

*Chapter-V*  
*Financial*  
*Management and*  
*Internal control*



## Chapter-V

### Financial Management and Internal Control

*The utilization of budgetary funds for the welfare of SAPs was found to be inadequate, especially in the schemes being run for SAPs in the State. The Directorate of SAPs lacked adequate dedicated staff which hampered its effective functioning with regard to programs and activities related to the SAPs.*

*District officers did not conduct quarterly/monthly inspection of NGOs.*

#### 5.1 Financial Management

During 2016-21, an amount of ₹ 286.79 crores (GoI: ₹ 84.93 crore and GoR: ₹ 201.86 crore) was allotted through budget to Directorate, SAP under various schemes and programmes for welfare of SAPs. Out of this, it was found that the Directorate had utilized ₹ 246.46 crore (85.94 per cent). The details of budget allotment and expenditure incurred during 2016-21 are shown in the Table 3:

**Table 3**

(₹ in crore)

Year	Budget Allocation			Expenditure		
	Plan <sup>57</sup> / Central assistance	Non-Plan/ State Fund	Total	Plan/ Central assistance	Non-Plan/ State Fund	Total (Per cent)
2016-17	22.41	10.06	32.47	19.25	9.71	28.96 (89.19)
2017-18	7.00	55.87	62.87	0.47	50.84	51.31 (81.61)
2018-19	32.00	41.00	73.00	21.98	39.49	61.47 (84.21)
2019-20	11.94	46.12	58.06	4.14	44.25	48.39 (83.34)
2020-21	11.58	48.81	60.39	8.63	47.70	56.33 (93.27)
<b>Total</b>	<b>84.93</b>	<b>201.86</b>	<b>286.79</b>	<b>54.47</b>	<b>191.99</b>	<b>246.46 (85.94)</b>

Source: Information provided by DSAP.

The table indicates deficient utilization of funds for the welfare of SAPs as the savings exceeded 10 per cent in four out of five years during the period 2016-21.

Utilization of funds during 2016-21 in the schemes being run by the State Government through DSAP was also examined by Audit. The details are given in Table 4 below:

57 From 2017-18, the classification of Plan/Non-Plan has been abolished.

Table 4

(₹ in crore)

S. No.	Name of Scheme	Budget allotment	Actual expenditure	Savings
1	<i>Sanyukt Sahayata Anudan Yojana</i>	27.06	22.81	4.25
2	<i>Vishesh Yogyajan Scholarship Yojana</i>	0.63	0.44	0.19
3	<i>Mukhyamantri Vishesh Yogyajan Swarojgar Yojana</i>	25.17	23.32	1.85
4	<i>Vishesh Yogyajan Sukhad Dampatya Jeevan Yojana</i>	6.03	5.64	0.39
5	<i>Vishesh Yogyajan Identification Yojana</i>	5.78	4.42	1.36
6	One-time financial assistance to Pension Holders for self-Business	0.00 <sup>58</sup>	0.00 <sup>58</sup>	0.00
7	<i>Vishesh Yogyajan Anupriti Yojana</i>	0.18	0.13	0.05
8	<i>Astha Yojana</i>	0.09	0.04	0.05
9	<i>Vishesh Yogyajan State Level Award Yojana</i>	0.43	0.43	0.00
10	Polio Correction Camps	0.00	0.00	0.00
11	<i>Vishesh Yogyajan Self Employment and Training scheme</i>	0.00	0.00	0.00
12	<i>Vishesh Yogyajan Sports Yojana</i>	0.50	0.24	0.26

Source: Information provided by DSAP.

It can be seen from the table that no expenditure was incurred during 2016-21 on the following two schemes being run by the GoR

- a. Polio Correction Camps
- b. *Vishesh Yogyajan* Self Employment and Training scheme

Further, only nominal expenditure was incurred in

- c. One-time financial assistance to Pension Holders for self-Business (₹ 0.15 lakh during 2016-17)
- d. *Astha Yojana* (₹ 3.67 lakh during 2020-21).

GoR accepted the facts and stated (November 2022) that no expenditure was incurred on schemes due to non-receipt of application forms from the SAPs. The reply is not acceptable as the Department needs to make more efforts to increase awareness among the SAPs regarding the schemes and enhance coverage of SAPs within the government schemes through awareness campaign.

Poor utilization of funds is also evident from the fact that the funds received from GoI for specific purposes were also not adequately utilized by DSAP. Two instances are given below:

- (a) GoI released ₹ 0.12 crore during 2017-18 towards IT infrastructure for the certification of disability of SAPs which was further released by GoR to

58 ₹ 0.15 lakh incurred during 2016-17.



12 districts of the state. However, Audit noticed that the Utilization Certificate (UC) of this amount had not been sent to GoI as of March 2021 i.e. more than three years after the release of the grant.

State Government accepted the facts and stated (November 2022) that instructions have been issued for submission of UCs to concerned districts and UCs were received only from three districts Dungarpur, Jalore and Barmer.

- (b) GoI released ₹ 0.21 crore to Rajasthan Residential Educational Institutions Society (RREIS), Jaipur in January 2019 for procurement of IT infrastructure for the purpose of certification of disability of SAPs. GoR was required to release this amount to 21 districts of the state. However, Audit noticed that the funds had not been released to the districts and instead were lying in the RREIS bank account as of March 2021 i.e. even after the lapse of more than two years. Further scrutiny of records revealed that the Department was making efforts to seek the bank details of the concerned authorities in the district for transferring the amount.

Deputy Director DSAP accepted the facts and stated (April 2022) that plan would be prepared for incurring expenditure on procurement of IT infrastructure funds received from GoI.

## 5.2 Human Resource Management

Clause 11 of the Rajasthan State Policy on Disabilities 2012, provided that one officer with adequate support staff trained in Rehabilitation Management would be deployed at district level for implementation of welfare schemes related to SAPs.

Audit scrutiny of records of Directorate SAP and test checked eight districts revealed that:

- (i) For the execution of work relating to SAPs like implementation of provisions of Rights of persons with Disabilities Act and various schemes for welfare of SAPs of GoI and GoR, etc. there was no dedicated staff of DSAP at the district or lower levels. For these purposes, DSAP is dependent on the district offices of SJED which are already understaffed as vacancies in these district offices ranged from 18.18 *per cent* to 47.06 *per cent* in the eight test checked districts. This needs to be viewed in light of the fact that a separate Directorate for SAPs was established in October 2011 for focused intervention in the 'vast field for welfare of specially abled people'<sup>59</sup>.

Lack of dedicated and adequate staff at the ground level defeats the purpose of setting up a distinct Directorate and hampers the special focus needed for the welfare of SAPs.

- (ii) SJED established the office of Block Social Security Officers (BSSO) (January 2018) at Block level and assigned (April 2018) the work related to the

59 <https://dsap.rajasthan.gov.in/home.aspx>

implementation of six schemes including two schemes related to SAPs viz. *Mukhyamantri Vishesh Yogyajan Swarojgar Yojana* and *Vishesh Yogyajan Sukhad Dampatya Jeevan Yojana* to BSSOs. Audit examination of the information received from Additional Director SJED (November 2021) revealed that against 295 sanctioned posts of BSSOs, only 129 BSSOs (43.73 per cent) were deployed as of March 2021. It was further noticed that not a single BSSO was deployed in four districts<sup>60</sup> while only one BSSO was deployed in 10 districts<sup>61</sup> of the state as of March 2021.

Audit scrutiny in the selected 16 blocks of eight test checked districts revealed that blocks in which post of BSSO was vacant were additionally allotted to other BSSOs of the concerned district and these blocks were geographically far apart, with distances ranging from 30 kms to 40 kms. Therefore, the SAPs of such blocks had to travel long distances to BSSOs holding additional charge to apply for these schemes or get their grievances resolved. Considering the difficulties in commute faced by SAPs, huge vacancy of BSSOs results in undue hardships to them to get their grievances resolved.

GoR accepted the facts (November 2022).

**Recommendation 10:** *The State Government may establish separate SAP offices with adequate manpower at district/block level for effective implementation of the provisions of the Act and schemes/programmes.*

### 5.3 Internal Control Mechanism

Internal control is an important management tool and comprises methods and procedures adopted to assist in achieving the Department's objective of ensuring orderly and efficient conduct of its schemes, including adherence to policies and safeguarding of assets. Monitoring through inspections and reports is a critical component of an effective Internal Control Mechanism.

#### 5.3.1 Inspections

GoR issued (June 2015) order for inspection of NGOs working for SAPs receiving grants from the State Government on a quarterly basis. Thereafter, Additional Chief Secretary, SJED and DSAP instructed (July 2018, May 2019 and August 2020) the district officers for conducting inspection of activities of institutions managed by NGOs receiving grants on a monthly basis themselves or through District Probation and Social Welfare Officer or BSSOs.

Audit scrutiny of records in the selected eight districts revealed that the district officers did not conduct quarterly/monthly inspection of NGOs and instead conducted inspections on a half yearly basis at the time of making

60 Rajsamand, Kota, Jalore, and Baran.

61 Bhilwara, Bundi, Chittorgarh, Dholpur, Hanumangarh, Jaisalmer, Jhalawar, Karauli, Sirohi and Tonk.



recommendation to the Directorate SAP for releasing grants. The test checked 19 NGOs, who managed MR Homes and Residential/Non-Residential schools, accepted the facts and stated (August 2021-January 2022) that monthly/quarterly inspections were not being done by the district officers.

GoR accepted the facts and stated (November 2022) that joint inspections of NGOs have been carried out by District Officer and a representative of District Collector. It further added that now monthly inspections of institutions are conducted by the officers of various levels. However, no corroborative evidence in support of this reply was furnished by the Department (December 2022).

Lack of effective monitoring and deficient due diligence in preparation of half yearly inspection reports is also illustrated by the fact that the NGOs received donation/other income as reflected in the annual accounts prepared by the NGOs (certified by the Chartered Accountant) but *nil* information in this regard was shown in the half yearly inspection report submitted by district office to DSAP. It is pertinent to mention here that Rule 7 (a and b) of Grant in Aid (GIA) to NGOs Rules, 1972 as amended in May 1992 provided that since the GIA released to the NGOs by the State Government is on the basis of their sanctioned expenditure, the sum of GIA and the own income of NGOs should not exceed the sanctioned expenditure. In other words, the own income should be deducted from the GIA to be provided by the State Government. However, in the absence of proper reflection in the half yearly report, the State Government released excess GIA on the basis of half yearly report in case of one NGO as detailed in *Appendix-VI*.

GoR stated (November 2022) that action would be taken as per rules after obtaining of report from the DLOs.

In addition to the lack of prescribed inspections of the NGOs receiving grants and lack of due diligence in preparation of the inspection reports of NGOs, the Internal Control Mechanism was found to be weak as highlighted in paragraphs 2.3, 2.5.4, 3.1.3, 3.3.2 and 3.3.3.

There were also several lapses in critical institutional mechanisms through which the Internal Control Mechanism of the Department was required to function as highlighted in paragraphs 2.5.1 to 2.5.5.

Thus, the Internal Control Mechanism of the Department regarding implementation of the provisions of RPwD Act was found to be *ad-hoc* and deficient in multiple aspects. Proper and effective implementation of the provisions of the RPwD Act requires plugging these loopholes for efficient execution of the schemes and activities envisaged under the Act and their regular and effective monitoring.

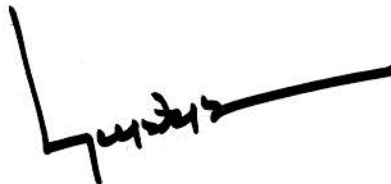
***Recommendation 11: The State Government may ensure effective Internal Controls by ensuring robust institutional mechanisms as envisaged in the Act and availability of timely and accurate information.***

JAIPUR,  
The 17 March, 2023



(K. SUBRAMANIAM)  
Principal Accountant General  
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Countersigned



NEW DELHI,  
The 20 March, 2023

(GIRISH CHANDRA MURMU)  
Comptroller and Auditor General of India