

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 49 audit paragraphs involving a money value of ₹ 711.80 crore relating to overpayment, avoidable payment, unfruitful expenditure, blocking of funds and poor planning etc.

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

Ministry of Civil Aviation

Unfruitful expenditure

In spite of non-fulfilment of the conditions stipulated in the bidding documents, the Compact Technology Light Sport (CTLS) aircrafts were irregularly selected by Aero Club of India (ACI). Further, Director General of Civil Aviation did not convey to ACI regarding withdrawal of approval given earlier to CTLS aircrafts. Resultantly, the CTLS aircrafts procured by ACI (December 2011) were lying idle (November 2015), defeating the purpose of their acquisition and rendering expenditure of ₹ 2.39 crore incurred as unfruitful

(Paragraph No. 3.1)

Ministry of Coal

Coal Mines Provident Fund Organisation

Avoidable expenditure of energy charges

Despite clear directions of Ministry of Coal in May 2007, Coal Mines Provident Fund Organisation did not take initiative for installation of electric meters in its residential quarters at Headquarters, Dhanbad and continued to supply electricity to its employees at nominal rate which resulted in under recovery of energy charges to the tune of ₹ 2.16 crore during the period from 2010-11 to 2014-15.

(Paragraph No. 4.1)

Ministry of Commerce and Industries

Agricultural and Processed Food Products Export Development Authority

Avoidable expenditure due to non-collection of service tax

Non-collection of service tax by Agricultural and Processed Food Products Export Development Authority from exporters of scheduled products and lawyers, from whom legal services were availed by it, resulted in avoidable expenditure of ₹ 6.15 crore.

(Paragraph No. 5.1)

Ministry of Culture

Kalakshetra Foundation

Unfruitful expenditure on renovation of Koothambalam

Poor planning and increase of scope of work without approval of Finance Committee resulted in drastic increase in expenditure from ₹ 1.41 crore to ₹ 7.63 crore and further expenditure of ₹ 6.77 crore was assessed to complete the project

(Paragraph No. 6.2)

Ministry of External Affairs

Less collection of revenue due to incorrect adoption of exchange rate on fees/penalties charged towards renunciation of citizenship and misuse of passports

Incorrect adoption of prevailing official exchange rate by High Commission of India (HCI) Ottawa and its Consulates in Toronto and Vancouver in June 2010 instead of the exchange rate for visa fees as required under the Manual and unwarranted downward revision of service fees for renunciation of Indian citizenship and penalty on misuse of passports later in March 2013, resulted in less collection of revenue of ₹ 27.01 crore.

(Paragraph No. 7.1)

Undue benefit to the Service Provider

Permitting the Service Provider to handle fast track business visa with Service Charge at an arbitrary rate (Great Britain Pound 25) in place of normal service charge of GBP 7.70 resulted in undue benefit of ₹ 10.72 crore to the Service Provider during the period March 2010 to February 2015.

(Paragraph No. 7.2)

Ministry of Health and Family Welfare

Safdarjung Hospital

Excess Payment of Service Charges

Incorrect determination of 'use factor' for calculation of service charges on property tax by the Safdarjung Hospital resulted in excess payment of ₹ 4.60 crore to New Delhi Municipal Council.

(Paragraph No. 8.2)

All India Institute of Hygiene and Public Health, Kolkata

Excess Payment of stipend

The Institute without ensuring that the courses were prescribed in the Medical Council of India regulation allowed payment of stipend at higher rate to the students of two Post Graduation Diploma courses viz. Diploma in Industrial

Health (DIH) and Diploma in Maternity and Child Welfare (DMCW), resulting in excess payment of stipend amounting to ₹ 3.63 crore during the period from June 2005 to July 2014.

(Paragraph No. 8.3)

Ministry of Home Affairs

National Disaster Management Authority

Poor planning led to unfruitful expenditure

The action of the Ministry to set up National Disaster Response Academy by merging two existing institutions was in deviation to its earlier decision to establish the Academy on a independent plot of land. As a result of poor planning, NDMA had incur an additional expenditure of ₹ 2.48 crore on account of cost escalation. Further, the entire expenditure of ₹ 18.61 crore incurred on purchase of land has been rendered unfruitful.

(Paragraph No. 9.1)

Unfruitful Expenditure

Ministry of Home Affairs decided to establish Central Academy for Police Training at Bhopal in March 2009. As the project encountered delays, the Ministry decided to construct pre-fabricated structures to conduct trainings. However, even this move proved injudicious as no training could be organized in these structures due to various reasons such as remote locality, lack of security arrangements etc. leading to unfruitful expenditure of ₹ 10.13 crore on their construction.

(Paragraph No. 9.2)

Ministry of Information and Broadcasting

Central Board of Film Certification

Working of Central Board of Film Certification

Audit of Central Board of Film Certification revealed many systemic deficiencies such as unexplained delays in the certification process, altering of order of films for examination by the Committee, conversion of certified films from A to UA/A category etc. Audit also evidenced lack of internal controls within the CBFC for tracking the records of film certification which carried a risk of issue of duplicate certificates for the same film to different individuals not holding copyrights.

(Paragraph No. 11.1)

Satyajit Ray Film and Television Institute, Kolkata

Academic activities of Satyajit Ray Film and Television Institute Kolkata for the period from 2010-11 to 2014-15

Satyajit Ray Film and Television Institute, Kolkata (SRFTI) had failed to introduce various courses as envisaged in its objectives even after 20 years of its establishment. The activities of the Institute was marred with delay in completion of courses, vacant seats, lesser teaching hours and gap in evaluation of performance of students.

(Paragraph No. 11.2)

Ministry of Micro, Small and Medium Enterprises

Inadequate follow-up of loans in Khadi and Village Industries Commission, Mumbai

Inadequate follow-up of loans by Khadi and Village Industries Commission (KVIC) resulted in non-recovery of ₹ 551.46 crore and funds amounting to ₹ 226.70 crore, meant for development through execution of Schemes and Programmes, were diverted to service the loans of institutions.

(Paragraph No. 12.1)

Niti Aayog

Unique Identification Authority of India

Avoidable expenditure on Annual Maintenance Contract

Unique Identification Authority of India (UIDAI) in contravention of the provisions of the contract extended undue favour to the vendor (M/s Wipro Limited) and incurred an avoidable expenditure of ₹ 4.92 crore on Annual Maintenance Contract of the equipment for a period covered under warranty/free maintenance.

(Paragraph No. 13.1)

Ministry of Petroleum and Natural Gas

Follow up Audit of Hydrocarbon Production Sharing Contract for KG-DWN-98/3 Block for the Financial Years 2012-13 and 2013-14

Many of the issues that had been pointed out in previous audits (2006-12) of the Production Sharing Contract (PSC) block still persist. The total financial impact of excess cost recovery during 2012-14 on account of the earlier identified audit findings was USD 1547.85 million (₹ 9307.22 crore). For the period 2012-14, additional issues of excess cost recovery claimed by the operator were noticed, financial effect of which was USD 46.35 million (₹ 278.70 crore). Cost recovery has been claimed on testing (MDT) for the wells D29, D30 which

needs to be appropriately assigned and reversed in view of the recent MoPNG directive (May 2015). Operator had relinquished D31 discovery and all cost recoveries connected to this discovery need to be reversed. Meanwhile the report of independent expert M/s DeGolyer & MacNaughton (D&M) has indicated migration of gas from adjacent block operated by ONGC to KG-DWN-98/3 block, which may affect the financials of this block.

(Paragraph No. 14.1)

Ministry of Textile

Apparel Export Promotion Council

Undue benefit to a private party

Tendering process adopted by Apparel Export Promotion Council (AEPC) for leasing of furnished office accommodation was flawed. Though, M/s Teesta Urja Limited (TUL) did not participate in the tendering process, their bid was considered one week after opening of the bids. A number of post contractual benefits were extended to M/s TUL, which were highly unfavourable to AEPC resulting in undue financial benefits to M/s TUL and loss of revenue of ₹ 17.42 crore to AEPC

(Paragraph No. 17.1)

Ministry of Urban Development

Directorate of Estates

Functioning of Directorate of Estates

There has been a perpetual shortage of accommodation for Government servants in Delhi. Directorate of Estates (DoE) did not have an accurate record of the housing stock available with it. Augmentation of housing stock in the various pools has been done in an inequitable manner. Licence Fee Collection and Monitoring System was not fully functional resulting in DoE not being able to monitor the receipt of the Licence Fee. Database of DoE and CPWD are not interlinked leading to delays in the reflection of vacancy position of houses in the Government Accommodation Management System (GAMS) database. DoE did not have accurate details of houses which are declared as unsafe or dangerous. The quality of data in the GAMS database was also found to be poor.

(paragraph No. 19.1)

Follow-up on Audit Report

National Library, Kolkata (Ministry of Culture)

Non-compliance to the accepted recommendation

A performance audit in respect of the “Activities of National Library, Kolkata” was conducted for the period 2004-05 to 2009-10. The report was featured in the C&AG’s Report No. 3 of 2010 with 30 accepted recommendations. The follow-up audit on the accepted recommendations was conducted during May and June 2015.

Audit examination brought out that the Library as well as the Ministry had not taken adequate steps during 2010-15 in implementing the accepted recommendations of the performance audit pertaining mainly to creation of database of books published in India, faster processing of books, conducting of stock verification of all the divisions, strengthening the security, providing various value added services to the readers and retro conversion of all the bibliographic records.

(Paragraph No. 23.1.1)