

## CHAPTER XII : MINISTRY OF MINORITY AFFAIRS

### 12.1 Premature release of funds

**The Ministry released a sum of ₹ 1.91 crore prematurely to the Central Waqf Council (CWC) without finalizing the guidelines for implementation of the Scheme on “Strengthening of State Wakf Boards”. This led to premature cash outgo from the Consolidated Fund of India and needless parking of funds with the CWC.**

The Standing Finance Committee (SFC) of the Ministry of Minority Affairs approved (December 2013) the Scheme of “Strengthening of state Wakf Boards” with an outlay of ₹ 32.18 crore for the 12<sup>th</sup> Five Year Plan (2012-17). Under the scheme, financial assistance was to be provided to the State/UT Waqf Boards through Central Waqf Council (CWC) which was designated as Implementing Agency for the scheme.

Audit observed that even before finalisation of scheme guidelines, the Ministry prematurely released a sum of ₹ 80 lakh to the CWC on 31 December 2013 as first instalment. This was followed up with release of second instalment of ₹ 1.11 crore in February 2014. The inexplicable back to back releases by the Ministry led to idling of funds with the CWC. The fact that the release was made at the fag end of the financial year indicates that this was done to avoid lapse of budgetary provisions thereby contravening the provisions of the General Financial Rules. Subsequently, the Ministry decided in September 2014 that National Waqf Development Corporation Ltd. would now be the Implementing Agency for the scheme. This decision was taken on the grounds that CWC had failed to successfully implement another project entrusted to it.

The Ministry stated (December 2014) that delay in finalization of the Scheme was due to non-receipt of comments on the draft Scheme from State Government and delay in getting approval from the Planning Commission.

The Ministry, further, stated (March 2015) that CWC had since refunded the grant along with interest. It further stated that framing of a scheme for a project passes through various stages including in-principle approval of the Planning Commission, approval of SFC and then modalities of implementation. SFC approved the Scheme in December 2013 with direction to release funds to CWC with certain modifications in the scheme. As such certain modifications in the scheme were not a valid reason for stopping the release of funds when all required modalities were already completed. The Ministry further stated that the Scheme was transferred to another agency for speedy implementation.

The reply still does not explain back to back releases by the Ministry. The decision of the Ministry to change the implementing agency midway after releasing two instalment of funds is indicative of poor ground work upfront. This confirms the audit contention on the premature release of funds by the Ministry leading to needless parking of funds with the CWC, coupled with delay in delivering the scheme as promised through the Union Government budget.