

CHAPTER III : MINISTRY OF CULTURE

Indian Museum, Kolkata

3.1 Irregular expenditure due to weak Internal Controls

The system of internal controls relating to contingent expenditure at the Indian Museum at Kolkata was very weak. Audit noticed significant irregularities having financial implication of Rs. 37.55 lakh as a result of test checks.

Internal control mechanism plays a vital role in establishing and ensuring the regularity and propriety of expenditure incurred. In the past, audit has been pointing out weaknesses in internal control systems at the Indian Museum like non-accountal of cash receipts in the Cash Book, excess payments, payment of more than one advance for the same purpose, non-adjustment of advances and advances against contingent bills remaining outstanding for unusual lengths of time, etc. through its annual inspection reports.

Audit of the Museum for the period 2005-06 conducted during June 2007 on the basis of test checks brought out continuation of weak internal controls relating to contingent expenditure at the Museum. Some major instances having combined monetary impact of Rs. 37.55 lakh are discussed in following paragraphs.

3.1.1 Slackness in adjustment of contingent advances

As per General Financial Rules, adjustment bills along with balance if any, are to be submitted by the government servant within fifteen days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary.

It was noticed that advances amounting to Rs. 27.90 lakh were lying unadjusted as of 31 March 2006. These included advances of Rs 20.66 lakh made upto 2004-05 and some of these advances dated as far back as 1997-98. Advances amounting to Rs. 1.32 lakh given to a former Director and a former Deputy Director who retired in May 2006 and August 2006 respectively were yet (June 2007) to be adjusted. This indicates almost total absence of control and slackness in monitoring of adjustment of advances.

3.1.2 Adjustment of contingent advances without proper supporting documents

Audit noticed following instances of adjustment made without production of actual receipts /cash memos.

- A contingent expenditure of Rs. 78,000/- was reimbursed in May 2005 to the Office Superintendent on the basis of his mere statement of having paid printing charges of cards, folders, etc. to two firms without obtaining the actual receipts from the payee firms. In another instance an amount of Rs. 37,175/- was paid to Office Superintendent in May 2005 without production of actual receipts /cash memos. In both cases, stock entry certificates were absent indicating that the items purchased were not recorded in the stock register of the Museum leaving scope for manipulation and misuse.
- In another instance of payment, against an amount of Rs. 56,000/- paid in May 2005 to the Office Superintendent as contingent advance, Rs. 36,000/- was adjusted as “contingent expenditure done by the Director” without any supporting voucher and the remaining Rs. 20,000/- was adjusted as having been “Paid to D.K. Das for Board’s Meeting” again without any voucher. In yet another case, telephone bills in the name of an unidentified person were used as vouchers for payment of Rs. 22,200/- made during May 2005 and December 2005 towards residential telephone bills of a former Director.
- The Office Superintendent had taken an advance of Rs. 90,000/- in January 2005, for which the adjustment bill was submitted in the next month. The adjustment bill included a sum of Rs. 10,000/- for which a receipt on plain paper stating “Received Rs. 10,000/- for seminar on security” from the Photo Officer and countersigned by the Education Officer of the Museum was used as a voucher. Another payment for contingent expenditure made by the Superintendent in June 2005 included a similar statement on plain paper signed by ‘Mita Chakrabarty, S.T.A.’, that merely stated “Received Rs. 8,000/- (eight thousand only) from Sri Dilip Das, O.S. on 23.4.2005,” without any other supporting document and without even mentioning the purpose for which the payment was made.

3.1.3 Multiple/ excess payments made against bills

Audit noticed instances of multiple payments for the same purposes or against the same supply orders and excess payment as under:

- A personal electricity bill of a former Director was irregularly paid from the Museum account but a photocopy of the same bill was again used to pay the electricity bill for the previous month.
- Two consecutive cheques¹ for Rs. 77, 286/- each were released on 26 May 2005 and 28 May 2005 against the same supply order² and for the same purpose³.
- The Museum organized a seminar in February 2005 and 600 invitations cards were required to be printed at the rate of Rs. 22.50 per card at a total expenditure of Rs. 13500/- for the purpose. Audit noticed that payment for this amount for the same purpose was made thrice by the Museum.
- Audit detected an instance where an amount of Rs. 26,620/- was paid to an employee on 16 May 2005 towards contingent expenditure for engagement of 10 labourers for 10 days at the rate of Rs. 80/- per labourer per day as recorded by the Museum resulting in excess payment of Rs. 18620/- indicating laxity of internal controls.

3.1.4 Inexplicable delay in submitting adjustment bills

Seven contingent advances amounting to Rs. 2.11 lakh were released to the Office Superintendent between February 2000 and October 2000. Against these advances, the Superintendent submitted adjustment bills for a total amount of Rs. 4.13 lakh, all pertaining to the year 2000 during April and May 2005. The balance amount of Rs. 2.02 lakh was paid to him on April to May 2005. The same Superintendent also claimed (April-May 2005) Rs. 2.04 lakh as reimbursement of expenditure made by him during the year 2000. This amount was also paid to him by the Museum. Thus it emerges that during the year 2000, the Superintendent had not only spent an astounding sum of Rs. 4.06 lakh (Rs. 2.02 lakh + Rs. 2.04 lakh) from his own pocket to meet office expenses of the Museum but he was also not bothered to ask for

¹ Bearing numbers 375504 dated 26-05-05 and 375505 dated 28-05-05 favouring M/s Visual Workshop against their bill nos. 40/IM/05 and 41/IM/05 respectively.

² No. 04-05/ T 753 dated 30-03-05

³ To supply of 7026 Sq. inch work of individual labels (1st Set- Bengali Version)

reimbursement and preferred his claims for reimbursement after more than four years. This was a highly improbable situation and raises doubts about the genuineness of the claims. The Museum could not provide any explanation as to why these bills pertaining to the year 2000 were lying with the Office Superintendent for more than four years. Moreover, as the vouchers were not defaced as 'Paid and Cancelled', chances of the same having been used earlier, cannot be ruled out.

The matter was reported to the Ministry in July 2007; their reply was awaited as of November 2007.

Indira Gandhi National Centre for Arts

3.2 Wasteful expenditure on pay and allowances of surplus staff

Employment and retention of staff in the building project cell in Indira Gandhi National Centre for Arts despite no work of the building project resulted in wasteful expenditure on pay and allowances of Rs. 89.69 lakh between 2003-04 and April 2007.

Examination of documents in the IGNC⁴ disclosed that despite cessation of all construction activities, IGNC continued to operate a building project cell and continued to employ large number of staff leading to waste of Rs. 89.69 lakh between 2003-04 and April 2007 on their pay and allowances.

Construction work of the building project of IGNC was suspended in November 2000, after completion of only one building out of eight planned in 1987 due to non-availability of funds. It was decided by the Executive Committee of IGNC in April 2002 that the remaining work be entrusted to the CPWD⁵. The Executive Committee further decided in September 2002 to set up a Building Project Cell (Cell) headed by a senior consultant with the sanctioned strength of 17, which consisted of 14 group 'C' and 'D' grade to assist the Executive Committee on all technical matters connected with the Project and coordinate with the CPWD during taking over and thereafter.

The remaining construction work of the building project has not started and the works have not been handed over to the CPWD as of May 2007. Despite no work of building project, the IGNC continued to employ the 17 persons in the building project cell from September 2002. The services of five of them were discontinued during June 2005 to April 2007 and two of them were adjusted in March 2007 against vacant posts of IGNC. The remaining 10

⁴ Indira Gandhi National Centre for Arts

⁵ Central Public Works Department

employees were continuing as of July 2007. They consisted of support staff of three car drivers, three peons, one LDC, 2 PAs/Stenos and one operator. Continuance of 10 to 17 employees, who were appointed on purely temporary basis in the Cell for up to five years despite no work in the Cell, has resulted in waste of Rs. 89.69 lakh on their pay and allowances during 2003-04 and onwards up to April 2007.

On being pointed out in audit, IGNSA stated in March 2007 and May 2007 that the staff working in the Cell took care of ongoing activities relating to the project and provides assistance to experts/ consultants from time to time. It added in June 2007 that the CPWD had submitted cost estimates for the balance work to the Ministry for approval.

The reply of IGNSA is not acceptable. Firstly, there were no ongoing activities relating to building project. And secondly, drivers, peons, LDCs and PAs/Steno are not competent to provide assistance to the experts/consultants. As a matter of fact there was practically no work for the consultant himself for the building project work during the entire period.

Services of staff in the Cell should be discontinued forthwith. Ministry may also carry out investigation of the actual utilisation of the staff and determine accountability for the waste on their pay and allowances.

The matter was referred to the Ministry in July 2007. No reply has been received as of November 2007.