

MINISTRY OF EXTERNAL AFFAIRS

**WORKING OF INDIAN COUNCIL FOR
CULTURAL RELATIONS**

CHAPTER I : MINISTRY OF EXTERNAL AFFAIRS

Working of Indian Council for Cultural Relations

Highlights:

- The Council did not hold the prescribed number of meetings of the General Assembly (GA) and the Governing Body (GB). It did not place its budget for the years 2007-08 to 2009-10 before the Finance Committee, the Governing Body and the General Assembly for approval. This undermined the role of these bodies.

(Paragraphs 1.2.1.1, 1.2.1.2 and 1.2.1.3)

- The Council did not prepare the annual plan of action for the years 2006-07 to 2011-12. The omission was in contravention of its constitution and specific directions from the GB.

(Paragraph 1.2.1.4)

- The Council failed to comply with the directions of the Finance Committee and the GB about setting up of a mechanism to assess the effectiveness of its programmes.

(Paragraph 1.2.1.5)

- The Council did not give adequate publicity to one of its Scholarship Scheme resulting in low utilisation of slots and skewed representation.

(Paragraph 1. 2.2.1)

- The Council allocated 25 per cent slots under Cultural Exchange Programme Scholarship Scheme to countries with which no valid agreement for Cultural Exchange Programme/Education Exchange Programme existed.

(Paragraph 1.2.2.2)

- Against the approval for opening 14 Indian Cultural Centers (ICCs) abroad, the Council had opened 17 ICCs. The Council was also in the process of opening eight additional ICCs, without obtaining the required approval.

(Paragraph 1.2.3.3)

- The Council was operating posts of Directors for its ICCs abroad, without sanction of posts by the Ministry of Finance.

(Paragraph 1.2.4.2.a)

- **The Council has not laid down guidelines/norms for appointment and payment of pay and allowances to external persons appointed as Directors in ICCs.**

(Paragraph 1.2.4.2.b)

- **The Council did not frame rules, regulations or norms for selection and sponsorship of artists for exhibitions abroad.**

(Paragraph 1. 2.5)

- **Thirty four delegations sent to 70 countries during 2009-10 to 2011-12 involving an expenditure of ₹ 8.15 crore were unauthorised in the absence of approval of the competent authority i.e., President ICCR.**

(Paragraph 1.2.6.1)

- **There were major deficiencies in the procurement process and processing of bills for payment in the Council.**

(Paragraph 1.2.6.2)

Recommendations

- ❖ *The meetings of statutory authorities should be held according to the prescribed periodicity.*
- ❖ *The Council should ensure the placement of annual budget, annual report and annual accounts before the statutory authorities for approval and adoption. The annual plan of action needs to be approved by the GB.*
- ❖ *The Council should devise a suitable mechanism to evaluate effectiveness of its programmes.*
- ❖ *ICCR Scholarship scheme meant for promoting Indian culture may be more effectively implemented through enhanced communication with Indian Missions.*
- ❖ *Utilisation of slots needs to be more broad based.*
- ❖ *Eligibility criteria for selection of candidates should be followed scrupulously.*
- ❖ *The Council may take up the issue of short utilisation of slots under the CEP/EEP with the Missions/Posts to ensure adequate utilisation of the scheme.*
- ❖ *The Council may ensure that scholarships are awarded to students of those countries with whom valid agreement exists.*
- ❖ *The budget should be prepared on realistic basis and actual expenditure should be monitored periodically for effective budgetary control.*
- ❖ *Timely communication of budget allotment and remittances to ICCs is essential for their effective functioning.*
- ❖ *The ICCR should obtain necessary approvals of MEA and MoF before opening of new ICCs.*
- ❖ *The Council should seek prior sanction of the MoF for creation of post of Director in the ICCs.*
- ❖ *The Council should prepare guidelines for appointment and terms and conditions of Directors, ICCs and make the process of selection transparent.*
- ❖ *The Council may review existing work load vis-a-vis the human resources deployed in its Regional Offices, both in terms of numbers as well designation.*
- ❖ *The Council may devise suitable norms for selection of artists for international exhibitions and financial support for the same.*
- ❖ *The Council should follow the limits defined in delegation of financial power for granting approvals of cultural delegations.*
- ❖ *The Council should follow Government of India instructions regarding air travel.*

1.1 Introduction

The Indian Council for Cultural Relations (Council) was set up in 1950 with primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries. The Council is registered



as a Society under the Societies Registration Act, 1860. The objectives of the Council as contained in its constitution are:

- to participate in formulation and implementation of policies and programmes relating to India's external cultural relations;
- to foster and strengthen cultural relations and mutual understanding between India and other countries;
- to promote cultural exchange with other countries and peoples;
- to establish and develop relations with the national and international organisations in the field of culture; and
- to take such measures as may be required to further these objectives.

1.1.1 Organisational set up

The Council works under administrative control of the Ministry of External Affairs (MEA). It is headed by the President, who is appointed by the President of India. It has three Vice-Presidents, two of whom are elected by the General Assembly of the Council amongst its members. The Foreign Secretary to the Government of India is ex-officio third Vice-President.

The General Assembly (GA), the Governing Body (GB) and the Finance Committee are three important authorities of the Council.

The Director General is the Principal Executive Officer of the Council and is assisted by two Deputy Director Generals who are entrusted with

responsibilities relating to specific areas/activities. The Director General and two Deputy Director Generals are appointed by the MEA. As per its constitution, the Financial Advisor (FA) of the MEA is also FA of the Council.

The Council has 20 Regional Offices in India and 37 Indian Cultural Centres (ICCs) abroad (31 March 2012).

1.1.2 Audit Mandate

The audit of the Council was conducted under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.1.3 Audit Objectives

The performance audit was conducted to verify whether:

- the Council formulated adequate programmes for promoting cultural relations with other countries;
- cultural exchange programmes and other activities were implemented efficiently and effectively towards achievement of its objectives;
- the financial management ensured economic, efficient and effective utilisation of resources;
- manpower management including recruitment, promotions and deployment were as per the rules and transparent.
- selection of artists and consultants was as per the rules and transparent, and
- internal controls within the Council and oversight by the Ministry were adequate.

1.1.4 Audit Scope and Criteria

The performance audit covered the period from 2006-07 to 2011-12, except for Indian Cultural Centres (ICCs) abroad for which the period was from 2008-09 to 2011-12. Three out of 20 Regional Offices and 12 out of 37 ICCs were selected for detailed audit. The performance of the Council was evaluated against criteria/ parameters contained in its Constitution, Memorandum of Association (MoA) and its norms/policies, apart from rules and instructions issued by the Government from time to time.

1.1.5 Audit Methodology

The performance audit of the Council commenced from 27 June 2011. An entry conference was held with the Director General in August 2011 in which audit objectives, criteria, scope of audit and methodology were discussed. The audit findings were issued to the Council and the Ministry on 30 May 2012. The exit conference to discuss audit findings was held on 3 July 2012 with the Director General, ICCR. The Council's response (28 September 2012) to the draft performance audit report has been suitably incorporated in this report. The reply from MEA was awaited (June 2013).

1.1.6 Acknowledgement

The cooperation and assistance rendered by the Council and its officers, during the course of this performance audit is acknowledged.

1.1.7 Important activities undertaken by the Council

Important activities performed by the Council during 2006-07 to 2011-12, in terms of number of activities are given in **Table-1**.

Table-1: Important activities undertaken by the Council

(No. of Activities)							
Sl. No.	Activity	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Exhibitions (organised/supported) abroad	5	16	22	20	44	42
2.	Exhibitions (organised/supported) in India	5	14	19	07	49	51
3.	Conference and Seminars (assisted in India and abroad)	23	24	25	27	36	12
4.	Maintenance of Chairs of Indian Studies abroad	21	29	32	43	75	91
5.	Incoming Cultural Delegation	34	33	52	39	42	44
6.	Outgoing Cultural Delegation	78	63	93	101	124	148
7.	Incoming Visitors	30	20	19	19	19	11
8.	Outgoing Visitors	64	76	85	54	72	35
9.	Commissioning of Busts/Statues abroad	9	9	01	13	03	15
10.	Scholarships administered to foreign students	1100	1205	1238	1517	1483	1530

The Council has thus been expanding most of its activities.

1.2 Audit Findings

1.2.1 Authorities of the Council

1.2.1.1 General Assembly

Under the constitution¹ of the Council, the General Assembly (GA) is entrusted to consider and formulate the programmes of the Council in the light of policies laid down by the Government of India, to advise the Government of India on foreign cultural relations, to adopt the annual budget of the Council approved by the GB, to consider and approve programmes and specific projects proposed by the GB, to give directions in this behalf and to adopt annual report and accounts of the Council. Further, the Constitution² provides that the GA should meet at least once in a year.

Audit observed that no meeting of the GA was held during the year 2008-09. The budget for the years 2007-08 to 2009-10, annual accounts for the year 2008-09 and annual reports for the years 2006-07 to 2008-09 were not submitted to the GA for adoption. Further, the Council had not prepared the annual plan of action during the years 2006-07 to 2011-12 for submission to the GA and the GB. The fact that these important activities were not undertaken undermined the role of the GA.

The Council stated (September 2012) that due to some inevitable reasons these proposals/items could not be laid before General Assembly and due care would be taken to conduct the General Assembly and lay the important documents as pointed out by audit.

1.2.1.2 Governing Body

Under the constitution³, the Governing Body (GB) is entrusted to exercise executive authority of the Council, to supervise and control the work of the Council, to formulate programmes and specific projects for submission to the GA, to approve the annual budget of the Council and to approve the annual report and accounts of the Council for adoption by the General Assembly. To perform these activities, the GB was to meet at least twice every year.

Audit observed that eight meetings were held during the period 2006-07 to 2011-12 as against the requirement of 12 meetings. The Council did not seek

¹ Clause 5

² Clause 6, 8 (v)

³ Clause 8

approval of the budget for 2007-08 to 2009-10 and on annual reports for 2006-07 to 2008-09 from the GB. This was not only in violation of its constitutional provisions but also indicated lack of monitoring and governance over the affairs of the Council.

The Council stated (September 2012) that meetings of GB were held as per constitution barring a few years when these were conducted once in a year, and lapses in placing budget and annual report before the GB does not constitute breach of the constitution. It reiterated its endeavour to implement constitutional provision in letter and spirit. The fact remains that neither were the meetings held nor were budget and annual reports placed before the GB as enjoined by its constitution.

1.2.1.3 Finance Committee

Under the constitution⁴, the Finance Committee *inter-alia* was to consider the budget estimates of the Council and make recommendations thereon to the GB, consider and make recommendations on matters relating to the administration and programmes of the Council which were referred to it from time to time by the President or the GB or the GA.

Scrutiny of records revealed that Council did not seek approval of the budget for the years 2007-08 to 2010-11 from the Finance Committee.

The Council accepted (February and September 2012) the audit observation.

1.2.1.4 Plan of Action

Planning is essential for optimal utilisation of resources towards attainment of organisational objectives. Under the constitution⁵, formulation and presentation of the programme of activities and budget estimates to the GB is to be done by the Director General in consultation with the Financial Adviser and the Finance Committee. The Council was submitting annual plan of action along with budget to the GB till 2005-06. The GB while approving plan of action for 2005-06, directed (November 2005) that the plan of action should be put-up as a separate item for its approval.

Audit observed that the Council did not prepare documents for annual plan of action for the period 2006-07 to 2011-12. The action of the Council was thus in contravention of its constitution and specific directions from the GB.

⁴ Clause 11 of the Constitution of the Council.

⁵ Clause 15 (iii) (c) of the Constitution of the Council

The Council stated (September 2012) that plan of action would be prepared and approved separately in future.

The analysis above (1.2.1.1, 1.2.1.2, 1.2.1.3 and 1.2.1.4) indicates that the mandated functions of the GA, the GB and the Finance Committee relating to budget, annual accounts, annual reports and annual plan of action were not being carried out effectively, which undermined the role of these bodies.

1.2.1.5 Effectiveness of programmes

The objective of promoting cultural relations with other countries is accomplished through organisation of cultural programmes by the Council. In order to evaluate effectiveness of programmes, the Finance Committee decided (February 2005) that a notice be put up at the venue of cultural performances to seek comments from the audience in given proforma. Further, the Missions and ICCs were to be advised to collate and assess the feedback received with regard to outgoing cultural performances and share it with ICCR (HQ). The GB also desired (March 2005) that feedback collated should be shared with it.

Audit noticed that feedback on cultural programmes was neither being compiled nor shared with GB.

The Council stated (December 2011) that comments of public received through website, media reports and comments/reports of the critics were indicative of the effectiveness of its programmes. It further stated (September 2012) that in-house committee was being set up to further strengthen the existing mechanisms.

The reply of the Council may be viewed in the light of specific directions from the Finance Committee and the GB and also the fact that no information relating to comments of public/media reports about programmes was furnished to audit.

1.2.1.6 Synergy with other cultural organisations

One of the objectives of the Council is to establish and develop relations with national and international organisations in the field of culture. The GA and the GB in various meetings⁶ had noted the need for synergy among the activities of the Council, Zonal Cultural Centres (ZCCs) of Department of Culture and State Academies (SAs). The GB decided (March 2004) that

⁶ GB meetings dated 21 January 2004 and 10 March 2004, GA meeting dated 27 September 2006.

annual meetings of Directors of the ZCCs, SAs and the Council should be held during 27-29 January every year to develop collaborative programmes. President, ICCR suggested (GA Meeting-September 2009) that a brainstorming session should be held among the ICCR, the Ministry of Culture, the Ministry of Tourism, the Ministry of Information and Broadcasting and the Sahitya Academy for the same. In the GB meeting (September 2009) the Foreign Secretary also suggested that there should be an integrated approach for cultural promotion, with coordination between Public Diplomacy Division and Ministry of Tourism. Thus various authorities had expressed need for coordination and synergy with similar organisations in the field of culture.

However, there were no documents in the records of the Council indicating attempts at synergy or coordination between different agencies.

The Council stated (December 2011) that most of the members of ICCR's GB were also the members of other similar organisations like Sahitya Academy, Lalit Kala Academy, Sangeet Natak Academy and feed-back was shared among members of these organisations. Further, the Council stated (September 2012) that the members were informed of any decision and activity undertaken or planned, and approval was taken from the statutory bodies of ICCR.

The said mechanism was not seen to be effective because very few meetings of GA which had representatives from Sahitya Academy, Lalit Kala Academy, Sangeet Natak Academy were attended by members of these academies. Further directions of GA/GB of the Council for improving synergy amongst similar bodies in India were not followed.

Recommendations

- ❖ *The meetings of statutory authorities should be held according to the prescribed periodicity.*
- ❖ *The Council should ensure the placement of annual budget, annual report and annual accounts before the statutory authorities for approval and adoption. The annual plan of action needs to be approved by the GB.*
- ❖ *The Council should devise a suitable mechanism to evaluate effectiveness of its programmes.*

1.2.2 Scholarship Schemes

The Council administers various scholarship schemes for foreign students to pursue under-graduate, post-graduate and doctoral programmes as well as professional courses in India. Scholarships are also awarded for learning Indian dance, music, painting, sculpture. The Council has 11⁷ scholarship schemes of its own, in addition to which it administers 10⁸ scholarship schemes on behalf of other Ministries/Departments of the Government of India.



Since these schemes are for international students, these are implemented in coordination with Indian Missions abroad. The Council arranges for the enrolment of selected students in various universities in India. Payment in scholarship schemes consists of three components- a) tuition fees as charged by educational institution, b) living allowance, and c) fixed contingent allowance.

During the period 2006-07 to 2011-12, the Council utilised 8073 scholarship slots out of 12604 available, as detailed in **Table-2**:

Table-2: Year-wise position of utilisation of scholarship slots

Period	Number of Scholarships			
	Own Scholarship		Agency Work	
	Slots Available	Slots Utilised	Slots Available	Slots Utilised
2006-07	1150	596	654	504
2007-08	1218	625	660	580
2008-09	1234	685	606	553
2009-10	1212	689	1105	828
2010-11	1178	677	1172	806
2011-12	1223	667	1192	863
Total	7215	3939	5389	4134

⁷ General Cultural Scholarship Scheme, Bangladesh Scholarship Scheme, Sri Lanka Scholarship Scheme, Mauritius Scholarship Scheme, Special Scholarship Scheme for Mauritius National, ICCR scholarship scheme, Cultural Exchange Programme, Commonwealth Scholarship/Fellowship Plan, Africa Day, Craft Instructor, Dadoo Naicker.

⁸ Aid to Maldives, SAARC Chair/Fellowship Scheme, Ayush Scholarship Scheme for BIMSTEC countries, Ayush Scholarship Scheme for BIMSTEC member countries & non-BIMSTEC countries on behalf of MEA & AYUSH Department, Mekong Ganga Co-operation Scholarship Scheme, Scholarship for Pacific Island Countries, IOR-ARC Scholarship Scheme, Africa Scholarship Scheme, Silver Jubilee, Afghanistan Scholarship Scheme

Three scholarship schemes viz., Special Scholarship Scheme for Afghan nationals, ICCR Scholarship Scheme and Cultural Exchange Programme Scholarship Scheme were examined in detail. The result of examination revealed that though the implementation of Special Scholarship Scheme for Afghan nationals was satisfactory, there were certain deficiencies in implementation of other two schemes as discussed below:

1.2.2.1 ICCR Scholarship Scheme

In this scheme scholarship is provided to any foreign student desirous of learning Indian art, culture and music. Applications from foreign students forwarded by Indian Missions are scrutinised on certain eligibility criteria. The selected students are attached with various universities/institutions and Gurus.

Review of this scheme revealed the following:

(a) Utilisation of slots

Although maximum number of students at any point of time under this scheme could be 100, but the Council could utilise only 52, 35, 45, 49, 55 and 57 slots for years 2006-07 to 2011-12 respectively. Audit noted that the low utilisation of slots was due to absence of any communication to Indian Missions/Posts regarding invitation of application from interested students (as was being done for other scholarship schemes).

The Council stated (September 2012) that it had already taken necessary steps for wide publicity of this particular scholarship scheme through respective Missions abroad.

(b) Country-wise utilisation

The Council allots number of slots to different countries for different scholarship schemes, but in this scheme number of slots for each country was not decided. During analysis of Country-wise utilisation of slots, it was seen that a significantly large proportion of slots (49.15 *per cent* during audit period) was used by students from one particular country i.e. Sri Lanka. This indicated that the scholarship scheme was being implemented in a skewed manner.

The Council stated (September 2012) that applications were processed on first come, first serve basis and that during the previous years, the number of slots used by Sri Lanka under this particular scheme had been higher due to larger number of applications from that country and that their action was as per norms and past practice.

However, the reply of the Council may be seen in the light of the fact that unlike many other scholarship schemes which were country or region specific, this scholarship scheme could be availed by student from any country. The present arrangement was restrictive as it narrowed the utilisation of this scheme to a restricted geographical area.

(c) Eligibility criteria for granting scholarships

The selection of foreign students for scholarship scheme is implemented through certain eligibility criteria as described in **Table 3**. Scrutiny of the records (62 cases selected randomly out of total 116 cases for the period 2006-07 to 2011-12) relating to selection of students against different eligibility criteria revealed following:

Table-3: Observations in eligibility criteria

Sl. No.	Eligibility criteria	Audit observations
1.	Proficiency in English language as certified by the Mission forwarding the application.	Scholarship awarded to 16 students were without English proficiency certificates.
2.	Physical fitness certificate by Registered Medical Practitioner.	Three students did not possess the required certificate.
3.	Certificate from the concerned Mission/ Posts that the candidate after completion of course would return to his country.	19 students granted scholarship without certificates from the Mission.
4.	Scholars for structured undergraduate and post-graduate courses must carry full term student visa and scholars for Ph. D. courses must carry Research Visa for a specific period of 4-5 years.	In case of 16 students, visa and passport details and in case of another 16 students, visa details alone were not found on record.
5.	Priority for students who have never studied in India.	In 11 cases, scholars had earlier studied in India.

Overall out of 62 cases selected for audit, 45 had one or more issues in meeting eligibility criteria. Thus, the Council did not scrutinise the scholarship applications with due diligence and selected candidates who did not meet the minimum eligibility criteria.

The Council stated (September 2012) that regarding English proficiency certificates, Missions decide the modalities for certifying proficiency by taking interview or test of candidate. It further stated that the word 'priority' does not debar ICCR for offering scholarships to those who have already availed scholarships. However, the Council accepted other observations of Audit for future compliance.

Audit is not questioning the modalities chosen by the Missions, but only stating that English proficiency certificates for 16 students were not on record.

Recommendations

- ❖ *ICCR Scholarship scheme meant for promoting Indian culture may be more effectively implemented through enhanced communication with Indian Missions.*
- ❖ *Utilisation of slots needs to be more broadbased.*
- ❖ *Eligibility criteria for selection of candidates should be followed scrupulously.*

1.2.2.2 Cultural Exchange Programme Scholarship Scheme

The Cultural Exchange Programme Scholarship Scheme (CEPSS) is based on the Cultural Exchange Programme (CEP)/Education Exchange Programme (EEP) entered into by the Government of India with different countries. The CEP/EEP is agreement signed with any country for cultural promotion or educational co-operation, on mutually agreed terms and conditions which are settled through diplomatic channels. The agreements are normally for defined duration.

The role of ICCR is limited to the implementation of scholarships in these agreements. Every year scholarships in various fields are offered by the Council to international students in accordance with the terms and conditions of CEP/EEPs signed. Under the CEPSS, scholarships are offered for under graduate, post-graduate and doctoral studies in various fields.

Position of the slots utilised against the slots available under the CEPSS during the last six years is given in **Table-4**.

Table 4: Year-wise position of scholarship slots utilised

Year	Slots Allotted	Slots Utilised	Per cent of slots Utilised
2006-07	313	141	45.04
2007-08	330	140	42.42
2008-09	324	147	45.37
2009-10	318	138	43.30
2010-11	309	141	45.63
2011-12	306	131	42.81
Total	1900	838	44.10

The above data shows that during six years the percentage of utilised slots under the scheme ranged between 42.42 to 45.63 *per cent*. Further, in respect

of 14⁹ countries no slots were utilised during the period 2006-07 to 2011-12 resulting in 158 slots remaining unutilised.

Audit noted that the Council allocated 470 (25 per cent of total allotted slots) slots for the students of 10¹⁰ countries with which no valid CEP/EEP existed. Out of these 470 slots, 227¹¹ scholars have been awarded scholarship under the scheme. On the other hand the Council offered no slots to Cyprus (agreement duration 2007-10) and New Zealand (agreement duration 2005-10) with which the Government of India had signed CEP/EEP. The Council thus failed to ensure that scholarships are awarded to students from countries with valid CEP/EEP.

The Council attributed (February 2012) various reasons for the short utilisation of slots like non-receipt of application in time, non-fulfillment of eligibility criteria, limited seats available with the universities, late confirmation of Ph.D admission from universities, etc. The Council's reply enumerated various possible reasons for the under utilisation of slots, but did not specify steps undertaken to improve the situation.

The Council further stated (September 2012) that scholarships in future will be offered to those countries with whom valid CEP exists.

Recommendations

- ❖ *The Council may take up the issue of short utilisation of slots under the CEP/EEP with the Missions/Posts to ensure adequate utilisation of the scheme.*
- ❖ *The Council may ensure that scholarships are awarded to students of those countries with whom valid agreement exists.*

⁹ Kuwait (6), Norway (12), Slovak (12), Bahrain (8), Laos (12), Algeria (12), Nigeria (24), Senegal (6), Tunisia (6), Zimbabwe (12), Rwanda (6), Australia (18), Netherlands (18) and DPR Korea (6)

¹⁰ Iraq (170), Japan (66), Mongolia (60), Nigeria (24), Poland (66), Slovak (12), South Korea (12), Spain (30), Turkey (24) and Ukraine (6)

¹¹ Iraq (76), Japan (12), Mongolia (41), Poland (58), South Korea (12), Spain (19), Turkey (7) and Ukraine (2)

1.2.3 Financial Management

1.2.3.1 Budget

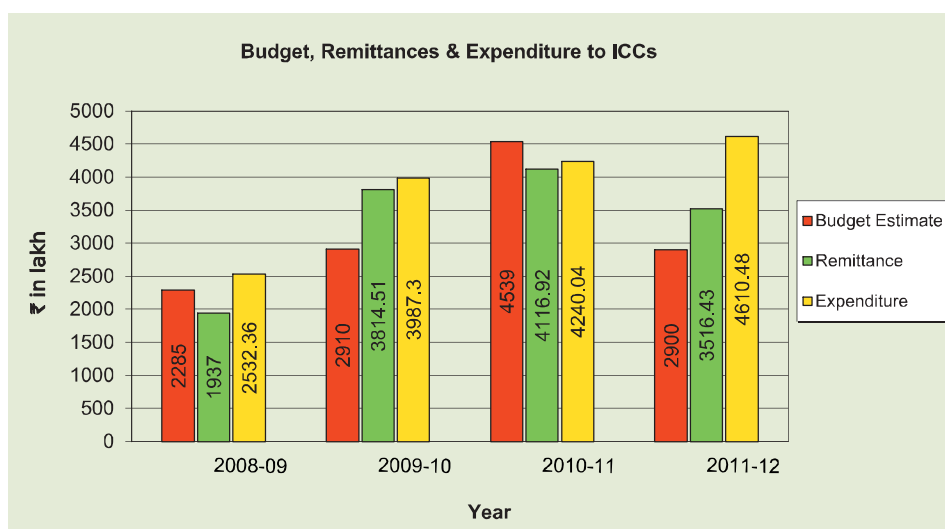
Budget is a tool to monitor and control the expenditure pertaining to various activities of an organisation. The year-wise position of budget estimates (BE), proposed revised estimates (RE), funds allocated by the MEA and actual expenditure for the period 2006-07 to 2011-12 in respect of the Council are given in the **Annex-I**.

It was observed that there were excess expenditure of ₹497.52 lakh, ₹71.46 lakh, ₹182.11 lakh and ₹3639.01 lakh during 2006-07, 2007-08, 2008-09 and 2011-12 respectively and there were savings of ₹890.88 lakh and ₹163.00 lakh for the year 2009-10 and 2010-11 respectively. The head 'Fixed Charges' showed continuous excess expenditure ranging from 7.97 to 22.71 *per cent* during 2008-09 to 2011-12. Under the head 'Activities' there were consistent savings ranging from 1.63 to 18.20 *per cent* during 2007-08 to 2009-10. The above indicated weaknesses in budgetary controls.

The Council stated (February 2013) that the excess expenditure incurred during 2011-12 was met from ICCR's own receipts and the amount received from different Departments/Ministries for agency works and its arrears. The reply of the Council was not convincing as it did not address budgetary control weaknesses.

1.2.3.2 Remittances to ICCs Abroad

The budget estimates for the ICCs are prepared at the Council's Headquarters. The Council, through the MEA, transfers funds in quarterly installments to the ICCs for meeting establishment and activity expenses. Position of the budget estimates, the remittances made to ICCs and the actual expenditure incurred abroad during the period 2008-09 to 2011-12 is depicted below:



Analysis of data (details in **Annex-II**) revealed the following -

- a. Variation in Budget Estimates and Actual Expenditure – In three out of four years (2008-09, 2009-10 & 2011-12), there was an excess of expenditure over budget estimates ranging from 10.80 to 58.96 *per cent*.
- b. Shortage of Remittances – Funds remitted were less than actual expenditure in all four years ranging from 3.01 to 31.11 *per cent*. The shortage was met out of funds of respective Missions.
- c. Delayed release of Remittances – In three ICCs during 2008-09 (Jakarta, Beijing and Port of Spain), two ICCs (Colombo and Bangkok) during 2010-11 and four ICCs (Kabul, Almaty, Cairo and Bali) during 2011-12, 40 *per cent* or more of total remittances were released during last month/quarter of the financial year. The delayed remittances affected their functioning.
- d. Communication of Budget Allotment to ICCs – There was no communication about the budgetary allotment to the ICCs during the year 2008-09 and 2009-10, while for the year 2010-11, the communication was made in September 2010.

The Finance Committee had also directed (February 2005) that guidelines be formulated which stress that budget estimates communicated to all the ICCs should not be exceeded. No deviation from budget allocation should be made without the prior approval of the Council. Audit noted that guidelines were not formulated.

It was, observed that Council did not use budgetary mechanism for financial discipline. It did not prepare the budgets on realistic basis and did not remitt funds based on the budgets and in time to its ICCs.

The Council stated (September 2012) that due to curtailed grant, it was not in a position to send sufficient funds to ICCs. The Mission spends the money on behalf of ICC and later overdrawal is adjusted from subsequent release of grant by MEA. The Council further stated (February 2012) that guidelines for ICCs abroad were under active consideration and would be implemented shortly.

Recommendations

- ❖ *The budget should be prepared on realistic basis and actual expenditure should be monitored periodically for effective budgetary control.*
- ❖ *Timely communication of budget allotment and remittances to ICCs is essential for their effective functioning.*

1.2.3.3 Opening of new Indian Cultural Centers (ICCs) Abroad

The Finance Minister in his budget speech (March 2008) earmarked an additional amount of ₹ 75 crore, to project India's 'soft power', that is music, literature, dance, art, cuisine and films around the world. The Council prepared (May 2008) an expansion plan which included opening of 14 new ICCs which was approved by MEA. The Committee on Non-Plan Expenditure, Ministry of Finance also approved the expansion plan (February 2009) subject to the following conditions:

- the grant of ₹ 75 crore would be a one-time grant and recurring expenses would be met out of the MEA's budget in future;
- the implementation of the programmes would be evaluated after one year; and
- the changes would be made based on the evaluation carried out as above.

The Council opened 14 new ICCs as per the approved expansion plan, between 2009 and 2011. However in addition to these, three more ICCs were opened by the Council at Prague, Budapest and Hague between August 2010 and October 2011. Further, eight more ICCs were in the process of being opened (March 2012). As opening of ICC involves additional financial burden and creation of posts, specific approval is required from the MEA as well as the Ministry of Finance (MoF), which was not taken for these additional ICCs. Also no evaluation of 14 approved ICCs was done.

The Council stated (December 2011 and September 2012) that on the recommendation of the respective Missions the competent authorities of the Council had decided to open new ICCs. It further stated that audit observations on opening of ICCs would be kept in mind while processing the opening of new ICCs.

The reply that Council had opened new additional centres on the recommendation of the respective Missions is not acceptable, as permissions of MEA and MoF were not obtained.

Recommendation

- ❖ *The ICCR should obtain necessary approvals of MEA and MoF before opening of new ICCs.*

1.2.4 Manpower Management

1.2.4.1 Staff Strength

The staff strength of the Council (including ICCs abroad and Regional Offices in India) as on March 2012 is as given in **Table-5**. All posts are sanctioned by MoF.

Table-5: Position of sanctioned strength, Men-in-position and shortage

Group	Sanctioned strength	Men-in-Position	Shortage(-)
A	78	68	(-) 10
B	53	36	(-) 17
C	120	109	(-) 11

Examination of records related to manpower management in the Council revealed following:

1.2.4.2 Appointment of Directors at Indian Cultural Centres abroad

In order to promote awareness and appreciation of India's cultural heritage, the Council maintained (March 2012) 37 ICCs abroad, which are headed by Directors. The posts of Director are manned by ICCR cadre, MEA cadre and external persons. Officials belonging to MEA cadre are selected by the MEA, while external persons and those belonging to ICCR cadre are selected by ICCR and finally approved by MEA. During the audit period, 16 external persons (**Annex-III**), 20 persons belonging to the ICCR cadre and 8 persons

belonging to the MEA cadre occupied posts of Director in various ICCs abroad.

a. Sanctioned Strength of Director

The Council had sanctioned strength of three posts of Director (March 2012). All three posts had been filled in the Council's HQ/Regional Offices in India from its own cadre. As discussed in the previous paragraph the Council was operating posts of Director, ICCs in its Cultural Centres abroad which were occupied by the staff of ICCR cadre, MEA cadre and external persons, but the Council had not shown these posts on its sanctioned strength.

Audit noted that in one case¹² (April 2004), the Council had approached MEA to regularise the post of the Director, ICC. The MEA, however, directed the Council to take up the matter directly with MoF. No further progress was available on record. The Council again took up the matter (December 2010) of creation of extra posts of Directors ICCs, but again this proposal was also not approved by the MEA in view of ban on creation of posts imposed by MoF.

Besides officers of MEA and ICCR cadre, the posts of Director, ICCs were occupied by 16 external persons in 12 ICCs during audit period (**Annex-III**). The Council had incurred an expenditure of ₹ 6.11 crore on pay and allowances of these external persons during audit period. In addition, other facilities like rent free accommodation, medical allowance, children holiday passage, composite transfer grant, international air travel, RG was also being paid. Operating posts of Director ICCs and incurring expenditure there against without appropriate sanction of the posts was irregular.

The Council stated (February 2012) that appointment of Directors at ICCs abroad was done with the approval of competent authorities of ICCR. It further stated that observations made by Audit would be kept in mind regarding the appointment of new Directors and guidelines would be prepared, if needed. The reply was however silent as to why the approval of MoF was not sought in these cases.

¹² For Director of Jawahar Lal Nehru Indian Cultural Centre in Jakarta, the Council approached the MEA requesting to sanction one post of Director in April 2004. As the MEA was not involved in creation or upgradation of post in ICC abroad, the Council was informed by the MEA that the matter may be taken up directly with the Department of Expenditure, Ministry of Finance by the Council.

b. Appointment of External Persons

Audit observed that there were no guidelines for appointment of external persons as Director of ICCs. Also, no procedure appears to have been followed for the selection of external persons. There was no correspondence relating to circulation of vacancies, number of applications received and considered for all the 16 cases examined in Audit. As a result, lack of transparency in selection of external persons as Director ICC abroad was evident.

Further, the pay scale and status granted to external persons, who were working in universities/other government organisations, on their appointment as Directors were on the basis of their existing pay scale in their parent departments. But no guidelines or norms were formulated by the Council for grant of pay scale and status to the external persons coming from private sector, which resulted in grant of different grade pay and status for the same post as indicated in **Table 6**:

Table-6: Pay scale and status of External Person as Director, ICC

Sl. No.	Name of the Director and their background in private sector	Pay-scale given	Status given
1.	Sh. Arup Kumar Dutta (Journalist)	₹14300-400-₹18300(pre-revised) ₹37400-₹67000 with GP of ₹8700 (revised w.e.f. Jan.2006)	Counsellor
2.	Ms. Renuka Narayanan (Journalist)	₹15600-₹39100 with GP of ₹7600	First Secretary
3.	Ms. Geeti Sen (Journalist)	₹15600-₹39100 with GP of ₹7600	First Secretary
4.	Sh. Rajesh Mehta (Academician)	₹15600-₹39100 with GP of ₹6600	Second Secretary

The Council stated (February 2012) that the three external persons appointed as Director were journalists working for different private agencies and their pay was fixed as per their earning in private sector. The Council further stated (September 2012) that formulation of guidelines /norms regarding selection and appointment of Directors for ICCs is in hand and would be submitted for approval of statutory bodies and MEA.

The reasons advanced by the Council are not justified as appointment in Government would be governed by relevant rules and regulations, irrespective of their position in the private sector.

Recommendations

- ❖ *The Council should seek prior sanction of the MoF for creation of post of Director in the ICCs.*
- ❖ *The Council should prepare guidelines for appointment and terms and conditions of Directors, ICCs and make the process of selection transparent.*

1.2.4.3 Manpower Management in Regional Offices

The Council's Regional Offices implement scholarship schemes¹³ for overseas students, provide local artists a platform to show their talents and take care of foreign troupes by arranging for their performances. Implementation of scholarship schemes for international students involve reception of international students on arrival, payment of scholarship, assistance in accommodation, liaison with universities/colleges, opening of bank account, monitoring of progress reports, keeping data bank of students, etc.

Utilisation of manpower in ROs with respect to existing workload was reviewed in audit. An analysis was made by comparing the staff strength deployed with the average number of scholarships dealt and average annual expenditure by the ROs during the four years (2008-09 to 2011-12). The position is depicted in **Table-7**:

Table-7: Comparison of average number of staff strength, scholarship and expenditure

Sl. No.	Name of the RO	Staff Strength (own + outsourced) * ¹⁴	Average number of Scholarships dealt by RO annually during the last four years	Average no. of scholarships per employee dealt by ROs annually during the last four years	Average expenditure of ROs during the last four years (₹ in lakh)	Average expenditure per employee in ROs during the last four years (₹ in lakh)
1	Bangalore	6 (4 + 2)	616	102.67	946	157.66
2	Kolkata	9 (1 +8)	174	19.33	524	58.22

¹³ The scholarships given to students are in graduate, post graduate and doctoral programmes as well as in professional courses such as engineering, pharmacy, accountancy, business administration and management. Scholarships are also given for learning Indian dance, music, painting, sculpture, etc.

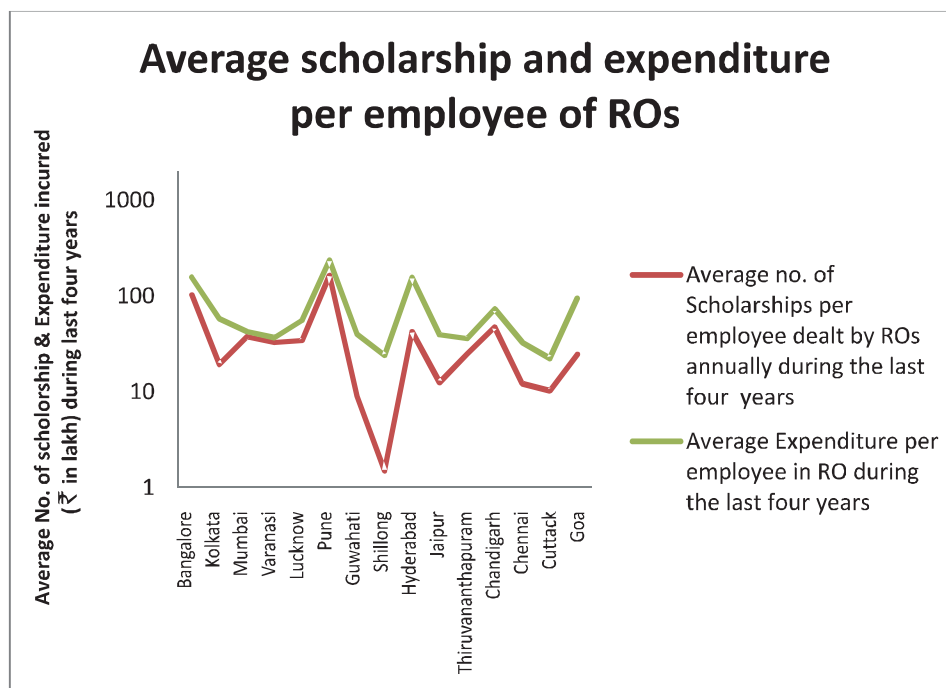
¹⁴ Clerk and above

3.	Mumbai	6 (4 + 2)	226	37.66	255	42.5
4.	Varanasi	3(1 + 2)	98	32.66	110	36.66
5.	Lucknow	4 (3 + 1)	137	34.25	223	55.75
6.	Pune	6 (2 + 4)	986	164.33	1419	236.5
7.	Guwahati	3 (1 + 2)	18	9	120	40
8.	Shillong	2(1+1)	03	1.5	48	24
9.	Hyderabad	6(3 + 3)	255	42.5	939	156.5
10.	Jaipur	4 (2 + 2)	50	12.5	157	39.25
11.	Thiruvananthapuram	4 (3 + 1)	100	25	144	36
12.	Chandigarh	4 (own staff)	190	47.5	293	73.25
13.	Chennai	7(own staff)	85	12.14	230	32.85
14.	Cuttack	4(1 + 3)	41	10.25	89	22.25
15.	Goa	3 (0 + 3)	74 ¹⁵	24.66	283	94.33

It was observed that staff strength of ROs at Bangalore, Mumbai, Pune and Hyderabad was similar but there were wide variations in work handled by the offices. While the Pune office handled an average number of 986 scholarships annually, other ROs i.e. Mumbai, Bangalore and Hyderabad handled 226, 616 and 255 annual scholarships respectively. The average expenditure of the Pune RO was ₹ 1419 lakh whereas expenditure of other three ROs was ₹ 255 lakh, ₹ 946 lakh and ₹ 939 lakh respectively. The Chennai Office had the maximum number of ICCR's own staff but the average number of scholarships handled annually was 85 only.

Further, average number of scholarships handled per employee and average expenditure per employee in ROs showed wide variations and were in the range of two to 164 and ₹ 22.25 lakh to ₹ 236.50 lakh respectively as depicted below:

¹⁵ Figures pertained to the year 2011-12 (Newly opened regional office)



Further, Audit noted that the ROs were being headed by different levels of officers¹⁶. Pune RO, which contributed maximum output both in terms of number of scholarships handled as well as the amount of expenditure incurred, was headed by a Programme Officer whereas in Chennai RO, where the work was significantly lower, the RO was headed by a Director¹⁷/Programme Director rank officer.

Thus the manpower distribution in terms of number and rank for different ROs was not commensurate with their workload.

The Council stated (September 2012) that temporary arrangement and deployment in various ROs pending approval of posts from MoF resulted in mismatch of designations of officers deployed. The Council further stated that the matter would be sorted out shortly on receipt of approval and review would be done by ICCR as recommended by the Audit.

¹⁶ Assistant Programme Officer (Grade Pay-₹ 4600/-), Programme Officer (Grade Pay-₹ 5400/-), Programme Director (Grade Pay-₹ 6600/-), Senior Programme Director (Grade Pay-₹ 7600/-), Director (Grade Pay-₹ 8700/-)

¹⁷ Director rank officer upto 2010-11 and Programme Director rank officer from 2011-12 onwards

Recommendation

- ❖ *The Council may review existing work load vis-a-vis the human resources deployed in its Regional Offices, both in terms of numbers as well designation.*

1.2.5 Selection of artist for sponsorship of exhibitions

Sending artists for performances and artists and/or material for exhibitions abroad, were two important activities of the Council. For sending artists abroad for performances, the Council had a defined mechanism for empanelment. But in the case of exhibitions, it was noticed that there was no defined procedure. The artists who wanted to exhibit their creations abroad approached the Council directly for financial support. They would inform the Council that an exhibition on particular theme will take place at a specific venue and that he/she had been invited to display his/her exhibits at the venue of the exhibition.

Scrutiny of the records of all 20 exhibitions (involving support of more than ₹ 2.00 lakh by the Council) sponsored by the Council revealed that the expenditure ranging from ₹ 2.00 lakh to ₹ 8.00 lakh was incurred by the Council for the exhibitions abroad. The Council had not framed rules, regulations or norms for the entitlement of artists for exhibitions abroad. Audit also noted wide variation in the facilities extended to the artists as detailed below:

- (a) In seven cases, 20 economy class air tickets were provided to artists and persons accompanying them. Whereas in four¹⁸ other cases, 10 business class air tickets were provided to the artists/curators/organising agents.
- (b) In 17 cases accommodation or other facilities in the host country were not provided by the Council but in three cases such facilities were provided.
- (c) In 11 cases, the Council provided a lump sum grant to the artist/agency to take part in the event without any detailed breakup to examine necessity and justification of expenditure.

Thus apart from absence of norms for facilitations/financial support to be provided for exhibitions, there was lack of transparency.

¹⁸ Paris Louvre Carousel-2010-11, Satyagrah-2008-09, Exhibition for the art camp at Sanskriti Art Gallery by Shruti Foundation – 2011-12 and Painting exhibition by Shri Jatin Das 2011-12

The Council stated (September 2012) that the decision regarding providing economy class or business class air tickets was taken on the basis of seniority of the artists. The reply did not clarify how the seniority of artists were determined in the absence of definite procedure.

Recommendation

- ❖ *The Council may devise suitable norms for selection of artists for international exhibitions and financial support for the same.*

1.2.6 Internal Controls

Internal Control is an integral part of an organisation's management process to provide reasonable assurance that the operations are carried out effectively and efficiently, that financial reports and operational data is reliable, and that the applicable laws and regulations are complied with so as to achieve organisational objectives. Audit scrutiny relating to internal control revealed following:

1.2.6.1 Cultural delegations sent abroad without the approval of the competent authority

As per the delegation of financial powers of the Council, the Director General was competent for approving expenses up to ₹ 15 lakh and expenditure beyond ₹ 15 lakh required approval of the President.

Audit noted that out of 41 tour programmes during the years 2009-10 to 2011-12 related to cultural delegations sent abroad, where the total expenditure on air travel, boarding, lodging and DA of the group exceeded ₹ 15 lakh, the approval of the President, ICCR was not obtained in 34 cases. Further, Audit noted that the Council had either resorted to splitting of proposals or did not include estimated expenditure on air travel, daily allowance, etc. Thus expenditure of ₹ 8.15 crore on 34 delegations sent to 70 countries during 2009-10 to 2011-12 was unauthorised in the absence of approval from the competent authority (**Annex-IV**).

The Council stated (September 2012) that the proposal for air fare, honorarium, etc., for outgoing groups are put up separately as per past practice. The Council further stated that the outgoing delegations had the approval of President, ICCR during approval of budget estimates.

The reply of the Council may be viewed in the light of the fact that practice followed by the Council amounted to splitting of expenditure to avoid obtaining approval of the higher authority. Further in October 2012, Council

was requested to submit documents to Audit relating to approval of President, ICCR of the budget estimates of outgoing cultural delegations but the Council did not furnish such documents/records.

Recommendation

- ❖ *The Council should follow the limits defined in delegation of financial power for granting approvals of cultural delegations.*

1.2.6.2 Procurement of Services for organising events

The Council procures various services for organising various events (exhibitions and cultural performances) to achieve its objectives. Different provisions of GFR and CVC guidelines require that all purchases be made in transparent, competitive and fair manner to secure best value for money. Examination of all 18 cases involving total payment of ₹ 11.54 crore relating to procurement of services above ₹ 20 lakh during the year 2006-07 to 2011-12 (**Annex-V**) revealed the following deficiencies:

- a. Under Rule 179 of GFR, Ministry or department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries/Departments/Organisations involved in similar activities, scrutiny of 'Yellow Pages' and trade journals, web site, etc. 17 out of 18 checked cases revealed that the Council did not prepare a list of likely and potential contractors involved in similar activities.
- b. Rule 180 of GFR requires preparation of tender enquiry which should contain *inter-alia* – (i) the details of the work or service to be performed by the contractor, (ii) the facilities and the inputs provided to the contractor by the Ministry or Department, (iii) eligibility and qualification criteria to be met by the contractor for performing the required work/service, and, (iv) the statutory and contractual obligations to be complied with by the contractor.

However, it was noticed that neither tender enquiry was made nor vendor/department's contractual & statutory obligations were spelt out in 15 out of 18 cases.

- c. Rule 184 of the GFR states that should it become necessary, in an exceptional situation, to outsource a job to a specifically chosen contractor, the competent authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases, the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.

The Council in violation of rule resorted to selection of vendors on single source basis in 16 out of 18 cases without giving any detailed justification on record.

d. As per Rule 204 (iv) (c), a contract document should be executed with all necessary clauses to make it a self-contained contract in respect of works with estimated value of ₹ 10 lakh and above. The Council in violation of the rule did not enter into contracts with firms for execution of the works in all the 18 checked cases.

e. Under Rule 159, ordinarily, payments for services rendered should be released only after the services have been rendered. However, if it become necessary to make advance payment in certain cases, these should not exceed thirty *per cent* of the contract value to private firms. While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc., should be obtained from the firm. Audit noted that in contravention of the rule, advance payments exceeding 30 *per cent* of estimated cost were made to firms without obtaining bank guarantee or performance security or seeking relaxation to the rule from the competent authority.

Thus Council as a matter of practice did not issue advertisements for procurement of services and works from private agencies. The Council did not adopt the due process prescribed for single source selection of agencies for award of work, thus rendering undue benefit to the firms. The Council inspite of not observing various conditions of GFR/sanction letters certified (February 2008 and January 2010) to the Ministry that conditions had been observed.

Similarly scrutiny of payment vouchers of 18 cases involving a total payment of ₹ 11.54 crore relating to procurement of services above ₹ 20 lakh during the year 2006-07 to 2011-12 revealed discrepancies like non depiction of itemwise rates, non attachment of supporting documents, missing invoice number, service tax number, etc. The details of the specific deficiencies noted are detailed in the **Annex-VI**. In six cases TDS amounting to ₹ 4.19 lakh was not deducted from the payments made to the firms by the Council. (**Annex-VII**).

Thus there were major deficiencies in the procurement process and processing of bills for payment in the Council.

The Council stated (January 2012) that points raised by the Audit have been noted for future compliance and it would be ensured that provisions of GFR are invariably followed.

1.2.6.3 Irregularities in air travels

As ordered by the Ministry of Finance (July 2009) in all cases of air travel, where the Government of India bears the cost of air passage, the official concerned may travel only by Air India. These orders were also applicable to officials in autonomous bodies funded by Government of India. In cases of deviation exemption was to be sought from Ministry of Civil Aviation. The MoF further directed (September 2010) that air ticket be purchased directly from Air India or through authorised travel agent viz. M/S Balmer Lawrie & Company or M/S Ashok Travels & Tours.

During 2009-12 98.32 *per cent* expenditure was incurred on air travel by airlines other than Air India and only 1.68 *per cent* air travel expenditure pertained to Air India indicated indifference to the Government's policy instructions.

It was also observed that the air ticketing of cultural groups and its officials was carried out by the Council through empanelled air travel agents. During 2009-10 to 2011-12, expenditure of ₹ 35.59 crore was incurred on air travel of cultural groups and staff for performances and exhibitions by the Council.

The Council in its reply stated (September 2012) that by providing tickets from private vendors rather than going to Air India, it had saved government money and the formulation of standard norms for purchase of air tickets is under active consideration. It also stated that seeking exemption from Civil Aviation is not feasible as ICCR sends a number of troupes and members abroad.

Recommendation

- ❖ *The Council should follow Government of India instructions regarding air travel.*

1.2.6.4 Monitoring of Scholars by Regional Offices of the ICCR

Regional Offices work closely with local cultural and educational organisations and the State Government for carrying out Council's mandated activities. Based on the expenditure and activities, three Regional offices (out of 15) viz. Bangalore, Jaipur and Varanasi were selected for detailed audit scrutiny.

a. Registration

Foreign students, within 14 days of arrival, are required to register with the Foreigner's Registration Office (FRO)/Foreigners Regional Registration

Office (FRRO). Residential permits are issued by the FRO/FRRO to these students. Further, the students are issued exit visas by the FRO/FRRO whenever they depart for their respective countries on production of passport and residential permit.

The Council noted (November 2007) that many scholars do not leave for their native countries immediately after completion of their studies which can create security related issues. The Council advised its ROs to keep a close track of the students finishing their courses and ensure that they leave the country immediately after completion of their studies. Regional Offices retain a copy of the exit visas of the departing students on their completion of the course.

A test check regarding residential permit of 91 foreign students and exit visa of 34 foreign students in three ROs (Bangalore, Varanasi and Jaipur) revealed that in 67 *per cent* cases copy of the residential permits were not available, while for exit visas the information was not available in 88 *per cent* cases.

The Council stated (September 2012) that the local authorities and ICCR HQ collectively monitor the stay of the scholar and that the lack of monitoring could be due to communication gap.

b. Attendance and Progress Report

The Council/Regional Offices in their instructions to the foreign scholarship students emphasise the submission of attendance sheet and progress reports from the universities/colleges to their respective ROs on completion of each semester.

The test checked of 91 foreign students in three ROs revealed that attendance reports are not maintained in 98 *per cent* cases and progress report was not maintained in 87 *per cent* cases.

The Council stated (September 2012) that the Regional Offices have been asked to do the needful.

1.2.6.5 Internal Audit

Internal audit in any organisation is an independent, objective assurance and consulting activity designed to add value and improve organisation's operations. In ICCR, the internal audit function was being conducted by its Accounts Section.

During the period 2006-07 to 2011-12, units covered for internal audit and position of objections raised are depicted in **Table 7**.

Table-7
Year-wise position of internal audit conducted, objections raised and outstanding

Year	Total No. of ICCs & ROs	No. of Units audited	Percentage of units covered to total units	Total Number of Objections raised	Number of Objections outstanding as on 31.3.2012
2006-07	20+9	7	24	41	41
2007-08	22+12	NIL	-	-	-
2008-09	23+13	NIL	-	-	-
2009-10	26+14	2	5	11	11
2010-11	36+15	10	20	118	118
2011-12	37+15	13	25	194	194

It can be seen that during 2007-08 and 2008-09 no internal audit was done, while for other years the coverage was only five to 25 *per cent* of total field units. Internal audit of different wings of Council Headquarters were not carried out during 2006-07 to 2011-12. In the absence of proper follow up all objections raised were outstanding. It was observed that ICCR did not have its internal audit manual nor did it make audit plans for carrying out internal audit.

Thus the function of internal audit was not very effective.

The Council stated (September 2012) that audit of more ICCs and ROs would be conducted during 2012-13.

1.2.6.6 Role of the Ministry

Rule 208 (iv) of GFR states that instead of giving recurring grants, wherever possible, the Ministry may consider creating a Corpus Fund, the returns on investment of which, alongwith their internally generated resources should enable the autonomous organisation to meet its revenue expenditure. As per Rule 208(v), a system of external or peer review of autonomous organisations every three or five years depending on size and nature of activity should be put in place. Further, as per Rule 208 (vii), autonomous bodies should be required to enter into a Memorandum of Understanding with the Administrative Ministry spelling out clearly the output targets in terms of details of programme of work and qualitative improvement in output, alongwith commensurate input requirements. The output targets, given in measurable units of performance, should form the basis of budgetary support extended to these organisations.

Audit noted that Ministry did not create a Corpus Fund and no peer review was undertaken during the period 2006-07 to 2011-12. Further, the Ministry

did not enter into Memorandum of Understanding with the Council to perform the requisite oversight over the performance of the Council.

The Ministry accepted (February 2012) that no such proposal has been mooted to create any Corpus Fund. It further stated that neither was any peer review undertaken nor any MoU been signed with ICCR.

Conclusion

The ICCR was established with the primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries. To achieve this objective, the authorities of the Council comprising General Assembly, Governing Body and Finance Committee formulated policy and programmes. Audit observed that neither did these authorities meet in accordance with the prescribed frequency nor was any annual plan of action prepared.

The Council administers various scholarship schemes for international students. However, the Council failed to provide adequate publicity to ICCR Scholarship Scheme resulting in low utilisation of slots and skewed representation of countries. It allocated 25 *per cent* slots under Cultural Exchange Programme Scholarship Scheme to countries with which no Cultural Exchange Programme agreement existed. Council did not use budget as a control mechanism to ensure financial discipline by not preparing the budgets of ICCs on realistic basis and not remitting funds based on the budgets and in time to its ICCs.

The Council opened three ICCs and was in the process of opening another eight ICCs without the approval of MEA. The Council was operating the posts of Director, ICC in various countries without obtaining the requisite approval from the MoF. In the absence of guidelines for the appointment of external persons to the posts of Director, ICC, the Council has been making appointments in an arbitrary manner and providing different pay for the same post to the selected persons.

The Council has not framed any norms for selection and entitlement of artists for international exhibitions and carried out this activity on a case to case basis. The Council sent 34 delegations to 70 countries during 2009-10 to 2011-12 involving expenditure of ₹ 8.15 crore without the approval of the competent authority. The Council incurred significant expenditure on procurement of services from private firms without following the provisions of General Financial Rules.

Annex-I

(Refers to paragraph 1.2.3.1)

Statement showing BE, proposed RE, Fund Allocated and Actual Expenditure of ICCR

(₹ in lakh)

Year	Budget Estimates	Proposed Revised Estimates	Funds allocated by MEA	Actual Expenditure	(+) Excess/(-) Saving w.r.t. allocated funds
2006-07	6050.00	9176.00	6250.00	6747.52	(+)497.52
2007-08	7000.00	8163.85	7670.73	7742.19	(+) 71.46
2008-09	8982.00	10807.00	8645.87	8827.98	(+) 182.11
2009-10	13343.00	14954.00	13900.00	13009.12	(-) 890.88
2010-11	16641.00	17641.00	15000.00	14837.00	(-) 163.00
2011-12	21956.00	19702.00	14000.00	17639.01	(+) 3639.01

Annex-II

(Refer to paragraph 1.2.3.2)

Budget Estimates and Actual Expenditure pertaining to ICCs Abroad

(₹ in crore)

Year	Budget Estimate	Actual Expenditure	(+) Excess/(-) Savings	Percentage of Excess
2008-09	22.85	25.32	(+) 2.47	10.80
2009-10	29.10	39.87	(+) 10.77	37.01
2010-11	45.39	42.40	(-) 2.99	-
2011-12	29.00	46.10	(+) 17.10	58.96

Remittances and Actual Expenditure pertaining to ICCs Abroad

(₹ in crore)

Period	Remittances	Actual Expenditure	Shortage	Percentage of Shortage
2008-09	19.37	25.32	5.95	30.71
2009-10	38.14	39.87	1.73	4.53
2010-11	41.16	42.40	1.24	3.01
2011-12	35.16	46.10	10.94	31.11

Annex-III**(Refers to paragraph 1.2.4.2)****External Persons who occupied the post of Director in ICCs abroad during 2006-2012**

Sl. No.	Name of the ICC	Name of the Director	Period *	Total Salary paid (₹ in lakh)
1.	Maulana Azad Centre for Indian Culture, Cairo, Egypt	Dr. A. Basheer Ahmad	16.1.2006 to 26.1.2009	47.26
2.	Indira Gandhi Centre for Indian Culture, Port Louis, Mauritius	Ms. Amita Shaw	From 29.11.2010	28.52
3.	Indian Cultural Centre, Georgetown, Guyana	Ms. Malti Sahai	26.6.2008 to 24.6.2010	61.92
4.	Lal Bahadur Shastri Centre for Indian Culture, Tashkent, Uzbekistan	Dr. Nasir Raza Khan	19.4.2009 to 25.11.2010	26.95
5.	Lal Bahadur Shastri Centre for Indian Culture, Tashkent, Uzbekistan	Shri Rajesh Mehta	From June 2011	13.21
6.	Indian Cultural Centre, Johannesburg, South Africa	Shri Vinod Kumar Sandlesh	From 21.1.2011	24.70
7.	Indian Cultural Centre, Colombo, Sri Lanka	Shri M. Ramachandran	From 24.10.2010	24.61
8.	Indian Cultural Centre, Suva, Fiji	Prof. Mahavir Singh	27.1.2006 to 28.1.2009	18.81
9.	Indian Cultural Centre, Suva, Fiji	Dr. Kamal Kishore Mishra	From 6.3.2009	50.13
10.	Indian Cultural Centre, Kathmandu, Nepal	Dr. Geeti Sen	From October 2009 to September 2011	42.47
11.	Indian Cultural Centre, Bangkok, Thailand	Ms. Renuka Narayanan	From August 2009	53.36
12.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Arup Kumar Dutta	17.05.2004 to 05.10.2007	50.91
13.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Mrityunjay Kumar Singh	21.01.2008 to 18.07.2011.	135.00
14.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Zahur Haider Zaidi	From 19.8.2011	11.99
15.	Tagore Centre, Berlin	Prof. H.S. Shiva Prakash	From June 2011	21.22
16.	Mahatma Gandhi Indian Cultural Centre, Port of Spain, Trinidad & Tobago	Shri J.P. Arya	From 5.3.2012	--
Total				611.06

*For Directors who continued to occupy the posts, 31.03.2012 was taken to calculate financial implications.

Annex-IV
(Refers to paragraph 1.2.6.1)
Splitting up of Expenditure

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
1	14 Member Bhangra group led by Ms. Shelly Sharma to participate in Namaste France Festival, Italy and Turkey from 4-23 September 2010.	Two separate estimates (i) ₹ 6.69 lakh (towards airfare, honorarium, insurance, DA etc. of 5 members) and (ii) ₹ 11.82 lakh (towards airfare, honorarium, insurance, DA etc. of 9 members) were submitted on the same day (30 August 2010) to DG, ICCR. The estimate of ₹ 18.51 lakh was split so as to keep it below limit of ₹ 15 lakh.
2	38 Member Theatre group led by Shri Ratan Thiyam (Uttar Priyadarshi) Festival of India in China from 4-17 April 2010.	Two separate estimates (i) ₹ 8.48 lakh (towards honorarium, insurance, DA etc.) and (ii) ₹ 14.73 lakh (towards air fare) were submitted on the same day (31 st March 2010) to DG, ICCR. The estimate of ₹ 23.21 lakh was split up and kept below ₹ 15 lakh.
3	8 Member Ghungroo Dance Academy led by Ms. Madhumita Misra to Shangai Expo-2010, Singapore, Indonesia and South Korea from 9-31 October 2010.	The estimate submitted to DG, ICCR indicate ₹ 19.85 lakh as expected expenditure on tour programme. However, this was not submitted to the President, ICCR for approval.
4	12 Member Kuchipudi Group led by Ananda Shankar Jayant to Russia, Greece and Syria from 29 July to 16 August 2009.	Approval of President ICCR obtained.
5	12 Member group of Seraikella Chhau led by Shri Shahadhar Acharya to Vietnam, Japan and Russia from 22 Sep to 7 October 2009.	The expenditure on the tour programme was more than ₹ 15 lakh (₹ 13.75 lakh on travel + ₹ 2.58 lakh on honorarium, etc.). However, approval of the President, ICCR was not obtained. Even the estimate was not submitted to DG, ICCR for his approval.
6	Six member group of Dr. L Subramaniam to Russia, Poland, Spain, Portugal and Italy from 30 May to 20 June 2009.	Two separate estimates (i) ₹ 14.52 lakh (towards honorarium, insurance, DA international travel, etc.) and (ii) ₹ 1.40 lakh (towards domestic air fare) were submitted to DG, ICCR for approval. The estimate was split up and kept below ₹ 15 lakh.
7	12 Member contemporary dance group led by Ms. Tanushree Shankar to Russia, Netherland and Azerbaijan from 18 September to 2 October 2009.	The estimate of expenditure (₹ 14.90 Lakh) submitted for approval of DG, ICCR did not include the amount of DA payable to the group members. Further the actual expenditure on the tour exceeded ₹ 15 lakh (on account of charges not included in the estimate e.g. EBT, DA, extra performance), however approval of the President ICCR was not obtained.
8	12 Member Goenchim Noketram group led by S.Marianela Philigina Mascarenhas Dias to Argentina from 4-14 November 2010.	Estimated expenditure on Air Travel (₹ 13.86 lakh) was not included in the estimate and proposal of only ₹ 3.80 lakh submitted to DG ICCR for approval. The total estimated expenditure was ₹ 17.66 lakh, however approval of the President, ICCR was not obtained in this case.
9	30 Member Bharatnatyam Dance group from Kalakshetra Foundation to Festival of India, China from 22-25 October 2010.	Approval of President ICCR obtained.
10	11 Member Rajasthani Group Ganga Bai Teratali led by Ganga Bai Kamad to Trinidad and Tobago, Suriname, Grenada etc., from 25 May to 8 June 2010.	Two separate estimates of ₹ 12.13 lakh (towards airfare, honorarium, insurance, DA etc.) and ₹ 4.32 lakh (towards expenditure to be incurred during performance) were submitted by the Council. The estimate of ₹ 16.45 lakh was split up and kept below ₹ 15 lakh.
11	12 Member Rajasthani Folk Dance Group led by Shri Gazi Khan to New Zealand from 13 October to 3 November 2010.	While obtaining approval for the Group, element of DA payable to the group (₹ 3.37 lakh) was not included in the estimate. The estimate was kept below ₹ 15 lakh.
12	12 Member Lavani Group led by Ms. Rajashri Nagarkar to Japan, Indonesia and Russia from 11-25 November 2010.	Estimated expenditure on air travel (₹ 17.77 lakh) was not included in the proposal submitted to DG ICCR for approval. The total estimated expenditure was ₹ 21.82 lakh, however approval of the President, ICCR was not obtained in this case.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
13	12 Member Bhavi, Baharupi and Acrobatic Gujarati group led by Shri Joraversingh Jadav to Trinidad and Tobago, Suriname and USA from 29 October to 14 November 2010.	Estimated expenditure of ₹ 16.88 lakh was submitted to the President, ICCR and his approval was obtained.
14	10 Member Bharatnatyam group Ganesh Natyalaya led by Saroja Vaidyanathan to Germany and Algiers from 19 March to 4 April 2011.	Estimate of ₹ 14.99 lakh was submitted to DG, ICCR for financial approval. It was observed that the rates of performance quoted were incorrect (instead of ₹ 50000, ₹ 40000 were mentioned). The final expenditure ₹ 17.69 lakh exceeded ₹ 15 lakh limit. However, approval of the President ICCR was not obtained.
15	10 Members Mayur-Bhanj Chhau Group led by Kartikeshwar Rana to Trinidad & Tobago from 14-21 March 2011.	Two separate estimates (i) ₹ 2.81 lakh (towards honorarium, insurance, DA etc.) and (ii) ₹ 13.52 lakh (towards airfare) were submitted by the Council. The estimate of ₹ 16.33 lakh was split up and kept below ₹ 15 lakh.
16	12 Member Gujarati Folk Dance group of Saurashtra Lok Kala Kendra led by Shri Amardeepsinh Jadeja to New Zealand from 8-24 October 2009.	Estimated expenditure on air travel (₹ 10.67 lakh) was not included in the proposal submitted with DG, ICCR for approval. The total estimated expenditure was ₹ 16.93 lakh, however, approval of the President, ICCR was not obtained.
17	9 Members Composite Music and Dance group comprising of Kumud Diwan and Mahua Shankar to Guyana, Suriname, Venezuela and Trinidad&Tobago from 2-6 May 2009.	The composite tour programme was split in two parts (i) expenditure on Kathak dance group led by Mahua Shankar ₹ 12.84 lakh and (ii) expenditure on classical group led by Kumud Diwan ₹ 10.56 lakh. The estimate of ₹ 23.40 lakh was split up and kept below ₹ 15 lakh.
18.	14 Member Kadamb group in the festival 'Year of India in Canada in 2011' from 12 th to 29 th August 2011.	The total estimated expenditure on air travel (₹ 11.45 lakh) and estimated expenditure on (DA, medical, honorarium, hotel stay, misc. transport to the group) amounting (₹ 10.55 lakh) were submitted (10 th Aug. 2011) and (8 th Aug. 2011) approved by DG, ICCR on 16 th Aug. 2011 and 17 th Aug. 2011 to avoid approval of the President, ICCR.
19.	Visit of 25-member Ila Arun group to Canada from 16 th to 30 th October 2011.	The estimated expenditure on the cost of designing, making and hiring (₹ 12.50 lakh) and another estimate for cost of concept, choreography, rehearsals etc. (₹ 12.50 lakh) were submitted separately for approval on the same day (24.8.2011) to DG of the Council. Further, for the approval towards costumes, props and hiring of venues (₹ 25.00 lakh) the estimates were submitted on 12.9.2011. The estimated expenditure on excess baggage, performance fees, DA, medical insurance, assemblage charges, miscellaneous (₹ 11.50 lakh) and expenditure for travel costs approximately ₹ 16.62 lakh was submitted on 05-10-2011. The estimates were split up and approval of the President, ICCR was not obtained.
20.	Festival of India group led by Ms. Ranjana Gauhar to South Korea, Japan, China, Singapore and Phillippines from 27 th June to 3 rd July, 2011.	The estimated expenditure for the visit of 14-member Odissi dance to South Korea and 7 member (among 14 – member group) Odissi dance group to South Korea, Japan, China, Singapore, and Phillippines amounting to ₹ 8.12 lakh and ₹ 8.05 lakh were submitted for approval on the same day i.e., (23-6-2011) and approved by DG ICCR on the same day. Expenditure was split to avoid approval of the President, ICCR.
21	FOI in Brazil led by Ms. Ananda Shankar Jayant, from 17 th May to 6 th June, 2011.	Approval of the President, ICCR obtained.
22.	Bollywood Group by Ms. Shubhra Bhardwaj to USA, Canada and Trinidad & Tobago from 16 th March to 2 nd April, 2011.	Approval of the President, ICCR obtained.
23.	Visit of Guru Jayarama Rao to Canada 'Year of India in Canada in 2011' from 17 th Aug. to 2 nd September 2011.	The estimated expenditure on air fare (₹ 14.73 lakh) submitted for approval on 8 th Aug., 2011 and estimated expenditure on (DA, baggage, honorarium) amounting (₹ 9.31 lakh) submitted for approval on 10 th Aug., 2011 to DG, ICCR. Estimate of ₹ 24.04 lakh was split up and kept below ₹ 15 lakh.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
24.	Visit of Chinh group led by Ms. Meenakshi Rai to participate in 'Year of India in Canada-2011' from 12 th May to 7 th June, 2011.	The estimated expenditure on air fare only for 18-members for the sector Delhi-Ottawa-Edmonton-Delhi (₹ 13.32 lakh) was approved by DG, ICCR (29-5-2011). Another estimate which included DA, honorarium, EBT, medical/baggage, assemblage charges and miscellaneous expenditure stated "As per approved quotation and rates" against air fare of 18 member for the same sector total amounting ₹ 12.27 lakh was approved by DG, ICCR (12-5-2011). Expenditure was split and kept below ₹ 15 lakh to avoid the approval of the President, ICCR.
25.	15-member group Shakuntalam led by Ms. Usha Venkateshwaran to USA and Canada from 6 th to 14 th March, 2011.	The total estimated expenditure (₹ 21.77 lakh) not approved by the President, ICCR.
26.	16-member group led by Ms. Tanushree Shankar in USA from 7 th to 18 th March 2011.	The proposal of estimated expenditure on air fare, DA, EBT (₹ 14.28 lakh) and that of accommodation, DA, honorarium, misc. expenses (₹ 14.27 lakh) were submitted for approval of DG, ICCR on the same day (22 nd Feb. 2011). Estimated expenditure was split up and kept below ₹ 15 lakh to avoid the approval of the President, ICCR.
27.	9 member violin group led by Dr. L. Subramaniam in 'Year of India in Canada 2011' from 01-6-2011 to 10-6-2011.	Approval of the President, ICCR obtained.
28.	12-member Pubjabi Pop Band led by Sh. Paramjeet Singh to Kuala Lumpur and Fiji from 22 nd December 2011 to 6 th January 2012.	The total estimated expenditure on air fare on Delhi-Suva-Delhi (₹ 10.80 lakh) and Mumbai-Suva-Mumbai (₹ 3.85 lakh) was submitted for approval (29-11-2011) while that for the performance fees, DA, local transportation, miscellaneous expenses to Fiji (₹ 13.80 lakh) was separately submitted for approval on 01-12-2011 of the same sector of travel. The estimated expenditure for Malaysia & Fiji (22-12-11 to 06-1-12) was split and kept below ₹ 15 lakh to avoid approval of the President, ICCR.
29.	60 th Anniversary of India – Japan Diplomatic Relations, 4 th to 9 th February 2012.	Approval of the President, ICCR for an estimated expenditure (₹39.27 lakh) was not obtained.
30.	Visit of cultural group to Colombia to participate at the FOI, Sh. Kalpesh Dalal from 8 th to 26 th Nov. 2011.	The total estimated expenditure in Ecuador (8 th to 20 th Nov. 2011) and in Columbia (20 th to 26 th Nov. 2011) amounting ₹ 12.15 lakh and ₹ 10.69 lakh respectively were split up and kept below ₹ 15 lakh. Approval of the President, ICCR was not obtained.
31.	Asom Jyoti Sanskritik Gosthi: Siva Prasad Das St. Vincent and Paramaribo from 30 th May 2011 to 8 th June 2011.	The total estimated expenditure (₹ 23.87 lakh) submitted for approval on 27 th May 2011 was not approved by the President, ICCR. Further, air fare for six economy class tickets (₹ 9.11 lakh) was submitted for approval on the same day (27-5-2011) and another proposal towards eight return tickets (₹ 12.15 lakh) was submitted for approval on 25-5-2011. The estimates were kept below ₹15 lakh.
32.	19-member Mahim Junction theatre group led by Ms. Sohaila Kapur in Canada, UK and UAE from 31 st October to 20 th November 2011.	Approval of the President, ICCR for an estimated expenditure (₹35.73 lakh) was not obtained.
33.	16-member Naksh Virsa Punjab da Bhangra and Gidda group led by Sh. Sandeep Sharma in Trinidad and Tobago, Grenada, Barbados and Suriname from 28 th May to 18 th June 2011.	Approval of the President, ICCR, obtained.
34.	14-member Matrix Bollywood group led by Suresh K. Nair in Beirut, Finland, Turkmenistan and Russia from 10 th October to 7 th November 2011	The estimated expenditure on air fare including medical, travel insurance and EBT (₹ 14.44 lakh), the performance fees for 8 performances, DA (₹ 12.48 lakh), performance fee for 7 performances, DA for stay in Beirut, Finland, Turkmenistan and Russia, local transportation, miscellaneous (₹ 13.77 lakh) were separately submitted for approval of the DG, ICCR on the same day (30-9-2011) and kept below ₹ 15 lakh. Approval of the President, ICCR was not obtained.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
35.	08 Member Qawali Group to Trinidad & Tobago from 13-19 th October, 2011 and Suriname from 20 th -23 rd October, 2011.	The estimated expenditure on air fare including medical, travel insurance and EBT (₹ 12.07 lakh), honorarium, DA and miscellaneous expenses (₹. 6.64 lakh) were submitted for approval on the same day (30-9-2011) and kept below ₹ 15 lakh thereby approval of the President, ICCR was not obtained.
36.	4-member Puppetry group and 11-member Manipuri dance group in New Zealand from 6 th —17 th October 2011.	The estimated expenditure on air fare, medical insurance, EBT (₹ 12.46 lakh) and that of DA., performance fee (₹ 7.35 lakh) were separately submitted for approval to DG, ICCR (30-9-2011) and kept below ₹ 15 lakh, thereby approval of the President, ICCR was not obtained.
37.	Cultural Group to Indonesia – 24-member Brij Lok Kala Manch group led by Sh. Sanjay Sharma from 2-26 November 2011.	The required approval for incurring expenditure on air fare for 24 member group for the visit to Indonesia and Fiji (₹ 38.00 lakh) was not obtained from the President, ICCR.
38.	14-member Kathak group led by Smt. Uma Sharma from 23-6-2011 to 03-7-2011 to participate in the Mini Festival of India.	The estimated expenditure on air fare (₹ 11.96 lakh) and that on performance fee, DA, local transportation, medical, travel insurance and EBT, misc. (₹ 9.53 lakh) were submitted separately for approval to the DG, ICCR and kept below ₹ 15 lakh, thereby approval of the President, ICCR was not obtained.
39.	12-member Odissi Group led by Ms. Meera Das to Fiji from 13-23 August 2011.	The estimated expenditure of 12 member group were split for 6-member group each amounting to ₹ 14.51 lakh and ₹ 12.01 lakh and submitted for approval to DG, ICCR on 08-08-2011 and 09-08-2011 respectively, thereby expenditure kept below ₹ 15 lakh and approval of the President, ICCR avoided.
40.	Travel Grant to M/s. Teamworks Productions in connection with the 5 th Edition of Shared History – The Indian Experience in South Africa 2011 from 3 rd -24 th September 2011.	Ex-post facto sanction for an amount of ₹ 12.44 lakh and budget estimates for an amount of ₹ 8.66 lakh towards honorarium and DA were obtained on the same day (22-9-2011) and kept below ₹ 15 lakh, thereby approval of the, President, ICCR was not obtained.
41.	13-member Bollywood group led by Ms. Penaz Masani to South Korea, Indonesia, Vietnam and Thailand from 12 th October to 7 th November 2011.	The budget estimate amounting ₹ 11.43 lakh was submitted for approval on 4 th October 2011 and further, another estimated expenditure on tour to Indonesia (₹ 8.79 lakh), Vietnam (₹ 9.70), Thailand (₹ 9.31 lakh) and South Korea (₹ 13.84 lakh) was approved on 10 th October, 2011. The estimates were kept below ₹ 15 lakh, thereby avoiding approval of the President, ICCR.

Annex-V
Procurement of Services
(Refers to paragraph 1.2.6.2)

Sl. No.	Name of the Event	Name of the Firm/Organisation	Expenditure incurred (₹ in lakh)	Services provided
1.	India Africa Partnership Summit	M/s. Modern Stage Service Pvt. Ltd.	37.92	Complete audio system, lights, stage, green room, sitting arena, gensets, mobile toilets, etc.
2.	SAARC Artists Camp at Jaisalmer, 15-22 January, 2007	SEHER	53.16	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
3.	SAARC Bands Festival 2007	SEHER	122.00	Stage decoration, build-up, sound, generator, lights, seating arrangement, printing of cards/posters, press & media coverage, transport, photography, security, volunteers, travel, boarding and lodging of bands, etc.
4.	Closing Ceremony of Festival of China in India	M/s. Showcraft Productions	99.15	VVIP passage doorway, TV crew enclosure, green room, platform for VVIP seating, masking & LED wall frame, motorised curtain, guest helpdesk, valet parking, mobile toilets, ushering duty, etc.
5.	South Asian Artists Camp at Pondicherry	SEHER	75.00	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
6.	International Day of Non-Violence	M/s. Paras Art Studio	63.21	Digital printing on the fire retardant fabric, architectural design, lay out, creation of podium, low voltage spot lamps, air fare, local transport, boarding and lodging of creative crew, etc.
7.	South Asian Artists Camp at Kovalam, (Advance payment)	SEHER	50.00	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
8.	South Asian Bands Festival – December 2009	SEHER	110.00	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
9.	Festival of Russia in India	M/s. Modern Stage Service Pvt. Ltd.	55.00	Multilevel stage with steps, green room., sitting arena, trussing, genset., general lighting, mobile toilet, etc.

10.	South Asian Bands Festival – December 2010	SEHER	110.00	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
11.	SAARC Literary Festival	FOSWAL	70.00	Air tickets/train fare for delegates, local hospitality (hotel accommodation, conveyance, meals, etc.)
12.	SAARC Seminar-cum-Folklore Festival 2007	FOSWAL	49.58	Organisation of SARRC seminar cum folk lore festival 2007.
13.	FDCI/ SAARC Fashion Show 2007	FDCI	30.00	Venue, stage, light and sound, audio, set design, choreography, make-up artist, models, backstage coordinator, accommodation, food and beverages, dressers, tailor, invites and courier, travel and ground transportation, photography, video, etc.
14.	SAARC Textile Exhibition 2007	ACASH	20.00	Organisation of SAARC textile exhibition
15.	South Asian Bands Festival – February 2009	SEHER	107.24	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance, etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
16.	Delhi International Arts Festival – November 2011	M/s. Modern Stage Service Pvt. Ltd.	43.46	Stage, green rooms, seating arrangements, gensets, stage light, sound, video, truss and ambience lighting equipment, etc.
17.	South Asian Band Festival – December 2011	SEHER	28.05	Set design and ambience, publicity, press and media coverage, local transport, videography and projection with large screens, live webcast on ICCR website, security, volunteers, etc.
18.	2 nd Jazz Festival – March 2012	SEHER	30.00	Set design and ambience, printing of cards and other publicity materials, local transport, artists equipments, press and media coverage, live webcast, security, volunteers, etc.
Total			1153.77	

Annex-VI
(Refers to paragraph 1.2.6.2)
Deficiencies in various Bills

Sl. No.	Name of the Event	Deficiency	Reply of the Council
1.	India-Africa Partnership Summit (April, 2008)	(a) Rehearsal for the event was held on April 5, 2008 and actual event was held on April 6 and 7, 2008 at Purana Qila. It was, however, noticed that the Council made a payment for four days. Since the services for the event were provided for three days, payment for the fourth day (₹ 6.64 lakh) should have been disallowed by the Council. (b) The firm charged ₹ 1.50 lakh for 29 mobile toilets twice in its bill. This fact remained unnoticed by the Council at the time of payment	The Council stated (Jan.2012) that it has noted all the points raised by the Audit and has taken steps to follow the relevant GFR provisions. Further, it is in the process of rectifying the procedure.
2.	SAARC Artists Camp at Jaisalmer (January, 2007)	(a) An amount of ₹ 5.96 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had neither given its bill nor service tax number to the Council. (b) Seher submitted bills of travel agency 'ABC Travels' amounting to ₹ 2.79 lakh in support of air journeys. However, it was noticed that copies of air tickets were not attached with the bills and payment had been released merely on the basis of hand written bill of the travel agent. Five cases were found where even name of the passengers were not mentioned in the bills. In the absence of the basic details, payment made towards purchase of air tickets was questionable.	No Reply from the Council.
3.	SAARC Bands Festival (December, 2007)	(a) The bill submitted in respect of design, production, conceptualization and implementation fee amounting to ₹ 9.93 lakh was without any bill number. (b) In the bill given by M/s Delhi Tent & Decorators both service tax and D-vat were charged. Since the items in the bill were hired, not sold, charging of D-vat amounting to ₹ 12,500/- was not justified. (c) An amount of ₹ 2.25 lakh was shown by SEHER as spent on mementos for artists, accompanists and public. However, no details about their purchase and distribution was found on record. (d) An amount of ₹ 7.99 lakh and ₹ 7.00 lakh were shown to be paid to M/s Delhi Tent & Decorators and M/s Audio Design respectively for stage set up and sound system but there was no item wise rate. As such, genuineness of the claim could not be established in audit. (e) An amount of ₹ 13.50 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had neither given its bill nor service tax number to the Council.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures.
4.	Closing Ceremony of Festival of China in India (December, 2010)	The invoice dated 21/12/2010 of the firm did not mention the item wise rates.	The Council stated (Jan.2012) that items of work undertaken are enclosed. However Council did not supply the item wise rates of works undertaken.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
5.	South Asian Artists Camp at Pondicherry (March, 2010)	(a) Improper bill was submitted in respect of Coordination fee of ₹ 6.50 lakh, yet payment was made. (b) An amount of ₹ 7.04 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had not given any bill/invoice/challan in support of service tax claimed.	No Reply from the Council.
6.	International Day of Non-violence at New York (October, 2007)	The bill No.PAS/EXHB/2007/10/057 dated 17/10/2007 of the firm for ₹ 31.28 lakh (Voucher No.155 Dated 17/01/2008) did not mention the item wise rate. (b) Service tax amounting to ₹ 3.44 lakh was charged by the firm and paid by the Council. However, the bill of the firm does not bear the Service Tax Registration Number.	No Reply from the Council.
7.	South Asian Bands Festival (December, 2009)	(a) An amount of ₹ 8.91 lakh was paid to M/s Audio Design for providing sound & lights equipment but there was no item wise rate. As such genuineness of the claim could not be established in audit. (b) ₹ 2.48 lakh was shown to be paid to M/s Sumant Jayakrishnan for supervision, design, production expenses, etc. while SEHER also separately claimed ₹ 7.50 lakh for the same. (c) ₹ 4.26 lakh (₹ 1.92 lakh + ₹ 2.34 lakh) was shown to be paid to M/s Punj Art Studio for 100 panels made for Band Festival and for putting them at different Metro Stations, Delhi Haat, NDMC, MCD areas of Delhi. However, receipts of Metro, Delhi Haat, NDMC and MCD authorities were not found attached with the bills of M/s Punj Art Studio. It is not understood how the Council satisfied itself of fulfillment of this requirement. (d) An amount of ₹ 5.35 lakh was shown to be paid to M/s Exposition Consultants (P) Ltd. for advertisements in news papers. However, the receipt given by the said firm was for ₹ 4.00 lakh only. Moreover, no copies of the advertisements were found attached to the bill. (e) An amount of ₹ 46,800/- was shown to be paid to M/s Centre for Multimedia Professionals. However, the receipt given by the said firm was for ₹ 44,550/-. (f) An amount of ₹ 6,250/- and ₹ 10,000/- were shown to be paid towards generators and expenses on electricity permission. However, no bills were found on record except the receipts. (g) An amount of ₹ 10.90 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had not given any bill/invoice/challan in support of service tax claimed.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures followed by it.
8.	Festival of Russia in India (February, 2008)	(a) The bill of the contractor did not mention details of items/services provided and rate of each item, etc. (b) The Finance & Accounts Wing of the Council observed procedural and financial irregularities in the matter and advised the Council to seek the concurrence of the AS (FA), Ministry of External Affairs, who also happened to be the financial advisor of the Council. However, the Council made payments	The Council stated (Jan.2012) that it has noted all the points raised by the Audit and has taken steps to follow the relevant GFR provisions. Further, it is in the process of rectifying the procedure.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
		to the contractor without referring the matter to the AS (FA).	
9.	SAARC Literary Festival 2010	(a) The 12 bills of travel agent, amounting to ₹ 22.93 lakh, submitted by FOSWAL did not carry details of flight and class in which journeys were actually performed with dates of journey. No copies of air tickets were attached to verify the amount of air tickets. (b) 12 payments amounting to ₹ 2.50 lakh were shown to be made towards reimbursement of air ticket and train fare, but no copies of tickets were found attached. (c) Bills of J&M Hospitality Services were submitted for ₹ 17.00 lakh in respect of arranging different hotels. Bills of different hotels i.e. Forest Green Hotel, Glitter Hotel, Vikram Hotel, Grand Sartaj Hotel, Saptagiri Hotel were not submitted in support of ₹ 17.00 lakh.	The Council stated (Dec.2011) that grant in aid of ₹ 70 lakh was given to Foswal. The reply of the Council is not acceptable because scrutiny of records revealed that work of organizing SAARC literary festival was assigned to FOSWAL by the Council.
10.	SAARC Seminar-cum-Folklore Festival 2007 (December, 2007)	The Council released final payment of ₹ 49.58 lakh to FOSWAL. However, agency did not enclose the supporting documents with the bill in support of the expenditure.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
11.	SAARC Fashion Show (December, 2007)	An amount of ₹ 74,160/- was charged towards service tax by FDCI which was paid by the Council without noticing that the FDCI had not given its service tax number.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
12.	SAARC Textile Exhibition (December, 2007)	The Council released balance amount of ₹ 33.55 lakh to Association of Corporations and Apex Societies of Handlooms (ACASH) without receiving any bills. ACASH returned ₹ 33.55 lakh stating that it had no pending dues/accounts pertaining to the above event.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
13.	South Asian Bands Festival (Feb.2009)	(a). ₹ 3.93 lakh (₹ 1.60 lakh + ₹ 2.33 lakh) was shown to be paid to M/s Punj Art Studio for 100 panels made for Band Festival and for putting them at different Metro Stations, NDMC, MCD areas of Delhi. However, receipts of Metro, NDMC and MCD authorities were not found attached with the bills of M/s Punj Art Studio. It is not clear how the Council satisfied itself of genuineness/correctness of the claim of ₹ 3.93 lakh before making payments. (b). The ICCR made a payment of ₹ 75,247/- to SEHER against a bill presented by it, which was raised in the name of M/s Maruti Udyog Ltd. The amount was spent on the accommodation of Vishal-Sekhar group in the hotel 'The Lalit'. (c). An expenditure of ₹ 1288.88 was incurred at the restaurant 'The Pavilion' at the Hotel Maurya for liquor and dinner on 15.2.2009, a week before the event took place.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures followed by it.
14.	Delhi International Arts Festival (November, 2011)	The invoices dated 16/12/2011 of the firm did not mention the item wise rates. In the absence of these essential details, the payments were made on an incomplete bill.	No Reply from the Council.
15.	South Asian Bands Festival	(a) ₹ 2.76 lakh was paid to M/s Sumant Jayakrishnan for supervision, design, production expenses, etc.,	No Reply from the Council.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
	(December 2011)	while SEHER also separately claimed ₹ 9.38 lakh for the same. (b) ₹ 3.74 lakh (₹ 1.98 lakh + ₹ 1.76 lakh) was shown to be paid to M/s Punj Art Studio for panels made for Band Festival and for putting them at different Metro Stations, Delhi Haat (INA & Pitampura), NDMC, MCD areas of Delhi. However, receipts of Metro, NDMC and MCD authorities were not found attached with the bills.	
16.	2nd Jazz Festival (March 2012)	(a) ₹ 2.92 lakh was shown to be paid to M/s Sumant Jayakrishnan for supervision, design, production expenses etc., while SEHER also separately claimed ₹ 8.50 lakh for the same. (b) ₹ 2.58 lakh was paid to M/s Punj Art Studio for panels made for Jazz Festival and for putting them at different places of NDMC and adjoining areas of Delhi. However, receipt of NDMC was not found attached with the bills. (c) An amount of ₹ 90,000/- was paid to one Shri Vikrant Jain for operation charges but there was no item wise rate.	No Reply from the Council.

Annex-VII
(Refers to paragraph 1.2.6.2)
Non-deduction of TDS

Sl. No.	Name of the Event and Firm	Amount Paid
1.	SAARC Artists Camp at Jaisalmer – SEHER	SEHER claimed a Coordination fee of ₹ 4.29 lakh, which was paid by the Council without deducting TDS.
2.	SAARC Bands Festival, 2007 – SEHER	SEHER claimed design, production, conceptualization and implementation fee of ₹ 9.93 lakh, which was paid by the Council without deducting TDS.
3.	South Asian Artists Camp at Pondicherry - SEHER	SEHER claimed a Coordination fee of ₹ 6.50 lakh, which was paid by the Council without deducting TDS.
4.	International Day of Non-violence at New York – M/s Paras Art Studio Pvt. Ltd.	An amount of ₹ 31.28 lakh was paid to M/s Paras Art Studio in connection with the organizing of exhibition but no TDS was deducted.
5.	South Asian Bands Festival, February 2009 – SEHER	SEHER claimed a Coordination fee of ₹ 7.50 lakh, which was paid by the Council without deducting TDS.
6.	South Asian Bands Festival, December 2009 - SEHER	SEHER claimed a Coordination fee of ₹ 7.50 lakh, which was paid by the Council without deducting TDS.