

4 CHAPTER

Oversight functions of DST

4.1 Introduction

Though ABs have autonomy in their day-to-day functioning, the administrative Ministries/ Departments have oversight role in matters of general direction and supervision. Our observations on shortcomings in the oversight role of DST are discussed in this chapter.

4.2 Non-conduct of Peer Review

Rule 208(v) of GFR stipulates that a system of external or peer review of autonomous organisations every three or five years depending on the size and nature of activity should be put in place. Such a review should focus inter alia on (a) the objective for which the AB was set up and whether these objectives had been or were being achieved; (b) whether the activities should be continued at all, either because they were no longer relevant or had been completed or if there had been a substantial failure in achievement of objectives; (c) whether the nature of activities was such that these need to be performed only by an AB; and (d) whether similar functions were also being undertaken by other organisations, be it in the Central Government or State Governments or the private sector, and if so, whether there was scope for merging or winding up the organisations under review, etc.

We observed that no external or peer review of any of the ABs was conducted to ensure compliance of above mentioned objectives by DST during 2009-14.

While accepting the audit observation, DST stated (May 2016) that performance of the ABs was being assessed and reviewed by several committees. DST, however, assured that peer review of 16 research institutes would be completed within this financial year and for remaining eight ABs, peer review would be conducted in the next financial year.

4.3 Lack of control in release of grants-in-aid

As per Rule 209(5) of GFR, every order sanctioning a grant should indicate whether it was recurring or non-recurring and specify clearly the object for which it was being given and the general and special conditions, if any, attached to the grant. In the case of non-recurring grants for specified object, the order should also specify the time limit within which the grant or each instalment of it was to be spent.

We scrutinised 443 sanction orders valuing ₹ 1,386.14 crore furnished by 11 ABs and found that in none of the sanction orders details such as nature of the grant i.e. whether recurring/non-recurring, object for which grant was released and time limit within which the grant or each instalment of it was to be spent were mentioned.

DST stated (May 2015) that majority of grants were given under Plan and a very small amount of two *per cent* was given under Non-Plan. It added that grants-in-aid released to ABs were meant for incurring expenditure on salary of the employees, general expenditure and creation of capital assets etc. to run an establishment in a particular financial year.

The fact remained that sanction orders were not issued with these details as required under provisions of GFR.

4.4 Monitoring of Utilisation Certificates

As per GFR 212(1), Ministry/Department including Government Institutes were required to obtain Utilisation Certificate (UC) from grantee institutions/organisations in a prescribed format indicating that the grant had been utilised for the purpose for which it was sanctioned. GFR also stipulated that UCs should disclose whether the specified, quantified and qualitative targets prescribed against the amount utilised were in fact reached and if not, the reasons were to be mentioned. The UCs should also disclose separately the actual expenditure incurred and loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. which should be treated as unutilised grants but allowed to be carried forward. While regulating the grants for the subsequent years, the amount carried forward should also be taken into account.

We observed that none of the UCs submitted by the 17 selected ABs to DST contained details of achievement of specified, quantified and qualitative targets, reasons for non-achievement of targets, output based performance assessment, details of actual expenditure incurred and loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. As a result, the UCs did not state whether the purpose for which grants-in-aid were given was actually utilised.

DST stated (May 2016) that setting of targets was difficult due to inherently uncertain nature of work performed by the ABs but assured that various outputs may be included in the format of UCs.

4.5 Deficiencies in internal audit

4.5.1 Shortfall in internal audit

Rule 211(1) of GFRs stipulates that the accounts of all grantee institutions or organisations should be open for inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provisions of CAG's (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the institution or organisation is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning grants-in-aid. DST fixes a target for annual internal audit of its ABs. Target and achievement for the years 2013-14 and 2014-15 is detailed in Table 5.

Table 5: Status of Internal Audit of ABs

Year	ABs under the control of DST	Target fixed for Internal Audit (in number of units)	Achievement against target	Units not covered under target	Percentage of shortfall in target
2013-14	28	28	11	17	61
2014-15	28	28	17	11	39

Details for the earlier period were not available. The table shows that there was a shortfall of 61 *per cent* and 39 *per cent* against target fixed by DST during 2013-14 and 2014-15 respectively. Due to the above shortfall, assessment of internal controls and implementation of remedial measures could not be carried out.

DST stated (May 2016) that internal audit of all units could not be done due to shortage of manpower. The reply is not acceptable as DST would have been fully aware of the staff shortage when fixing targets.

4.6 Conclusion

The oversight role of DST was weak. No peer review was conducted as per the provisions of GFRs, due to which the performance of the ABs was not evaluated. Sanction letters for payment of grants by DST did not specify the nature of grants. Monitoring of submission of Utilisation Certificates (UC) by ABs was lax. None of the UCs submitted by the 19 ABs to DST contained achievement about specified, quantified and qualitative targets. There was shortfall in conduct of internal audit by DST.

4.7 Recommendations

DST may evolve a mechanism for conduct of peer review of all the Autonomous Bodies under its administrative control. DST may strengthen its internal audit mechanism.

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