

CHAPTER V: INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT IN GOVERNMENT DEPARTMENTS

EDUCATION (SOCIAL WELFARE AND SOCIAL EDUCATION) DEPARTMENT

5.1 Internal Control System in Education (Social Welfare and Social Education) Department

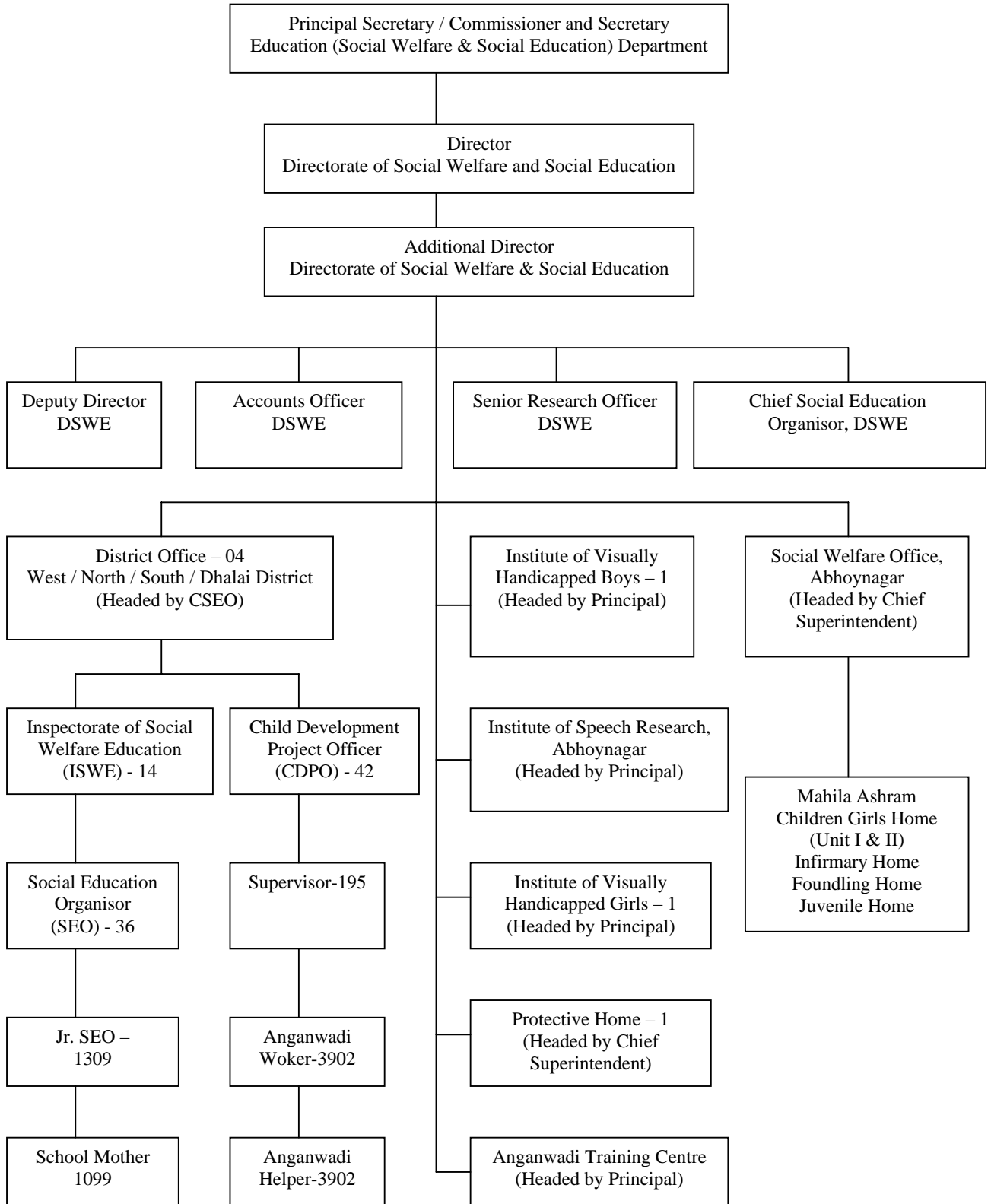
5.1.1 Introduction

Internal control is broadly defined as a process designed to provide reasonable assurance regarding the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws. A review of the Internal Controls would therefore encompass the systems established to implement an organisation's policies, plans and programmes; rules and regulations; systems for safeguarding assets; prevention and detection of frauds and errors etc. aimed at fulfillment of its objectives and goals.

5.1.2 Organisational set up

The Education (Social Welfare and Social Education) Department is responsible for implementing different socio economic schemes for weaker sections. The department functions under the overall administrative control of the Principal Secretary. The Director of Social Welfare and Social Education (SW&SE) Department is responsible for implementation of the programmes. The Organisation chart of the department is given below:

ORGANOGRAM



5.1.3 Audit coverage

The internal control system of the department was reviewed (January-May 2006) in audit by a test check of records of five years (2001-06) in the Directorate (SW&SE), 26¹ units out of 67 (39 *per cent*) in two selected districts (West Tripura and South Tripura) out of four, 75 Anganwadi Centres (AWCs) out of 992 in eight ICDS Projects and 14 Social Education Centres (SECs) out of 135 in two ISWEs. The results are discussed below.

5.1.4 Audit Objectives

The audit objectives were to examine the adequacy and effectiveness of internal controls including:

- Budgetary and financial control
- Programme management and manpower management
- Administrative Controls
- Internal Audit arrangements, Inspection and Vigilance Mechanism
- Monitoring and Evaluation.

5.1.5 Audit criteria

The Audit objectives were benchmarked against the following criteria:

- provisions of the General Financial Rules;
- provisions of Central Treasury Rules;
- departmental policies / rules and regulations;
- Government notifications / guidelines issued from time to time;
- procedures prescribed for monitoring and evaluation.

5.1.6 Audit methodology

Before taking up the review in January 2006, the audit objectives and audit criteria were discussed with the Director, Social Welfare and Social Education. Information furnished by the department and collected through questionnaires were used as evidence. The audit findings were discussed with the Director, Social Welfare and Social Education in September 2006.

The replies of the Government received (September 2006) have been incorporated in the review wherever appropriate.

¹ Two DISEs – West and South, eight ICDS projects – Mohanpur, Jirania, Urban, Bishalgarh, Boxanagar, Matabari, Killa and Kakraban; four Inspectorates of Social Welfare and Social Education – Mohanpur, Bishalgarh, Jirania and Udaipur; Principal, Institute of Speech Rehabilitation, Principal, Institute of Visually Handicapped, Chief Superintendent of Protective Home, Taranagar, Social Welfare Office, Social Education Training Centre, Kakraban and other implementing offices including seven BDOs- Mohanpur, Jirania, Bishalgarh, Matabari, Boxanagar, Kakraban and Killa.

Audit Findings

5.1.7 Budgetary Control

For preparation of budget, the Finance Department indicates in advance the ceiling of expenditure for various departments under various demands. The department prepares its budget proposals in consultation with the Planning and Co-ordination Department, without obtaining any inputs from the field units. It was seen that compared to the target date fixed by the Finance Department there were delays of 67 and 55 days respectively in the submission of revised estimates (REs) in 2004-05 and 2005-06, while in respect of budget estimates (BEs), the delay was for 67 days in 2005-06. An analysis of the budget provision, funds released, and the actual expenditure during 2001-2006, shown in the Table 5.1.1 below, indicated deterioration of budgetary control.

Table No. 5.1.1

(Rupees in crore)

Year	Budget provision			Funds Released by State Government			Expenditure			Savings (-)/ Excess (+) compared to budget provision		Savings(-)/ Excess(+) compared to budget provision (Percentage of column 10 to 4)
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan (Percentage of col. 8 to 2)	Non-Plan (Percentage of col. 9 to 3)	
1	2	3	4	5	6	7	8	9	10	11	12	13
2001-02	19.00	28.04	47.04	19.52	28.04	47.56	17.34	29.11	46.45	(-) 1.66 (9)	(+)1.07 (4)	(-)0.59 (1)
2002-03	16.89	28.85	45.74	16.73	29.24	45.97	15.60	29.41	45.01	(-) 1.29 (8)	(+) .56 (2)	(-)0.73 (2)
2003-04	28.01	31.68	59.69	24.25	31.55	55.80	22.49	29.59	52.08	(-) 5.52 (20)	(-) 2.09 (7)	(-)7.61 (13)
2004-05	33.42	31.97	65.39	25.62	34.73	60.35	22.05	30.72	52.77	(-) 11.37 (34)	(-) 1.25 (4)	(-)12.62 (19)
2005-06	38.38	33.17	71.55	26.91	9.90	36.81	29.54	31.62	61.16	(-) 8.84 (23)	(-) 1.55 (5)	(-)10.39 (15)
Total	135.70	153.71	289.41	113.03	133.46	246.49	107.02	150.45	257.47			

Source: Information furnished by the department.

Table No. 5.1.1 reveals the following:

- During 2001-06, the savings *vis-à-vis* the budget provisions had gone up significantly during the last three years (13 to 19 *per cent*), as compared to the first two years (1-2 *per cent*).
- In three years², the funds released were more than the budget provision. In two years (2002-03 and 2004-05), funds released for non-Plan expenditure were substantially more than the budget provision. The Government stated (September 2006) that the funds were released by the Finance Department at the fag end of the year and hence could not be included in the RE.
- In 2005-06, the non-plan expenditure was more than double of the funds released. The Government stated (September 2006) that funds released

² 2001-02: Plan; 2002-03: Non-plan; and 2004-05: Non-plan.

by the Finance Department did not include the salary component, which was released by them after the RE.

- There were savings (ranging from 8 to 34 *per cent*) on the plan side in all the years.
- The non-plan expenditure was in excess of allotment in two years (2001-02 and 2002-03).

Table No. 5.1.2
Centrally Sponsored Scheme (CSS)

(Rupees in crore)

Year	Amount released by GOI	Amount released by the State Government (percentage in bracket of col. 3 to 2)	Budget provision	Actual Expenditure	Percentage of Actual Expenditure to amount released by the GOI (col. 5 to 2)	Savings (-)/ excess (+) compared to fund released (col. 3 to 5)	Savings(-)/ excess (+) compared to budget provision (percentage of col. 4 to 5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2001-02	14.01	11.08 (79)	10.12	8.22	59	(-) 2.86	(-) 1.90 (19)
2002-03	20.11	19.15 (95)	20.42	19.58	97	(+) 0.43	(-) 0.84 (4)
2003-04	23.67	23.67 (100)	23.63	19.33	82	(-) 4.34	(-) 4.30 (18)
2004-05	19.69	16.26 (83)	23.84	15.27	78	(-) 0.99	(-) 8.57 (36)
2005-06	25.44	24.34 (96)	36.27	21.25	84	(-) 3.09	(-) 15.02 (41)
Total	102.92	94.50	113.28	83.65			

Source: Information furnished by the department.

In respect of Centrally Sponsored Schemes (Table No. 5.1.2), it was noticed that:

- The expenditure incurred was consistently less than the funds released by GOI, the amount of shortfall ranging from 4 to 41 *per cent*. The Government stated (September 2006) that shortfall was due to non-filling of the sanctioned posts under ICDS.
- In 2001-02 and 2003-04, the budget provisions were less than even the amounts released by the Finance Department, due to lack of assessment of requirement of the department and funds to be released by the GOI.
- Except in 2003-04 the amounts released by the Finance Department were, in all the years, less than the funds received from GOI, the shortfall ranging from 4 to 21 *per cent*. The Government stated that this was due to release of funds by the GOI at the fag end of the year.
- In two years (2004-05 and 2005-06) while the budget provision was significantly higher than the amount released by the Finance Department, the actual expenditure was much less than the amount released.

It was also seen that the percentage of savings has been increasing over the years indicating the inability of the department to execute its plans and programmes in full. Savings were attributed (September 2006) by the department to non-filling of sanctioned posts.

It was also noticed that expenditure on one scheme³ in 2001-02, two schemes⁴ in 2003-04 and three schemes⁵ in 2004-05 was not incurred, despite provisions made in the budget. The Government stated (September 2006) that expenditure could not be incurred in that scheme due to non-release of funds by the GOI and dispute over the site for construction of 30 bedded rest house.

Supplementary provisions of Rs. 3.38⁶ crore and Rs. 1.74⁶ crore (including Rs. 61 lakh under capital head), made during the years 2001-02 and 2004-05 respectively, proved unnecessary or excessive in view of aggregate savings of Rs. 7.60 crore and Rs. 17.36 crore respectively in these cases.

Savings of Rs. 6.58⁶ crore (under revenue head) and Rs. 14.74⁶ crore (including Rs. 6.56 crore under capital head) relating to the years 2003-04 and 2004-05 respectively were not surrendered. These indicated deficiencies in budget management.

Financial Control

5.1.8 Expenditure Control Registers not maintained

Although monthly expenditure statements were received from the drawing and disbursing officers (DDOs), control registers (Sub-head-wise) for each DDO were not maintained at the Directorate to watch the flow of expenditure. As a result, instances of expenditure incurred in excess of budget provision in Grant No. 41 were noticed. A few such instances are indicated below:

Table No. 5.1.3

(Rupees in crore)

Year	Head of Accounts (Grant No. 41)	Total grant	Expenditure	Expenditure incurred in excess of budget provision
2001-02	2202-General education 01-Elementary education 106-Teaching and other sources (NP)	4.48	4.78	0.30
2002-03	-do-	4.63	4.94	0.31
2002-03	2235-Social Security and Welfare 02-Social Welfare 101-Welfare of handicapped (714) Institute of the blind	0.42	0.98	0.56
2003-04	2236-Nutrition 02-Distribution of nutrition food and beverages 101-SNP (BMS/PMGY) 04-Nutrition (Plan)	5.47	5.76	0.29
	Total	15.00	16.46	1.46

Source: Appropriation Accounts

Excess expenditure of Rs. 1.46 crore is yet to be regularized.

The Government stated (September 2006) that sub-head-wise control registers were being maintained since then.

5.1.9 Physical verification of cash not done

According to Rule 77 of the Central Treasury Rules (CTRs) Vol-I and the instructions issued by the Finance Department in December 1996, physical

³ Juvenile Justice.

⁴ (i) Balika Sambridhi Yojana, (ii) Juvenile Justice.

⁵ (i) Integrated Education for disabled children, (ii) Juvenile Justice, (iii) Major Work (setting up of 30 bedded Rest house for disabled persons).

⁶ Source: Appropriation Accounts.

verification of cash is required to be conducted by the DDOs at the end of each month and a certificate to that effect is to be recorded in the Cash Book. The head of the department has to arrange surprise check of the cash chest once in a quarter. Rule 77-A of CTR Vol-I also provides that all monetary transactions should be entered in the Cash Book as soon as they occur and should be attested by the Head of office as a token of check.

Test check of records in 20 units⁷ revealed that during 2001-06, the prescribed quarterly surprise check was never conducted in 14 units, and in five units, the surprise check was not done for 10 to 19 quarters. Physical verification was not done in 17 units for 1 - 45 months and attestation was not done in five units for 1 - 33 months. These irregularities indicated a major failure of the Internal Control System, which is fraught with the risk of malpractices like misappropriation, fraud, embezzlement etc.

The Director stated (June 2006) that the system of monitoring and watching the maintenance of Cash Book would be put in place. The Government stated (September 2006) during discussion, that physical verification of cash had since been started and all monetary transactions were being authenticated by the head of the office / DDO.

5.1.10 Reconciliation of figures not done

The Finance Department directed (December 1999) all the treasuries to make periodic reconciliation of figures (both receipt and expenditure) with the DDOs. Scrutiny of records of the above mentioned 20 units disclosed that during 2001-06 reconciliation was done in two units only, was never done in 13 units, and was partially done in five units. Non-reconciliation of figures had resulted in discrepancies of Rs. 3,72,083 in one unit⁸ during June 1999 to October 2005.

Non-reconciliation of figures was another important internal control failure, fraught with the risk of malpractices, if any, going undetected in time.

The Director stated (June 2006) that necessary steps would be taken to reconcile the figures with the treasury concerned.

5.1.11 Monitoring of expenditure not done

Scrutiny of progress reports (2004-06) submitted by the District Magistrate and Collector, South Tripura revealed that construction of 110 AWC buildings⁹ in 11 blocks and three Nagar Panchayats was completed (2004-05) at a cost of Rs. 1.60 crore (at Rs. 1.45 lakh each) against the admissible cost of Rs. 1.38 crore (at Rs. 1.25 lakh each), resulting in excess expenditure of Rs. 22 lakh, which was subsequently decided to be met from Zilla Parishad funds.

⁷ Directorate of SW&SE, DISE, West and South, ISWE-Jirania, Mohanpur, Bishalgarh and Udaipur, CDDPA-Urban, Mohanpur, Bishalgarh, Boxanagar, Jirania, Kakraban, Matabari and Killa, Social Welfare Office – Abhoynagar, ISR- Abhoynagar, IVH-Narsingarh, Protective Home –Taranagar, SE Training Centre- Kakraban.

⁸ The Chief Superintendent, Protective Home, Taranagar.

⁹ Rajnagar-19, Matabari-17, Killa-and Bagafa-11 each, Amarpur-10, Rupaichari-11, Satchand-8, Hrishwamuk-7. Kakraban-6, Karbook-4, Amp-3, Nagar Panchayat at Udaipur, Belonia and Sabroom-1 each.

Rupees 24.65 lakh from SGRY fund was irregularly utilised for construction of 17 AWCs in nine blocks¹⁰. Besides, BDO Bishalgarh also constructed (2004-05) four Social Education Centre (SEC) buildings¹¹ relating to Balahar scheme at a cost of Rs. 5.58 lakh utilising irregularly the ICDS funds. These irregularities indicated weak financial and expenditure control.

The Director stated (June 2006) that irregularities occurred, as there was no monitoring/control system for watching the construction of AWC buildings at the Directorate level. He added that necessary steps would be taken to rectify the omissions.

5.1.12 Programme Management

The department is implementing two main programmes, namely, (1) Supplementary Nutrition Programme (SNP), implemented through 3902 Anganwadi Centres under 42 ICDS projects and, (2) Balahar Programme, implemented through 1265 Social Education Centres (SEC) under 14 Inspectors of Social Welfare and Education (ISWE). Each AWC is run by an Anganwadi worker and a helper on payment of monthly honorarium and each SEC is run by a Junior Social Education Organizer (JSEO) and a school mother who are State Government employees. Both the schemes aim at supplementing nutrition to children (upto six years) and lactating and nursing mothers, for 300 days in a year.

5.1.13 Inadequate delivery of programmes

The inability of the department to spend the full amounts of the funds made available, and the increasing trend of the savings, indicated its inability to satisfactorily deliver the programmes entrusted to it.

5.1.14 Deficient supply and distribution system

Scrutiny of records of 75 AWCs of eight ICDS projects¹² and 14 SECs of two ISWEs¹³ revealed that against the prescribed norm of providing nutrition for 300 days in a year, children were provided nutrition for 179 to 270 days in the AWCs and 225 to 269 days in the SECs in a year during 2001-06, due to non-supply, short supply or delay in supply of food-grains by the BDOs concerned. The department did not establish systems for maintaining regular supply of foodgrains. The Director stated (June 2006) that the supervision and monitoring system would be strengthened to ensure regular supply of food grains. The Government stated (September 2006) that necessary steps were being taken to ensure proper distribution of food-grains.

5.1.15 Inadequate implementation of laws and rules

The department had the responsibility to implement schemes regarding persons with disability, as per the provisions of the Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation) Act 1995

¹⁰ Matabari, Rajnagar and Rupaichari-3 each, Killa and Bagafa - 2 each and Kakraban, Hriswamuk, Satchand and Amarpur – 1 each. Rs. 24.65 lakh utilised during 2004-06.

¹¹ Padmanagar, Lalsingmura, Sikharia and East Laxmibil. Rs. 5.58 lakh utilised during 2005-06.

¹² Bishalgarh, Jirania, Mohanpur, Urban (Agartala), Killa, Boxanagar, Kakraban, Matabari.

¹³ Udaipur, Jirania.

(PWD Act, 1995) and the Persons with Disability Rules 1997. Non-implementation of the Act and Rules by the department had been commented upon in paragraph 3.7.2 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2003, Government of Tripura.

It was noticed that as of March 2006 the Department had not been able to implement many of the provisions of the Act and the Rules, as stated below:

- Though the Tripura Building Rules were amended (December 2004) by the Government for providing people with disabilities barrier free environment in public places, schools, roads and buildings, such facilities had not been provided as of March 2006. The Government stated (September 2006) that the barrier free environment had, meanwhile, been provided in some public places, schools and buildings.
- As per the provision of Section 25, survey, investigation etc were to be conducted to identify the disabled persons to rehabilitate them. But no survey was conducted as of March 2006.

The Director stated (June 2006) that the survey could not be conducted as the proposal for the survey was not approved by the higher authority. The Government stated (September 2006) that collection of data had been undertaken during 2005-06, and these were under scrutiny. But it was not clearly indicated whether the survey as envisaged in Section 25 of the PWD Act, was conducted.

- The Committee, set up (March 2002) for identification of the posts to be reserved for disabled persons in various establishments according to the provisions of the Section 32, had not identified those posts (March 2006). The Government stated (September 2006) that it had taken necessary measures for conducting special recruitment drive for the persons with disabilities in various departments and PSUs and expected the process to be completed by December 2006 / January 2007.
- Establishment of institutions for persons with severe disabilities (persons with 80 *per cent* or more of one or more disabilities), as provided in Section 56 of the Act, was not done (March 2006). The Government stated that it had taken steps for construction of modern psychiatric hospitals for mentally retarded persons.
- The six monthly reports (Rule 44) and annual report (Rule 45) on the implementation of the Act, required to be submitted by the Commissioner to the Government, were not submitted regularly. During 2001-06, only one annual report relating to the year 2004-05 was submitted (March 2006) to Government.

The Director stated (June 2006) that the Directorate had no information regarding the status of implementation of the Act/Rules. He assured that the 'Disabled Cell' in the Directorate would be reactivated to collect specific information.

5.1.16 Inadequate health care for children and handicapped persons

The Children's Home (CH) and the Institute of Visually Handicapped (IVH) were required to be visited by registered doctors twice in a week. Scrutiny of the records revealed that CH, Abhoynagar, Agartala was visited by the registered doctor only once in a week and the facility of regular visit of doctors was not available in the IVH, Narsingarh (March 2006).

The Director stated (June 2006) that the Director of Health Services, Government of Tripura had issued (March 2006) two office memoranda to ensure visits by Medical Officers on every Monday and Wednesday. However, effective controls to ensure the visits were not in place.

5.1.17 Tardiness in rehabilitation of disabled persons

The "National Programme for Rehabilitation of Persons with Disabilities" (NRPD) was launched in December 2001 and West Tripura district was selected for its implementation. The implementing agencies were the State Rehabilitation Centre (SRC) at the State level and District Disabilitation Rehabilitation Centre (DDRC) at the district level. Audit scrutiny revealed that practically no work was done on rehabilitation. Out of Rs. 37.50 lakh given by the Government of India in 2000-02, the SRC had spent Rs. 8.92 lakh (24 *per cent*) on renovation of the SRC building and miscellaneous office expenses and the unspent balance of Rs. 32.45 lakh (including interest of Rs. 3.87 lakh) was lying in the bank (March 2006). Similarly, out of Rs. 109.80 lakh released by the Government of India (2000-02), DDRC (West Tripura District) had spent Rs. 25.64 lakh (23 *per cent*) on honorarium to the staff and doctor (Rs. 10.35 lakh) and office expenses (Rs. 15.29 lakh) and the unspent balance of Rs. 97.64 lakh (inclusive of bank interest of Rs. 13.48 lakh) was lying in the Bank (March 2006). Thus, despite having funds, no expenditure was incurred on rehabilitation of disabled persons, reportedly due to non-identification of eligible persons through survey, as required under Section 25 of the PWD Act. Further, no action was taken to plan the extension of the programme to other parts of the State.

DDRC (West) stated (May 2006) that identification of disabled persons could not be done due to lack of infrastructure for training Village Rehabilitation Workers (VRWs) and Multipurpose Rehabilitation Workers (MRWs). There was little or no monitoring of the progress of the programme at the Government level, with the result that little was achieved even after four and half years of the launch of the programme.

The Government stated (September 2006) that 37 camps had been held for the purpose of rehabilitation and 1,003 persons had been given some kind of rehabilitation; further, 141 PHC Medical Officers had been given orientation training on disability management. The Government, however, did not indicate the steps taken to conduct survey for identification of the disabled persons in the State, as envisaged in the Act. In its absence, it was difficult to assess the extent of coverage of the disabled persons.

5.1.18 Partial disbursement of loans to handicapped persons

The State Government nominated (June 2000) Tripura Scheduled Caste Cooperative Development Corporation (TSCCDC) Ltd. as State Channelising Agency (SCA) for obtaining loans from National Handicapped Finance and Development Corporation (NHFDC) to provide loans to handicapped persons for self employment. For this purpose, SCA received (July 2002) Rs. 12.31 lakh from NHFDC. As of March 2006, the SCA had disbursed (between August 2002 and December 2003) Rs. 7.56 lakh to 16 applicants (out of 25 cases sanctioned) for loan but the balance amount of Rs. 4.75 lakh was lying undisbursed reportedly due to non-availability of guarantee for the loan.

The actual position was not available in the Directorate and the Director stated (June 2006) that the same would be collected and discussed at the appropriate level. Evidently, there was no monitoring or control of the programme. General Manager, TSCCDC Ltd. however, stated (August 2006) that Rs. 4.72 lakh was refunded (April 2006) and the balance amount was lying in the Corporation's savings bank account at the Union Bank of India.

The Government stated (September 2006) that it would take steps for simplification of formalities and liberalisation of terms and conditions of loan by NHFDC.

5.1.19 Monitoring Controls

The Director stated that Principal Secretary/ Commissioner /Secretary of the department was monitoring the functions and activities through monthly meetings. It was seen that only four quarterly meetings, instead of 12 due, were held during 2003-06 with the heads of social welfare institutions, the Superintendent (Home) and the Director. Similarly, only 21 monthly meetings were held during 2002-06 by the Principal Secretary of the department, indicating inadequate review and monitoring.

Instructions issued (February 1998) by the Directorate, required each Child Development Project Officer (CDPO) to inspect 20 AWCs and 10 SECs in a month. Scrutiny of inspection reports submitted to the Director in respect of six CDPOs¹⁴ revealed that the percentage of shortfall in visits /inspections ranged from 15 to 51 *per cent* in respect of AWCs and 29 to 100 *per cent* in respect of SECs. As a result, the functioning of the AWCs/SECs and the implementation of the programmes remained largely unassessed. The Government stated (September 2006) that in the month of July 2006, 970 AWCs (54.12 *per cent*) and 196 SECs (79.67 *per cent*) were inspected.

5.1.20 Opening of AWCs in excess of norms

Test check of five selected ICDS projects¹⁵ revealed that the department had opened during 2001-06, 139 to 161 AWCs in excess of norms¹⁶ and incurred an expenditure of Rs. 16.51 lakh on payment of honorarium to Anganwadi Workers and Helpers in these AWCs.

¹⁴ Kakraban, Bishalgarh, Killa, Boxanagar, Matabari and Mohanpur.

¹⁵ Bishalgarh, Jirania, Urban (Agartala), Boxanagar, Killa.

¹⁶ Minimum 1000 population in rural and urban area and 700 population in Tribal area per AWC.

The Director stated that the same was done as per the demand of public bodies like Panchayats etc. The Government stated (September 2006) that this was done to universalise the ICDS programme in some thinly populated areas but the Child Development Project Officers (CDPOs) had been instructed (January 2006) to follow the existing guidelines in setting up new AWCs.

5.1.21 Construction of rest house for disabled persons held up

Government of Tripura released (July 2004) Rs. 61 lakh for construction of a 30 bedded rest house for disabled persons and the department transferred (February 2005) the funds to the Executive Engineer (EE), Division III, Agartala. The work had not been taken up (March 2006) due to objection raised (February 2006) by Agartala Municipal Council, resulting in blocking of Rs. 61 lakh for 20 months. The Chief Engineer, PWD had requested (March 2006) the department to hand over a site free from all encumbrances. Further development was awaited (August 2006).

5.1.22 Human Resources management and controls

Education (Social Welfare and Social Education) Department is running with overall shortage of 87 posts (sanctioned strength: 2740; Men-in-position: 2653) in 31 different categories (including one post of Director). It was seen that out of 31 categories, the department had excess staff in two categories (Junior Social Educational Organisers: 75 and Group D staff: 62) with shortage in the remaining 29 categories, indicating deficiency in manpower management.

In seven Inspectorates of Social Welfare Educations (ISWE)¹⁷, 130 Junior Social Education Organisers (JSEOs) were posted in excess of sanctioned strength (sanctioned strength: 500, Men-in-position: 630) whereas in other seven ISWEs¹⁸, there was shortage of 55 JSEOs (sanctioned strength: 487, Men-in-position: 432). Analysis of records of three ISWEs (Mohanpur, Bishalgarh and Jirania) revealed that while one JSEO was required to be posted in each SEC, two JSEOs were posted in each of the 77 SECs, three were posted in each of the 22 SECs and four were posted in one SEC. This indicated deficient controls in the manpower management of the department.

It was also noticed that 91 posts¹⁹ in different cadres, sanctioned for implementation of ICDS schemes, remained vacant as on 31 March 2006. No steps were taken to fill the posts and the vacancies were adversely affecting the implementation of various programmes under ICDS.

The Director stated (June 2006) that measures would be taken for proportionate deployment of JSEOs. The Government stated (September 2006) that the issue of proper deployment of JSEOs would be taken care of.

¹⁷ Dharmanagar, Teliamura, Khowai, Jirania, Mohanpur, Bishalgarh, Amarpur.

¹⁸ Kumarghat, Ambassa, Melaghar, Udaipur, Belonia, Satchand, Bagafa.

¹⁹ Deputy Director-3, Programme Officers -2, CDPO-5, Supervisor (ICDS)-47, Social Welfare Educator -2, Pre-school Educator- 2, Nutritionist- 2, Store Keeper- 11, LDC- 9, Assistant Statistical Officer- 3 and Class IV staff- 5.

5.1.23 Verification of service records

In terms of G.I.M.F., OM No. 3(3)-E.IV(A)/76 dated the 25th November, 1976 below rule 199 of Supplementary Rules (SR), the head of the office should scrutinize at least 10 *per cent* of the service books and leave accounts every year and initial the same in token of having done so. Test-check of 38 service books in five offices²⁰ disclosed that three service books were verified by the head of office only once in 13 years, 11 years and three years respectively and in 16 service books that were verified, the verification was not done regularly. In case of one service book, the date of birth was not verified ever since the date of entry in service. The leave accounts were not maintained up-to-date as per leave rules. In two cases, leave availed of was not debited to the leave account of the concerned officials including leave taken on LTC. Such irregularities indicated lack of adequate administrative control in the department.

The Government stated (September 2006) that verification of service books was being done periodically by the DDOs and the leave accounts were being updated every six months, but the reply did not indicate the position in the five units where deficiencies were detected by Audit.

Store management and inventory control

5.1.24 Stock Registers not maintained

Test check of stores and stock books of seven ICDS projects²¹ relating to the period 2001-06 revealed that stock registers were not maintained properly and physical verification of the stock was not conducted regularly. It was noticed that pre-school kits, medicine kits etc. valued at Rs. 10.64 lakh were issued from the Directorate to different ICDS projects between April 2001 and October 2005 for distribution to AWCs. But the fact of receipt of the materials and their subsequent issue to the AWCs was not reflected in the stock book of the CDPOs concerned.

The Director stated (June 2006) that discrepancy in stock was due to absence of the system of verification of stock in the field offices by the Directorate. He added that to avoid such discrepancy, all CDPOs would be advised to receive the materials from the supplier directly and to submit a report to the Directorate.

The Government stated (September 2006) that it had directed all the CDPOs and ISWEs to enter all materials received in the stock registers.

5.1.25 Equipment of non-operational AV unit not disposed of

The Audio Visual (AV) units in the department have been non-functional for a long time but appropriate action to make them functional was not taken. A technical committee appointed by the Director in February 2004, reported that out of 343 equipment, only 14 were serviceable but as of May 2006 steps were not taken to dispose of the obsolete /unserviceable articles by auction, as required under Rule 112, 123, 124 of GFRs.

²⁰ Directorate, SWSE; DISE, West; SWO, Abhoynagar; ISR, Abhoynagar; and CDPO, Jirania.

²¹ Mohanpur, Urban, Jirania, Matabari, Killa, Kakraban, Boxanagar.

Further, despite the Audio Visual units remaining non-functional during 2001-06, no action was taken to re-deploy the three programme operators. Thus, the expenditure of Rs. 9.08 lakh as salaries to the staff (operators-2, puppetman-1) of the units was unfruitful. The Director stated (June 2006) that the matter would be reviewed and winding up of the AV unit would be proposed.

The Government stated (September 2006) that the unserviceable equipment would be disposed of by auction as early as possible.

5.1.26 Internal Audit Arrangement and Vigilance Mechanism

The department did not have any internal audit arrangement. Though the Directorate of Internal Audit of the State Government started functioning in May 2002, it had not taken up any audit of the department as of March 2006. There was no separate vigilance mechanism in the department.

5.1.27 Conclusion

There were serious deficiencies in the internal control mechanism of the department, which adversely impacted the carrying on of the department's mandate. These deficiencies related to practically all the areas of the department's functioning including financial management and budgetary control, programme management, implementation of laws and rules, human resource management, monitoring and supervision. There is an urgent need to strengthen the internal controls in the department.

5.1.28 Recommendations

The following recommendations are made:

- Financial management and budgetary and expenditure control should be strengthened and properly monitored,
- Physical verification of cash, cash book and stores and stock should be conducted as prescribed,
- Monitoring of the programmes should be done at all levels, including at the Government level,
- The obligations under the PWD Act and Rules should be fulfilled in a time bound manner,
- Verification of service records of the staff should be regularly done and disproportionate deployment of staff should be addressed,
- A strong internal audit system should be instituted.