

## CHAPTER V

### INTERNAL CONTROL MECHANISM AND INTERNAL AUDIT

#### HOME (PRISONS) DEPARTMENT

##### 5.1 Internal Controls in Prisons Department

###### Highlights

*Internal Control is an integral component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data are reliable and the applicable laws and regulations are complied with so as to achieve organizational objectives. An evaluation of Internal Controls in the Prisons Department revealed that weaknesses existed in the Department, in the areas of compliance with rules, manuals and codes, accountal of transactions, provision of escort to prisoners for treatment in outside hospitals, vocational training to prisoners, etc. The functioning of Internal Audit was inadequate.*

**In contravention of the Financial Rules and the Government instructions, AP Prisons Development Board Fund was maintained outside the Government account. No control also existed to ensure that all receipts were remitted into the Fund account.**

*[Paragraph 5.1.7.1]*

**Undervaluation of articles produced by the prisons ignoring the stipulated costing procedure laid down in the Prison Rules resulted in short realisation of revenue.**

*[Paragraph 5.1.7.5]*

**Security Review Committees constituted to review the security situation and discipline prevailing in the prisons had not met at State level since 2001. The functioning of District and Mandal level committees too was unsatisfactory as the recommendations did not pertain to vital areas. Audit observed that there has been increase in the incidents of escape of prisoners from the Prisons and no effective control mechanism was in place for police escort of prisoners.**

*[Paragraphs 5.1.8.1 and 5.1.8.2]*

**About 50 per cent of sick prisoners were denied outside treatment facility due to non-availability of police escort. Due to lack of co-ordination between the Prisons Department and Health Department, the prisoners ward constructed in Gandhi Hospital in the year 2004, was not put to use as of June 2008.**

*[Paragraphs 5.1.8.3 and 5.1.8.4]*

**Though the Prisons Manual provided for a system of ‘Board of Visitors’ to make suggestions with regard to augmentation of living standards of the prisoners as well as improvement of overall discipline of the prisons, such system was not in place in any of the prisons test checked. This deprived the prisoners of the opportunity for redressal of their complaints and petitions.**

*[Paragraph 5.1.8.5]*

**All the District Prisons in the State were overcrowded to the extent of 41 to 71 per cent, thereby denying the elementary and basic need of every prisoner to have stipulated grounding and breathing space with adverse implications on healthy life of prisoners.**

*[Paragraph 5.1.8.6]*

**Vocational Training Courses (VTC) were imparted to a meagre 3 to 16 per cent of prisoners. The DG (Prisons) failed to take remedial action even though the monthly reports indicating the status were sent by the prison authorities. Training slots intended for training of the personnel of the Prisons Department were also underutilised to the extent of 84 per cent.**

*[Paragraphs 5.1.8.7 and 5.1.8.13]*

**No separate/independent Internal Audit Wing existed in the Department. As against 48 offices to be covered, a meagre 5 to 11 offices were covered. In the absence of effective internal audit, there was no assurance to the management that the departmental rules, regulations and procedures were being complied with.**

*[Paragraphs 5.1.9 and 5.1.9.1]*

### **5.1.1 Introduction**

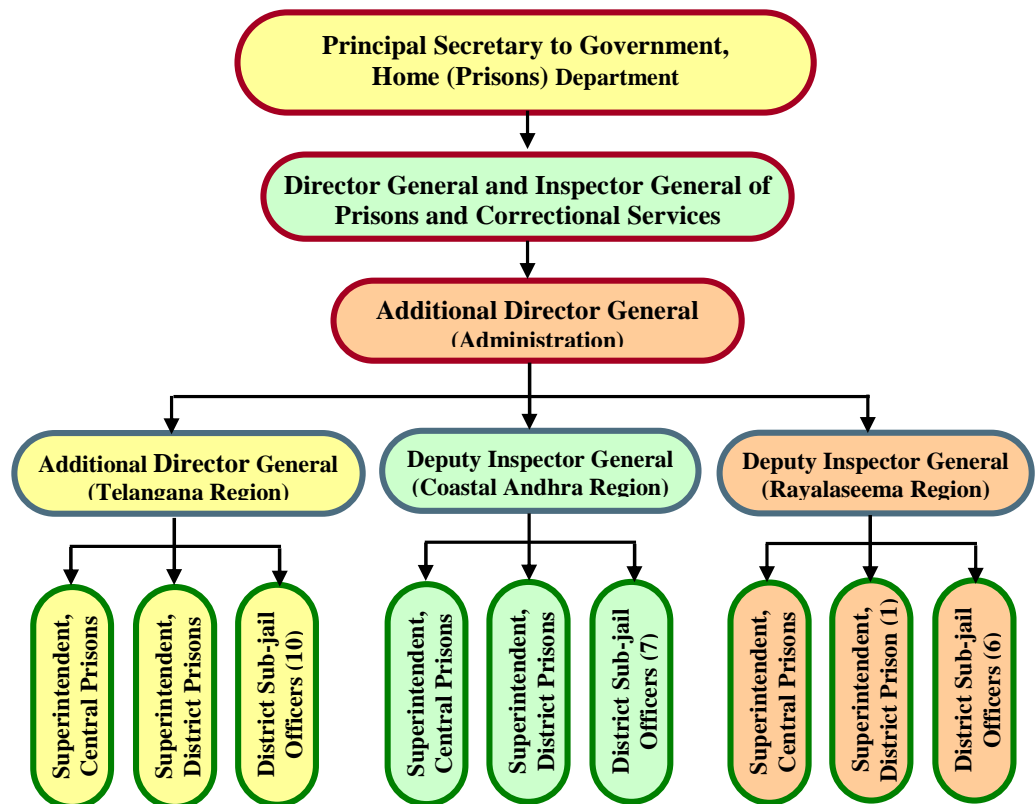
Internal Controls in an organization are meant to give reasonable assurance that its operations are carried out according to laid down rules and regulations and in an economical, efficient and effective manner. Internal auditors as an independent entity, examine and evaluate the level of compliance to the departmental rules and procedures and provide independent assurance to the management on the adequacy or otherwise of the existing internal controls.

The Prisons Department is responsible for serving the public by keeping in custody of those committed by the courts, taking care of them with humanity and reforming them to lead law abiding and useful lives in custody and after their release. The main functions of the department are custody of prisoners and to treat them with humanness so that they are law abiding citizens after their release.

### **5.1.2 Organisational set up**

The Prisons Department functions under the control of Home Department. There are 168 prisons located in the State, classified as Central Prisons (seven), district prisons (nine), sub-jails (147 of which 110 were operative), Prisoners Agricultural Colonies (two), State Jail for women (two) and Borstal

School (one). At Government level, the Principal Secretary to Government is responsible for overseeing the functioning of the department. The DG&IG of Prisons and Correctional services is Head of the Department. The Director General is assisted by the Additional Director General (Admn), Additional Director General (Telangana Region), and two Regional Deputy Inspector Generals (DIGs) (Coastal Andhra and Rayalaseema) and other supporting staff. One Accounts Officer and one Assistant Accounts Officer assist the Director General in financial matters. The various types of prisons such as Central Prisons, District Prisons, State Jails for Women, two Prisoners Agricultural Colonies, one Borstal School and 110 sub-jails in the State are headed by the Superintendent of jails concerned. The flowchart regarding the hierarchy is given below:



### 5.1.3 Audit objectives

Audit objectives were to assess whether:

- Budgetary/expenditure controls were adequate and effective;
- Operational controls were adequate to achieve the objectives of the department in an economic, efficient and effective manner;
- Manpower management was effective;
- Monitoring was adequate and effective;
- Internal Audit arrangement was effective.

#### 5.1.4 Audit criteria

The following criteria was adopted:

The methodology adopted was to test-check records with reference to the provisions of the Prisons' Manual/Rules, AP Budget Manual, AP Financial Rules, AP Treasury Rules, Government orders and instructions.

#### 5.1.5 Scope and Methodology of Audit

Internal Control Structure of the Department was reviewed between January and May 2008 through test-check of the records of (i) the Secretariat (Home Department), (ii) Office of the Director General and Inspector General of Prisons and Correctional Services (DG (Prisons)), (iii) Office of the Principal, State Institute of Correctional Administration, Hyderabad, (iv) three (out of seven) Central Prisons<sup>1</sup>, three (out of nine) District Prisons<sup>2</sup> including Sub-jails located in the respective districts and (v) the Prisons of special type<sup>3</sup> for the period 2005-08.

The sample for audit *inter alia*, covered records relating to budget and expenditure, manpower policies, various control registers and internal audit. The replies of the Department were taken into account and incorporated in the relevant paragraphs of the review.

### Audit Findings

#### Financial controls

#### 5.1.6 Compliance with State Financial Rules and instructions in the Budget Manual

Control over budget and expenditure is essential for optimal utilization of limited resources to achieve the objectives of the Department. The following shortcomings were noticed in control over preparation of the budget and expenditure thereof as detailed in the succeeding paragraphs:

##### 5.1.6.1 Budgetary process

The budget provision vis-à-vis the expenditure incurred by the department for the years 2005-06 to 2007-08 were as under:

Table-1

(Rupees in crore)

Year	Budget Provision			Expenditure booked by AG (A&E)			Non-utilisation (Percentage)		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
2005-06	21.44	71.48	92.92	5.50	69.17	74.67	(-) 15.94	(-) 2.31	(-) 18.25 (20)
2006-07	21.47	78.10	99.57	5.58	72.77	78.35	(-) 15.89	(-) 5.33	(-) 21.22 (21)
2007-08	21.26	96.02	117.28	0.03	83.07	83.10	(-) 21.23	(-) 12.95	(-) 34.18 (29)
<b>Total</b>	<b>64.17</b>	<b>245.60</b>	<b>309.77</b>	<b>11.11</b>	<b>225.01</b>	<b>236.12</b>	<b>(-) 53.06</b>	<b>(-) 20.59</b>	<b>(-) 73.65</b>

<sup>1</sup> Cherlapally, Kadapa and Rajahmundry

<sup>2</sup> Nizamabad, Karimnagar and Vijayawada

<sup>3</sup> State Prison for Women, Rajahmundry, Borstal School, Nizamabad and Prisoners Agricultural Colony, Anantapur

Budget Manual prescribes that budget estimates should receive the careful personal attention of the officers who submit them, so that these are neither inflated nor underestimated and are as accurate as possible.

However, there was persistent saving (20 to 29 *per cent*) during 2005-08. This was attributed mainly to delay in receipt of administrative sanctions, non-receipt of release orders for sanctioned amounts from the Government citing economy measurers. Of the unutilised amounts mentioned in 10<sup>th</sup> column in Table-1 Rs 2.29 crore, Rs 51.14 lakh and Rs 27.30 crore were surrendered on the last day of each financial year. The amounts surrendered were originally sanctioned for maintenance of prison buildings, diet charges, etc. to prisoners and salaries. The surrender of Rs 27.30 crore in the year 2007-08 included Rs 7.39 crore intended for maintenance of prison buildings. This indicated that the important aspect of maintenance of the prison buildings has not been given adequate attention.

#### 5.1.6.2 Defective/unnecessary reappropriation of funds

The budget for a financial year commencing April is approved by the Legislature by March of the preceeding year. Head of the Department may, subject to some restrictions, sanction reappropriations from one minor head of account to another under a major head. Reappropriation requires identification of item of expenditure under a head for transfer of money to another head of account. The DG (Prisons) carried out reappropriations to the extent of Rs 1.97 crore<sup>4</sup> during May - September itself. Such early reappropriation indicated under assessment of the requirement.

In 2006-07, although reappropriation to the extent of Rs 66 lakh was made (September 2006) towards payment of Stipends during the training period to newly recruited personnel, the amount had not been spent in the financial year (2006-07). Thus, the reappropriation of Rs 66 lakh was found to be unnecessary.

### 5.1.7 Compliance with State Treasury Rules/Receipt and Payment Rules

#### 5.1.7.1 AP Prisons Development Board Fund

**AP Prisons Development Board Fund was maintained outside the Government account in violation of Financial Rules**

Andhra Pradesh Prisons Development Board Act was constituted (June 2001) with an objective to examine and provide amenities to the prisoners and for overall development of prisons in the State. As per the provisions of the Act (yet to become operative) the DG&IG of Prisons will act as ex-officio Managing Director. The Board shall have and maintain its fund in the name 'Prisons Development Fund'. The Board is authorized to receive all moneys from the State and Central Government by way of grants, loans and advances, etc. and all moneys generated by the prisons through various activities such as horticulture and industries, etc. The Board is also authorised to spend the

<sup>4</sup> May 2005: Rs 14.98 lakh, June 2005: Rs 0.66 lakh, August 2005: Rs 0.92 lakh, September 2006: Rs 1.72 crore, July 2007: Rs 8.20 lakh

money with the approval of Board of Members. Although the Act provides for constitution of the “Prisons Development Board<sup>5</sup>” it had not been constituted even after a lapse of seven years since promulgation of the Act. Despite the Act and the related Rules not coming into existence, the DG (Prisons) without obtaining the Government’s approval, created “AP Prisons Development Board Fund” and opened a bank account (June 2002) for operation of the Fund. The funds generated from the different activities<sup>6</sup> undertaken by the prisons were being credited directly to the Board fund account, which is maintained outside the Government account. The DG (Prisons) had also instructed all its Unit Officers in June 2001 to open savings bank accounts preferably with Andhra Bank and remit all the receipts into it. Although Government in Finance Department directed (June 2004) that all the funds allocated to the Prisons Department should first be deposited in the Consolidated Fund of the State for transfer to Board Fund account for its utilization through budgetary process, this was not complied with by the DG (Prisons) as of June 2008 and Superintendents of all the prisons continued to remit the receipts into the Fund account only (in the bank) instead of to the Consolidated Fund.

Scrutiny also revealed that contrary to the codal provisions, the DG (Prisons) also appropriated (June 2002) the receipts in the Fund account towards departmental expenditure towards purchase of raw material for manufacturing prison articles and agricultural activity in Prisoners Agricultural Colonies.

Since formation of the Fund (June 2002) and its account with the bank, a sum of Rs 9.38 crore was credited to the Fund account and a balance of Rs 2.95 crore was lying at the end of 31 March 2008.

**No control mechanism existed for operation of Prisons Development Fund and its accounting**

Scrutiny further revealed that no foolproof mechanism existed to ensure that all receipts were remitted into the Fund account. Although the DG (Prisons) instructed the Superintendents of prisons to invariably send intimations to him as and when certain amounts are remitted to the Fund account, such intimations were not being received in all cases. As a result there was no assurance that the cash book maintained in the Directorate contained all the receipts. Audit found that receipts amounting to Rs 95.62 lakh being the remittances made by the Superintendents of prisons concerned were not accounted for in the Cash Book though reflected in the bank pass book.

#### **5.1.7.2 Deficiencies in maintenance of prisoners’ private cash**

**Prisoners’ private cash was irregularly kept in bank account instead of depositing in PD account**

AP Prisons Rules stipulate that, Superintendents of prisons should maintain Personal Deposit (PD) account in the treasury into which money belonging to prisoners at the time of their admission including wages earned by them and amounts deposited by their relatives, should be deposited and also to account for all payments at the time of their release including the purchase of permissible items from the prison canteen. Cash collected from prisoners was

---

<sup>5</sup> Comprising the Chief Minister as Chairman, Minister for Prisons as Vice-Chairman and other official and non-official members; DG&IG of Prisons as Ex-officio Managing Director

<sup>6</sup> upliftment of industries existed in prisons, agricultural operations, etc.

to be remitted to PD account immediately after closing of Prisoners' Private Cash transactions. Besides, they were to maintain a Prisoners' Private Cash Register indicating prisoner-wise amount collected, paid and balance on any date.

The Central Prison, Secunderabad was shifted to Cherlapally during the year 2003. Although the Superintendent of the prison requested (August 2003) the Director of Treasuries and Accounts, Hyderabad for transfer of the PD account to the District Treasury Office, Ranga Reddy, the Government was belatedly approached in April 2006 for specific permission in this regard and there was no response from the Government as of August 2008. As a result, the Superintendent (Central Prison, Cherlapally) continues to deposit the private cash of the prisoners in the bank account (current account and term deposits) instead of remitting it into the PD Account (with the treasury).

**Delay was noticed in remittances of cash balances into bank and huge balances were kept with prison itself**

Scrutiny further revealed that the prison authorities were not remitting the prisoner's private cash immediately into the Bank. During 2004-07, cash remittances were made only one to four times during a calendar year, even though there were continuous admission of new prisoners and release of prisoners after expiry of the punishment period. It was also noticed that prisoners' private cash balances ranging from Rs 0.14 lakh to Rs 4.56 lakh were kept at the prison itself.

#### **5.1.7.3 Reconciliation of receipts (remitted into the treasury)**

**Periodical reconciliation of cash book figures was not properly done with treasury figures**

Rule 19.6 of AP Budget Manual stipulates that the Drawing and Disbursing Officer (DDO) should reconcile every month the receipts and expenditure figures with those booked by the treasury concerned.

Scrutiny of records in Central Prison, Rajahmundry, revealed that the Superintendent was not properly reconciling the treasury figures with the remittances recorded in the cash book. Audit scrutiny revealed that, in the case of 10 challans (amount: Rs 1.28 lakh) which were stated to have been credited to Government account, the amount did not appear in the treasury account. The Superintendent however, certified the same without pointing out the discrepancies.

It was also observed that the receipts on account of dietary charges, bedding charges, etc. being the subsistence allowance paid by the petitioners<sup>7</sup> were being misclassified and credited to miscellaneous receipts instead of as reduction of expenditure under dietary charges.

#### **5.1.7.4 Non-realisation of lease rentals**

**Superintendent, Central Prison, Rajahmundry, handed over land without collecting the lease rent (Rs 1.80 crore) in advance in violation of the Government instructions**

The State Government assigned (December 2002) land (extent: 41.24 acres) pertaining to the Central Prison, Rajahmundry, on lease to the Horticulture Department (HD) for a period of 15 years for growing palm oil gardens. As per the Government orders, the HD was to pay in advance a lease amount

<sup>7</sup> who paid diet charges, etc. to the Prisons Department, for keeping the civil debtors in the prisons, as ordered by the courts

(as arrived at by 50 per cent of expected earnings from the farming of that land during 10 years) to the Prisons Department. The expected annual income was Rs 36 lakh. The Superintendent of the prison was to enter into an agreement with the HD before allowing the lands for farming purpose. Scrutiny revealed that the Superintendent handed over (June 2002) the land to the HD for farming without entering into the lease agreement and without obtaining the lease amount in advance. Although the land was being utilised for farming purpose by the HD since 2002, the expected lease amount of Rs 1.80 crore had not been collected by the Superintendent as of August 2008.

Thus, disregard of the Government instructions by the Superintendent has resulted in non-realisation of lease amount even six years after handing over the land to HD.

#### **5.1.7.5 Undervaluation of prison-based manufacturing articles**

**Undervaluation of articles produced by prisons resulted in under realisation of revenue**

According to Rule 947 (2) of AP Prisons Rules, the cost of manufacturing of prison-based articles which required power driven machinery should be worked out by taking all the production cost elements along with supervision charges covering the wages of staff directly employed in the production units and proportionate charges of pay and allowances of the Store Keeper and Assistant Store Keeper.

It was, however, noticed in all the test checked Central Prisons that contrary to the stipulated costing procedure laid down in the Prison Rules, the value of articles manufactured in the prison-based industries was arrived at without taking into account the salary of Supervisor and proportionate salary of Store Keeper and Assistant Store Keeper. The undervaluation of articles resulted in under realisation of revenue to the extent of Rs 39.25 lakh during 2005-08.

### **5.1.8 Operational Controls**

Control over execution of various activities/programmes of the department is essential for economic, efficient and effective utilisation of resources to achieve the objectives of the Department. Deficiencies observed in this regard are discussed below:

#### **5.1.8.1 Security Review Committees**

**No State level SRC meeting was held since its reconstitution in the year 2001**

Government issued (May 2001 and June 2002) guidelines to reconstitute the State, District and Mandal Level Security Review Committees to review the security situation and the overall discipline prevailing in the prisons. The State Level Committee headed by the Principal Secretary, Home (Prisons) Department, was required to conduct review meetings half yearly and the District Level (headed by Superintendent of Police) and Mandal Level (headed by District Sub-jail Officer) Committees were required to conduct meetings every quarter to review the security situation and discipline and to make recommendations to improve the security of the prisons as also to resolve local



problems relating to manning of vital areas in the prisons, escort of renowned prisoners, etc. These recommendations were to be adopted and implemented by the department through prison authorities.

After reconstitution of the Committees in the year 2001, no State Level Security Review Committee meeting was held. The number of District and Mandal Level Security Review Committee meetings<sup>8</sup> held during the five year period 2003-08 was also negligible. No significant recommendations were made during the meetings as these did not pertain to the vital areas mentioned above. The Security Review Committees failed to contribute effectively to improve the security situation and discipline in the prisons and the very purpose of their constitution was defeated. It was observed that there has been increase in the incidents of escape of prisoners from the prisons as also discussed in para 5.1.8.2.

### 5.1.8.2 Escape of prisoners

**No effective control mechanism was in place for police escort of prisoners**

Prison authorities are to ensure safe custody and security of prisoners through effective watch/surveillance over their movement in jail premises, during treatment in Government Hospitals and also during transit.

The security guards in the prisons are responsible to ensure that no prisoner escapes from the prisons. The department mainly depended upon Andhra Pradesh Special Police (APSP) for internal and external security of prisons and sufficient APSP security force was not provided by the Director General of Police. It was observed that there was increase in incidents of escape of prisoners as given in the Table-2 below:

**Table-2**

**Incidents of escape of prisoners was on increase**

Year	Incidents	Escapes		Total	Recaptured	Still at large
		from prisons	from police escort			
2001	26	16	20	36	30	06
2002	39	10	37	47	35	12
2003	39	15	27	42	31	11
2004	40	12	31	43	27	16
2005	39	09	34	43	19	24
2006	59	12	59	71	33	38
2007	57	15	51	66	20	46
<b>Total</b>	<b>299</b>	<b>89</b>	<b>259</b>	<b>348</b>	<b>195</b>	<b>153</b>

The Prisons Department failed to ensure fixing responsibility for the escape of prisoners during transit to courts or to hospitals outside the prisons. No remedial action was taken to tighten the escorting arrangements to prevent recurrence.

<sup>8</sup> Central Prison, Rajahmundry (4); State Jail for women, Rajahmundry (NIL); District Prisons Nizamabad (1); Vijayawada (3); and Karimnagar (5)

**5.1.8.3 Denial of medical treatment to prisoners in outside hospitals**

About 50 per cent of sick prisoners were denied outside treatment facility due to non-availability of police escort

The Prisons Manual prescribed that every prisoner complaining of illness or appearing to be ill should immediately be examined and provided treatment either as an outpatient or as an inpatient in the prison’s hospital by the Medical Officer. If the Medical Officer was of the opinion that treatment of a sick prisoner in the hospital outside the prison was of utmost necessity and likely to lead to his recovery, he should make a recommendation to the Superintendent. In turn, the Superintendent should make suitable arrangements with the Police Department for providing escort while in transit to the hospital. Scrutiny revealed that the Superintendents were not able to secure police escort to outside hospitals. During the period 2005-07 as against 21,412 cases requiring treatment at hospitals, escort was provided to only in 10,650 cases (50 per cent). This deprived the 10,762 needy ill prisoners of getting treatment in time as detailed below:

**Table-3**

Name of the Prison	Escort required	Escort provided	Escort not provided (Percentage of shortfall)
CP, Cherlapally	11004	4537	6467 (59)
CP, Rajahmundry	6081	3629	2452 (40)
State Jail for Women, Rajahmundry	1861	805	1056 (57)
District Jail, Vijayawada	2466	1679	787 (32)
<b>Total</b>	<b>21412</b>	<b>10650</b>	<b>10762</b>

**5.1.8.4 Prisoners’ ward at Gandhi Hospital**

The newly constructed (September 2004) prisoners’ ward (in Gandhi Hospital) was not put to use due to non-provision of staff and infrastructure

Government sanctioned (November 2003) a prisoners’ ward (plinth area: 8150 Sq. feet) in the newly constructed Gandhi Hospital at Hyderabad for accommodating 50 sick prisoners. The main objective of the allotment was for easy access to the sick prisoners of Central Prison, Cherlapally the facilities of the Gandhi Hospital which is nearer to the prison and to reduce the burden on the existing prisoners ward (6 bedded) at Osmania General Hospital (also at Hyderabad) which is now in dilapidated condition. The construction of prisoners ward at Gandhi Hospital was completed in September 2004. It was, however, noticed that the posts of Medical Officer (1), additional nursing staff and other infrastructural facilities had not been sanctioned/provided as of August 2008 and the prisoners ward thus not put to operation. There is a dispute between the Prisons Department and the Health Department regarding provision of manpower and creation of other infrastructural facilities. The issue remains unresolved as of August 2008.

Thus, due to lack of co-ordination between the Health Department and Home Department, the inpatient facility was denied to the prisoners even though the ward was ready by September 2004. Besides, the sick prisoners had to be accommodated in the general wards of Osmania General Hospital. There were reports of thefts, etc. in those wards and the prisoners’ ward constructed for this purpose remained idle since September 2004.

### 5.1.8.5 Board of Visitors system

**Board of Visitors system was not in place in any of the prisons test checked**

The Prisons Manual<sup>9</sup> provided for a system of “Board of Visitors” to make suggestions with regard to augmentation of living standards of the prisoners as well as improvement of overall discipline of the prison. District Collector is the ex-officio Chairman of the Board which consists of ex-officio official visitors<sup>10</sup> from various departments and non-official visitors of each jail. The obligations of the Board are to (i) monitor the state of health of prisoners, quality of food supply, cleanliness, proper discipline and security in the prisons (ii) advise the prisoners for their overall development in the field of education and prison-based industries (iii) hear complaints and petitions from prisoners. The Board of visitors is to inspect the prison by rotation with a frequency of one visit per week as per roster maintained by the District Collector and to record their remarks if any. Every such remark is to be communicated to DG (Prisons) along with the reply of the Superintendent of prison concerned for necessary action. Scrutiny revealed that none of the test checked prisons had been provided a Board of Visitors and this deprived the prisoners of the opportunity for redressal of their complaints and petitions.

### 5.1.8.6 Overcrowding of prisons

**Abnormal overcrowding ranging from 41 to 71 per cent was noticed in the District Prisons**

According to Rule 652 of AP Prisons Rules, each prisoner is to be provided with minimum of 4.65 sq metres ground space and 19.82 cum of breathing space. As per Rule 655 *ibid*, the Superintendent of prison is responsible to see that the minimum space as provided under the rules is available to each prisoner.

It was observed in audit that all the prisons in the State were overcrowded far in excess of the norm prescribed during the years 2003 to 2006 as detailed below:

**Table-4**

Year	Authorised accommodation	Prisoners actually accommodated	Excess loaded (percentage)
	(Number of prisoners)		
2003	11481	14084	2603 (23)
2004	12270	13881	1611 (13)
2005	12339	14566	2227 (18)
2006	12416	15421	3005 (24)
2007	12710	15045	2335(18)

<sup>9</sup> Rule 26(1) of Prison Rules

<sup>10</sup> District Sessions Judge, Director, Medical and Health Services, District Educational Officer, Director of Industries, Chief Inspector of Factories, Chief Inspector of Fire Services, local representatives, etc.

Among all the prisons, especially the overcrowding in the district prisons was alarmingly high where the overcrowding ranged between 41 and 71 *per cent*. This indicated absence of a control mechanism at Superintendent level to take corrective measures as deemed necessary for relieving the overcrowd. This resulted in denial of the elementary and basic need of every prisoner to have stipulated grounding and breathing space in the prison with adverse implications on healthy life of prisoners.

The DG (Prisons) replied (February 2008) that corrective measures were being taken for reducing the overcrowding and increasing the authorised capacity to accommodate more number of prisoners by constructing additional barracks and new prisons.

#### 5.1.8.7 Vocational training to the Convict Prisoners

**Only 3 to 16 *per cent* of convict prisoners were given vocational training**

Prison Rules provide that prisoners serving long sentences be imparted such skills that would increase their chances of entering an occupation or trade after their release. Accordingly the Central Prisons were required to provide various types of Vocational Training Courses<sup>11</sup> to train the prisoners in custody.

Scrutiny revealed that in two of the three central prisons test checked (i.e. except Kadapa) the vocational training courses were imparted only to a meagre 3 to 16 *per cent* of convicted prisoners, in respect of Central Prison, Cherlapally (3 to 10 *per cent*) and in respect of Central Prison, Rajahmundry (16 *per cent*) during the period 2005-07, leaving a large number of eligible convicts without training as shown below:

**Table-5**

Year	Total number of convict prisoners	Number of prisoners imparted training (Percentage)
<b>Central Prison, Cherlapally</b>		
2005	8366	258 ( 3)
2006	9511	316 ( 3)
2007	11102	1125 (10)
<b>Total</b>	<b>28979</b>	<b>1699</b>
<b>Central Prison, Rajahmundry</b>		
2005	15492	2528 (16)
2006	16050	2592 (16)
2007	16140	2527 (16)
<b>Total</b>	<b>47682</b>	<b>7647</b>

Note: Relevant information not furnished by the Central Prison, Kadapa

<sup>11</sup> Furniture making (steel), book binding, printing, weaving, tailoring, carpentry, soap and candle making, agriculture labouring, etc.

The Superintendents attributed the shortfall in imparting training to the convict prisoners to non-availability of instructors and infrastructure facilities in the training centres. Though the status and requirement of training institutes were being reported monthly by the prison authorities, the DG (Prisons) failed to strengthen the training institutes so as to cover all the eligible convict prisoners with adverse implication on the objective of improving the earning capacity of the convict prisoners.

#### 5.1.8.8 Non-allocation of hard labour to the convicts

**All eligible convict prisoners were not assigned hard labour**

DG (Prisons) in compliance with the AP Prisons Rules and specific directions of Supreme Court, issued (December 1999) instructions to the Superintendents of all prisons that every prisoner sentenced to rigorous imprisonment was required to do hard labour. Their consent was not required and under no circumstances the convict prisoners are to be kept idle, except in the specific circumstances like ill health, old age, injuries, etc.

Test-check of records in Central Prison, Kadapa, however, revealed non-allotment of hard labour. Further, certain eligible convict prisoners were not assigned any work resulting in 36,344 man-days (costing Rs 47.76 lakh) of convict prisoners not being utilised during 2005-08 as detailed below. This was clearly violative of the sentence imposed by the courts.

**Table-6**

Year	Total number of convicts	Eligible convicts for allotment of hard labour	Work allotted to convicts	Work not allotted to convicts	Idle man-days per year (Column-5 X 308 days)	Cost of idle man-days (Column-6 X daily expenditure on each prisoner*) (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2005-06	497	364	326	38	11704	17.71
2006-07	444	327	292	35	10780	11.76
2007-08	637	419	374	45	13860	18.29
<b>Total</b>	<b>1578</b>	<b>1110</b>	<b>992</b>	<b>118</b>	<b>36344</b>	<b>47.76</b>

Note: Total number of days per year (365) excluding national and public holidays (57) is taken as 308

\* Daily expenditure (2005-06: Rs 151.33, 2006-07: Rs 109.13 and 2007-08: Rs 131.94) on each Prisoner

Scrutiny further revealed that these convicts who are not entrusted with hard labour/any work were provided with 700 grams of rice per day instead of 600 grams applicable to normal prisoners who are not expected to be assigned hard labour.

The Superintendent attributed the non-allocation of work to all the convicts in the prison to insufficient work/labour in the prison-based industries/fields and stated (May 2008) that efforts were being made to acquire 300 acres of farming land for providing agriculture labour to all the prisoners.

#### **5.1.8.9 Non-functioning of Video Linkage System at Central Prison, Visakhapatnam**

**Video Linkage System established (July 2004) in central prison, Visakhapatnam was not in operation as of August 2008**

The State Government decided (October 2002) to introduce the Video Linkage System to connect 14 Central and District Prisons with the courts concerned for production of remand/undertrial prisoners through electronic media for speedy disposal of cases as well as to reduce the burden on Home Department in providing escort facilities. The construction work of studios was entrusted (December 2002) to AP Police Housing Corporation in consultation with AP Technological Services (APTS). After completion of the studios both at Prisons and the Courts concerned, ISDN lines were to be laid by BSNL.

The Video Linkage System was in operation in all the intended prisons from July 2004 except in Central Prison, Visakhapatnam. As of August 2008, the Video Linkage unit established (July 2004) in the Central Prison, Visakhapatnam, with a cost of Rs 17.85 lakh<sup>12</sup> was lying idle due to failure to provide the necessary communication link.

#### **5.1.8.10 Non-installation of MVC Units in courts**

**Multi-Video Conference Units were not installed at courts even two years after the sanction**

Government sanctioned (January 2006) Rs 40 lakh for installing Multi Video Conference (MVC) Units at courts located in Hyderabad and Visakhapatnam to facilitate linkage with various jails in Maharashtra and Karnataka States for the trial of fake stamp case. The amount was placed (March 2006) at the disposal of APTS without however, stipulating any time frame for completion of installation of MVC Units. After lapse of a year, the APTS entrusted (March 2007) the work to a Hyderabad based company. Scrutiny revealed that MVC units remained uninstalled as of August 2008. This resulted in depriving the provision of facility for trial through video conference.

#### **5.1.8.11 High consumption of tobacco products in the prisons**

**Department failed to effectively implement the GOI's programme intended to discourage tobacco consumption**

Concerned about the ill effect of the tobacco consumption, GOI enacted an Act<sup>13</sup> for campaigning the cause of highlighting the adverse effects of tobacco consumption. The Prisons Department failed to effectively implement this programme.

It was noticed in all the test checked prisons that during the year 2007-08 the consumption of tobacco products by the prisoners was very high and their purchases from the prison's canteen ranged between 40 and 76 *per cent* as compared to total purchases by the prisoners as shown in Table-7:

---

<sup>12</sup> average cost of each Video Linkage Unit established by the APTS

<sup>13</sup> The Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act (TCA)

Table-7

(Rupees in lakh)

Name of the prison	Value of total purchases by the prisoners	Value of tobacco products purchased by the prisoners (percentage)
Central Prison, Cherlapally	15.98	6.45 (40)
Central Prison, Rajahmundry	19.81	11.58 (58)
Central Prison, Kadapa	9.76	5.51(56)
District Prison, Karimnagar	0.95	0.72(76)
District Prison, Nizamabad	2.52	1.53(61)

## Manpower Management

### 5.1.8.12 Un-economical functioning of Borstal School at Nizamabad

**Borstal School at Nizamabad was functioning with only 5 to 26 per cent of its authorised capacity**

The Borstal School at Nizamabad was established (1977) for accommodating adolescent offenders in the age group of 16 to 21 years. The capacity was 93 inmates. According to Section 8 of AP Borstal School Act, 1925, for accommodating the offenders in the school, the minimum and maximum period of punishment should be two years and five years respectively subject to the condition that age of the offenders should not cross 23 years in both cases. Further, as per Section 10 of the Act, the Government was empowered to transfer the inmates from various prisons to Borstal School, provided the convicts were in the age group as stipulated in the Act.

Scrutiny however, revealed that the Borstal School was functioning with only 5 to 26 per cent of its authorised capacity during 2002-08. The expenditure incurred on the inmates constituted only 3 to 11 per cent of total expenditure on the school while the entire remaining expenditure was on the establishment itself.

Table-8

(Rupees in lakh)

Year	Daily average (Percentage)	Expenditure on establishment	Expenditure on inmates (Percentage)
2002-03	22 (24)	24.06	2.21 (9)
2003-04	24 (26)	22.24	2.37 (11)
2004-05	05 (05)	26.26	1.63 (6)
2005-06	08 (09)	38.36	0.96 (3)
2006-07	13 (14)	29.77	1.75 (6)
2007-08	15 (16)	32.44	1.88 (6)

It was observed that the key reason for underutilisation of Borstal School was that the age limit for admission to Juvenile Homes/Observation Homes was raised (December 2000) from 15 to 18 years by the Government leading to significant reduction in number of offenders being admitted to Borstal School

during 2002-08. However, the department failed to take measures either to put the Borstal School to optimum utilisation in accordance with Section 10 of the Act or to create a separate entity in the premises of any Central Prison so as to minimise its maintenance cost.

### 5.1.8.13 Underutilisation of training slots

**Underutilisation (84 per cent) of training slots resulted in wasteful expenditure of Rs 87.58 lakh during 2000-07**

The Prisons Department was providing training facilities to the prison officials by utilising training slots allotted by the Regional Institute of Correctional Administration, Vellore (Tamil Nadu) which has been imparting various professional training to the prison officers belonging to four Southern States along with boarding and lodging facilities. The expenditure incurred by the Institute was to be borne equally by the participating States. The trainees belonging to other States could also utilise various courses offered by the Institute by paying fee<sup>14</sup> of Rs 133 per day per trainee.

The Prisons Department paid on average the State's share of Rs 14.93 lakh per year to the Institute during 2000-08 against which the department was to utilise at least 11,227 trainee days (Rs 14.93 lakh/Rs 133) for optimum utilisation of training slots provided by the Institute. Scrutiny revealed that, during the period 2000-07 the department utilised only 16 per cent of trainee days. Consequently, the expenditure incurred on training programmes to the prison officials amounting to Rs 87.58 lakh was rendered wasteful as detailed below:

**Table-9**

Year	Total number of trainee days actually utilised	Underutilisation of trainee days (Percentage)	Wasteful expenditure due to under-utilisation of trainee days (Col. no. 3 X Rs 133) (Rupees in lakh)
(1)	(2)	(3)	(4)
2000-01	4740	6487 (58)	8.63
2001-02	787	10440 (93)	13.89
2002-03	1265	9962 (89)	13.25
2003-04	2142	9085 (81)	12.08
2004-05	1680	9547 (85)	12.70
2005-06	1440	9787 (87)	13.02
2006-07	688	10539 (94)	14.02
<b>Total</b>	<b>12742</b>	<b>65847 (84)</b>	<b>87.58</b>

Note: Total number of trainee days to be availed for optimum utilisation: 11,227

The department failed to send candidates to the Institute for training so as to utilise the allotted slots.

<sup>14</sup> covering instructional, boarding and lodging and infrastructural cost



## Asset Management

### 5.1.8.14 Poor asset management

**Land (extent: 25 acres) belonging to Prisons Department was under occupation by Forest Department since 1979 without any lease agreement**

As per the orders issued by Government in October 2004, all Government Departments are to maintain asset registers with up to date entries to know the actual ownership and prevent illegal occupation/utilisation and annual returns be submitted to the administrative offices concerned every year.

The Prisoners Agricultural Colony, Anantapur was established in the year 1965 with 1,427 acres of land. Scrutiny revealed that the land (extent: 25 acres) pertaining to the Prisoners Agricultural Colony, Anantapur, was under occupation of the Forest Department since 1979 but came to notice of Prisons Department only in the year 2000 during an enquiry by the department. Even as of August 2008, the Superintendent of the prison failed to reclaim the land or to execute any lease agreement with the Forest Department. This denied the benefit of utilisation of the land by the Prisons Department for its own purpose or resulted in loss of lease income on the land. This indicated that no proper asset management system existed in the department for safeguarding the assets belonging to it.

### 5.1.9 Internal Audit

**The functioning of Internal Audit was inadequate**

Internal Audit (IA) examines and evaluates the level of compliance to the departmental rules, regulations and procedures so as to provide assurance to the management on the adequacy of the risk management and internal control framework of the department. The department did not have any manual on internal audit prescribing the duties and responsibilities of the Internal Auditors.

The department did not also have independent/ separate IA wing. Only one Junior Accounts Officer, two Accountants were entrusted with that task of internal audit. The staff entrusted with IA functions was not adequately trained on internal audit methodology and techniques.

#### 5.1.9.1 Poor internal audit coverage

**As against 48 offices to be covered only a meagre five to eleven offices were covered for Internal Audit**

There are 48 offices including the Directorate. No system was evolved for fixing the periodicity, coverage and duration of audit of subordinate offices. As against 48 field offices including the Directorate to be covered periodically, only five to eleven offices were audited every year during 2003-08 leaving a large number of offices to be covered. Scrutiny also revealed that there were seven field offices including the office of the DG (Prisons) which had never been audited during the last five years. The objections pointed out in the internal audit were also of routine nature like irregularities in pay fixation, verification of service matters, contingent bills and physical verification of stores and stock. No watch registers were maintained to monitor compliance to the audit objections.

Thus, in the absence of effective internal audit there was no assurance to the management that the departmental rules, regulations and procedures were being complied with.

### **5.1.10 Conclusions**

A system of effective Internal Controls is a critical component of an organisation. There was failure to comply with financial rules and codal provisions as well as Government instructions resulting in non-realisation of lease rentals, undervaluation of prison based manufacturing articles leading to under realisation of revenue, etc. No control existed for operation of Prisons Development Board Fund and its accounting. State-level Security Review Committee constituted to review the security situation and the overall discipline prevailing in the prisons had not met since 2001. Audit observed that there has been increase in the number of incidents of escape of prisoners. No effective control mechanism was in place for police escort of prisoners. Failure to mobilize adequate police escort to sick prisoners for treatment in outside hospitals has led to denial of such treatment to a large number of sick prisoners. None of the test checked Prisons have had the system of Board of Visitors depriving the prisoners of the opportunity of a redressal mechanism. All the Prisons in the State were overcrowded far in excess of the norm prescribed. A meagre 3 to 16 *per cent* of the convict prisoners were given vocational training with adverse implication on the objective of improving the earning capacity of the convict prisoners. Training slots for training of officers of the Prisons Department were underutilised to the extent of 84 *per cent*. The functioning of internal audit was inadequate. In the absence of effective Internal Audit, there was no assurance to the management on the adequacy of the internal controls in the Department.

### **5.1.11 Recommendations**

- Government should expeditiously formulate Rules for operation of 'AP Prisons Development Board Fund' in accordance with the provisions of the related Act.
- State Level Security Committee meetings should be held periodically to review the security situation and discipline in the prisons.
- The problem of non-availability of police personnel for escorting the prisoners needs to be resolved early.
- Government should take immediate steps to make the Prisons Ward at Gandhi Hospital functional.
- Efforts should be made to ensure availability of minimum ground space and breathing space in the prisons as prescribed in the prisons manual.
- Vocational Training should be imparted to all the eligible convict prisoners in the Central Prisons so as to improve their capacity to earn their livelihood after their release.
- Government need to take steps to put the Borstal School to optimum utilisation or to create a separate entity in premises of Central Prisons so as to minimise the maintenance cost.

- Internal Audit Wing should be strengthened with adequate trained staff so as to cover all the DDOs over a period of three years. Corrective action should be ensured on internal audit reports.

The above observations were referred to Government in July 2008; reply had not been received (August 2008). The audit observations as well as the recommendations were discussed and accepted by the department in the exit conference held in August 2008. The DG&IG of Prisons assured that remedial action would be taken on the audit observations.

Hyderabad  
The

**(G. N. SUNDER RAJA)**  
**Principal Accountant General (Civil Audit)**  
**Andhra Pradesh**

**Countersigned**

New Delhi  
The

**(VINOD RAI)**  
**Comptroller and Auditor General of India**