

1 CHAPTER

Introduction

1.1 Background

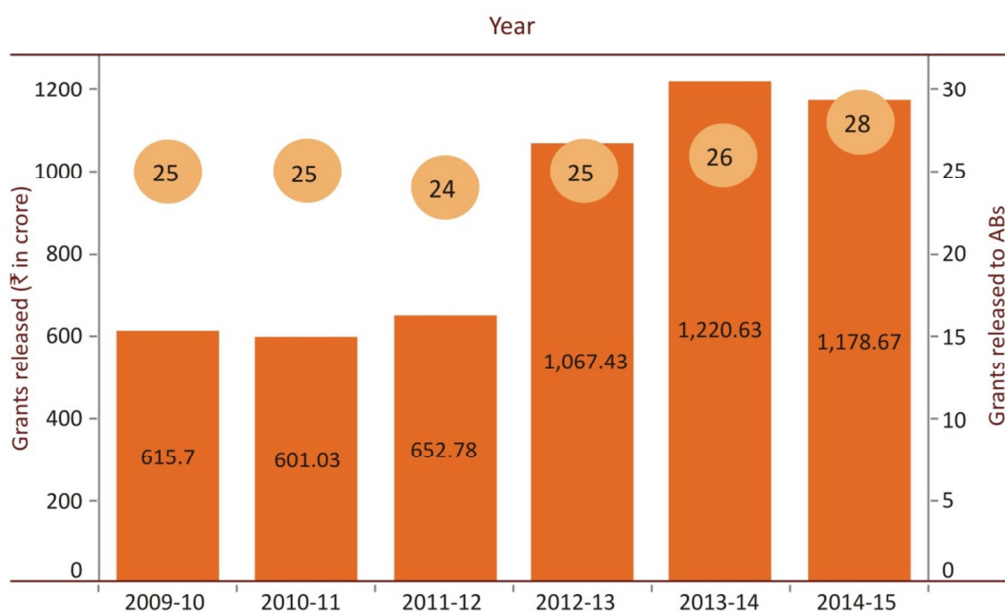
Department of Science and Technology (DST) was established in May 1971 under Ministry of Science and Technology (MST), with the objective of promoting new areas of Science and Technology (S&T) and to play the role of a nodal Department for organising, coordinating and promoting S&T activities in the country. DST supports research and development by providing Grants-in-Aid to Scientific Research Institutions, Scientific Associations and Bodies.

Autonomous Bodies (ABs) are legal entities established either by an Act of the Parliament or by registration under the Societies Registration Act, 1860 or the relevant State Societies Registration Acts, as applicable and subsequent amendments. As of June 2016, there were 28 ABs under administrative control of DST (**Annexure I**).

The ABs are managed by Governing Body (GB)/ Governing Council (GC), which includes representatives of the AB and DST as well as experts from external agencies. Directors of the ABs function as the Chief Executives of ABs.

The ABs are substantially funded by DST through Government grants. The grants released to the ABs by DST for the years 2009-10 to 2014-15 is given in Chart 1.

Chart 1: Grants released to ABs by DST



The substantial funding provided to these ABs from Government grants necessitates compliance with Government rules and instructions in conducting their affairs.

1.2 Audit Objectives

Audit was conducted with a view to evaluate:

- i. Whether the ABs complied with the legal and regulatory framework applicable to them;
- ii. Whether the administrative and entitlements functions of the ABs were in accordance with applicable rules and regulations; and
- iii. Whether DST exercised adequate oversight on the functioning of ABs.

1.3 Audit criteria

The criteria were derived from the followings:

1. Societies Registration Act, 1860, State Societies Registration Acts and subsequent amendments;
2. Memorandum of Association, Regulation, Bye laws of the ABs;
3. Office Memoranda issued by Ministry of Finance (MoF) applicable to ABs;
4. Office Memoranda issued by Department of Personnel and Training (DoPT) applicable to ABs;
5. General Financial Rules and other Government rules applicable for ABs; and
6. Act of Parliament under which the ABs were established and subsequent rules and regulations derived from the provisions of the Act.

1.4 Audit Sample, Scope and Methodology

Of the 28 ABs of DST, 19 ABs were selected on the basis of factors such as period since establishment of the AB, geographic spread, grants received from DST and at suggestions of DST. During the period 2009-14, the 19 selected ABs received grants of ₹ 2,962.94 crore from DST and incurred expenditure of ₹ 3,795.46 crore. The details of grants and expenditure are given in **Annexure II**.

Audit was conducted during September 2014 to September 2015 covering the period from Financial Years (FYs) 2009-10 to 2013-14. However, records prior to the year 2009 were also examined wherever required. In some cases, records relating to the formation of the AB were examined, wherever relevant.

The scope of audit involved scrutiny of records of the selected ABs and DST. Entry meeting was held on 21 November 2014 at DST, New Delhi wherein the sample, scope and objective for audit was discussed. Exit meeting was held on 13 May 2016 in which the audit findings were discussed with the Secretary, DST and unit heads of DST.

Response to the audit findings as recorded in the minutes of the meeting have been incorporated in the Audit Report under the relevant paras. Besides, the recommendations to the audit findings were also issued to the Secretary along with the minutes of exit meeting which were accepted by DST. DST further stated (June 2016) that replies to the draft report were either not received from the concerned AB or were insufficient to be provided to us and has confirmed that same would be conveyed at Action Taken Note stage.

1.5 Structure of Audit report

The layout of the Report is as under: -

Chapter 2- Regulatory framework of the Autonomous Bodies;

Chapter 3- Administrative functioning of Autonomous Bodies; and

Chapter 4 - Oversight functions of DST.

1.6 Acknowledgement

We acknowledge the cooperation extended by DST and the 19 selected ABs during the conduct of our audit.