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## CHAPTER – III

### HIGHER AND TECHNICAL EDUCATION DEPARTMENT

#### 3.1 INTEGRATED AUDIT

##### *Highlights*

*Higher and Technical Education Department is responsible for providing higher education to the youth in the State, with the main objective of providing higher education, both in general and technical disciplines and equip the youth with adequate skill to serve the nation. The Department is also responsible for upgradation of the standards from collegiate level through various schemes/programmes of the State and Central Governments besides, quality assurance in Higher and Technical Education through a combination of self and external quality evaluation by National Assessment and Accreditation Council, promotion and sustenance initiatives. A review of the functioning of the Department brought out the following significant audit findings:*

No perspective plan or annual action plans were prepared by the Department to develop human resources at the post-school stage to improve the quality of higher education in the State. This resulted in a sizeable number of students pursuing higher education outside the State.

*(Paragraph 3.1.7 & 3.1.13.4)*

The sanctioning authority of the grants-in-aid neither insisted for timely submission of Utilisation Certificates (UCs) nor barred 12 deficit colleges from any future grants for non-submission of UCs for ₹ 8.35 crore pertaining to 2005-08.

*(Paragraph 3.1.8.4)*

There was a shortage of ₹ 11.59 lakh due to mismanagement of cash by the Principal, Government Zirtiri Residential Science College (GZRSC). The Principal of the GZRSC unauthorisedly appropriated student fee of ₹ 77.67 lakh towards meeting departmental expenditure, of which ₹ 71.60 lakh was not supported by records/vouchers.

*(Paragraph 3.1.9.1 and 3.1.9.2(iii))*

Post-matric scholarship of ₹ 15.33 lakh was irregularly sanctioned to 149 students studying in more than one college in the same academic year 2009-10.

*(Paragraph 3.1.10.1)*

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**Six colleges failed to avail financial assistance from the University Grants Commission (UGC) under the special scheme for construction of Women Hostels due to non-submission of proposals to UGC.**

*(Paragraph 3.1.11)*

**The quality parameters in higher education of the State remain un-assessed both for accredited and un-accredited colleges.**

*(Paragraph 3.1.14)*

### **3.1.1 Introduction**

The Higher & Technical Education (H&TE) Department was established as a separate Department in April 1989 following trifurcation of the then Education Department with the main objective of providing higher education, both in general and technical disciplines and equip the youth with adequate skill to serve the nation and maintain a decent livelihood. The Department is responsible for upgradation of the standards from collegiate level including Science and Technical education in the State through various schemes/programmes of the State and Central Governments besides, quality assurance in H&TE through a combination of self and external quality evaluation by National Assessment and Accreditation Council (NAAC), promotion and sustenance initiatives.

With the objective of imparting higher education in the State, the Department established 21 General Degree Colleges (20 Government Colleges and one deficit<sup>1</sup> college), two Diploma level Polytechnics, one Law College, one Teacher Education Institution and one Hindi Training Institution.

Combined intake capacity in General and Technical Education in the State was 11,608 against which numbers of students enrolled were in the range of 6,135 to 7,415 during 2005-06 to 2009-10. Further, 1,397 students on an average migrated outside the State during 2007-08 to 2009-10 in pursuit of Higher Education during the period under review.

### **3.1.2 Organisational Set-up**

The Secretary, Higher & Technical Education (H&TE) Department, is the administrative head of the Department. The Department is managed through the Director, as head of the H&TE Department. At Directorate level, the Director is assisted by three Joint Directors, one Deputy Director, one Project Director and one Finance & Accounts Officer. At the Degree College level, Law College, Hindi Training Institution and Diploma level

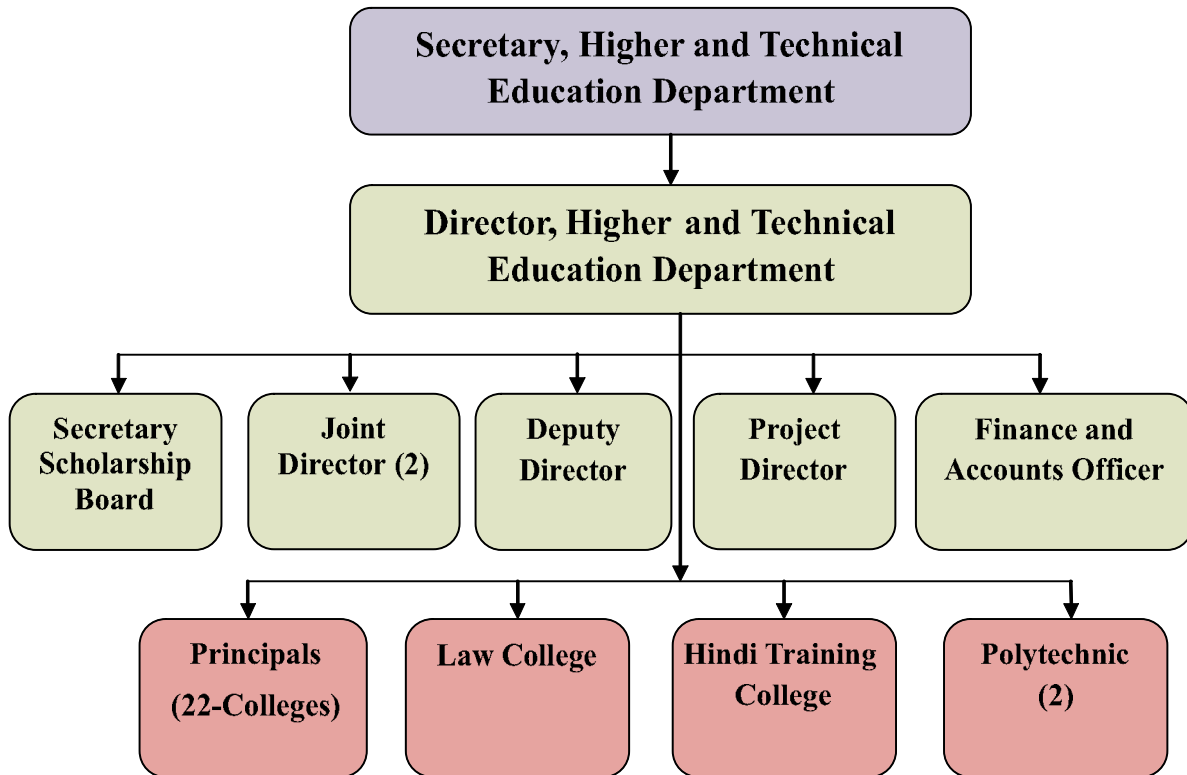
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<sup>1</sup> Non-Government College functioning and managed with the receipt of grants-in-aids from the Government is categorized as deficit college.

Polytechnic concerned Principals are the heads of the Institutions, who are assisted by teaching staff of different disciplines.

An organogram of the Department is shown below:

Chart : 3.1



### 3.1.3 Scope of Audit

The functioning of the Department for the period 2005-10 was reviewed during April – July 2010 through a test check of the records of the Higher & Technical Education (H&TE) Department, the Chief Controlling Officer (Director, H&TE) of the Department and eight<sup>2</sup> Principals out of 25 Principals who held the charge of DDO at Institutional level. The audit covered an expenditure of ₹ 123.59 crore constituting 43 *per cent* of the total expenditure of ₹ 284.93 crore incurred by the Department during 2005-10.

<sup>2</sup> (1) Principal, Govt. Lunglei College, (2) Principal, Mizoram Polytechnic College, Lunglei (3) Principal, Govt. Aizawl West College, (4) Principal, Govt. Saitual College, (5) Principal, Women Polytechnic, Aizawl, (6) Principal, Govt. Kolasib College, (7) Principal, Mizoram Hindi Training College and (8) Principal, Govt. Zirtiri Residential Science College.

### ***3.1.4 Audit Objectives***

The audit objectives were to assess the performance of the Department on the following parameters:

- Planning and programme Management;
- Budgetary and Financial Management;
- Programmes/Schemes undertaken by the Department;
- Human Resource Management of the Department;
- Quality Assurance; and
- Monitoring, Evaluation and internal control mechanism.

### ***3.1.5 Audit Criteria***

The following audit criteria were used to arrive at audit conclusions:

- Departmental policies, rules and regulations;
- Policies, rules and regulations of the University Grants Commission (UGC) and All India Council for Technical Education (AICTE);
- General Financial Rules (GFR);
- Central Treasury Rules (CTR); and
- Receipts and Payments Rules.

### ***3.1.6 Audit Methodology***

The Integrated Audit commenced with an entry conference (April 2010) with officers of the Administrative Department and head of the Department, in which audit objectives, scope and criteria were discussed. The audit methodology consisted of examination and analysis of the records/ documents of the Department. The selection of units was done on simple random sampling basis. Audit findings were discussed in the exit conference held (October 2010) with the Director, H&TE Department, Secretary, Scholarship Board and other Officers of the H&TE Department and their replies have been incorporated at appropriate places in the report.

### ***Audit findings***

The important points noticed in the course of audit are discussed in the succeeding paragraphs.

### ***3.1.7 Planning***

In order to develop human resources at the post school stage and enable the youth to acquire necessary skills to exploit available opportunities both inside and outside the State, a Five year Perspective Plan is required to be formulated envisaging setting up of colleges in

those Districts and Sub-divisions, which do not have the requisite facility, extension of Technical Education and Polytechnic Institutions in a phased manner, strengthening and expansion of infrastructure in all Institutions, extending the scope/availability of technical education and strengthening and expansion of training infrastructure and inter linking educational curricula with teaching system and training of teachers.

Audit observed that no five year Perspective Plan to develop human resources at the post school stage, encompassing the above envisaged goal of facilitating students to pursue higher education was prepared. The Department had also not prepared any effective Annual Action Plan for development of higher education in the State, collecting and documenting year-wise and age-wise (18-24) disaggregated data of eligible students for higher education. Some vital indices like Gross Enrolment Ratio (GER), Gender Parity Index (GPI) and other critical indicators of the State are derived from these inputs, based on which, the Department was supposed to formulate Action Plan for addressing the needs of the targeted beneficiaries. The Annual Plans fixed by the State Planning Board for the H&TE Department were merely allocation of plan outlay.

Absence of prudent planning by the Department is reflected in the low enrolment in the range between 53 *per cent* to 64 *per cent* of students in the general degree colleges during 2005-10, as discussed in Paragraph 3.1.13.1.

Thus, to develop human resources at the post school stage, neither a perspective plan nor annual action plans were prepared by the Department facilitating students to pursue higher education in the State. This resulted in a sizeable number of students migrating to other States to pursue higher education. This aspect has been further discussed in Paragraph 3.1.13.4.

The Department stated (November 2010) that as the State Planning Board fixes the annual plan allocation for H&TE which is limited to the size of Plan funds available for the year, the Department had not prepared any annual plan based on actual need assessment for the State.

### **3.1.8 Financial Management**

#### **3.1.8.1 Budget and Expenditure**

The State Government has not prescribed any budget manual of its own for formulating budget proposals. The Department follows the prescribed procedures in General Financial Rules for formulating budget proposals. However, the annual budget estimates of the Department were prepared on the basis of total outlay fixed by the Government without obtaining inputs from the field level DDOs, except for the salary components.

The year wise revenue budget estimates and expenditure thereagainst incurred by the Department during 2005-10 are shown in the following table:

**Table - 3.1**

(₹ in crore)

Year	Budget granted	Actual Expenditure	Savings
2005-06	43.10	41.73	1.37
2006-07	47.95	46.75	1.20
2007-08	51.92	51.44	0.48
2008-09	62.11	60.92	1.19
2009-10	73.89	67.43	6.46
<b>Total</b>	<b>278.97</b>	<b>268.27</b>	<b>10.70</b>

*Source: Finance and Appropriation Accounts.*

While it can be seen from the above table that the Department could not fully absorb the allocated funds with savings ranging between ₹ 0.48 crore and ₹ 6.46 crore during 2005-10, the Department invariably failed to surrender the anticipated savings in time to enable the other needy Departments to get additional funds. Reason for savings was not on records.

### **3.1.8.2 Rush of Expenditure**

Based on the budget allocation, funds are to be released to the respective DDOs on quarterly basis. The General Financial Rules also provides that expenditure against the budgetary provision should be evenly phased over the financial year so as to avoid rush of expenditure in the last quarter of the financial year.

An analysis of the quarterly expenditure incurred by the DDO under the Directorate of H&TE Department revealed that contrary to the above financial norms, the DDO incurred expenditure under Plan Sector in the range of 52 *per cent* to 73 *per cent* and under Non-Plan Sector in the range of 52 *per cent* to 81 *per cent* only in the first three quarters while during the last quarter the expenditure under Plan Sector ranged between 27 *per cent* to 48 *per cent* and under Non-Plan Sector it ranged between 19 *per cent* to 48 *per cent* during the period 2005-10. The details are given in table-3.2:

Table - 3.2

(₹ in crore)

Year	Total Expenditure		Expenditure during three quarters (Percentage)		Expenditure during last quarters (Percentage)	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
2005-06	37.45	13.30	26.28 (70)	9.85 (74)	11.17 (30)	3.45 (26)
2006-07	40.13	14.26	20.81 (52)	10.42 (73)	19.32 (48)	3.84 (27)
2007-08	34.74	16.70	23.13 (67)	13.53 (81)	11.61 (33)	3.17 (19)
2008-09	40.23	20.69	29.40 (73)	14.89 (72)	10.83 (27)	5.80 (28)
2009-10	42.58	24.85	30.06 (71)	12.80 (52)	12.52 (29)	12.05 (48)

Source: Departmental records.

Thus, the expenditure against the budgetary allocations were not evenly phased over the financial years and there was rush of expenditure in the last quarter of each financial years indicating lack of proper control over expenditure by the Controlling Officer.

The Government stated (December 2010) that usually additional funds requirement submitted to Government during the last quarter were approved by the Government at the end of the financial year, which causes rush of expenditure in the last quarter of the financial year. Facts, however, remains that due to late submission of proposal for additional funds, the Government approved the additional funds at the fag-end of the year.

### 3.1.8.3 Disproportionate expenditure over AICTE norms

All India Council for Technical Education (AICTE) recommended (1995) the Standard norms of general recurring expenditure on training, contingent and maintenance with the ratio of 10:6:5 to be followed in the Polytechnic Institutes as under:

- Training cost including field visits, education tours, Industrial visits, guest lecturers etc @ ₹ 1000 per enrolled student per year.
- Contingent expenditure for office @ ₹ 600 per enrolled student per year.
- Campus maintenance expenditure @ ₹ 500 per enrolled student per year.

It was, however, noticed in audit that during 2009-10, the following two Polytechnic Institutes disproportionately incurred recurring expenditure on training, contingent and maintenance against the above mentioned norms, as detailed in the following table:

**Table - 3.3**

(₹ in lakh)

Name of Polytechnic	No. of students enrolled during 2009-10	Particulars	Training cost	Contingent expenditure	Maintenance expenditure	Total
Women Polytechnic, Aizawl	246	Admissible Expenditure	7.75	4.65	3.88	<b>16.28</b>
		Actual Expenditure	4.99	8.75	2.54	<b>16.28</b>
		(+) Excess/ (-) Short	<b>(-) 2.76</b>	<b>(+) 4.10</b>	<b>(-) 1.34</b>	<b>----</b>
Mizoram Polytechnic, Lunglei	320	Admissible Expenditure	19.01	11.41	9.51	<b>39.93</b>
		Actual Expenditure	2.44	35.09	2.40	<b>39.93</b>
		(+) Excess/ (-) Short	<b>(-) 16.57</b>	<b>(+) 23.68</b>	<b>(-) 7.11</b>	<b>----</b>
<b>Grand Total</b>	<b>566</b>	<b>Admissible Expenditure</b>	<b>26.76</b>	<b>16.06</b>	<b>13.39</b>	<b>56.21</b>
		<b>Actual Expenditure</b>	<b>7.43</b>	<b>43.84</b>	<b>4.94</b>	<b>56.21</b>
		<b>(+) Excess/ (-) Short</b>	<b>(-) 19.33</b>	<b>(+) 27.78</b>	<b>(-) 8.45</b>	<b>----</b>

*Source: Departmental records.*

As can be seen from the above table, the two institutes incurred considerably less expenditure under training and maintenance components, while excessive expenditure was incurred against contingent component, which is not only indicative of the lack of control over expenditure but also adversely affected the application of funds on training and maintenance cost.

The Government, while accepting the facts stated (December 2010) that the Principals of two Polytechnics would be informed to incur expenditure as per the norms fixed by the AICTE.

#### **3.1.8.4 Utilisation certificates**

As per Rule 212(1) of General Financial Rule, 2005 in respect of grants to an Institution, a certificate of actual utilisation of the grants received for the purpose for which it was sanctioned should be insisted upon by the sanctioning authority of the grants-in-aid. The Utilisation Certificate (UC) should be submitted within twelve months of the closure of the financial year by the Institution or the Organisation concerned. Where such certificate is not received from the grantee within the prescribed time, the Department will be at liberty to blacklist such Institution or Organisation from any future grants or financial support from the Government.



Scrutiny of the records of the Department revealed that the Department sanctioned recurring and non-recurring grants-in-aid of ₹ 32.03 crore during 2005-08 to 12 deficit Colleges in the State, against which UCs for an amount of ₹ 8.35<sup>3</sup> crore remained outstanding as of November 2010. Details of college wise position of outstanding UCs are shown in **Appendix - 3.1**.

Audit observed that sanctioning authority of the grants-in-aid neither insisted for timely submission of UCs by the grantee Institutions nor barred these Institutions from any future grants/financial support, as per provision of the GFR. This clearly indicates weak financial control exercised by the CCO over the DDOs.

The Government stated (December 2010) that the UCs for the purpose of grants-in-aid sanctioned are insisted upon from the concerned Principal of the Colleges and few UCs have been received. The fact, however, remains that the Department has insisted for submission of UCs only after the issue was raised in Audit.

#### **3.1.8.5 Non-reconciliation with Treasury**

Financial rules require a Drawing and Disbursing Officer/ Head of Office to make arrangement for regular monthly reconciliation of remittances to and withdrawals from Government exchequer.

None of the nine test checked DDOs carried out regular monthly reconciliation with Treasury.

The Government stated (December 2010) that instructions were being issued to the concerned DDOs to carry out regular reconciliation on a monthly basis with the treasury.

#### **3.1.8.6 Splitting up of sanction orders**

(i) State Government (Finance Department) through a Notification (May 1998) re-constituted Departmental Purchase Advisory Board (DPAB) and State Purchase Advisory Board (SPAB) to consider the departmental proposal for purchase of stores/materials and recommend rates and firms for approval of the Government. The said Government Notification empowered the DPAB and SPAB to recommend purchase proposals upto ₹ 20 lakh and ₹ 50 lakh respectively. However, all purchases involving more than ₹ 50 lakh were to be submitted to Chief Minister for approval through the concerned Minister and Finance Minister. Besides, the Project Director - State Project Implementing Unit (PD – SPIU) was specially delegated (October 2003) the power to accord expenditure sanction upto ₹ five lakh on each occasion for procurement of goods for implementation of the World Bank Project under the Department.

<sup>3</sup> 2005-06: ₹ 1.34 crore, 2006-07: ₹ 2.91 crore and 2007-08: ₹ 4.10 crore = ₹ 8.35 crore.

Scrutiny of the records/vouchers maintained by the PD - SPIU under the Directorate of H&TE revealed that in total violation of the financial propriety and disregard to the provisions for mandatory recommendations of the purchase proposals through a Purchase Advisory Board, the PD - SPIU resorted to procurement of a large quantity of electric equipments and software accessories worth ₹ 1.32 crore without obtaining recommendations from the SPAB/Chief Minister and approval of the Government. The PD – SPIU purchased the entire materials worth ₹ 1.32 crore by irregularly splitting up the expenditure into 34 separate sanctions (24 sanctions for ₹ 89.04 lakh on 26.10.2005 and 10 sanctions for ₹ 42.93 lakh on 23.03.2007) keeping each expenditure sanction within the limit of his financial power to avoid sanctions from the State Government. The details of purchases and sanctions accorded by the PD - SPIU are shown in **Appendix - 3.2.**

Thus, the procurement of a large quantity of materials involving a substantial amount of public money without obtaining mandatory recommendations from the SPAB and approval of the Government was irregular and requires *ex-post facto* sanction of the State Government, which has not been obtained as of January 2011.

(ii) Further, under Delegation of Financial Power Rules, 1978, the Principal of a Government College may accord expenditure sanction for non-recurring contingent expenditure of ₹ 5,000 in each case limited to ₹ 10,000 per annum.

Scrutiny of the records of four<sup>4</sup> test checked DDOs revealed that violating the prescribed procedures, the four DDOs incurred an expenditure of ₹ 47.51 lakh during 2007-10 towards purchase of college materials by splitting up of expenditure sanctions in to 911 numbers as shown in **Appendix - 3.2.**

Thus, irregular procurement of college materials worth ₹ 47.51 lakh by the four Principals beyond the admissible limit of ₹ 1.20 lakh (₹ 10,000 x 4 x 3 years) require *ex-post-facto* sanction of the appropriate higher authority, which is yet to be obtained (January 2011).

The Department stated (November 2010) that the prior approval of the Government could not be taken owing to the urgent nature of work. The fact, however, remains that the Department had not moved to the appropriate higher authority/Government for *ex-post-facto* sanction to regularise the expenditure of ₹ 1.80 crore even after three years.

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<sup>4</sup> Principals – (1) Govt. Lunglei College, (2) Mizoram Polytechnic, Lunglei, (3) Govt. Zirtiri Residential Science College, Aizawl and (4) Govt. Kolasib College, Kolasib.

### 3.1.9 Cash Management

#### 3.1.9.1 Misappropriation of Government money

Rule 77-A of the Central Treasury Rules (CTRs) (Volume-I) states that all Government Officers who receive Government dues and handle cash and perform the functions of Drawing and Disbursing Officer (DDO) should observe that all monetary transactions are entered in the Cash Book as soon as they occur and attested as a token of check. Finally the Cash Book should be closed regularly after verifying the totals at the end of each month.

Scrutiny by audit of the Cash Book maintained by the Principal, Government Zirtiri Residential Science College (GZRSC) revealed that there was total disregard to financial propriety and lack of internal controls over the handling and management of Cash which facilitated misappropriation of Government money as spelt out below:

- ❖ On three occasions the closing cash balances of ₹ 27.86 lakh was erroneously brought forward as ₹ 20.02 lakh, while entering the opening balance for the next transactions, which resulted in a misappropriation of ₹ 7.84 lakh. The details of transactions are shown in the following table:

**Table - 3.4**

(Figures in ₹)

Date	Closing balance	Date of next transaction	Opening balance	Shortage of cash
29 June 2005	5,22,626	1 July 2005	5,22,226	400
31 March 2009	3,16,729	30 April 2009	1,66,729	1,50,000
29 June 2009	19,46,589	17 July 2009	13,13,040	6,33,549
<b>Total</b>	<b>27,85,944</b>	----	<b>20,01,995</b>	<b>7,83,949</b>

Source: Departmental records.

Scrutiny of cash book for the period of 2005-10 also revealed that the payment recorded in the cash book did not match the Actual Payee Receipt (APR) entries resulting in shortage of cash of ₹ 3.75 lakh. The details of transactions are shown in the following table:

Table - 3.5

(Figures in ₹)

Date of payment	Payment shown	Actual payment as per APRs	Shortage of cash
10-11-2005	2,08,885	1,54,815	54,070
09-06-2006	70,135	60,135	10,000
29-08-2006	1,39,385	49,385	90,000
30-12-2008	18,21,761	18,09,761	12,000
31-03-2009	20,37,393	18,28,227	2,09,166
<b>Total</b>	<b>42,77,559</b>	<b>39,02,323</b>	<b>3,75,236</b>

Source: Departmental records.

The Department stated (November 2010) that the misappropriation (₹ 7.84 lakh) and shortage of cash (₹ 3.75 lakh) were due to non-entry of expenditure in the Cash Book and also the related bills/cash memos/invoices etc. were kept in the concerned college. The Department's claim is not acceptable, as on verification (December 2010) of the bills/cash memos/invoices etc. produced to audit it was found that these did not match with the date(s) specified in the table above.

### 3.1.9.2 Management of student fees

Rule 7(1) of the Central Treasury Rules provides that all money received by or tendered to Government Officers on account of revenue of the Government shall, without undue delay be paid in full into a treasury and shall be included in the Government accounts. Money received as aforesaid shall not be appropriated to meet departmental expenditure.

According to State Government's notification (January 2001, revised in May 2002 and January 2006) the Government Colleges including Polytechnics are required to collect admission fee and monthly tuition fee from students and credit the same into the Government Account. Scrutiny of the records of eight<sup>5</sup> DDOs revealed that the fees collected from the students was not managed properly as per above provisions. As a result, there were a number of instances of non-deposit of fees, delay in deposit of fees and appropriation of fees to meet departmental expenditure as discussed below:

<sup>5</sup> (1) Principal, Govt. Lunglei College, (2) Principal, Mizoram Polytechnic College, Lunglei (3) Principal, Govt. Aizawl West College, (4) Principal, Govt. Saitual College, (5) Principal, Women Polytechnic, Aizawl, (6) Principal, Govt. Kolasib College, (7) Principal, Mizoram Hindi Training College, (8) Principal, Govt. Zirtiri Residential Science College.

**(i) Non-deposit of fees**

The Mizoram Polytechnic, Lunglei collected fees of ₹ 27.32 lakh during July 2005 to March 2010, out of which ₹ 17.31 lakh was deposited into Government accounts, retaining a balance of ₹ 10.01 lakh as of November 2010.

Details of collection and deposits are shown in table below:

**Table - 3.6**

Collection		Deposit		Balance retained (₹ in lakh)	Period of retention (as of January 2011)
Period	Amount (₹ in lakh)	Period	Amount (₹ in lakh)		
July 2005 to June 2007	10.06	July 2006 to March 2007	3.35	6.71	43 months
August 2007 to March 2010	17.26	December 2007 to February 2010	13.96	3.30	10 months
<b>Total</b>	<b>27.32</b>	---	<b>17.31</b>	<b>10.01</b>	---

Source: Departmental records.

It can be seen from the above table that, the Principal of the college unauthorisedly retained Government revenue of ₹ 10.01 lakh for prolonged periods ranging from 10 to 43 months.

Similarly, Government Saitual College collected fees of ₹ 1.01 lakh during June 2008 to September 2008 and retained the same as of January 2011 without remitting into the Government Account.

On this being pointed out by Audit the Government issued (December 2010) instruction to the Principal of both the colleges to deposit the retained Government money without delay.

**(ii) Delay in deposit of fees**

Four DDOs<sup>6</sup> collected a total fee of ₹ 64 lakh during July 2005 to March 2010, but credited the amount to Government Account with delays ranging from one month to more than six months as indicated below:

<sup>6</sup> Principals - Women Polytechnic, Aizawl, Govt. Lunglei College, Govt. Kolasib College and Mizoram Polytechnic, Lunglei

- ₹ 12.06 lakh on 14 occasions with delay of more than one month,
- ₹ 20.47 lakh on 19 occasions with delay of more than three months,
- ₹ 31.47 lakh on 21 occasions with delay of more than six months.

**(iii) Unauthorised appropriation of fees**

The Principal, GZRSC collected a fee of ₹ 88.10 lakh during 2005-10, out of which an amount of ₹ 77.67 lakh (₹ 71.60 lakh + ₹ 6.07 lakh) was unauthorisedly appropriated to meet departmental expenditure, while retaining a balance of ₹ 1.61 lakh as of March 2010.

Details of collection, expenditure and deposits are shown in table below:

**Table - 3.7**

(₹ in lakh)

Sl. No.	Collection			Expenditure				Balance
	Source of fees	Period	Amount	BCA/ General Course	Office Contingent	Deposited to Govt. accounts	Total	
1.	BCA students	2005-10	64.57	54.26	6.07	8.82	86.49	1.61
2.	General Course Students	2005-10	23.53	17.34				
<b>Total</b>			<b>88.10</b>	<b>71.60</b>	<b>6.07</b>	<b>8.82</b>	<b>86.49</b>	<b>1.61</b>

*Source: Departmental records.*

As can be seen from the above table, the Principal of the College in violation of the provision of CTR, unauthorisedly appropriated ₹ 77.67 lakh (₹ 71.60 lakh + ₹ 6.07 lakh) towards meeting expenditure on BCA/General course and Office Contingency.

Further, scrutiny of the records revealed that out of departmental expenditure of ₹ 77.67 lakh an expenditure of ₹ 71.60 lakh was incurred without any supporting records, vouchers, actual payee receipts etc. While accepting the facts of non-maintenance of records, the Principal of the college stated (July 2010) that BCA course was running in the College with the fees collected from the students, since the Government provided resources only for limited faculty members. The fact, however, remains that the appropriation of Government revenue towards departmental expenditure was not only unauthorised but also the whole expenditure of ₹ 71.60 lakh incurred without any supporting records/vouchers rendered the appropriation doubtful.

### **3.1.10 Financial assistance for higher studies**

#### **3.1.10.1 Post-Matric Scholarship**

As per Government of India (GoI), Ministry of Tribal Affairs' Regulation governing the Award of Scholarship (Applicable from April 2003) a student must fulfill the following conditions with documentary proof for Post matric Scholarship Scheme to Scheduled Tribes (STs) students:

- A student should be an Indian National;
- Only those students who belong to STs so specified in relation to the State to which the applicant actually belongs (permanently settled) and who have passed the matriculation or Higher Secondary or any other higher examination of a recognised University or Board of Secondary Education;
- The students whose parents/guardians income from all sources did not exceed Rupees one lakh per annum. The income ceiling was raised to Rupees one lakh eight thousand per annum w.e.f. April 2007; and
- Scholarship is to be disbursed to students through accounts payee cheques only.

The application received from the Students through the respective colleges are being scrutinised by the Mizoram Scholarship Board before obtaining sanction for grant of scholarship.

Under Post Matric Scholarship Scheme (CSS), the GoI provides financial assistance to the ST post matric students pursuing higher studies within and outside the State. As per scheme guidelines each student is eligible for only one scholarship in a year. During 2005-10 the GoI released ₹ 63.56 crore and the total fund available during the period under the State Government was ₹ 64 crore, out of which the Department spent ₹ 63.58 crore during 2005-10 towards disbursement of scholarship to 165607 post matric students. The details of central assistance received and disbursed during 2005-10 are shown in the table below:

**Table - 3.8**

(₹ in crore)

Year	Opening balance	Fund released	Total fund available	Expenditure	No. of Students benefitted
2005-06	0.12	08.41	08.53	08.53	25401
2006-07	0.00	11.53	11.53	11.40	31962
2007-08	0.13	13.70	13.83	13.70	33786
2008-09	0.13	14.21	14.34	14.28	36585
<b>Sub Total</b>	<b>0.38</b>	<b>47.85</b>	<b>48.23</b>	<b>47.91</b>	<b>127734</b>
2009-10	0.06	15.71	15.77	15.67	37873
<b>Sub Total</b>	<b>0.06</b>	<b>15.71</b>	<b>15.77</b>	<b>15.67</b>	<b>37873</b>
<b>Total</b>	<b>0.44</b>	<b>63.56</b>	<b>64.00</b>	<b>63.58</b>	<b>165607</b>

*Source: Departmental figures.*

The veracity of disbursement of scholarship, as claimed by the Department could not be vouchsafed in audit due to following reasons:

- The Department did not maintain any consolidated records showing college wise eligible post-matric students studying within and outside the State,
- Further, most of the test checked DDOs maintained scholarship registers without photographs of the ST students and scholarships were disbursed to students in cash, in lieu of accounts payee cheques as envisaged in the scholarship guidelines,
- The department did not reconcile the actual year wise disbursement with the colleges/ institutions to whom the sanctioned scholarship was released for disbursement,
- During 2005-09 ₹ 47.91 crore was disbursed to 1,27,734 students, but, records/ documents pertaining to these periods could not be produced to audit on the plea that the same were disposed off as soon as audit of the accounts of the Department were completed. However, no formal approval of the State Government for disposal of important records of the current period could be produced to audit.

Scrutiny of the records of Mizoram Scholarship Board under the Directorate of H&TE pertaining to the year 2009-10 revealed that the post-matric scholarship was sanctioned and disbursed for two types of scholarship to some students studying in same college/institution. Similarly, different types of scholarship were sanctioned and disbursed to some students studying in more than one college in the same academic year as discussed below.

- ❖ 11 students were sanctioned (2009-10) with two different kind of scholarships worth ₹ 1.73 lakh for their study in same colleges/institutes,



- ❖ In the same academic year (2009-10), the Department unauthorisedly sanctioned and disbursed two different kind of scholarships amounting to ₹ 3.26 lakh to 23 students studying in more than one college, and
- ❖ Similarly, in the same academic year (2009-10) 115 students studying in more than one college were irregularly sanctioned with the same kind of scholarship (Post Matric Scholarship) of ₹ 10.34 lakh.

The irregular sanction of scholarship amounting to ₹ 15.33 lakh to 149 students indicates the mismanagement and lack of internal control mechanism in the Department.

While accepting the facts, the Government stated (December 2010) that in light of the audit observation necessary verification is being carried out by the Department and only one application of such students shall be accepted. The Government also assured that no duplication would take place in future.

### 3.1.10.2 North Eastern Council fund

Under the scheme of Financial support to the students of North Eastern Region for Higher Professional Courses like B.Sc, BCA, BE/B. Tech, BDS, MBBS, MBA, MPhil, Ph.D etc., an amount of ₹ 1.05 crore was released by the North Eastern Council (NEC) during the years 2005-10 for disbursement of stipend/book grants. The entire amount was utilised by the HTE Department for extending financial support to students ranging from 74 to 334 during the corresponding period as detailed below:

**Table - 3.9**

(₹ in lakh)

Year	Opening Balance	Fund released by NEC	Fund Utilised	No. of Students benefitted
2005-06	0.08	9.00	9.08	74
2006-07	0.00	13.50	13.50	109
2007-08	0.00	22.50	22.50	166
2008-09	0.00	22.00	22.00	182
2009-10	0.00	38.00	38.00	334
<b>Total</b>	<b>0.08</b>	<b>105.00</b>	<b>105.08</b>	<b>---</b>

Source: Departmental records.

The Scholarship Board of the Department, however, failed to produce consolidated records, including sanctions and disbursement of Stipend/Book Grants under the Scheme pertaining to the period 2005-09 except for the period 2009-10. Thus, the veracity of

disbursement of stipend/book grants under the scheme during the period 2005-09 could not be vouchsafed in audit.

The Government while accepting the facts, stated (December 2010) that consolidated records will be maintained from 2010-2011 onwards.

### ***3.1.11 Infrastructure Development***

Increasing mobility of students, to seek the education they desire, raises the demand for hostels. With a view to provide hostels and other infrastructural facilities to achieve the goal of enhancing the status of women and harness the potential available for the development of the society at large, as also to bring about gender equity and equal representation of women, the University Grants Commission (UGC) continued financial assistance from 8<sup>th</sup> Plan to 11<sup>th</sup> Plan period under the Special Scheme for Construction of women hostels to those colleges which are recognised by the UGC.

Scrutiny of the records revealed that as recognised by the UGC, 21 colleges in the State were eligible to receive the financial assistance under the Special Scheme for Construction of Women Hostels. However, during Eleventh Plan period only 15 colleges availed (March 2008 to May 2010) of the benefit of financial assistance and received ₹ 3.47 crore from the UGC against the Administrative approval of ₹ 4.57 crore. Out of ₹ 3.47 crore, the concerned colleges spent (June 2010) ₹ 2.73 crore for construction of Women's Hostels, as per details shown in **Appendix - 3.3**.

The remaining six<sup>7</sup> colleges did not avail the facility due to non-submission of proposals to UGC for grant of such financial assistance. Thus, the objective of the UGC's Special Scheme to provide security to women students with hostels remained largely unachieved.

### ***3.1.12 Human Resources***

#### ***3.1.12.1 Teaching and administrative staff***

There was no evidence of a rational assessment of man power by the Department. The sanctioned strength *vis-à-vis* men-in-position of teaching and administrative posts in the Department during 2005-10 are shown in the table below:

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<sup>7</sup> Six colleges – 1. Govt. T. Romana College, 2. Govt. Aizawl College, 3. Govt. Aizawl North College, 4. Govt. Kolasib College, 5. Govt. Zirtiri Residential Science College, and 6. Govt. Hnahthial College

Table - 3.10

(Figures in number)

Year	Category of post	Sanctioned strength	Men-in-position	Shortage
2005-06	Teaching	915	848	67
	Administrative staff	241	241	--
2006-07	Teaching	925	857	68
	Administrative staff	238	238	--
2007-08	Teaching	953	890	63
	Administrative staff	394	390	04
2008-09	Teaching	1002	917	85
	Administrative staff	393	383	10
2009-10	Teaching	891	807	84
	Administrative staff	395	361	34

Source: Departmental records.

The Department had not reviewed and assessed the staffing requirements on need based basis at regular intervals as a result the actual requirement of staff (teaching and administrative) remained unassessed. However, as per sanctioned strength there was an overall shortage of teaching staff in the range between sixty three to eighty four and administrative staff in the range of four to thirty four.

While accepting the fact, the Department stated (November 2010) that reviewing and assessing of staffing requirement on need based at regular interval was never done. The Department thus, needs to take immediate action for review of the existing staffing pattern on need based basis.

### 3.1.13 Enrollment in higher education

#### 3.1.13.1 Capacity Utilisation

The total intake capacity of students in the existing degree colleges in the State for the three years degree courses during 2005-06 was 11,608, which remained constant during subsequent years. The position of year wise enrollment of students in the degree colleges during 2005-10 is given in table below:

**Table - 3.11**

(Figures in number)

Year	Total intake capacity in the degree colleges (in three years course)	Total no. of students enrolled in the Degree colleges in the State (in three years course)	Percentage of enrollment with reference to intake capacity
2005-06	11608	7041	61
2006-07	11608	6339	55
2007-08	11608	6135	53
2008-09	11608	7022	60
2009-10	11608	7415	64

Source: Departmental records.

It can be seen from above table that against the available intake capacity in the degree colleges the number of students enrolled during 2005-06 to 2009-10 was in the range from 53 to 64 *per cent* only. The reasons for low enrollment was mainly due to lack of proper infrastructure facilities in the degree colleges, which further resulted in migration of Higher Secondary (10+2) passed students for pursuing their study outside Mizoram.

The Government stated (December 2010) that various steps were taken for development of infrastructure which, in turn, would increase the enrollment of students.

### **3.1.13.2 Trend in pass percentage of students**

The year-wise position of total number of students appeared and passed in degree courses including professional courses in the State during 2005-10 are as follows:

**Table - 3.12**

Year	Name of course	No. of students appeared	No. of students Passed	Percentage of passed students
2005	Degree	1345	1134	84
	Professional	163	157	96
2006	Degree	1583	1310	83
	Professional	278	216	78
2007	Degree	2036	1296	64
	Professional	250	174	70
2008	Degree	1302	1062	82
	Professional	388	341	88
2009	Degree	1591	1352	85
	Professional	447	370	83
2010	Degree	1559	1272	82
	Professional	296	222	75

Source: Records of Mizoram University.

It can be seen from the above table that in degree courses students had passed in the range of 82 to 85 *per cent* during 2005-10, except in 2007, where it had declined to 64 *per cent*. Again, in the professional courses percentage of passed students ranged between 75 to 96 *per cent* during 2005-10.

### 3.1.13.3 Placement Cell

The H&TE Department has no Placement Cell for recruitment of students who passed the degree and professional courses in the State. However, the Department has a Placement Cell for screening of students who desire to pursue higher education outside the State against the seats allotted by the Government of India.

### 3.1.13.4 Migratory trend

A proper action plan is required to be formulated by the Department envisaging meaningful activities including well equipped infrastructure and modern techniques of teaching to attract the local students to pursue their higher and technical studies inside the State itself.

Scrutiny of the records of the Mizoram Board of Secondary Education, however, revealed that out of 12,969 students who cleared the Higher Secondary (10+2) stage during 2007-10, altogether 4,190 students (32 *per cent*) obtained migration certificates from the Mizoram Board of Secondary Education for pursuing their study outside Mizoram due to non availability of proper infrastructure and modern technique of teaching materials in the State.

The year-wise position of students migrated for studying outside the State during 2007-10<sup>8</sup> is in the table below:

**Table - 3.13**

(Figures in number)

Year	No. of students passed High Secondary (10+2) stage	No. of students obtained Migration certificate ( <i>percentage of migration</i> )
2007-08	3599	1055 (29)
2008-09	3794	1331 (35)
2009-10	5576	1804 (32)
<b>Total</b>	<b>12969</b>	<b>4190 (32)</b>

Source: Records of MBSE.

It may be seen from above table that 32 *per cent* students migrated outside the State to pursue higher education. Thus, in order to assess migration trend, Government needs to take urgent step to ensure better educational environment in the State.

<sup>8</sup> Information pertaining to the period 2005-07 was not provided by the Department.

The Government stated (December 2010) that the students could not be provided with well equipped and modern techniques of teaching owing to financial problems, which led to migration of students outside the State.

### ***3.1.14 Quality Assurance***

The National Assessment and Accreditation Council (NAAC), an autonomous body, was established (September 1994) under UGC Act, 1956 to assess the quality of higher education and accredit institutions of higher education in the country. In view of the leveled criticism of gradual deterioration in the quality of higher education in the country, the Ministry of Human Resource Development, (MHRD) and the UGC have mandated the assessment and accreditation for all institutions of higher education in the country.

Accordingly, initiation of awareness programme was started (2002) in Mizoram with constitution of the State Level Quality Assurance Coordination Committee (SLQACC) and the Quality Assurance Cell (QAC) in December 2004. The QAC attached to the Directorate of HTE is the operational administrative unit of the SLQACC, which is responsible for creating awareness among colleges about the process of assessment and accreditation by NAAC and sensitizing the faculties/institutions to quality improvement in academic, administrative and various functioning of the colleges. It also assists the appointed coordinators in colleges to prepare self-study reports by organizing workshops and having individual interface meeting. Monitoring of the post accreditation activities of the accredited colleges and formation of the Internal Quality Assurance Cells (IQAC) besides quality sustenance and enhancement are to be ensured by the QAC. The intending colleges with potential for Excellence and Affiliation are required to prepare their institutional Self-Study-Reports (SSRs) by following the appropriate NAAC Manuals and were required to submit the same to NAAC for assessment and accreditation.

Audit noticed that out of 22 colleges, 16 colleges were accredited during 2004-09 by NAAC. Of the remaining six colleges, five<sup>9</sup> colleges had not submitted SSRs to NAAC even after eight years from the date of processing quality assurance by the Department. Further, the QAC did not maintain records of quarterly report of quality assurance activities and annual quality performance report to be furnished by the accredited colleges to enable the Department to take recourse towards sustainable quality promotion.

Thus, the quality parameters of higher education in the State remain un-assessed both for unaccredited and accredited colleges.

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<sup>9</sup> Five colleges – (1) Govt. Serchhip College, (2) Govt. Mamit College, (3) Mizoram Law College, (4) Govt. Khawzawl College and (5) Govt. Zawnuam College.

### ***3.1.15 Physical verification of Stores/Assets***

As per provisions contained in Rule 192(1) of General Financial Rules (GFR), 2005 fixed assets should be verified at least once in a year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

The Department had not conducted any physical verification of Stores/Assets created during 2005-10. Further, the Principals of the concerned Government Colleges under the Department on their part did not submit any verification report to the Department during the period 2005-10.

The Department, however, informed (November 2010) that necessary action would be taken for carrying out the physical verification of Stores/Assets.

### ***3.1.16 Monitoring and Evaluation***

There was no separate monitoring wing at the Directorate of H&TE, but, individual branches in the Directorate are responsible for monitoring different activities. The State level review meetings and the follow up action taken in accordance with decision of the meetings were not documented by individual branches of the Department, due to which the effectiveness of the State level review meetings remain un-assessed. There was also no centralized database existing on the status of various programme implemented in the State. The State Govt. did not evaluate the performance of the Department during the period covered by audit.

While accepting the audit comments, the Department/State Government stated (December 2010) that necessary action would be taken to streamline the monitoring system besides, evaluation of performance of programmes/ schemes of the Department.

### ***3.1.17 Internal Control and Internal Audit Mechanism***

Internal control/Internal audit is considered necessary to ensure and evaluate the efficiency in compliance with Departmental/Financial rules and regulations besides effectiveness for implementation of various programmes. Although, one Finance & Account Officer was posted in the Directorate, the Department failed to exercise effective financial controls which led to unrealistic budgeting, lack of control over expenditure and release of grants-in-aid without ensuring utilization of grants already released.

The Chief Controller of Accounts (CCA), Mizoram is responsible for conducting internal audit of the accounts of the Department. During the years 2005-10, CCA did not conduct any internal audit of H&TE Department due to shortage of staff in internal audit wing. The

Department also does not have an internal audit wing of its own. The absence of internal audit in the Department facilitated misappropriation of Government money/students fee and irregular drawal of scholarships.

### ***3.1.18 Audit observations and compliance***

Accountant General (Audit) conducts periodical inspection of Government Departments to check the transactions and verify the maintenance of records besides accounting system as per the prescribed rules and procedures. These Inspection Reports (IRs) are issued to the Heads of officers inspected, with a copy to the higher authorities. The Heads of officer and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Accountant General.

A review of IRs issued to the Director, H&TE during 1996 to 2010 revealed that 30 paragraphs relating to seven IRs remained outstanding as of 30 November 2010.

### ***3.1.19 Conclusion***

The objective of providing higher education, both in general and technical disciplines was not achieved fully due to significant deficiencies in planning as it was not on actual need based assessment for the State. There were serious weaknesses in financial management as evident from cases of excess/disproportionate expenditure over AICTE norms, non maintenance of essential records for disbursement of stipends/book grants, non submission of utilisation certificates, and non-reconciliation of accounts with treasury, splitting up of sanction orders, misappropriation of Government money and mismanagement/non deposit/unauthorised appropriation of student fees which was indicative of the fact that there was either little or no role exercised by the Department to enforce effective internal controls over Government expenditure. As against the available intake capacity in the degree colleges, the number of students enrolled during the 2005-10 was ranging from 53 to 64 *per cent* only. Due to non availability of well equipped and modern technique of teaching materials, 32 *per cent* of students migrated outside the State to pursue higher education during 2007-10. Moreover, post-matric scholarship was irregularly sanctioned to large number of students studying in more than one college in the same academic year 2009-10. Due to non submission of proposal to UGC, six colleges failed to avail the benefit of financial assistance under the special Scheme to provide security to woman students with hostels facilities remained largely unachieved. The quality parameters in the higher education of the State remain un-assessed both for accredited and un-accredited colleges. Monitoring and evaluation of various programmes/schemes implemented in the State had neither been effectively carried out by the Department nor by the Government.



### 3.1.20 Recommendations

- A comprehensive five year Perspective Plan should be formulated, envisaging meaningful activities that will facilitate students to pursue higher education. The annual action plans should emanate from the perspective plan.
- Realistic budget estimates should be prepared by obtaining vital and relevant inputs from all field level units.
- Financial management should be strengthened and streamlined to avoid recurrence of mismanagement of funds and prudent utilisation of the available fund.
- State Scholarship Board under the Department should be strengthened by an efficient disbursement mechanism for post-matric scholarship.
- Government should give special attention to the incessant trend of migration of large number of students for pursuing courses outside the State and consider effective redressal measures to overcome the situation.
- Monitoring, evaluation mechanism and Quality assurance activities should be effectively exercised and strengthened to ensure timely achievement of objectives of the Department.
- An effective internal control should be put in place to ensure an effective and efficient financial management by the Department.