handing over of sites

Sl No.	Package No	District/Taluk/Block	Date of Completion as per Agreement (Range)	Original Contract Value (Total) (Lakh)	Revised Contract Value (Total) (Lakh)	Delay in handing over sites (Range)	Delay in supply of Designs and Drawings (Range)	Delay Due to BoQ (Range)
1	A-19	Mysuru	Jul-15 - Apr-16	3,074.22	3,460.10	160-489	108	-
2	A-3	Ballari	Jul-15 - Mar-16	3,258.20	3,721.43	53-500	93-481	0 to 71
3	A-16	Koppal	Aug-15 - Feb-16	2,093.00	2,384.36	55-210	128-233	0-87
4	A-20	Raichur	May-15 - Jan-16	3,045.05	3,486.33	52-500	146	0-87
5	A-2	Ballari	Mar-15 - Mar-16	5,322.04	5,939.46	59-336	-	0-87
6	Madduru	Mandya	Not Given	0	0	0	-	-
7	Soraba	Shivamogga	Mar-16	4,660.99	5,176.50	46-54	-	0
8	Haliyal	Sirsi	Feb-16 - Mar-16	377.35	466.67	46	99	0
9	Mundgod	Sirsi	Feb-16 - Mar-16	199.47	244.23	46	99	0
10	Siddapura	Sirsi	Feb-16 - Mar-16	184.71	235.27	46	99	0
11	Sirsi	Sirsi	Feb-16 - Mar-16	538.19	687.11	46	99	0
12	Yellapura	Sirsi	Feb-16 - May-16	134.2	184.97	117-138	0	0
13	B-23	Koppal	Jul-16 - Oct-17	2,376.24	3,016.31	33-579	0	0-352
14	B-3	Bengaluru Rural	Aug-14 - Oct-17	2,504.36	3,119.65	0-927	-	0-318
15	B-13	Chitradurga	Jun-13 - Aug-13	282.84	359.8	35-106	-	335-350
16	A-15	Kolar	Jun-15 - Apr-17	634.75	690.52	35-693	-	0-350
17	B-22		Mar-16 - Nov-17	2207.9	2,929.64	42-1209	-	0-343
18	B-28		Sep-16 - Sep-17	983.05	1,211.07	35-898	-	0-350
19	B-31	Tumakuru	May-16 - Jul-17	1,646.13	2,203.74	0-210	-	0-353
20	B-9	Chamarajanagara	Jun-16 - Nov-17	670.35	879.28	54-1135	0	472-1135
21	B-12	Chikkamagaluru	Feb-16 - Oct-17	2,118.06	2,677.61	41-1014	0	472-1014
22	B-14	Dakshina Kannada	Aug-15 - Jun-17	2,650.43	3,359.32	42-898	0	472-915
23	B-21	Kodagu	Feb-16 - Nov-17	981.83	1,224.94	45-1047	0	472-1047
24	B-32	Udupi	Jan-16 - Nov-17	1,722.45	2,186.34	18-928	0	472-928
25	B-33	Uttara Kannada	Jul-15 - Apr-16	1,026.01	1,310.64	31-138	46	472
26	A-7	Chikkaballapura	Jan-16 - Jan-17	2,119.09	2,594.31	34-642	-	0-351
27	B-10	Chikkaballapura	Jun-15 - Jan-18	1,710.77	2,114	0-1021	-	0-385
28	B-24	Madhugiri	Jan-15 - Jul-17	1,396.04	1,720.61	31-733	-	0-354
29	A-1	Bagalkote	Sep-15 - May-16	5,475.16	6,599.59	95-653	0-46	0
30	B-7	Bidar	Aug-14 - Aug-16	2,315.85	2,743.39	0-1011	0-110	0-24
31	A-13	Kalaburagi	Aug-15 - Jun-17	3,811.26	4,672.59	134-623	0-109	94
32	B-18	Kalaburagi	Aug-14 - Oct-17	4,781.55	5,887.35	0-1445	110	0
33	B-27	Raichur	Jan-14 - May-17	4,076.05	4,980.04	48-914	0-110	0-182
34	A-22	Yadgir	Nov-15 - Jun-16	665.8	831.79	323-749	0-46	0
35	B-34	Yadgir	Jan-14 - Dec-17	2,492.62	3,253.32	214-1174	110	0-123
36	A-4	Bidar	Jul-15 - Nov-17	1,761.87	2,136.77	269-467	0-100	0
37	B-15	Davanagere	May-14 - Mar-18	3,541.83	4,553.53	172-830	-	0-56
38	B 1-20	Haveri	Jun-15 - Dec-17	3,197.04	3,928.13	82-877	-	0
39	A-11	Davanagere	Dec-15 - Jan-16	670.57	790.72	78-139	-	0

Appendix-2.5 conclud.

SI No.	Package No	District/Taluk/Block	Date of Completion as per Agreement (Range)	Original Contract Value (Total) (Lakh)	Revised Contract Value (Total) (Lakh)	Delay in handing over sites (Range)	Delay in supply of Designs and Drawings (Range)	Delay Due to BoQ (Range)
40	A-1	Bagalkot	Jun-15 - Mar-18	2,135.98	2,348.53	35-992	-	-
41	A-2	Belagavi	Aug-17 - Jan-18	1,446.74	1,731.90	35-600	-	-
42	A-5	Vijayapura	Feb-16 - Dec-17	3595.3	4,182.54	36-371	-	-
43	A-8	Chikkodi	Oct-15 - Dec-15	1,385.44	1,538.94	77-146	-	-
44	A-10	Dharwad	Jun-16 - Dec-16	1,437.24	1,617.78	127-320	-	-
45	A-12	Gadag	Dec-15 - Jan-16	883.84	1,005.03	33-144	-	-
46	B-1	Bagalkot	Nov-14 - Jul-16	2,737.85	3,655.91	66-850	-	472
47	B-5	Belagavi	Jan-15 - Jan-18	2,640.39	3,798.89	2-1216	-	472
48	B-11	Chikkodi	Nov-14 - Dec-17	4,001.44	5,678.47	2-926	-	472
49	B-16	Dharwad	Nov-14 - Dec-17	2599.5	3,274.64	81-1066	-	472
50	B-17	Gadag	May-15 - Nov-17	2,691.25	3,564.91	39-1456	-	472
51	B-19	Hassan	Sep-14 - Oct-16	3,078.41	3,872.47	6-927	0	472-927
52	B-26	Hassan	Sep-14 - Mar-18	4,716.39	5,031.95	0-1415	0	472-1415
53	B-8	Vijayapura	Feb-16 - Aug-16	0	0	128-900	-	472
54	Shimoga Rural	Shivamogga	Jun-18	23.34	40.95	36	-	0
55	Shimoga Urban	Shivamogga	Jun-18	296.05	296.06	35	-	0
56	Tirthahalli	Shivamogga	May-18	545.38	654.98	38-455	-	0
57	A-14	Hassan	Apr-15 - Jun-15	649.64	721.13	49-101	108	472
58	A-9	Chitradurga	Jan-16 - Feb-16	432.15	511.31	173-455	-	17-268
59	A-18	Mandya	Feb-16	903.65	1,030.82	113-138	-	472
60	A-21	Ramanagara	Feb-16 - Mar-16	685.07	778.08	83-202	-	239-419
61	Mandya N & S	Mandya	Jun-17 - Oct-17	618.60	560.62	5-589	-	-
62	Nagamangala	Mandya	Jan-17 - Sep-17	407.51	444.9	179-504	-	-
63	Pandavapura	Mandya	Oct-17	252.94	286.49	138-461	-	-
64	Bhadravathi	Shivamogga	Mar-17 - Apr-17	171.42	196.41	237-285	-	0
65	SR Patna`	Mandya	Feb-18	301.81	337.07	7-653	-	-
66	R Pet	Mandya	Sep-16 - Oct-16	384.48	399.92	9-310	-	-
67	Malavalli	Mandya	Sep-16 - Aug-17	659.86	805.72	3-822	-	-
68	Shikaripura	Shivamogga	Oct-16 - Feb-17	989.46	1,354.27	142	-	0
69	B-6	Ballari	Aug-15 - Aug-17	1,637.14	2,188.89	0-1168	0	0-385
70	Sagara	Shivamogga	Oct-15 - Sep-16	574.01	906.75	125-364	-	0
71	A-6	Chamarajanagara	Jun-16 - Sep-17	914.7	1085.9	271-919	108	453-919
72	B-2	Bengaluru Urban	Jul-15 - Sep-16	1,019.34	1,266.94	88-845	-	0-336
73	B-4	Bengaluru Urban	Apr-15 - Sep-17	892.7	952.18	124-1122	-	0-317
74	A-17	Madhugiri	Mar- 2017	657.36	769.42	577-652	-	0

Appendix-2.6

(Reference: Paragraph 2.1.8.1(a), Page 24)

Irregularities noticed in upgradation and strengthening of schools

Tendering of works

We noticed that the tenders for 2,224 works (329 upgradation of school works and 1,895 strengthening of existing secondary and higher secondary schools) which were approved by PAB during 2009-10 and 2010-11 were finalised and entrusted to contractors only during the period May 2013 and May 2015. Another 410 works (237 works for the period 2009-11 and 173 revalidated works for the period 2012-18) which were approved by PAB during 2009-10 to 2017-18 were yet to be tendered. Due to delay in tendering, the RMSASK lost GoI grants amounting to ₹189.70 crore, besides the students being deprived of infrastructure facilities.

Negotiations with the tenderers

The guidelines issued (December 2002) by the State Government permit negotiations with the tenderers only in exceptional circumstances such as lack of competition (less than three), single bid, suspected collusion or where the lowest bid is substantially above the estimated cost *etc.* Even in these cases, the guidelines advise rejection of tenders as the first choice. The Government circulars issued subsequently (August 2006 and June 2007) further stipulate that negotiations are to be conducted only after the tender is re-invited for a minimum of three times.

However, we observed that the RMSASK had conducted three rounds of negotiations with the lowest bidder who had quoted ₹1,327.77 crore which was 34 *per cent* above the estimated value of the tender (₹986.86 crore). Though the amount quoted by the contractor was reduced to ₹1,195.30 crore (21.12 *per cent* above the estimated cost) after negotiation, the reduction was subject to inclusion of price adjustment clause in the contract. This inclusion was in violation of the provision contained in the Karnataka Transparency in Public Procurement (KTPP) Rules, 2002 which specifies that the tender inviting authority can make changes, modifications and alterations to the tender documents any time after issue of tender documents but before opening of tenders. Hence, while the RMSASK achieved a reduction of ₹132.47 crore on account of the negotiation, the estimated liability on price adjustment as on December 2016 worked out by the Department amounted to ₹176.22 crore. This was ₹43.75 crore in excess of the amount saved through negotiation.

Opening of tender

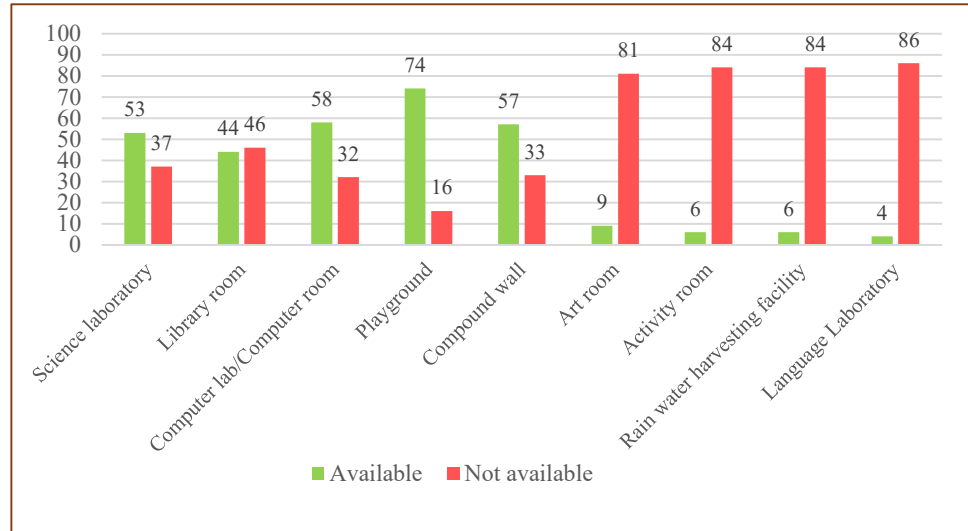
The KTPP Rules, 2002 prohibit modifications to the tender documents after opening of the tender. However, we noticed that RMSASK had not only inserted price variation clause (discussed above), but had also increased the mobilisation advance from five *per cent* as indicated in the tender conditions to 10 *per cent* at the time of entering into the agreement. Such post tender modifications in favour of the contractor denied opportunity for others to participate and in turn the RMSASK lost the benefit that might have accrued due to competition.

Technical sanction and Bill of Quantities

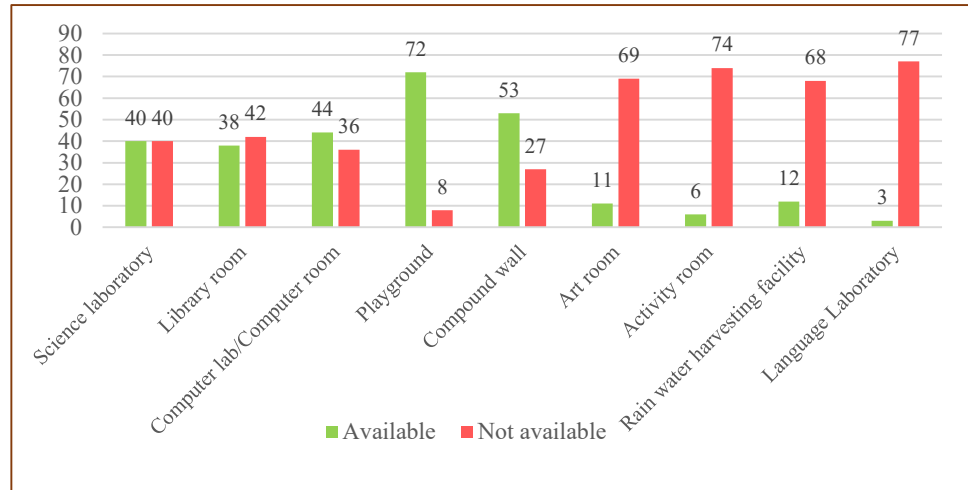
As per KPWD Code, for every work proposed to be carried out (except petty and repair work), technical sanction to the estimate needs to be taken by the PW Department before commencement of work. However, all the works approved by PAB (discussed in previous section) were executed without obtaining technical sanction. Further analysis of the tender documents showed that the Bill of Quantities (BOQ) a crucial document containing description of the items for construction, installation, testing, and commissioning of work was not finalised before inviting tenders. But the document which is also used to calculate the contract price, regulate quantity of work done and calculate payments was made available to the contractors after entering into the contract. This along with non-obtaining of technical sanction resulted in revision of estimates. The works, which were estimated at ₹986.85 crore and finalised during May-June 2013 as ₹1,195.30 crores (contract amount) were revised to ₹1,617.24 crores in December 2016.

Appendix-2.7
(Reference: 2.1.8.1 (e), Page 26)
Infrastructure facilities in sampled schools

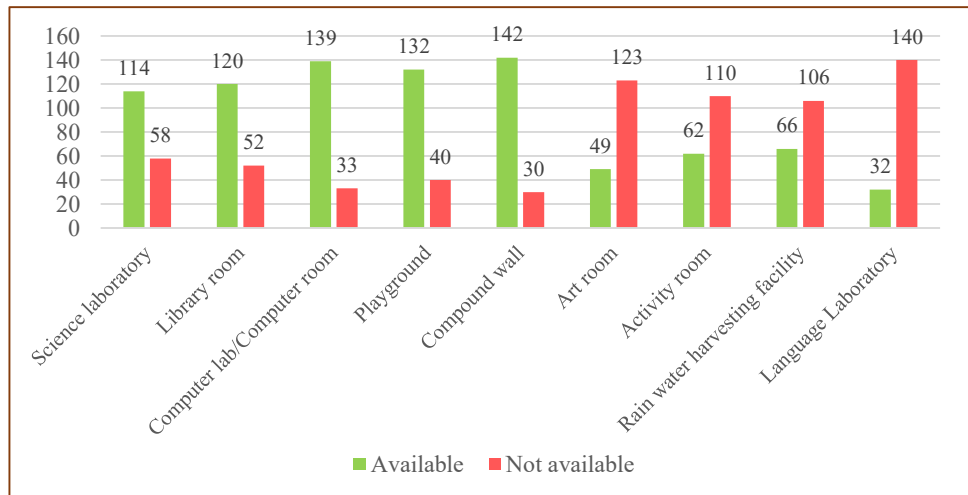
(i) Government schools



(ii) Aided schools



(iii) Unaided schools



Appendix-2.8

(Reference: Paragraph:2.1.8.1(e), Page-27)

Procurement of laboratory equipment

PAB approved (2010-11) procurement of laboratory equipment for ₹8.07 crore in respect of 807 schools where science laboratory component was sanctioned. The State Project Office (SPO) released (January 2018) the amount to the District Officers who in turn released the funds to the individual schools for the procurement. As per Rule 49(a) of Manual of Contingent Expenditure, every officer purchasing stores in the open market is responsible for ensuring that the purchase is made in the most economical manner with due regard to quality and efficiency by inviting competitive tender/ quotations when the purchase is held to be large *i.e.* more than ₹five thousand. In this regard, we observed the following:

- ✓ Contrary to the above Rule, three schools test-checked in Belagavi district and two schools in Hassan district procured lab items at a cost of ₹five lakh without calling for quotations.
- ✓ Government High School, Indi procured (March 2018) lab material (Physics, Chemistry and Biology) worth ₹one lakh from a Firm after finalising the quotations. Though the amount was paid to the Firm, the materials for ₹13,852 were yet to be received (June 2018).
- ✓ Government High School, Pethshirooru, Kalaburagi had procured science lab equipment worth ₹one lakh during March 2018 as per the cash book. However, we observed that the items shown as procured was not taken to the stock register maintained in the school. During joint physical verification, we observed that the items were not available in the school. Further, from the records, it was noticed that there was no evidence of initiating procurement *viz.*, constitution of purchase committee, calling for quotations, quotation analysis, issue of supply order, *etc.* The voucher produced in support of the payment did not mention the date of supply. Hence procurement of science lab equipment was doubtful. This needs further investigation.

Non-compliance with the prescribed procedure would pave way for doubtful transactions as illustrated above.

The Government replied (February 2019) that procurement of laboratory items and furniture was to be undertaken after completion of civil works. Hence, action was initiated in 2017-18 to procure laboratory items and furniture. The Government, however, did not offer any comments on financial irregularities.

Appendix-2.9
(Reference: Paragraph-2.1.8.1(f), Page-31)
Status of procurement of furniture

Name of the District	Amount released (crore)	Audit observations
Belagavi	3.20	The supply was under progress
Bengaluru Urban	0.84	Even after a lapse of 13 months from the date of receipt of the funds, the supply of desks, benches and tables for class rooms, lab tables, chairs, etc., to the identified schools have not been supplied
Chamarajanagara	0.96	Even after a lapse of 13 months, the supply of desks, benches and tables were not made (June 2018)
Chitradurga	2.17	The Work order was issued after seven months from the date of opening of bids. Though the work order stipulated supply of furniture within a period of 60 days the supply was not started even after a lapse of 112 days (June 2018) We also observed that the selected vendor did not meet the eligibility criteria prescribed for participation. According to instructions issued (February 2005), third party inspection was mandatory in respect of all goods and equipment contracts estimated to cost more than 25 lakhs. However, this clause was not included in the Agreement
Kalaburagi	4.72	Though the district received the funds during 2016-17, the tenders are yet to be finalised (October 2018).
Hassan	1.79	Though the work order was issued during January 2018 with a stipulation to complete the supply by March 2018, the furniture was yet to be supplied (June 2018). While the Suppliers were required to enter into a formal agreement on stamp papers, the agreement was not entered into. The District office also did not watch the validity of the Bank Guarantee/Security Deposit and a deposit for ₹56,692 had already lapsed. It was also noticed that one of the suppliers submitted forged income tax returns to secure participation in the tender.
Vijayapura	4.38	In the case of this tender, the State Project Director, RMSA (who gave approval for inviting the short term tender) ordered the reduction of tender period by approving short term tenders. Tender was published on 04.03.2017 with a closing date on 15 March 2017 and the bids were opened on 21 March 2017. The tender was open for only 15 days for the prospective bidders in violation of the KTPP Act which stipulates that minimum of 60 days for the bidders to submit their bids.
Yadgir	2.53	The work was tendered for 10 items and for another three items work was yet to be tendered.

Appendix-2.10
(Reference: Paragraph-2.1.8.1(f), Page-32)
Status of procurement of science and maths kits

Particulars	Audit observations
Non-Procurement of Science Kits for supply to 600 Government High Schools and 75 Minority Secondary schools for the year 2016-17 and 2017-18 resulting in lapse of Grant amount of ₹131.98 lakh	<p>Due to non-issue of supply order by March 2017, RMSA State office could not utilise the approved funds of ₹64.80 lakh during 2016-17.</p> <p>The Karnataka Transparency and Public Procurement Act, 1999 stipulates that in case of single bidder as a first measure the Department has to go for retendering. Contrary to above provision, RMSASK during 2017-18 selected M/s Excel Sports who was the single bidder for supply of 1,200 sets of Science kits to 600 Government High Schools. The Supply order issued (July 2017) stipulated the vendor to supply the kits within 30 days to the schools. However, based on the request of the vendor, RMSASK allowed extension of time for supply of Kits upto October 2017 without insisting for renewal of Bank Guarantee which was valid only upto September 2017. Subsequently, RMSASK cancelled the Supply order as the kits were not supplied.</p> <p>However, as per the monthly progress report as on March 2018, the State had booked the entire expenditure of ₹131.98 lakh as utilised and also had shown the physical target of procurement of 32,444 science kits had been achieved for the year 2017-18.</p>
Supply of Maths Kit to 2000 Government High Schools and 75 Residential Schools– ₹22.00 lakh.	During the tendering process for supply of 1,200 Maths kits to Government schools in 2016-17, all the three bids received were rejected due to various reasons. As a result, the Maths kits were not supplied to the Government High Schools during 2016-17.
Supply of two science kits and two maths kits for 20 schools	An amount of ₹85.20 lakh during the year 2016-17

Appendix-2.11
(Reference: Paragraph-2.1.8.2, Page-33)
Extension of Grant-in-Aid to ineligible schools

Name of the School	Year of GIA	Availability as per norms							Remarks, if any
		Class Room 360 Sqft	Library 360 Sqft	Laboratory 360 Sqft	Own Land/Lease for 30 years	Ramp Facility	Separate HM room/Office Room		
Sri Sangama Kannada High school, New Byappanahalli, Bengaluru	2012-13	216 Sqft each class room	180 Sqft	No	Unregistered Lease agreement for 5 years	No		Class rooms roofing was ACC instead of RCC	
Sri Laxmi Narasimha swamy High School, Nagashettihalli, Bengaluru	2015-16	216 Sqft each class room		216 Sqft	Unregistered Lease agreement for 15 years	No	No	No Playground	
Sree Byraveshwara Residential high school	2012-13	196 Sqft 196 Sqft 266 sqft	No	266 Sqft	No Lease Agreement and no Land document			Only 1 fire extinguisher	
VLS Vidyasagar high school, Basaveshwaranagar	2012-13	237 sqft 232 Sqft		232 Sqft	Unregistered Lease agreement for 20 years	No	No	Only 1 fire extinguisher, No Play ground	
Sri vinayaka high school, Anjananagar	2009-10	300 Sqft		300 Sqft	Unregistered Lease agreement for 10 years	No			
Sri Sankeshwara high school, Laggere, Bengaluru	2008-09	320Sqft			Land is not in the name of institution, Unregistered Lease agreement	No		No Playground	
Sri Rajalaxmi High School, Kamalanagar, Bengaluru	2008-09	223 Sqft			Land is not in the name of institution,				
Shreyas High school, Kamakshipalya, Bengaluru	2012-13	262 Sqft 268 Sqft 265 Sqft		248 Sqft	lease agreement for 30 years is not registered.	No		No Playground	
Royal high school, Marjunathnagar, Bengaluru	2013-14	260 Sqft		100 Sqft	Unregistered Lease agreement for 7 years	No-two disabled student		No Playground	
Sri Siddaganga high school, Rukmininagar, Nagasandra Post, Bengaluru	2013-14	288 Sqft			Unregistered Lease agreement				
Shilpa shree high school, Vishwaneedam post, Bengaluru	2015-16				Land in the name of institution not available , document of the title of the land in which the school building is located (RTC) is in the name of individual i.e. shri.S.N.Mohan kumar and Smt.Pillamma (both Shilpa shree high school and Deepashree high school have furnished the same RTC for their schools though the location of both the schools are different)				

Appendix-2.11 contd.

Availability as per norms									
Name of the School	Year of GIA	Class Room 360 Sqft	Library 360 Sqft	Laboratory 360 Sqft	Own Land/Lease for 30 years	Ramp Facility	Separate HM room/Office Room	Remarks, if any	
Deepa shree High School, Hegganahalli, vishwaneedam post	2015-16				Land/site in the name of the institution not available, document of title to the land/site in which the school building is located (RTC) is in the name of individual i.e. Sri.S.N.Mohan kumar and Smt.Pillamma (both Shilpa shree high school and Deepashree high school have furnished the same RTC for their schools though the location of both the schools are different)				
Vinayaka High School, Mahalaxmipura, Bengaluru	2012-13	300 Sqft each		120 Sqft		No	No	One fire extinguisher, No Playground	
Mother Theresa High School, shankamagar, Bengaluru	2009-10	252 Sqft 285 Sqft				No	No	One fire extinguisher, No Playground	
SVN Standard High School, Hegganahalli cross, Laxmananagar	2009-10			300 Sqft	Unregistered Lease agreement for 20 years	No	No	Class rooms roofing was ACC instead of RCC, No Playground	
Jeena Kannada High School, Agrahara layout, Yelahanka,Bengaluru		348 Sqft 297 sqft 425 sqft			Unregistered Lease agreement for 13 years		No	Class rooms roofing was AC instead of RCC, No Playground	
Kiran High School, Hegganahalli, Bengaluru	2015-16	337 Sqft		No	Unregistered Lease agreement for 20 years		No	One fire extinguisher	
Sree Gangadhreshwara High School, Bagalakunte	2009-10		No	No	Unregistered Lease agreement for 30 years	No		Class rooms roofing was AC instead of RCC, No Playground	
Sri Vinayaka High School, Sunkadakatte	2009-10	280 Sqft		210 Sqft	Lease Agreement for 5 years	No			
Arunodaya High School, Kyatha, Kamakshipura, Bengaluru	2012-13			No	Unregistered Lease agreement for 15 years	No		Vocation Education Teacher (Horticulture) shri.Muniswamy gowda T.C (having educational qualification of SSLC and Diploma in Costume Designing and Dress making) was admitted into Grant in aid vide Commissioner of Public Instruction Order dated 7.4.2014. In this connection it may be stated whether the said teacher was eligible for appointment as Vocational education in Horticulture as the teacher is not possessing any qualification in Horticulture	

Appendix-2.11 conclud.

Name of the School	Year of GIA	Availability as per norms						Remarks, if any
		Class Room 360 Sqft	Library 360 Sqft	Laboratory 360 Sqft	Own Land/Lease for 30 years	Ramp Facility	Separate HM room/Office Room	
Sri Basava High School, Huskur	2013-14			110 sq.feet	The land/site is not in the name of the institution	No	No	
Sri Geetha High School, Prasanthnagar		312 sq.feet	182 sq.feet	143 sq. Feet	Unregistered lease deed for 20 years w.e.f 28.7.2008	No	No	One fire extinguisher
Balagandharattilak High School, Laggere	2009-10			270 sq.feet	lease for 25 years w.e.f 10.6.2002 to 10.6.2027 and the lease agreement is not registered.	No	No	Two fire extinguishers

Appendix-2.12**(Reference: Paragraph-2.1.8.3(b), Page-34)****Vacancy position of teachers across secondary schools in Karnataka during 2017-18**

Category of schools		Total Teachers	Head Masters
Government schools	Sanctioned strength	44,110	4,260
	Working strength	38,401	3,554
	Vacancy	5,709	706
	Percentage of vacancy	12.94	16.57
Government aided private schools	Sanctioned strength	34,510	3,309
	Working strength	28,188	2,739
	Vacancy	6,322	570
	Percentage of vacancy	18.31	17.22
Unaided private schools	Sanctioned strength	38,379	NA
	Working strength	36,276	NA
	Vacancy	2,103	-
	Percentage of vacancy	5.47	-

Appendix-2.13
(Reference: Paragraph-2.1.8.3(e), Page-37)
Teachers possessing lesser qualification than NCTE qualification

Government School						
Sl No	Name of the District	Subject	No of Teachers	Qualification required as per NCTE	Qualification possessed by the Teachers	Remarks
1	Chitradurga	Physical Education	2	Bachelor Degree with Physical Education as an elective subject with 50% Marks and Bachelor of Physical Education (B.P.Ed) of at least one year duration (or its equivalent) from any National council for teacher education recognised institution.	Graduation and Bachelor of Physical Education	The candidate was not having the qualification of BA with physical education as an elective subject with 50% as required under NCTE norms 12.11.2014.
2	Chamarajinagar		1			
3	Vijayapura		1			
4	Bengaluru North		1			
5	Yadagir		2			
	TOTAL		7			
Government Aided School						
1	Chitradurga	English	2	BA with one of the optional subject should be English and B.Ed from NCTE recognised institution.	BA, Post Graduate Diploma in English Language Teaching from Regional Institute of English South India, Bengaluru and Bachelor of Education	The official was not having the English as an optional subject in degree. Post Graduate Diploma in English language from Regional Institute of English South India Bengaluru is not recognised as per NCTE and is not equivalent to BA.
		Physical Education	2	Bachelor Degree with Physical Education as an elective subject with 50% Marks AND Bachelor of Physical Education (B.P.Ed) of at least one year duration (or its equivalent) from any National council for teacher education recognised institution.	Graduation and Bachelor of Physical Education	The candidate was not having the qualification of BA with physical education as an elective subject with 50% as required under NCTE norms 12.11.2014.
2	Chamarajinagar	Hindi	5	BA with one of the optional subject should be Hindi and B.Ed from NCTE recognised institution.	Hindi Bhasha Praveen from Karnataka Mahila Sewa samithi, Hindi Shikshak Examination from KSEEB, Hindi Ratna from Mysore Hindi Prachar Parishad Bengaluru and Hindi Shikshak Examination	The official was not having the qualification of BA with one of the optional subject as Hindi and B.Ed from NCTE recognised institution at the time GIA.
3	Vijayapura	Hindi	5			
		Hindi	6			
	Total		20			

Appendix-2.14
(Reference: Paragraph-2.1.10.2, Page-44)
Observations in respect of model schools

Status of constructed model schools
<p>(1) Adarsha Vidyalaya, Holenarasipura, Hassan Minor cracks were observed in the school building and there was no compound wall around the school. In addition, we observed that the school did not have computers and as a result was not conducting any computer classes.</p>
<p>(2) Adarsha Vidyalaya, Bheemalli, Kalaburagi Quality of construction of the building was poor. We noticed major cracks, ruptured floor tiles, broken windows, non-installation of railings in stairs, <i>etc.</i> The number of benches for the students to sit was inadequate. Though the school had separate science laboratory and computer laboratory, they lacked equipment/computers.</p>
<p>(3) Adarsha Vidyalaya, Chincholi, Kalaburagi Quality of construction of the building was poor. We noticed major cracks, ruptured floor tiles, broken windows, non-installation of railings in stairs/ramps <i>etc.</i> The school did not have a compound wall. There were no English teachers available in the school.</p>
Non-availability of facilities in model schools running in temporary locations
<p>(1) Adarsha Vidyalaya School, Kollegal, Chamaraajanagar The School started functioning during 2010-11 at Mudigunda Gurikar Subbappa Veerappa (MGSV) College building, Kollegal. The school currently has a strength of 396 (Classes 8, 9 and 10). Though the construction of Model School commenced during November 2015, it is yet to be completed. The current building where the Model School was operating lacked facilities such as library, laboratory, computer and teacher's room. Playground and assembly area was shared with MGSV College. There are only two toilets, one each for boys and girls without water and as a result was unhygienic. The furniture for the class rooms were borrowed from Government Urdu High School, Kollegal and Government High School, Sattigala.</p>
<p>(2) Adarsha Vidyalaya, Ramdurg, Belagavi The school was functioning temporarily in the Block Education Office premises at Ramdurg. Though the construction of the new building was completed, the school was partially shifted to the new building. As a result, the Model School was functioning in both locations. While the temporary location lacked library, laboratory and computer room, several rooms in the newly constructed building were lying vacant.</p>

Appendix-2.15
(Reference: Paragraph-2.1.11.1, Page-44)
Details of number of schools and student enrollment in Secondary Education

Year	Number of schools			Students enrolment		
	Government	Aided	Unaided	Government	Aided	Unaided
2009-10	4,504	3,275	4,579	7,01,981	5,52,252	3,75,658
2010-11	4,735	3,367	5,259	6,81,922	5,58,595	4,06,834
2011-12	5,602	3,335	5,521	6,31,936	5,50,160	4,46,670
2012-13	4,988	3,547	5,570	6,64,542	5,49,185	4,52,767
2013-14	5,105	3,600	5,625	6,56,604	5,06,976	5,96,157
2014-15	5,180	3,765	5,899	7,05,134	5,59,428	5,02,368
2015-16	5,225	3,818	6,013	6,98,046	5,53,952	5,22,266
2016-17	5,244	3,810	6,155	6,91,929	5,37,792	5,64,648
2017-18	4,722	3,803	6,533	6,56,604	5,06,976	5,96,157

Appendix-2.16**(Reference-2.1.11.2, Page-44)****GER indicator of the State during 2009-10 to 2017-18**

Year	All	Boys	Girls	SC	ST
2009-10	75.29	75.14	75.46	66.80	62.07
2010-11	81.42	80.90	81.99	69.09	67.77
2011-12	85.65	85.20	86.13	70.71	71.37
2012-13	84.54	84.23	84.86	NA	NA
2013-14	75.99	75.39	76.64	NA	NA
2014-15	75.99	75.39	76.64	66.50	66.45
2015-16	76.12	79.16	72.71	NA	NA
2016-17	84.44	84.01	84.92	78.42	75.59
2017-18	82.37	81.53	83.30	79.15	73.12

Appendix-2.17
(Reference: Paragraph-2.1.11.2, Page-45)
District-Wise GER

District Name	GER(2009-10)			GER(2014-15)			GER(2017-18)		
	All community			All community			All community		
	B	G	T	B	G	T	B	G	T
Bagalkot	71.51	61.02	66.49	72.69	72.18	72.45	84.66	84.50	84.58
Ballari	54.43	49.57	52.16	61.11	54.80	58.10	78.61	77.00	77.85
Belagavi	70.59	60.51	65.76	76.16	76.20	76.18	84.24	84.30	84.27
Bengaluru Rural	68.09	72.53	70.22	78.44	85.92	81.94	83.51	87.87	85.56
Bengaluru Urban	101.62	106.95	104.21	87.83	92.22	89.95	94.17	100.66	97.24
Bidar	59.50	65.75	62.56	64.96	68.43	66.63	73.04	75.61	74.26
Chamarajanagara	83.02	80.02	81.58	68.87	73.02	70.86	69.99	74.39	72.09
Chikkaballapura	79.11	81.24	80.15	67.08	74.89	70.71	71.46	75.73	73.49
Chikkamagaluru	96.88	119.71	107.25	79.92	82.41	81.13	73.79	76.98	75.32
Chitradurga	70.93	72.22	71.56	75.90	79.35	77.53	79.18	81.48	80.27
Dakshina Kannada	95.51	106.24	100.55	102.52	101.87	102.20	102.06	103.82	102.89
Davanagere	72.96	74.36	73.64	74.26	75.70	74.95	81.01	87.13	83.92
Dharwad	74.19	74.32	74.25	76.51	78.76	77.59	87.34	91.18	89.15
Gadag	84.18	74.09	79.30	74.47	73.25	73.89	80.81	84.03	82.34
Hassan	82.12	95.79	88.56	87.08	90.34	88.68	76.11	81.40	78.66
Haveri	82.41	79.51	81.00	67.88	71.79	69.76	76.70	82.82	79.60
Kalaburgi	67.90	59.61	63.95	63.77	61.59	62.73	75.33	71.57	73.55
Kodagu	78.07	94.53	85.54	86.47	92.30	89.30	79.38	82.27	80.77
Kolar	66.18	66.20	66.19	71.76	75.46	73.54	73.08	76.01	74.48
Koppal	62.80	55.21	59.21	54.48	51.58	53.10	75.29	74.12	74.74
Mandya	93.80	104.21	98.68	78.53	83.28	80.78	77.98	80.54	79.18
Mysuru	94.97	104.58	99.51	83.95	86.39	85.14	82.95	86.14	84.47
Raichur	55.39	44.57	50.41	53.20	49.74	51.55	70.24	66.35	68.39
Ramanagara	67.94	72.39	70.06	75.49	83.44	79.23	76.58	80.09	78.24
Shivamogga	72.06	77.20	74.57	85.12	86.43	85.76	82.26	88.63	85.28
Tumakuru	76.65	76.61	76.61	84.78	86.70	85.68	82.30	82.96	82.61
Udupi	95.59	104.79	99.91	93.82	92.72	93.29	95.55	97.43	96.45
Uttara Kannada	66.19	71.48	68.74	84.74	88.92	86.75	83.27	88.10	85.55
Vijayapura	62.02	54.47	58.51	72.56	67.05	70.02	81.00	75.90	78.60
Yadgir	45.06	39.60	42.59	45.18	36.70	41.21	61.41	51.02	56.49
State average GER	75.14	75.46	75.29	75.39	76.64	75.99	81.53	83.30	82.37

Appendix-2.18**(Reference: Paragraph 2.1.11.3, Page-45)****Drop-out, Retention and Transition rate of the State**

Year	Drop-out rate	Retention rate	Transition rate
2009-10	NA	81.14	86.65
2010-11	NA	81.18	91.18
2011-12	8.11	82.45	91.18
2012-13	9.34	82.72	89.40
2013-14	8.49	84.70	91.12
2014-15	NA	NA	94.85
2015-16	6.73	88.60	92.96
2016-17	7.53	90.41	97.15
2017-18	6.30	88.06	93.70

Appendix-2.19
(Reference: Paragraph-2.1.11.3, Page-45)
District-wise Drop-out Rate for the year 2017-18

Sl. No.	District	Drop-out rate		
		Boys	Girls	Total
1	Bagalkot	10.73	6.60	8.79
2	Ballari	13.39	8.96	11.35
3	Belagavi	9.07	8.42	8.77
4	Bengaluru Rural	5.79	2.03	4.00
5	Bengaluru Urban	4.01	1.07	2.58
6	Bidar	0.00	1.51	0.64
7	Chamarajanagara	9.92	5.04	7.55
8	Chikkaballapura	8.08	4.65	6.42
9	Chikkamagaluru	11.02	5.76	8.45
10	Chitradurga	5.77	3.70	4.78
11	Dakshina Kannada	14.10	4.39	9.57
12	Davanagere	9.70	6.50	8.12
13	Dharwad	8.17	3.43	5.88
14	Gadag	12.78	8.27	10.61
15	Hassan	7.88	4.90	6.41
16	Haveri	18.19	9.49	13.97
17	Kalaburgi	1.23	3.04	2.06
18	Kodagu	10.11	3.63	7.00
19	Kolar	8.03	5.24	6.67
20	Koppal	9.48	8.73	9.12
21	Mandya	5.15	2.16	3.73
22	Mysuru	6.40	3.17	4.83
23	Raichur	6.60	2.22	4.61
24	Ramanagara	4.95	1.04	3.07
25	Shivamogga	11.41	2.25	7.00
26	Tumakuru	5.89	3.06	4.56
27	Udupi	8.58	2.68	5.78
28	Uttara Kannada	12.85	4.19	8.73
29	Vijayapura	6.87	6.84	6.86
30	Yadgir	9.89	8.06	9.13
Average State Drop-out rate		7.92	4.51	6.30

Appendix-2.20
(Reference: Paragraph-2.1.11.4 Page-46)

Year-wise class 10 results in the state

Year	Number of students appeared	Number of students passed	Per cent of students passed
2009-10	7,61,810	5,08,944	66.81
2010-11	7,78,472	6,13,627	78.82
2011-12	7,54,637	6,05,327	80.21
2012-13	7,76,172	6,28,452	80.96
2013-14	7,50,438	6,40,973	85.41
2014-15	7,87,659	6,69,339	84.97
2015-16	7,79,135	6,17,553	79.26
2016-17	7,64,690	5,61,781	73.46
2017-18	7,44,461	5,81,518	78.11

Appendix-3.1
(Reference: Paragraph-3.1.3.3, Page-61)
Statement showing the schemes/programmes and the expenditure for the
years 2013-14 to 2017-18

(₹ in lakh)

Sl. No.	Name of the Scheme/programmes	Released	Expenditure	Balance
1	Janapriya Sahitya Prakashana	2,888.59	2,393.02	495.57
2	Artists medical expenses	13.02	12.88	0.14
3	Cultural workshops	104.00	102.37	1.63
4	Other expenditure towards celebration of birthdays and awards	11,405.16	9,696.63	1,708.53
5	Transalation of Kannada Literature to other languages	500.00	500.00	0
6	Special Component Plan/Tribal Sub plan - Gurushishya parampara, sponsored programmes, Workshops, Utsavas, documentaries, etc.	18,600.31	16,515.90	2,084.41
7	Utsavas (including special utsavs, Hampi Utsav, Kadambotsav, District Utsav, etc.)	1,930.58	1,750.01	180.57
8	Basaveshwara Awards	75.00	55.42	19.58
9	Janapada Jatre	50.00	48.55	1.45
10	Promotion of Kannada and Culture - Celebration of Jayanthis, financial assistance to cultural institutions for conducting cultural programmes, financial assistance for construction of cultural bhavans, and other departmental programmes.	32,199.99	30,531.14	1,668.85
11	Documentary	2,610.65	2,467.58	143.07
12	Pension to Artists	8,673.16	7,936.24	736.92
13	Training in fine arts	1,030.00	950.23	79.77
	Total	80,080.46	72,959.97	7,120.49

Appendix-3.2
(Reference: Paragraph-3.1.3.3(a), Page-62)
Non-submission of certificate of renewal of registered society by cultural institutions

(₹ in lakh)

Sl. No.	Name of the cultural institutions	Years for which renewal of registered society was not done.	Amount released	Year for which it was released
1	Girinagara Sangeetha Sabha, Bengaluru Urban	2015-16 to 2016-17	4.00	2015-16 to 2017-18
2	Dr. B R Ambedkar Janapada Samskruthika kala Poshaka Sanga, Belagavi	2017-18	1.00	2017-18
3	Shri Guru Ganayogi Panchakshari Smruthi,	2016-17 and 2017-18	1.00	2016-17 & 2017-18
4	Spandana sports and Cultural Vedike Bengaluru	2017-18	25.00	2017-18
Total			31.00	

Appendix-3.3
(Reference: Paragraph-3.1.3.3(a), Page-62)
Statement showing non-submission of audited statement of accounts by
the cultural institutions

(₹ in lakh)

Sl.No	Name of the cultural associations	Years for which certificate of accounts not submitted	Amount released prior to 2017-18	Amount released during 2017-18	Total Grant released
1	Girinagara Sangeetha Sabha, Bengaluru Urban	2015-16 and 2016-17	3.00	1.00	4.00
2	Tarangini cultural association, Bengaluru	2016-17	1.00	0.50	1.50
3	Anka Cultural association	2016-17	10.00	2.00	12.00
4	Renuka Sangeeta Sabha, Bengaluru	2016-17	4.00	2.00	6.00
5	Sri Siddharodha Mission, Bengaluru	2016-17	1.00	1.00	2.00
6	Rudrapattana Sangeetostava Trust, Bengaluru	2016-17	1.00	0.50	1.50
7	Delhi Karnataka Sanga, Delhi	2016-17	25.00	20.00	45.00
8	Siddhaganga Trust (Tumakuru)	2016-17	5.00	5.00	10.00
9	Karnataka Rajyostava Samithi, Bengaluru	2015-16, 2016-17 and 2017-18	90.00	60.00	150.00
10	Kannada Rakshana Vedike, Bengaluru	2011-12 to 2017-18	175.00	50.00	225.00
11	Sristi Abhinaya Kalavidara Kendra, Bengaluru	2015-16 to 2016-17	23.00	2.00	25.00
	Total		338.00	144.00	482.00

Appendix-3.4
(Reference: Paragraph-3.1.3.3(a), Page-63)
Financial assistance to cultural institutions twice a financial year

(₹ in lakh)

Sl. No.	Name of the cultural institution	Amount sanctioned	
		off-line	on-line
1	Thanarathi cultural prathistana, Yadgir	15.00	5.00
2.	Rangabharathi Samsthe, Bellary	40.00	10.00
3.	Sri Charabasaveshwara Sangeetha seva samithi, Yadgir	10.00	5.00
4.	Adharsha Sugama Sangeetha, Bengaluru	15.00	5.00
5.	Karnataka Rajya Kannada Vedhike Bengaluru	7.00	3.00
6.	Sapthaswara Arts Bengaluru	19.00	1.00
7.	Nalvadi Krishnarajha Wadiyar Nagari mathu Tamte, Mysuru	4.50	1.00
8.	Pushpanjali Natya kala Academy, Bengaluru	9.00	1.00
9.	Bhava Rupaka Prathisthana, Bengaluru	8.00	2.00
10.	Sanjeevini cultural trust, Ramanagara	5.00	1.00
Total		132.50	34.00

Appendix-3.5

(Reference: Paragraph-3.1.3.3(a), Page-63)

Statement showing non-submission of utilisation certificates by the Trusts

Sl. No.	Name of the Trust	Amount released (₹ in lakh)	Period for which UCs not submitted
1.	Nijalingappa trust, Chitradurga	75.00	2012-13 to 2017-18
2.	Duttaragi Trust	63.00	2013-14 to 2017-18
3.	Ranna Prathistana, Bagalkote	39.00	2015-16 to 2017-18
	Total	177.00	

Appendix-3.6

(Reference: Paragraph-3.1.3.3(b), Page-64)

Financial assistance extended without production of requisite documents

(₹ in lakh)

Sl.No	Place of construction	Name of the District	Amount sanctioned	Amount released	Year of release
1	Yalagatti, Challakere Taluk	Chitradurga	10.00	5.00	NA
2	Surammanahalli, Molakalmuru Taluk	Chitradurga	5.00	5.00	August 2015
3	Hosaidalahonda, Khanapur Taluk	Belagavi	10.00	10.00	August 2015
4	Channapatna town	Ramnagara	20.00	20.00	March 2015
5	Rangasamudra village, T Narasipura Taluk	Mysuru	5.00	5.00	August 2012
6	Arakere village, SR patna	Mandya	10.00	10.00	August 2011
7	Sonagehalli village, SR patna	Mandya	10.00	10.00	August 2011
8	Pandavapura	Mandya	50.00	50.00	March 2008
9	Tielur village, Maddur Taluk	Mandya	10.00	10.00	March 2016
10	North bank village, Mandya Taluk	Mandya	10.00	10.00	March 2017
11	Chinakurali Hobli Hosakannambadi	Mandya	10.00	10.00	March 2016
12	Aramtodu village, Sullya Taluk	Dakshina Kannada	5.00	5.00	February 2017
13	Kulnadu village, Bantwal Taluk	Dakshina Kannada	5.00	5.00	February 2017
14	Ira village, Bantwal Taluk	Dakshina Kannada	20.00	20.00	February 2017
15	Boltukalatanda, Manche village, Bantwal Taluk	Dakshina Kannada	10.00	10.00	February 2017
16	Sri Durgaparamaeshwari and Ayyappaswamy cultural association Bantwal Taluk	Dakshina Kannada	10.00	10.00	August 2011
17	Adi Udipi	Udipi	50.00	50.00	February 2011
18	Satya harshchandra nagara	Ballari	10.00	10.00	Feb 2012
19	Sogigrama Hadagali Taluk	Ballari	5.00	5.00	Aug 2012
20	Hagaribommanahalli nagara Ballari	Ballari	5.00	5.00	Sep 2015
21	Siruguppa, Muddenur	Ballari	5.00	5.00	Oct 2015
22	Birenahally Hiriyyur	Chitradurga	1.66	1.66	Jan 2013
23	Haveri	Haveri	250.00	250.00	March 2016
24	Belagavi	Belagavi	100.00	100.00	October 2009
25	Allagi village, Afzalpura	Kalaburagi	10.00	10.00	January 2016
26	Babu Jagajivan Ram Education and Cultural Trust Mysuru	Mysuru	10.00	10.00	January 2016
27	Construction of District Rangamandira, Mangaluru	Dakshina Kannada	440.00*	350.00	March 1989
28	Siddhartha Pragatipara Saikshanika Academy, Mysuru	Mysuru	5.00	5.00	February 2018
Total			1,091.66	996.66	

*including mobilised funds (₹2.30 crore)

Appendix-3.7
(Reference: Paragraph-3.1.3.3(b), Page-64)
Statement showing release of funds for other purposes other than cultural bhavans

(₹ in lakh)

Sl. No.	Subject	Amount prescribed	Amount released	Excess released
1	Construction of Sri. Raja Shivachatrpathi Maharajara Cultural Bhavan at Nippani, Chikkodi taluk, Belagavi	20.00	50.00	30.00
2	Sri. Gayathri Peeta, Banashankari, Badami Taluk	20.00	25.00	5.00
3	Sivashrana Madara Chennayya cultural bhavan	20.00	30.00	10.00
4	Sri Sri Degula Mutt Kanakapura, Cultural Bhavan Ramnagara	20.00	175.00	155.00
5	Sree Kshetra Maralugavi Mutt, Cultural Bhavan, Ramanagara	20.00	189.74	169.74
6	RamaRudh Kannada Culture development institution, Bagalkote	20.00	40.00	20.00
7	Koujalgi Ningamma Mahalingapura, Bagalkote	20.00	205.00	185.00
8	Cultural bhavan Rabakavi, Bagalokote	20.00	42.00	22.00
9	Cultural bhavan Belagali, Mudhol Bagalokote	20.00	45.00	25.00
10	Veera Shaiva samaja seva samithi, Mudhol, Bagalkote	20.00	25.00	5.00
11	Ganige samaja, Mudhol, Bagalkote	20.00	25.00	5.00
12	Hemareddy Mallamma Shykshanika and Dharmika Trust, Mudhol, Bagalkote	20.00	25.00	5.00
13	Tamil Thai Sangam, Shivamogga	20.00	50.00	30.00
14	Sri. Chennabasava Pattadeva Memorial Trust, Bhalki	20.00	50.00	30.00
15	Srinivasa Mallya Memorial Bhavana, Suratkal - (Mangaluru)	20.00	100.00	80.00
16	Sathyakama Prathistana, Jamkhandi, Bagalkote	20.00	32.50	12.50
17	Sanehally Cultural Bhavan	20.00	70.00	50.00
18	Veera Shaiva Cultural Bhavan, Shivamogga	20.00	100.00	80.00
19	Sri Nirvenshwara Cultural Trust, Chamarajnagara	20.00	175.00	155.00
20	Arasa Rangamindara, Lal Bahadur Shastri College, Sagara, Shivamogga	20.00	25.00	5.00
	Total	400.00	1,479.24	1,079.24

Appendix-3.8
(Reference: Paragraph-3.1.3.3(b), Page-64)
Statement showing release of funds in excess of prescribed limits

(₹ in lakh)

Sl. No	Name of the Institution	Amount sanctioned	Amount released	Remarks
1	Panje Mangeshraya Smaraka Bhavana, Mangaluru	500.00	166.00	From the estimates submitted by the Karnataka Housing Board, we noticed that the purpose of construction was intended mainly for wedding, wedding reception, corporate events, seminars, exhibitions, product launch, etc and not for cultural activities.
2	Kannada Sahitya Parishat Kalagrama, Shivamogga	150.00	40.93	₹1.00 crore was released for construction of Kalagrama, Shivamogga (June 2011) and out of ₹1.00 crore, ₹40.93 lakh was spent for the purchase of site in violation of norms.
3	Kapadi temple in KR Nagar Taluk, Mysuru	70.00	70.00	Grants were released for the development works such as Ladies Toilets, Gents Toilets, Drinking water, drilling borewell, renovation works of temple, interlocking pavements and Kerb stones
4	Telugu Vignana Samithi, Bengaluru	40.00	40.00	₹40.00 lakh was released to Sri Krishnadevaraya Kala Mandira built by Telugu Vignana Samithi, Bengaluru for renovation purposes as a special grant in violation of norms.
5	Basava Bhavan in Nanjangud Taluk	200.00	200.00	From the plan for the proposal of construction of Basava Bhavan, we observed that Basava bhavan would be constructed as a Marriage Hall as the plan included Dinning hall (23.63m X 38.55 m) and Wedding hall (23.63m X 39.45 m)
6	Rangamandira, Basavana Bagewadi, Vijayapura	50.00	25.00	As per plan, marriage hall would be constructed.(7498 SFT-Marriage hall)
7	Sri Narayana Guru Billava Sangh Building, Shivamogga	100.00	50.00	₹50.00 lakh was released for the construction of community building and not for the cultural bhavan.
8	Mylara Mallanna Devasthanana, Khanapur, Bidar	100.00	100.00	₹75.00 lakh was released for the construction of Guest House/Choultry building and ₹25.00 lakh for the purpose of toilet block in premises of Mailar Mallanna Temple.
	Total	1,210.00	691.93	

Appendix-3.9
(Reference: Paragraph-3.1.3.3(b), Page-65)
Statement showing receipt of funds from both Kannada and Culture
Department and other Government Departments

(₹ in lakh)

Sl. No.	Subject	Amount released from Kannada & Culture Department	Amount received from other Government Departments	Remarks
1	Construction of Sri. Raja Shivachatrpathi Maharajara Cultural Bhavan at Nippani, Chikkodi taluk, Belagavi.	50.00	198.00	Received commitment of ₹1.98 crore (₹62.70 lakh already released) from Nippani Municipality, Belagavi district
2	Sri. GayathriPeeta, Banashankari, Badami taluk	25.00	50.00	₹50.00 lakh was released by Endowment Department for the same construction
3	Sri Jagadguru Revana Siddeshwara VidyaPeetha, Mansur, Dharwad	10.00	50.00	Received assistance of ₹25.00 lakh from Backward Classes Department and ₹25.00 lakh from Endowment Department
4	Tamil Thai Sangam, Shivamogga	50.00	24.90	Received ₹24.90 lakh from MP LADs and MLA LADs (source – Name of the public representatives who sanctioned funds were displayed on the walls of the marriage hall)
5	Srinivasa Mallya Memorial Bhavana, Suratkal – Dakshina Kannada	100.00	73.00	Received ₹73.00 lakh from MP LADs/MLA LADs and through exhibitions and donations
6	Sathyakama Prathistana, Jamkhandi, Bagalkote	32.50	80.00	Received ₹80.00 lakh from MP LADs and MLA LADs (source – Name of the public representatives who sanctioned funds were displayed on the walls of the hall)
7	Rakshitha Natya kala sanga, Rayapura, Chitradurga.	20.00	13.00	Received assistance of ₹8.00 lakh from KBADA and ₹5.00 lakh from TSP grants. (source – Name of the public representatives who sanctioned funds were displayed on the walls of the hall)
8	Adi Jambhava Tarafale Kalaburagi	10.00	50.00	Received assistance of ₹50.00 lakh from Social welfare Department
9	Sivashrana Madara Chennayya cultural bhavan	30.00	11.00	Received ₹11.00 lakh from MP LADs/MLA LADs/SCP/TSP funds
10	Shivananda Shivayogi Grameena Jana Kalyana samsthe, Sonne, jeevargi, Kalaburagi	5.00	25.00	Received assistance of ₹25.00 lakh from Backward Classes Department.
	Total	332.50	574.90	

Appendix-3.10

(Reference: Paragraph-3.1.3.3(b), Page-65)

Delay in construction of cultural bhavans

(₹ in crore)

Sl.No	Subject	Amount sanctioned	Amount released & dated	Delay (as on Aug 2018)
1	Gadinada Kannada Bhavan, Dakshina Kannada District	1.00 (December 2006)	0.20 (December 2006) 1.00 (January 2013)	128 months
2	Construction of Suvarna Karnataka Bhavan in Belagavi District	1.25 (September 2008)	1.25 (Sep 2008)	107 months
3	Construction of Suvarna Karnataka Bhavan in Sedam, Kalaburagi District	1.25 (September 2008)	1.00 (June 2010)	86 months
4	Construction of cultural bhavan in memory of Sri Gurudev Ranade, Jamakandi Taluk, Bagalkote District	1.00	0.50 (June 2011)	74 months
5	Rangamandira in Nagamangala, Mandya District	0.25	0.25 (February 2007)	121 months
6	Construction of Suvarna Ranga Mandira at Ilkal in Bagalkote District	0.75	0.75 (September 2007)	119 months
7	District Rangamandira, Mangaluru, Dakshina Kannada District	1.20	1.20 (March 1989 to March 2008)	340 months

Appendix 3.11

(Reference: Paragraph-3.2.5 /Page-73)

List of units test-checked

Sl. No.	Particulars	Total	Selected (Percentage)
1	Districts	30	8 (27)
2	Taluks in selected districts	42	16 (38)
3	No. of SC hostels in selected taluks	190	72 (38)
4	JPV		72 (38)
5	Hostels in urban area in selected taluks	119	47 (39)
6	Hostels in rural area in selected taluks	71	25 (35)
7	Girls' hostels in selected taluks	51	22 (43)
8	Boys' hostels in selected taluks	139	50 (36)

Sl. No.	District Level (Joint/Deputy Directors)	Sl. No.	Taluk level (Assistant Directors)
Belagavi Division			
1	Belagavi	1	Belagavi
		2	Ramdurg
2	Haveri	3	Byadagi
		4	Savanur
Bengaluru Division			
3	Chitradurga	5	Chitradurga
		6	Holalkere
4	Tumakuru	7	Madhugiri
		8	Tumakuru
Kalaburagi Division			
5	Bidar	9	Basavakalyan
		10	Bhalki
6	Kalaburagi	11	Chincholi
		12	Kalaburagi
Mysuru Division			
7	Hassan	13	Holenarasipura
		14	Sakleshpura
8	Mysuru	15	Nanjangud
		16	Periyapatana

Appendix-3.12

(Reference: Paragraph-3.2.8.2/Page-77)

Status of occupation of hostels in test-checked taluks during 2017-18

District	Taluk	Number of Hostels													
		Less than SS		Equal to SS		More than SS (in percentage)								Total	
		B	G	B	G	Up to 25		26-50		51-100		100		B	G
Belagavi	Belagavi	4	0	0	0	1	1	1	0	1	1	0	1	7	3
	Ramdurg	0	0	0	0	1	1	1	1	1	0	1	1	4	3
Bidar	Basavakalyana	5	1	2	1	3	1	0	0	0	0	0	0	10	3
	Bhalki	7	2	1	1	0	0	0	0	0	0	0	0	8	3
Chitradurga	Chitradurga	5	0	0	0	5	0	2	2	0	3	1	1	13	6
	Holalkere	3	1	0	0	0	0	0	1	1	1	1	1	5	4
Hassan	Holenarsipura	10	1	0	0	0	1	0	0	0	0	0	0	10	2
	Sakaleshpura	3	0	1	0	1	1	0	1	0	0	0	0	5	2
Haveri	Byadagi	4	1	0	0	3	0	0	0	0	0	1	0	8	1
	Savanur	2	1	0	0	1	0	0	0	1	0	0	0	4	1
Kalaburagi	Chincholi	0	0	7	2	0	0	0	0	0	0	0	0	7	2
	Kalaburagi	5	2	11	1	2	3	3	0	1	0	0	0	22	6
Mysuru	Nanjangud	6	2	2	0	0	0	1	0	1	0	0	1	10	3
	Periyapattana	1	2	0	0	1	0	1	0	0	0	0	0	3	2
Tumakuru	Madhugiri	8	1	0	0	4	0	0	1	0	1	0	0	12	3
	Tumakuru	6	2	2	0	0	1	1	1	2	2	0	1	11	7
Total		69	16	26	5	22	9	10	7	8	8	4	6	139	51
		85		31		31		17		16		10		190	

SS-Sanctioned Strength B-Boys G-Girls

Appendix-3.13
(Reference: Paragraph 3.2.8.2/Page-78)
(a) Status of occupation of 139 test-checked boys' hostels

Sl. No.	District	Taluk	Name of the hostel	SS	OC	%
Occupancy (OC) less than sanctioned strength (SS)						
1	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel (M.S), Kalaburagi	300	50	-83
2	Chitradurga	Chitradurga	Govt Arts College Boys' 'C' Hostel Chitradurga	210	67	-68
3	Mysuru	Periyapattana	Pre Matric Boys' Hostel, Periyapatna Town	95	38	-60
4	Tumakuru	Madhugiri	Post Matric Boys' Hostel-01, Madhugiri Town	173	71	-59
5	Tumakuru	Tumakuru	Post Matric Boys' Arts College Hostel No.2, Hanumantapura	371	157	-58
6	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Hirehallikuppalu	75	32	-57
7	Haveri	Savanur	Post-Matric Boys' Hostel, Savanur	100	47	-53
8	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel (H.S), Kalaburagi	300	150	-50
9	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Hallimysuru	75	40	-47
10	Tumakuru	Tumakuru	Post Matric Boys' Arts College Hostel No.1, Hanumantapura	371	202	-46
11	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Holenarsipura	75	43	-43
12	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Jodigubbi	50	29	-42
13	Bidar	Bhalki	Government college Boys' hostel, Bhalki	100	61	-39
14	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Hadavanahalli	60	37	-38
15	Tumakuru	Tumakuru	Pre Matric Boys' Hostel, Heggere	65	40	-38
16	Chitradurga	Holalkere	Govt. Pre-Matric Boys' Hostel Ramagiri	50	31	-38
17	Chitradurga	Holalkere	Govt. Post-Matric Boys' Hostel New Holalkere Town	90	56	-38
18	Haveri	Byadagi	Pre-Matric Boys' Hostel, Masanagi	75	47	-37
19	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Narayanpura (Near urdu school)	50	32	-36
20	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Bhalki	200	129	-36
21	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Yelechagahalli	50	33	-34
22	Hassan	Holenarsipura	Post-Matric Boys' Hostel, Holenarsipura Town (Shifted from Hallimysuru)	50	33	-34
23	Kalaburagi	Kalaburagi	Govt. Post Matric Boys' Hostel, New-02 (17-18)	100	68	-32
24	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Chakenahalli	50	35	-30
25	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, ID Halli	60	43	-28
26	Bidar	Basavakalyana	Pre Matric Boys' Hostel, (Bandavaraoni)	150	110	-27
27	Haveri	Byadagi	Pre-Matric Boys' Hostel, Bisalahalli	65	48	-26
28	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Ballaya	90	67	-26
29	Hassan	Sakaleshpura	Post-Matric Boys' Hostel, Sakleshpura Town	75	56	-25
30	Kalaburagi	Kalaburagi	Govt. Post Matric Boys' Hostel, New-01 (17-18)	100	75	-25
31	Chitradurga	Chitradurga	Govt Arts College Boys' 'Bi' Hostel Chitradurga	210	160	-24
32	Belagavi	Belagavi	Post-Matric Boys' Hostel No.6, Belagavi	100	77	-23
33	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Bedattur	60	47	-22
34	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Betegera	50	39	-22
35	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, sodhenahalli	75	59	-21
36	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Rantavalu	65	52	-20
37	Chitradurga	Holalkere	Govt. Pre-Matric Boys' Hostel H.D. Pura	75	60	-20
38	Belagavi	Belagavi	Post-Matric Boys' Hostel No.4, Belagavi	58	47	-19
39	Haveri	Savanur	Pre-Matric Boys' Hostel, Savanur	85	70	-18
40	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Garani	65	53	-18
41	Mysuru	Nanjangud	Pre Matric Boys' Hostel Badanavalu	50	41	-18
42	Hassan	Sakaleshpura	Pre-Matric Boys' Hostel, Ballupete	75	62	-17
43	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Kodlapura	65	54	-17
44	Chitradurga	Chitradurga	Govt Boys' Pre-Matric Hostel D.S. Halli	65	54	-17
45	Belagavi	Belagavi	Post-Matric Boys' Hostel No.2, Belagavi	75	63	-16
46	Tumakuru	Tumakuru	Post Matric Boys' College Hostel No.2, Radhakrishna Road	248	208	-16
47	Mysuru	Nanjangud	Pre Matric Boys' Hostel Kasuvinhalli	50	42	-16
48	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Kohinoor	50	42	-16
49	Hassan	Holenarsipura	Pre-Matric Boys' Hostel, Doddakunche	50	43	-14
50	Tumakuru	Tumakuru	Pre Matric Boys' Hostel, B H Road	183	158	-14

Appendix-3.13 (contd.)

51	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Hulasuru (Indra colony)	100	87	-13
52	Tumakuru	Tumakuru	Post Matric Boys' Science College Hostel, M G Road	272	239	-12
53	Mysuru	Nanjangud	Pre Matric Boys' Hostel Nanjangud Town	50	44	-12
54	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Halbnurga	50	44	-12
55	Haveri	Byadagi	Pre-Matric Boys' Hostel, Motebennur	50	45	-10
56	Hassan	Holenarsipura	Post-Matric Boys' Hostel, Holenarsipura Town	50	46	-8
57	Hassan	Sakaleshpura	Pre-Matric Boys' Hostel, Sakleshpura Town	90	83	-8
58	Mysuru	Nanjangud	Pre Matric Boys' Hostel Hediya	50	47	-6
59	Chitradurga	Chitradurga	Govt Arts College Boys' 'D' Hostel Chitradurga	210	200	-5
60	Mysuru	Nanjangud	Pre Matric Boys' Hostel Nagarle	50	48	-4
61	Mysuru	Nanjangud	Pre Matric Boys' Hostel Tagaduru	50	48	-4
62	Bidar	Bhalki	Government Pre Matric Boys' Hostel, K.Chincholi	50	48	-4
63	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Mehkankar	60	58	-3
64	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Warwati	35	34	-3
65	Haveri	Byadagi	Pre-Matric Boys' Hostel, Hireanaji	65	64	-2
66	Belagavi	Belagavi	Pre-Matric Boys' Hostel, Belagavi	115	113	-2
67	Chitradurga	Chitradurga	Govt Boys' Pre-Matric Hostel, Alagavadi	85	83	-2
68	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Lakhangeon	50	49	-2
69	Kalaburagi	Kalaburagi	Degree Boys' College Hostel Kusnoor Road	300	298	-1
Occupancy (OC) equal to sanctioned strength (SS)						
1	Hassan	Sakaleshpura	Pre-Matric Boys' Hostel, Hettur	50	50	
2	Tumakuru	Tumakuru	Post Matric Boys' College Hostel No.1, Veerasagara	248	248	
3	Tumakuru	Tumakuru	Post Matric Boys' Hostel No.2, Mahalakshmi Nagara	100	100	
4	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel Maragutti, Kalaburagi	100	100	
5	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Kamalapur Kalaburagi	65	65	
6	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Mahagaon Kalaburagi	75	75	
7	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Srinivas Saradagi	50	50	
8	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Farahatabad	75	75	
9	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Honnakirangi	50	50	
10	Kalaburagi	Kalaburagi	Govt. Pre-Matric Boys' Hostel, Aurad (B)	65	65	
11	Kalaburagi	Kalaburagi	Govt. PU Boys' Hostel	100	100	
12	Kalaburagi	Kalaburagi	Govt. Boys' College Hostel, Kamalapur	50	50	
13	Kalaburagi	Kalaburagi	Govt. Post Matric Boys' Hostel (15-16)	100	100	
14	Kalaburagi	Kalaburagi	Govt. Vocational College Boys' Hostel, Kalaburagi	100	100	
15	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Chincholi	115	115	
16	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Konchavaram	90	90	
17	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Sulepeth	65	65	
18	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Ainapur	65	65	
19	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Chandankera	65	65	
20	Kalaburagi	Chincholi	Govt. Pre-Matric Boys' Hostel, Gadikeshwar	65	65	
21	Kalaburagi	Chincholi	Govt. Post -Matric Boys' Hostel, Chincholi	65	65	
22	Mysuru	Nanjangud	Pre Matric Boys' Hostel Hura	50	50	
23	Mysuru	Nanjangud	Pre Matric Boys' Hostel Haradhanahalli	75	75	
24	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Rajeshwara, Near Govt hospital	70	70	
25	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Herabaga (Sadalapura road)	45	45	
26	Bidar	Bhalki	Government Pre Matric Boys' Hostel, Nittur	50	50	
Occupancy (OC) more than sanctioned strength (SS)						
1	Haveri	Byadagi	Pre-Matric Boys' Hostel, Kagnele	90	92	2
2	Hassan	Sakaleshpura	Pre-Matric Boys' Hostel, Hanubalu	50	51	2
3	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Mudagesh	65	66	2
4	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Madhugiri town	100	104	4
5	Kalaburagi	Kalaburagi	Govt. P.G. Boys' Hostel, Kalaburagi	100	104	4
6	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Munchalamba (Near govt. hospital)	50	53	6
7	Haveri	Byadagi	Pre-Matric Boys' Hostel, Byadagi	75	80	7
8	Kalaburagi	Kalaburagi	Babu Jagjivan Ram Boys' College Hostel	300	320	7
9	Chitradurga	Chitradurga	Govt Boys' Pre-Matric Hostel Turuvanur	65	70	8
10	Haveri	Byadagi	Pre-Matric Boys' Hostel, Kalledevaru	65	74	14
11	Belagavi	Belagavi	Post-Matric Boys' Hostel No.5, Belagavi	58	66	14
12	Chitradurga	Chitradurga	Govt Boys' Pre-Matric Hostel, Bharamasagara	65	74	14
13	Chitradurga	Chitradurga	Govt Science College Boys' Hostel Chitradurga	210	239	14

Appendix-3.13 (contd.)

14	Chitradurga	Chitradurga	Govt Boys' Junior College 'A' Hostel Chitradurga	200	230	15
15	Haveri	Savanur	Pre-Matric Boys' Hostel, Dombaramattur	60	70	17
16	Tumakuru	Madhugiri	Post Matric Boys' Hostel-02, Madhugiri Town	173	202	17
17	Tumakuru	Madhugiri	Pre Matric Boys' Hostel, Dandinadibba	65	78	20
18	Mysuru	Periyapattana	Post Matric Boys' Hostel, Periyapatna Town	50	60	20
19	Belagavi	Ramdurg	Pre-Matric Boys' Hostel, Nandihala	75	92	23
20	Chitradurga	Chitradurga	Govt Boys' Junior College 'B' Hostel Chitradurga	200	245	23
21	Bidar	Basavakalyana	Pre Matric Boys' Hostel, Mudabi	70	86	23
22	Bidar	Basavakalyana	Post Matric Boys' Hostel Bandavara oni	85	105	24
23	Chitradurga	Chitradurga	Govt Boys' Pre-Matric Hostel Chitradurga	175	220	26
24	Chitradurga	Chitradurga	Govt Arts College Boys' 'A' Hostel Chitradurga	210	264	26
25	Belagavi	Belagavi	Post-Matric Boys' Hostel No.3, Belagavi	75	97	29
26	Tumakuru	Tumakuru	Post Matric Boys' Hostel, S S Puram	150	196	31
27	Kalaburagi	Kalaburagi	Govt. Engineering College Boys' hostel, Kalaburagi	75	100	33
28	Kalaburagi	Kalaburagi	Govt. Degree Boys' Hostel, Kalaburagi	100	135	35
29	Mysuru	Periyapattana	Pre Matric Boys' Hostel, Ravanduru	50	70	40
30	Mysuru	Nanjangud	Pre Matric Boys' Hostel, Ravanduru	50	70	40
31	Belagavi	Ramdurg	Pre-Matric Boys' Hostel, Ramdurg	100	141	41
32	Kalaburagi	Kalaburagi	Govt. Dr. Ambedkar Boys' College Hostel	300	430	43
33	Tumakuru	Tumakuru	Post Matric Boys' TCH & B.Ed Hostel, B H Road	113	173	53
34	Haveri	Savanur	Pre-Matric Boys' Hostel, Huralikuppi	60	95	58
35	Tumakuru	Tumakuru	Post Matric Boys' Hostel No.1, Banishankari	100	158	58
36	Kalaburagi	Kalaburagi	Govt. Law College Boys' Hostel, Kalaburagi	75	120	60
37	Chitradurga	Holalkere	Govt. Post-Matric Boys' Hostel Holalkere Town	100	162	62
38	Belagavi	Ramdurg	Pre-Matric Boys' Hostel, Batakurki	75	125	67
39	Mysuru	Nanjangud	Post Matric Boys' Hostel Nanjangud Town	50	84	68
40	Belagavi	Belagavi	Post-Matric Boys' Hostel No.1, Belagavi	132	225	70
41	Chitradurga	Holalkere	Govt. Pre-Matric Boys' Hostel Holalkere Town	75	153	104
42	Chitradurga	Chitradurga	Govt Post-Matric Boys' College Hostel (New) Chitradurga	150	345	130
43	Haveri	Byadagi	Post-Matric Boys' Hostel, Byadagi	50	125	150
44	Belagavi	Ramdurg	Post-Matric Boys' Hostel, Ramdurg	50	173	246

Appendix-3.13 (concl.)

(b) Status of occupation of 51 test-checked girls' hostels

Sl. No	District	Taluk	Name of the Hostel	SS	OC	%
Occupancy (OC) less than sanctioned strength (SS)						
1	Bidar	Bhalki	Government college girls' hostel, Bhalki	100	19	-81
2	Haveri	Savanur	Post-Matric Girls' Hostel, Savanur	100	25	-75
3	Mysuru	Periyapattana	Post Matric Girls' Hostel, Periyapatna Town	100	25	-75
4	Tumakuru	Madhugiri	Post Matric Girls' Hostel New, Madhugiri town	100	27	-73
5	Kalaburagi	Kalaburagi	Govt. Post Matric Girls' College Hostel (17-18)	100	50	-50
6	Hassan	Holenarsipura	Pre-Matric Girls' Hostel, Holenarsipura Town	75	41	-45
7	Mysuru	Periyapattana	Pre Matric Girls' Hostel, Periyapatna Town	65	45	-31
8	Mysuru	Nanjangud	Post Matric Girls' Hostel Nanjangud Town-2	100	69	-31
9	Mysuru	Nanjangud	Pre Matric Girls' Hostel Nanjangud Town	150	106	-29
10	Chitradurga	Holalkere	Govt. Pre-Matric Girls' Hostel, Chikkajajur	100	80	-20
11	Haveri	Byadagi	Pre-Matric Girls' Hostel, Byadagi	65	54	-17
12	Tumakuru	Tumakuru	Pre Matric Girls' Hostel, Bellavi	65	54	-17
13	Tumakuru	Tumakuru	Post Matric Girls' Hostel No.2, B H Road	100	85	-15
14	Bidar	Basavakalyana	Pre Matric Girls' Hostel (Near neelimbaka college)	110	100	-9
15	Kalaburagi	Kalaburagi	Govt. Girls' College Hostel, Tarafale, Kalaburagi	150	140	-7
16	Bidar	Bhalki	Government Pre Matric Girls' Hostel, Bhalki	85	81	-5
Occupancy (OC) equal to sanctioned strength (SS)						
1	Kalaburagi	Kalaburagi	Govt. Post Matric Girls' College Hostel, Kalaburagi Town (15-16)	100	100	
2	Kalaburagi	Chincholi	Govt. Pre-Matric Girls' Hostel, Chincholi	65	65	
3	Kalaburagi	Chincholi	Govt. Post-Matric Girls' Hostel, Chincholi	50	50	
4	Bidar	Basavakalyana	Post Matric Girls' Hostel, near KEB Transmission pole	60	60	
5	Bidar	Bhalki	Government Pre Matric Girls' Hostel, Nittur	50	50	
Occupancy (OC) more than sanctioned strength (SS)						
1	Hassan	Sakaleshpura	Post-Matric Girls' Hostel, Sakleshpura Town	75	76	1
2	Belagavi	Belagavi	Post-Matric Girls' Hostel No.2, Belagavi	100	104	4
3	Tumakuru	Tumakuru	Post Matric Girls' Hostel, B H Road	198	208	5
4	Kalaburagi	Kalaburagi	Govt. Pre-Matric Girls' Hostel Vidhyanagera	140	150	7
5	Kalaburagi	Kalaburagi	Govt. P.G. Girls' College Hostel Kalaburagi	100	110	10
6	Hassan	Holenarsipura	Post-Matric Girls' Hostel, Holenarsipura Town	70	81	16
7	Belagavi	Ramdurg	Post-Matric Girls' Hostel, Ramdurg	75	90	20
8	Kalaburagi	Kalaburagi	Govt. Girls' College Hostel, Vidhyanagera, Kalaburagi	275	330	20
9	Bidar	Basavakalyana	Pre Matric Girls' Hostel, Hulasuru (near Govt hospital)	60	73	22
10	Hassan	Sakaleshpura	Pre-Matric Girls' Hostel, Sakleshpura Town	120	154	28
11	Belagavi	Ramdurg	Pre-Matric Girls' Hostel, Hulakund	65	84	29
12	Tumakuru	Madhugiri	Pre Matric Girls' Hostel, Madhugiri town	85	110	29
13	Chitradurga	Holalkere	Govt. Post-Matric Girls' Hostel Holalkere Town	90	116	29
14	Chitradurga	Chitradurga	Govt Girls' Sc/St College Hostel Chitradurga	200	267	34
15	Tumakuru	Tumakuru	Pre Matric Girls' Hostel, B H Road	115	165	43
16	Chitradurga	Chitradurga	Govt Girls' Pre-Matric Hostel Jampayyanahatti.	65	95	46
17	Tumakuru	Madhugiri	Post Matric Girls' Hostel, Madhugiri town	87	135	55
18	Chitradurga	Chitradurga	Govt Post-Matric Girls' College Hostel (New)	150	242	61
19	Belagavi	Belagavi	Post-Matric Girls' Hostel No.1, Belagavi	75	122	63
20	Chitradurga	Chitradurga	Govt Girls' Pre-Matric Hostel Chitradurga	90	149	66
21	Chitradurga	Chitradurga	Govt Girls' Pre-Matric Hostel, Bharamasagara	65	108	66
22	Tumakuru	Tumakuru	Post Matric Girls' Hostel No.1, Batawadi	100	180	80
23	Tumakuru	Tumakuru	Post Matric Girls' Hostel, Gangothri Nagar	100	181	81
24	Chitradurga	Holalkere	Govt. Pre-Matric Girls' Hostel N.G.Halli	25	47	88
25	Belagavi	Belagavi	Pre-Matric Girls' Hostel, Belagavi	80	166	108
26	Belagavi	Ramdurg	Pre-Matric Girls' Hostel, Ramdurg	65	137	111
27	Mysuru	Nanjangud	Post Matric Girls' Hostel Nanjangud Town-1	100	214	114
28	Tumakuru	Tumakuru	Post Matric Girls' Hostel (Professional), Tumakuru	75	165	120
29	Chitradurga	Holalkere	Govt. Pre-Matric Girls' Hostel, Holalkere Town	40	116	190
30	Chitradurga	Chitradurga	Govt Girls' Vruthipara College Hostel Chitradurga	150	477	218

Appendix-3.14

(Reference: Paragraph-3.2.9.2/Page-81)

Status of construction of hostels during 2013-14 to 2017-18

(in numbers)

Year	Hostels (works) sanctioned	Completed			Work in progress	Yet to be started
		After due date	Within due date	Total		
2013-14	21	14	1	15	3	3
2014-15	11	3	2	5	6	0
2015-16	83	23	2	25	53	5
2016-17	47	0	0	0	41	6
2017-18	38	0	0	0	25	13
Total	200	40	5	45	128	27

Appendix-3.15

(Reference: Paragraphs-3.2.9.4 & 3.2.9.10/Pages-82 & 86)

Cases of non-execution of works due to non- availability of land

(₹ in lakh)

Sl. No.	Year	Name of the work	Estimated cost	Remarks
Nirmithi Kendra				
1	2013-14	Government post-matric boys' hostel, K.R.Puram, Bengaluru East	263.46	Site under litigation. The issue has been solved and work has started.
2		Government pre-matric boys' hostel, Bidarahalli	261.65	Action was being taken to tackle the site problem.
3		Government post-matric boys' hostel, Sakleshpur	381.94	Action being initiated to obtain alternate site as the present site is under litigation.
4	2015-16	Government post-matric girls' hostel, Molkalmuru town	188.30	Site under litigation
5	2016-17	Government post-matric girls' hostel, Jayanagar, Bengaluru South	198.00	Work not started due to site problems
Total			1,293.35	
KREIS				
1	2015-16	Government post-matric hostel for professional girl students at Sindhanoor town	507.40	Action initiated for cancellation of work order issued (March 2017) due to non- availability of site.
2		Government post-matric boys' hostel-1, Koppal town	300.00	The site for the above work handed over to the contractor only during June 2018. Work yet to commence
3		Government pre-matric boys' hostel, Halaburga, Bhalki	302.00	Alternate site to be obtained as the present site is under litigation.
4	2016-17	Government pre-matric boys' hostel (MS) Kalaburagi town	1,513.34	Though sites were not available, the works were entrusted (February 2018) to the contractor M/s Ramkrishi constructions. Purchase of CA sites is stated (July 2018) to be under progress.
5		Government post-matric boys' hostel, Kalaburagi town		
6		Government post-matric hostel for professional girl students at Sedam town		
Total			3,075.74	
Babu Jagjivan Ram Chhatrawas Yojana				
1	2017-18	Government pre-matric boys' hostel, Kodigehalli, Bengaluru North	193.49	Work not started due to site problems
Total			193.49	
Grand Total			4,562.58	

Appendix-3.16

(Reference: Paragraph-3.2.9.9/Page-86)

Statement showing the savings in respect of works executed by KRIDL

(₹ in lakh)

Sl. No.	Name of the work	Fund Released	Expendi- -ture	KRIDL Charges plus taxes @ 11.5%	Total expenditure	Savings	Month of completion
1	Construction of additional rooms for pre-matric boys' hostel, Manchaldore, Gubbi Taluk, Tumakuru	42.00	30.57	3.51	34.08	7.92	December 2016
2	Construction of additional rooms for post-matric hostel, Tumakuru	68.77	48.19	5.54	53.73	15.04	January 2016
3	Construction of additional 2 rooms, dormitory, 4 bath room and 4 toilets for pre-matric boys' hostel, Tiptur town, Tumakuru	29.20	16.69	1.91	18.60	10.60	November 2016
4	Construction of pre-matric SC Ashrama school hostel building, Tumakuru	99.79	77.10	8.87	85.97	13.82	January 2016
5	Construction of additional rooms for pre-matric boys' hostel, Pavagada, Tumakuru	49.00	33.20	3.82	37.02	11.98	December 2016
6	Construction of additional rooms for post-matric boys' hostel, Hassan	38.80	30.07	3.46	33.53	5.27	July 2015
7	Construction of post-matric girls' hostel, VV Mohalla, Mysuru	96.00	83.87	9.65	93.52	2.48	July 2015
8	Construction of pre-matric hostel for girls at VV Mohalla, Second Floor, Mysuru	92.00	82.23	9.45	91.68	0.32	March 2015
	Total	515.56	401.92	46.21	448.13	67.43	

Appendix-3.17

(Reference: Paragraph-3.2.9.11/Page-88)

Statement showing the details of award of contracts to a single contractor

(₹ in crore)

Sl. No.	Name of the contractor	No. of works awarded	Total cost of the works	Date of work order	Financial progress (July 2018)	Remarks
1	M/s KMV Projects Limited	13	55.61	16.2.2017	19.30	All the works are under progress. In respect of five works, the contractor had achieved a financial progress of ₹11.66 crore as against the tendered cost of ₹19.92 crore though the stipulated date of completion was over as at the end of July 2018.
2	M/s BSR Intratech Ltd.	11	45.04	16.2.2017	12.18	All the works are under progress. In respect of eight works, the contractor had achieved a financial progress of ₹10.53 crore as against the tendered cost of ₹26.49 crore though the stipulated date of completion was over as at the end of July 2018.
3	Shri Narayan Singade	05	24.40	6.3.2017	5.15	All the works are under progress and the stipulated date of completion in respect of two works was over as at the end of August 2018.
4	Shri V B Prasad Reddy	05	21.50	4.11.2017	8.36	All the works are under progress and the stipulated date of completion in respect of all the works was over as at the end of August 2018.

Appendix-3.18

(Reference: Paragraph-3.2.9.11/Page-88)

Splitting of estimates for repair works

(₹ in lakh)

Sl. No.	District	Year	Name of the Hostel	Amount released	No. of works
1	DD, Hassan	2013-14	Post-matric boys' hostel, Belur Town	102.00	2
2		2013-14	Post-matric girls' hostel, Belur Town	118.30	2
3		2015-16	Pre-matric girls' hostel, Arasikere Town	109.20	2
4		2015-16	Dr. B R Ambedkar pre-matric boys' hostel, Hassan	156.40	2
5		2016-17	Post-matric girls' hostel, Hassan Town	174.60	3
6		2016-17	Post-matric boys' hostel, Hassan Town	150.75	4
7	DD, Haveri	2015-16	Post-matric boys' hostel, Ranebennur	150.60	3
Total				961.85	18

Appendix-3.19

(Reference: Paragraph-3.2.10.4/Page-90)

Statement showing the details of avoidable payment of rent

(Amount in ₹)

Sl. No.	Name of the Hostel	Date of work order	Due date for completion	Actual date of completion	Delay in months	Monthly rent	Rent paid
1	Post-matric boys' hostel, Alur	10.3.16	9.3.17	Not completed	14	50,000	7,00,000
2	Post-matric girls' hostel, Alur	10.3.16	9.3.17	Not completed	14	15,000	2,10,000
3	Post-matric girls' hostel, Arkalgud	10.3.16	9.3.17	Not completed	14	17,500	2,45,000
4	Pre-matric girls' hostel, Shraavanabelagola	10.3.16	9.3.17	Not completed	14	30,000	4,20,000
5	Post-matric boys' hostel, Channarayapatana	10.3.16	9.3.17	Not completed	14	63,000	8,82,000
6	Pre-matric boys' hostel, Sakleshpura	1.5.16	30.4.17	5.4.18	12	28,000	3,36,000
7	Pre-matric boys' hostel, Yelejahanahalli	5.4.17	4.4.18	Not completed	5	5,000	25,000
8	Post-matric girls' hostel No-2, Haveri Town	18.3.16	17.3.17	23.3.18	12	67,000	8,04,000
9	Post-matric boys' hostel, Kaginele	11.3.16	10.3.17	26.12.17	9	22,800	2,05,200
10	Post- matric boys' hostel, Akki Alur, Hanagal	11.3.16	10.3.17	2.8.17	9	17,100	1,53,900
11	Post- matric boys' hostel, Hirekerur	19.9.16	18.9.17	Not completed	10	8,000	80,000
12	Post-matric boys' hostel, Savanur	28.4.17	27.4.18	Not completed	3	21,000	63,000
13	Post-matric boys' hostel, Nanjangud	01.12.10	01.07.12	Not completed	73	25,000	18,25,000
14	Post-matric boys' hostel, Bhalki	Jun-10	May-11	Dec-16	67	21,900	14,67,300
15	Pre-matric boys' hostel, Bhalki	6.7.17	5.7.18	Not completed	2	37,100	74,200
16	Pre-matric boys' hostel, Halbarga, Bhalki	17.2.17	16.1.18	Not completed	7	8,050	56,350
	Total						75,46,950

Appendix-3.20

(Reference: Paragraph-3.11/Page-112)

Statement showing education cess collected, remitted and spent by PRIs

(₹ in lakh)

Sl. No.	Taluk	No. of GPs	Opening balance	Cess amount collected	Total	Remittance	Expenditure	Closing balance
1	TP Bangarpet	14	0.00	17.05	17.05	0.00	4.77	12.28
2	TP HB Halli	17	10.12	17.48	27.60	0.00	4.69	22.91
3	TP Kadur	15	10.13	8.74	18.87	0.55	4.08	14.24*
4	TP Tarikere	43	0.30	57.01	57.31	4.60	34.83	17.88
5	TP NR Pura	11	0.00	10.08	10.08	3.45	1.06	5.57
6	TP Koppa	20	17.23	26.74	43.97	25.60	0.00	18.37
7	TP Bailhongal	15	6.05	8.41	14.46	6.31	4.55	3.60
8	TP Mulbagal	12	0.06	10.77	10.83	0.00	5.29	5.54
9	TP Malur	23	2.80	25.91	28.71	0.10	22.30	6.31
10	TP Kolar	27	4.58	35.56	40.14	1.12	25.42	13.60
	Total	197	51.27	217.75	269.02	41.73	106.99	70.87

* Closing balances exhibited by five GPs (Asandhi, Kamanakere, Pattanagere, Thimlapura and Udugere) were arithmetically inaccurate. Hence, closing balances for these five GPs revised to maintain arithmetic accuracy.



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