

OVERVIEW

This Report contains significant audit findings which arose from the compliance audit of financial transactions of Civil Ministries/ Departments and Autonomous Bodies. It contains XVIII chapters. Chapter I gives a brief introduction while Chapters II to XVII present detailed audit observations. Chapter XVIII presents a summarised position of the Action Taken Notes furnished by the Ministries to the Audit Reports of the earlier years and status of replies received from the Ministries to the paragraphs included in this Report.

Some of the important findings included in this Report are given below :

Ministry of Commerce and Industries

Export Inspection Council of India

Avoidable expenditure due to non-collection of service tax

Indecision of the Export Inspection Council of India in timely directing the Export Inspection Agencies for collection of service tax on inspection and certification services from the exporters of notified commodities resulted in a loss of ₹ 9.98 crore.

(Paragraph 2.2)

Ministry of Consumer Affairs, Food and Public Distribution

Department of Consumer Affairs

Unfruitful expenditure

With a view to strengthening weights and measures infrastructure in the States, the Department of Consumer Affairs supplied Mobile Van Kits (MVKs) to various States for testing weighbridges. However, the Department did not conduct any feasibility study for determining potential use of MVKs in the States before their procurement. As a result, in 11 States, 22 MVKs valuing ₹ 12.87 crore supplied during 2007 to 2010 were not in use as of January 2015.

(Paragraph 3.1)

Ministry of Culture

Sangeet Natak Akademi

Unfruitful expenditure

Rabindra Rangshala situated at the Delhi Ridge created for the furtherance of performing arts was handed over to Sangeet Natak Akademi in April 1993. On the directions of Supreme Court (May 1996), all activities were stopped in the Delhi Ridge area where the Rangshala was situated. The Akademi incurred ₹ 3.70 crore on maintenance, upkeep and deployment of staff at the Rangshala during 2002-03 to 2012-13 even though no programme was being held there.

(Paragraph 4.1)

Ministry of External Affairs

Failure to purchase Chancery building in Rome

The Mission and the Ministry failed to purchase building for Chancery in Rome despite requisite permission by the Committee on Non-Plan Expenditure in July 2011 and availability of funds resulting in a committed liability of ₹ 41.71 crore due to continued hiring of the property without an exit clause.

(Paragraph 5.1)

Ministry of Finance

Insurance Regulatory and Development Authority

Avoidable expenditure on service tax

Failure to recover service tax from clients and subsequent payment thereof from own funds resulted in avoidable expenditure of ₹ 22.58 crore.

(Paragraph 6.1)

Ministry of Health and Family Welfare

Central Government Health Scheme

Over payment of Transport Allowance

The Doctors of Central Government Health Scheme (CGHS) in the Supertime Administrative Grade (SAG) scale were incorrectly being paid Transport Allowance at the rate of ₹ 7000 per month at par with the officers at the level of Joint Secretaries of the Central Government Departments. However, they were entitled to transport allowance of ₹ 3200 per month only in terms of the Office Memorandums issued by the Ministry of Finance. The incorrect application of rules by the CGHS led to overpayment of Transport Allowance of ₹ 5.74 crore to the Doctors between November 2008 and March 2014.

(Paragraph 7.1)

Safdarjung Hospital

Overpayment of ₹ 1.68 crore due to incorrect fixation of pay

The Safdarjung Hospital fixed the pay of its nursing staff incorrectly which resulted in overpayment of pay and allowances of ₹ 1.68 crore till August 2014. The Hospital after taking cognizance of the audit observation effected revision (March 2015) in the pay of its nursing staff with retrospective effect.

(Paragraph 7.3)

Ministry of Home Affairs

Indo Tibetan Border Police

Blockage of ₹ 15.58 crore paid as advance due to non supply of arms & ammunition by the ordnance factories

In the absence of effective control mechanism for procurement of arms and ammunitions, a Support Battalion of ITBP paid advance funds amounting ₹ 15.58 crore to various ordnance factories, which remained blocked due to non-supply of emergent required arms and ammunitions.

(Paragraph 8.2)

National Security Guard

Unauthorised expenditure of ₹ 2.15 crore

National Security Guard incurred an expenditure of ₹ 2.15 crore on activities that were not covered by the sanctions issued by the Ministry for construction of four Regional Hubs.

(Paragraph 8.3)

Ministry of Human Resource Development

National Institute of Technology, Meghalaya

Avoidable Extra Liability

National Institute incurred avoidable extra liability of ₹ 12.67 crore due to inept handling of contract for project management consultancy services.

(Paragraph 9.1)

Ministry of Information and Broadcasting

Premature release of funds

The Ministry failed to ensure compliance with the terms of contract entered into with the National Buildings Construction Corporation (NBCC) and prematurely released payments to the latter without observing linkages with various milestones of construction activity and their completion. Out of a total sum of ₹ 88.11 crore released to NBCC between March 2010 and March 2011, only ₹ 36.72 crore had been utilised leading to blocking of substantial sum with the NBCC.

(Paragraph 10.1)

Ministry of Labour and Employment

Labour Welfare Organisation, Kolkata

Implementation of Welfare Schemes

The Labour Welfare Organisation (LWO), under the Ministry of Labour and Employment is responsible for administration of Acts of Parliament for setting up funds for welfare of Beedi workers, workers in Iron, Manganese, Chromium, Limestone & Cine Industries and implementation of schemes operated from these funds. Audit of LWO

Kolkata revealed that it neither had any laid down procedure nor applied any checks to prevent issuance of fake/multiple cards for availing benefits under the scheme. The Internal Controls were inadequate and in the absence of an appropriate data base, LWO failed to ensure that the benefits reached the eligible workers in a timely manner.

(Paragraph 11.1)

Ministry of Minority Affairs

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.

(Paragraph 12.1)

Ministry of Skill Development and Entrepreneurship

Sports Authority of India

Idling of expenditure

Construction of sports infrastructure without giving due cognizance to the security issues resulted in idling of infrastructure worth ₹ 14.15 crore and unfruitful expenditure of ₹ 1.28 crore. Besides the purpose of imparting sports training to tribal youth was not fulfilled.

(Paragraph 14.1)

Ministry of Statistics and Programme Implementation

Indian Statistical Institute, Kolkata

Excess payment to Municipal authorities

Payment of municipal dues to the Municipal authorities without verification of the prevalent clause of relevant Act, resulted in excess expenditure of ₹ 1.47 crore.

(Paragraph 15.1)

Ministry of Tribal Affairs

Excess release of grant

The Ministry failed to exercise due diligence while evaluating the proposal of the State Government of Andhra Pradesh under the scheme of setting up of Ekalavya Model Residential Schools (EMRS). Consequently, it released grants without reckoning the actual student strength in two EMRS in the State leading to excess release of ₹ 2.21 crore.

(Paragraph 17.1)