

CHAPTER XXIII : MINISTRY OF YOUTH AFFAIRS & SPORTS

23.1 Financial Management in Nehru Yuva Kendra Sangathan (NYKS)

An unspent balance of ₹ 46.73 crore from the year 2007-08 to 2014-15 was lying unadjusted in general purpose grants which was required to be adjusted by Ministry of Youth Affairs and Sports from future grants. Cases of poor utilisation of earmarked funds were noticed in NYKS, leading to idling of funds. NYKS finalised annual accounts for the years 2012-13 to 2014-15 with a delay of 12 to 19 months. Tally software purchased with the objective of reducing the time involved in finalising the accounts was not used optimally by NYKS. There was acute shortage of District Youth Co-ordinators and Accounts Clerk-cum-Typists at 338 districts. Instances of idling of funds amounting to ₹ 1.66 crore for 13 months to 9 years were also noticed at Pay and Accounts Offices of Alipur and Bhubaneswar.

Nehru Yuva Kendra Sangathan (NYKS), an autonomous body was set up in 1987 under the Government of India, Ministry of Youth Affairs and Sports (MYAS) to develop the skills and values of rural youth so that they become responsible and productive citizens of modern secular and technological nation. In order to fulfil its objectives, NYKS conducts various programmes through its field formations, Youth Clubs, Mahila Mandals and volunteers with the financial assistance from government departments and other agencies.

NYKS is managed by the Board of Governors (BoG) chaired by the Minister of Youth Affairs and Sports. Activities of NYKS are regulated by Memorandum of Association (MoA) and Financial Bye laws. The countrywide network of 623 district level Nehru Yuva Kendras are supervised by 29 State Zonal Offices (ZOs) and six¹ Union Territory offices. Kendras are headed by District Youth Coordinator (DYC) while ZOs and UTs are under supervision of Zonal Directors.

For smooth flow of funds from NYKS to field offices and consolidation of expenditure incurred at district level offices, 29 State Zonal office and six UT offices have further been divided into six PAO zones.

¹ The office at New Delhi (UT) is included in 29 State Zonal Offices.

The audit of NYKS covered the period 2012-13 to 2015-16 with focus on financial management. Accounts for the year 2015-16 were under finalisation till completion of audit. Audit was conducted at NYKS headquarters at Delhi, three Pay and Accounts Offices (PAOs) of North Zone (at Delhi), East Zone (at Bhubaneswar) and South Zone (at Bengaluru) and two Zonal Offices (ZOs) at Jaipur and Shimla during April 2016 to September 2016. Important audit findings are as follows:

23.1.2 Allocation of funds and utilization

NYKS receives funds from its (i) Administrative Ministry i.e. MYAS, (ii) other Ministries, Development Departments/Agencies and (iii) ZOs/Kendras also generate funds for various programmes and activities from local resources including State Government.

Audit noted poor utilization of Earmarked Funds, preparation of budget for regular programmes without calling for inputs from Kendras and cases of shortfall in fund mobilization by the Zonal Officers. Details of funds received by NYKS under various heads are discussed as under:

23.1.2.1 General Purpose Grants

NYKS is financed mainly by grants from MYAS for its establishment, salary and regular programmes/activities². The figures of opening balance, grants received, interest received and other income and amount utilized as per annual accounts of NYKS for the years 2012-13, 2013-14 and 2014-15 are as follows:

Table 2: Year-wise grants received and amount utilized

(₹ in crore)

Year	Opening Balance	Grants received	Interest received and Other Income	Total	Amount utilized	Closing Balance
2012-13	26.76	134.67	6.20 ³	167.63	132.32	35.31
2013-14	35.31	149.24	5.19	189.74	143.71	46.03
2014-15	46.03	168.65	6.35	221.03	174.30	46.73

Audit noted that NYKS had unspent funds amounting to ₹ 35.31 crore during 2012-13 which increased to ₹ 46.73 crore as on 31 March, 2015. This was

² Regular or Core programmes is a category for which NYKS receives grants from the MYAS and which include various programmes and activities (viz. Youth Club Development Programme, Training on Youth Leadership and Community Development, Theme Based Awareness and Education Programme etc.) which are uniformly conducted in all districts or largely in a particular area with regularity of their conduct over the years. All regular programmes are included in Annual Action Plan of NYKS.

³ This includes ₹ 1.42 crore transferred to PAO.

required to be adjusted by MYAS while releasing subsequent grants to NYKS but was not done. The failure of NYKS and MYAS in taking cognizance of the actual unspent balances led to accumulation of funds to the extent ₹ 46.73 crore by March 31, 2015.

NYKS accepted the observation and stated (November 2016) that the balance of ₹ 46.73 crore under Earmarked funds from MYAS included ₹ 24.90 crore towards interest and miscellaneous income earned during 2007-08 to 2014-15. It further stated that the approval of the Ministry was sought for utilization of the same during 2016-17. Remaining amount of ₹ 21.83 crore includes bank balance, advances to employees and un-adjusted advances to field offices, which were being reconciled.

23.1.2.2 Special Programmes

NYKS also receives Earmarked funds from MYAS for implementation of its various schemes covered under the head Special programmes⁴. As per terms and conditions, amount of the funds should be utilised only for the purpose for which it was sanctioned and unspent balance of grants in aid should be refunded by the grantee institution immediately after conducting the programme. Details in respect of Special Programmes during 2012-13 to 2014-15 are as under:

Table 3: Year-wise funds received under Special Programme (Earmarked Funds) and expenditure incurred

(₹ in crore)

Year	Opening balance	Adjustment	Grants received	Interest / other income	Total funds	Amount utilized (percentage utilized)	Amount refunded	Unspent balance
2012-13	36.99	-	51.81	1.22	90.02	25.83 (29)	1.45	62.74
2013-14	62.74	0.53	44.41	1.21	108.89	42.60 (39)	1.71	64.58
2014-15	64.58	0.50	44.39	1.19	110.66	48.43 (44)	0.07	62.16

Above showed poor utilization of funds as only 29 per cent, 39 per cent and 44 per cent of the total funds were utilized during 2012-13, 2013-14 and 2014-15 respectively.

NYKS, while accepting the observation, stated (November 2016) that the opening balance of ₹ 36.99 crore for 2012-13 included ₹ 23.82 crore relating to non-operative schemes of National Service Volunteer/Rashtriya Sadak Yojana/National Reconstruction Corps. No amount could be spent under these schemes during 2012-13 to 2014-15. It further stated that as per terms of the

⁴ For special and sponsored programmes funds are received on the basis of project proposals submitted by NYKS to MYAS and other Ministries. These schemes are not considered for preparation of Annual Action Plan and Annual Budget by NYKS.

grant, amount of interest was not available for utilization without the approval of the Ministry. It also stated that 11 to 60 *per cent* of the grants were received in the last quarter during these years.

This indicated that the opening balances of ₹ 23.82 crore should have been refunded to MYAS after non-operation of the schemes and should not be included in opening balances during 2012-13 to 2014-15. Remaining opening balance of ₹ 13.17 crore, ₹ 38.92 crore and ₹ 40.76 crore during the years 2012-13, 2013-14 and 2014-15 respectively were available to be spent on the programmes which were not gainfully utilized by NYKS. Further, Ministry's approval for utilizing the amount of interest could have been obtained by NYKS which was not done.

Audit noted that instead of refund of unspent amount to MYAS, NYKS and its field offices kept the funds in its bank accounts during 2012-13 to 2015-16 which led to idling of funds.

23.1.2.3 Sponsored Programmes

Funds are given to NYKS by other Ministries, Development Departments/Agencies also, which are covered under the category of Sponsored programmes. Amount of grants-in aid should be utilized only for the purpose for which it was sanctioned and unspent balance of grants in aid should be refunded by the grantee institution immediately after conducting the programme. Details of funds received in respect of sponsored programmes during 2012-13 to 2014-15 are as under:

Table 4: Year wise funds available under Sponsored Programme (Earmarked Funds) and expenditure incurred

(₹ in crore)

Year	Opening balance	Adjust -ment	Received during the year	Interest / other income	Total funds	Amount utilized (percentage)	Amount refunded	Unspent balance
2012-13	24.66	-	10.96	0.11	35.73	16.43 (46)	0.85	18.45
2013-14	18.45	6.24	16.69	0.11	41.49	11.42 (28)	Nil	30.07
2014-15	30.07	-0.59	15.98	0.12	45.58	16.86 (37)	3.50	25.22

Audit noted that only 46 *per cent*, 28 *per cent* and 37 *per cent* of the total funds were utilised during 2012-13, 2013-14 and 2014-15 respectively.

NYKS while accepting the observation stated (November 2016) that the opening balance of ₹ 24.66 crore for 2012-13, 2013-14 and 2014-15 included

₹ 19.37 crore relating to six non-operational schemes⁵, hence, no amount could be spent under these schemes during the years 2012-13 to 2014-15. The balances in these schemes included the amount of advances against which expenditure had already been incurred but not accounted in previous years' accounts due to non-submission of UCs. They also stated that as per terms of grant, interest was not available for utilisation without Ministry's approval and that major portion of grants were received in year end/last quarter.

This indicated that the opening balances of ₹ 19.37 crore should have been refunded to the funding agencies after non-operation of the schemes and should not be included in opening balances during 2012-13 to 2014-15. Remaining opening balance of ₹ 5.29 crore and ₹ 10.71 crore were available to be spent on the programmes during the years 2012-13 and 2014-15 respectively but the amount was not utilized and remained unspent. As regards 2013-14, the opening balance was ₹ 18.45 crore against the figure of ₹ 19.37 crore, hence, the reply of NYKS was contradictory. Further, the amount of interest could have been utilized after obtaining approval of the Ministry, which was not done, hence, there was poor utilization of funds.

Audit noted that instead of refund of unspent amount to the funding agencies, NYKS and its field offices kept the unspent funds in its bank accounts during 2012-13 to 2015-16. This led to idling of funds.

23.1.2.4 Non-reconciliation of funds

Test check of balances of five special and sponsored schemes/programmes⁶ from the annual accounts for 2013-14 and bank passbooks of the respective scheme/programme in NYKS revealed differences in the figures as detailed in **Annex-IX**.

NYKS accepted the fact (November 2016) and stated that the schemes have been discontinued and reconciliation was underway for adjustment. Further, the figures of bank balances were as per accounts maintained at NYKS but balances as per annual accounts included funds lying with PAOs.

⁵ Swarn Gram Sadak Yojana (₹ 9.39 crore), Jung-e-Azadi (₹ 1.80 crore), United National Development Programme -TAHA (₹ 0.44 crore), Mahatma Gandhi National Rural Employment Guarantee Act (₹ 6.71 crore), National Literacy Mission (₹ 0.43 crore) and Red Ribbon Express (₹ 0.60 crore).

⁶ Swarn Gram Sadak Yojana, National Reconstructive Corps, United National Development Programme Trafficking and HIV/AIDS, Cultural Exchange and Kashmiri Rural Youth Cultural Exchange programme

The reply of NYKS confirmed that unutilised amounts were lying with NYKS instead of being returned to the funding agencies.

23.1.2.5 Deficient Budgeting

As per Rule 4(a) of Financial Bye Laws, NYKS was required to ensure that estimates of the Kendras are duly incorporated in the consolidated estimates. Kendras were required to send the estimates to NYKS by 25 August each year.

Audit noted that the budgeting process for regular programmes was concluded at NYKS without calling for estimated expenditure from Kendras.

NYKS replied that before preparation of the Annual Action Plan, feedback from field functionaries is sought during review-cum-planning meeting and video conferences. However, reply is not acceptable because records made available to audit did not indicate any input received from Kendras for budget preparation. Thus, it was evident that the number of programmes was decided on the basis of criteria fixed by NYKS without taking inputs from the Kendras/field offices or assessing the need of conducting the programmes in the districts.

23.1.3 Expenditure Control

Audit noted that monitoring of release of funds by NYKS to its field units was deficient. These cases are discussed in the succeeding paragraphs.

23.1.3.1 Delay in submission of utilization certificates by Kendras to PAOs

As per instructions of NYKS regarding finalization of annual accounts, all UCs⁷ duly countersigned by Zonal Director should reach PAO by 15 April of the next financial year. Records of PAOs at Delhi and Bhubaneswar, revealed that in PAO Bhubaneswar, out of 122 Kendras, only *27 per cent* (33 Kendras) submitted UCs by due date in 2012-13. This percentage reduced to *1 per cent* (1 Kendra) and *3 per cent* (4 Kendras) during 2014-15 to 2015-16. In case of PAO Delhi, out of 111 Kendras, only *4 per cent* Kendras (1 Kendra) submitted UCs by due date, while this percentage was *23 per cent* (25 Kendras) and *24 per cent* (27 Kendras) in 2014-15 and 2015-16 respectively.

While accepting the audit observation (November 2016) NYKS attributed the delays to acute shortage of staff.

⁷ Utilization certificate are submitted in the form of Receipt & Payment Accounts by Kendras

23.1.3.2 Non verification of Expenditure of Kendras by Zonal offices

The Kendras submit utilization certificates to the respective PAOs through ZOs. The ZO was required to verify the expenditure of Kendras with its books of accounts and budgetary norms.

Audit noted that the verification of expenditure from the basic records of the Kendras was not carried out in Zonal Offices at Delhi, Jaipur and Bhubaneswar. Though, Zonal Office, Delhi intimated that the expenditure is being verified from the basic record, the procedure adopted for verification and examination of supporting documents was not produced to audit.

ZO, Jaipur intimated (October 2016) that the expenditure of all Kendras could not be verified from the basic records owing to paucity of staff. ZO, Bhubaneswar also accepted the fact and stated that only test checks were made by them from the annexures enclosed with UCs, submitted by the Kendras.

Thus, the UCs were submitted to PAOs without verification of the expenditure from the basic record by the Zonal Offices.

23.1.4 Accounting and Documentation

NYKS assigned the work of preparing annual accounts consisting of Receipts and Payments Account, Income and Expenditure Account, and the Balance Sheet (in respect of NYKS Hqrs. and six PAOs) to the Chartered Accountant appointed as Internal Auditor during the period 2012-13 to 2014-15.

23.1.4.1 Delay in finalization of annual accounts

As per Ministry of Finance OM (November 2009⁸), every autonomous body should complete its accounts within a period of three months from the date of closure of the accounting year and make the accounts available for auditing.

All the six PAOs prepare their books of accounts after receiving UCs from Kendras and report of the Internal Auditors. For finalisation of accounts of NYKS, the complete sets of accounts of six PAOs are required. The consolidated accounts of NYKS are submitted to the Finance Committee, and subsequently to the BoG's for approval.

⁸ OM No. 8(11)/E.II-A)/09 dated 17 November 2009 issued by Department of Expenditure, Ministry of Finance, Government of India

It was noticed that there were persistent delays in submission of approved accounts to the audit by NYKS as under:

Year-wise delay in annual accounts

Year	Due date of submission	Date of submission	Delay in months
2012-13	30.6.2013	24.2.2015	More than 19 months
2013-14	30.6.2014	24.7.2015	More than 12 months
2014-15	30.6.2015	28.11.2016	More than 16 months
2015-16	30.6.2016	Not submitted as of November 2016	

NYKS accepted (November 2016) and stated that the delays in finalization of annual accounts were attributable to a number of factors such as delay in conduct of internal audit, delay in approval of annual accounts from the Finance Committee and the BoG, large nationwide network and shortage of staff.

23.1.4.2 Non implementation of Tally software

With a view to reduce the time involved in consolidation and preparation of accounts of Kendras/Zonal offices, NYKS purchased Tally software (October 2013) at a cost of ₹ 38.34 lakh and spent another ₹ 2.58 lakh on customization of Utilization Certificate (UC) formats and Balance Sheet, Payroll implementation, training of users etc. Tally software was to be used for preparation of Utilization Certificate in all the Kendras from the year 2015-16. However, the software was installed in only 556 Zonal Offices/Kendras out of 652 as on May 2016.

Test check of records in PAOs at Delhi, Bangaluru and Bhubaneswar, revealed that the Tally software was being used at PAOs only but not in Kendras/Zonal Offices and UCs were being prepared by them manually.

NYKS accepted the observation and intimated (November 2016) that due to shortage of infrastructure including manpower, upgraded computers, internet services, power backup, the software could not be made fully operational at all Kendras. NYKS also admitted that the license of the software was not renewed during 2015-16.

Thus, even after procurement of software in October 2013, the same was not being optimally utilized and the very purpose of reducing the time for consolidation of accounts was not achieved.

23.1.5 Manpower

23.1.5.1 Deficiency in Manpower Management

At Kendra level, District Youth Co-ordinator (DYC) is responsible for the execution and implementation of youth development programs and policies. He is assisted by an Accounts Clerk-cum-Typist (ACT)

Audit noted that posts of DYC and ACT were lying vacant. As against total 623 Kendras, only 293 DYCs⁹ and 465 ACTs were working (as of November 2016). Further in five selected zones¹⁰ (viz. Rajasthan, Karnataka, Himachal Pradesh, Odisha and Delhi), the vacancies in DYC posts were in the range of 11 - 67 per cent. Similarly vacancies in ACT posts were in the range of 17-70 per cent.

As per Ministry of Finance (MoF) OM dated 9 September 2003 '*if a post remains vacant for one year or more, it is deemed as abolished*'. Audit noted that the direct recruitment of DYCs has not been made for past two decades. As the vacancies were not filled for more than a year, 325 posts of DYCs and 204 posts of ACTs were '*deemed to be abolished*' in view of said OM issued by MoF.

Audit noted that DYC's major responsibility was to coordinate programmes. Since most of the DYCs had additional charge of more than one Kendra, it was not possible for them to oversee each and every programme resulting in poor quality of output. Since the posts of DYC and ACT are the arms of NYKS in implementing/supervising the programmes at grass root level, it hampered the core functioning of NYKS and achievement of its objectives. This also affected the work related to accounts keeping and regular reporting.

NYKS accepted the observation and stated (November 2016) that efforts were being made in this regard.

⁹ Includes 17 DYCs on deputation, 27 DYCs as United Nations Volunteers, 7 Dy. Directors working as DYCs and 2 ACTs working as DYC in-charge.

¹⁰ Selected zones include those PAOs/ ZOs (PAOs at Delhi, Bengaluru, Bhubaneswar and ZOs at Jaipur & Shimla) which were visited during course of audit.

23.1.6. Internal Control

Deficiencies noted in internal control are given below:

23.1.6.1 Idling of funds released for construction

Audit scrutiny revealed that inadequate monitoring by NYKS over release of funds for construction of building to Kendra/PAO-cum-Zonal Offices resulted in funds remaining unutilized to the tune of ₹ 1.66 crore which were lying with the Kendras/PAOs from 13 months to nine years. Details are as under:

(a) NYKS had owned a piece of land at Alipur Delhi. PAO, Delhi requested (January 2015) NYKS to accord approval of preliminary estimate amounting to ₹ 2.09 crore for construction of one dining hall, two guest rooms etc., at PAO Alipur, Delhi. NYKS released ₹ 1.46 crore against the estimate to PAO Delhi in March 2015. Administrative approval and expenditure sanction was communicated to Public Works Department, Government of National Capital Territory of Delhi (PWD) in April 2015. However, the funds were not released to PWD. PWD reminded NYKS in January 2016 and March 2016 to deposit the amount for starting the work. After receiving directions from NYKS, PAO released ₹ 62.70 lakh in last week of May, 2016 to PWD. Hence despite availability of funds with NYKS there was delay of 13 months (April 2015 to May 2016) in releasing funds to PWD.

NYKS (PAO, Delhi) accepted the observation and stated (December, 2016) that ₹ 83.30 lakh were lying unutilized.

(b) NYKS gives financial assistance in the form of seed money for construction of buildings on the land provided by State Governments. The amount of financial assistance was ₹ 2 lakh per Kendra and remaining cost of building was to be arranged by the DYC from other sources. In 2002-2003, the seed money was enhanced to ₹ 4 lakh per Kendra.

Audit noted that in five cases, the Kendra buildings were not constructed even after release of ₹ 20 lakh either due to non-availability of land or insufficient funds. The details are given as follows:

(i) NYKS released ₹ 12 lakh to PAO Bhubaneswar (for Kendras at Samastipur, Sambalpur and Dhenkanal) during 2006-07. Audit noted that neither the buildings were constructed as the land was not transferred in the name of Kendras by the State Governments, nor the amount was refunded to NYKS.

- (ii) ₹ 4 lakh were released in March 2007 to Kendra at Una (HP). Audit noted that against the estimate of ₹ 16.64 lakh only ₹ 3.95 lakh was released to PWD. PWD neither started the building work nor refunded ₹ 3.95 lakh till date. NYKS accepted and stated that the case was being pursued to start the construction.
- (iii) NYKS released ₹ four lakh in 2007 to Kendra at Hamirpur, Himachal Pradesh for construction of building. The Kendra did not utilize the amount and after keeping the funds unutilized for three years, refunded the same in March 2010. NYKS accepted and stated that the amount was not sufficient for the construction of building as only ₹ four lakh was released against the proposed estimate of ₹ 13.03 lakh and thus, refunded.

Audit also noted that in nine cases¹¹, plots of land were allotted by State Governments to district Kendras for construction of office buildings during the period 2015-16. However, NYKS did not release financial assistance to any of the Kendras as present financial assistance of ₹ 4 lakh per Kendra was not considered sufficient to meet the construction cost. Thus, due to delay in review of financial assistance, the above Kendras were incurring expenditure on rent.

The reply of NYKS was silent on this issue.

23.1.7 Conclusion

Huge funds were lying unspent under earmarked funds which were required to be refunded to the funding agencies due to non-operation of the schemes/programmes. This also led to idling of funds with NYKS and its field formations. MYAS failed to adjust the surplus funds lying with NYKS from the future grants. Delays were noticed in finalization of annual accounts. Recruitment of DYCs was not

¹¹ Alappuzha (Kerala), Sanghli (Maharashtra), Mysore (Karnataka) and Dharampuri (Tamil Nadu), Vishakhapatnam and Guntor (Andhra Pradesh), Warangal and Karimnagar (Telengana) and Dang (Gujarat).

Report No. 12 of 2017

made for past two decades despite vacancies in 338 districts. Funds released to field offices for construction of buildings were also not utilised resulting in idling of funds.

The matter was reported to the Ministry in October 2016; their reply was awaited as of January 2017.

New Delhi
Dated: 20 March 2017



(MUKESH PRASAD SINGH)
Director General of Audit
Central Expenditure

Countersigned



New Delhi
Dated: 24 March 2017

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India