

## Chapter 2 - Audit Framework

### 2.1 Audit objectives

The Comptroller and Auditor General of India has been pointing out, in his Audit Reports, year after year, several irregularities relating to allotment of land by the Government of Andhra Pradesh. Some of the major findings reported through the CAG's Audit Reports include the following:

- Irregularities in transfer of land and utility thereof (Para 3.16 of Audit Report 1997-98)
- Undue benefit to a company in allotment of land (Para 2.2.2 of Audit Report 2008-09)
- Alienation of Government lands (Para 3.4.13 of Audit Report 2009-10)
- Power project not set-up even after 10 years (Para 3.4.14 of Audit Report 2009-10)

The State Government, however, is yet to take corrective measures in this regard and come up with a comprehensive policy relating to alienation/allotment of land. Hence, we have conducted a performance audit of land allotment/alienation process of the State Government to assess whether:

- The land allotment process was transparent, uniformly applied, and was in public interest;
- The conditions governing the allotment of land were fulfilled;
- Appropriate value was realised as per the policy, rules and regulations, while allotting land; and
- Adequate internal controls and monitoring mechanism were in place to safeguard the best interests of the Government.

### 2.2 Scope and methodology of Audit

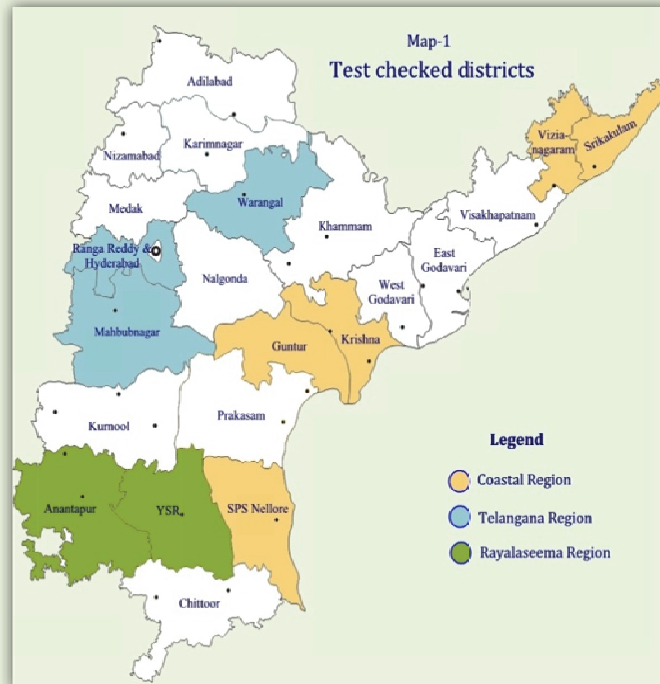
Audit was carried out between March-December 2011 and covered the land alienation related transactions of the Government during 2006-11.

Before commencement of audit, an entry conference was held with the Secretary to CCLA in February 2011 to apprise the audited entity about the objectives, scope, criteria and methodology of audit and obtain their inputs.

Audit methodology involved scrutiny of land alienation cases at the Secretariat, office of CCLA and field units involving Collectorates in 11 out of 23 districts chosen on

sample basis from each of the three regions of the State, including the capital district of Hyderabad. The sampled districts are highlighted in Map-1.

In addition to Anantapur, Guntur, Hyderabad, Krishna, Mahabubnagar, Ranga Reddy, Sri Potti Sriramulu Nellore, Srikakulam, Vizianagaram, Warangal and YSR District Collectorates, offices of RDOs in Prakasam and Karimnagar were also checked. Further, audit findings from various inspections carried out during the review period in 12 other districts on a test-check basis have also been incorporated, as appropriate, in this report.



Audit findings were discussed with the Special Chief Secretary & CCLA and Principal Secretary, Revenue in an exit conference in February 2012 and their responses and written replies, which mostly confirmed the facts mentioned in this Report, have been incorporated at appropriate places.

### 2.3 Audit criteria

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

- Land Acquisition Act 1894;
- Board of Revenue Standing Orders;
- Notifications and orders issued by the State Government from time to time.

### 2.4 Acknowledgement

We acknowledge the cooperation and assistance rendered by the officials of the Revenue Department, Special Chief Secretary & CCLA, District Collectors, RDOs and their staff during the course of audit.