

CHAPTER II : MINISTRY OF INFORMATION AND BROADCASTING

2. Satyajit Ray Film and Television Institute, Kolkata

Highlights

- The Institute had never prepared any perspective plan indicating the short and long term goals and specific action plans. Annual Action Plans were also not prepared for 2003-04 and earlier.
- The Institute conducts only one course – Post Graduate Diploma course in Cinema. But the ad-hoc approach towards its core activities led to unusual delays in completion of the sole course. The Institute had to skip enrolment of new batches during 5 out of its 11 years of its existence. Other courses mandated by the MOA and Governing Council have never been run.
- The Institute did not prepare any plan for computerization of its activities. Vital academic and administrative functions were being handled manually.
- The human resource management was characterized by violation of recruitment rules, absence of job description, lack of proper checks before appointment etc.
- The budget estimates were submitted to the Ministry without approval of the Governing Council. The Institute's efforts to augment internal revenue generation were inadequate. Fees from the students were abnormally low compared to the cost of running the course; fees met only 12.8 *per cent* of Institute's academic expenses.
- The internal controls relating to asset management were lax.

Recommendations:

- The Institute should draw up annual as well as perspective plans regularly setting short-term, medium-term as well as long-term targets to achieve its objectives. It should also evolve a suitable monitoring mechanism to identify roadblocks and take corrective measures.

- **The Institute should develop the schedule for entire term of diploma course as well as annual academic calendars and coordinate the academic activities in an efficient manner so as to ensure timely completion of the course.**
- **The Institute should computerise academic functions like admission of students, allotment of classes to faculty, preparation of academic schedules and maintenance of records regarding production of films and also administrative functions e.g. maintenance of personnel records, inventory management and accounting functions. A suitable management information system (MIS) should be put in place for efficient and effective monitoring and evaluation of various activities.**
- **The required process of framing budget estimates should be followed. The Institute should also take concrete steps to augment its internal revenue generation.**
- **The Institute should regularly conduct physical verification of its asset in general and equipments in particular.**
- **The Institute should put in place a suitable internal audit system.**
- **The Institute should observe rules and procedures relating to recruitment, promotion and leave matters. The Institute should also determine duties to be performed by its officers and staff.**

2.1 Introduction

Satyajit Ray Film and Television Institute, Kolkata was established in 1995 by the Government of India as an autonomous educational institution under the Ministry of Information and Broadcasting and was registered under West Bengal Societies Registration Act, 1961. Named after the legendary film maestro Satyajit Ray, the Institute is the second of its kind in the country. The Institute offers Post-graduate Diploma in Cinema with specialization in four branches viz. Direction and Screenplay Writing, Motion Picture Photography, Sound Recording and Editing.

The Institute is run by a Society constituted by the Government of India. The Society runs the Institute through a Governing Council. The Society is headed by a President, who is also the Chairman of the Governing Council. The Director is the head of the Institute. He is assisted by the Dean in academic matters and by the Registrar in administrative matters.

2.2 Objectives of the Institute

The major objectives set by the Institute in its Memorandum of Association were as follows:

- (i) To provide for under-graduate and post-graduate teaching in the art and craft of film-making for cinema and television and allied subjects and to produce trained man-power for the growing needs of the film industry and television organizations in India.
- (ii) To provide facilities for and undertake research in various branches of film and television.
- (iii) To institute scholarship, fellowship, monetary assistance and prizes with a view to promoting interest in studies and research in film and television.

2.3 Scope of audit

Audit of the Institute is conducted under Section 14(1) of CAG's (DPC) Act, 1971. A performance audit of the Institute was conducted covering the period from 2001-02 to 2005-06 focussing on management of academic activities, financial management and human resource management.

2.4 Audit objectives

Performance audit was conducted with the following objectives:

- Whether the Institute managed its academic activities efficiently and systematically,
- Whether the financial management by the Institute was sound and adequate efforts were made to augment its internal revenues,
- Whether the Institute managed its human resources efficiently,
- Whether the internal controls relating to asset management were effective,
- Whether the institute evolved an effective internal audit system.

2.5 Audit criteria

The audit criteria were derived from the following:

- Memorandum of association, regulations of the Institute, financial byelaws, service byelaws, recruitment rules, decisions of Governing Council etc.
- Rules orders, directives etc. of Government of India relating to the Institute
- Targets and schedule relating to management of academic activities.

2.6 Audit methodology

Audit examined records in the different departments/ sections of the Institute. Audit also gathered evidence and response through questionnaires and interviews including Entry and Exit conferences with the management.

Audit findings

2.7 Financial Management

The Institute was substantially financed by the Government of India as shown in the table below:

(Rupees in crore)

Year	Grants from GOI	Income from own sources	Total Income	Revenue Expenditure
2001-02	3.08	0.16	3.24	2.63
2002-03	3.00	0.27	3.27	3.91
2003-04	3.64	0.37	4.01	3.61
2004-05	3.86	0.28	4.14	4.34
2005-06	6.60	0.36	6.96	6.47

2.7.1 Budgeting

The Institute had framed its Financial Byelaws, which were adopted by the Governing Council in November 1996. As per the byelaws, the budget is required to be placed before the Governing Council together with the recommendation of the Standing Finance Committee for approval and is thereafter sent to the Government of India for sanction of grants. Audit scrutiny brought out the following:

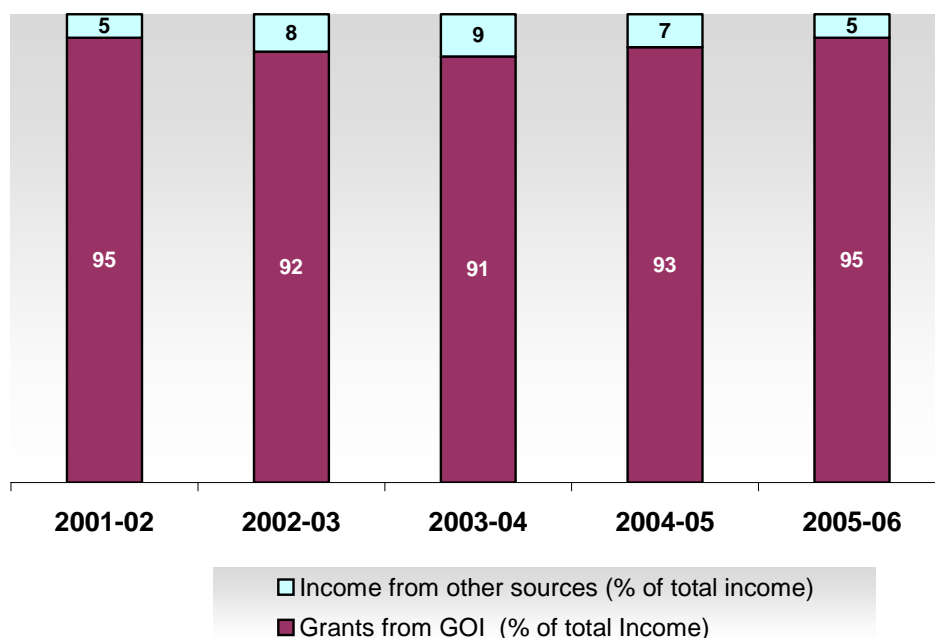
- Approval of the Standing Finance Committee was not obtained for the budget estimates for three years viz. 2001-02 to 2003-04.
- The budget estimates were never placed before the Governing Council for approval. Thus, the budgets were submitted to the Ministry without inputs from the Governing Council.
- The budgets prior to 2005-06 exhibited lump sum requirement of funds for academic activities without indicating the fund requirement for different types of activities/projects. The budget for 2005-06 projected the fund requirement for different types of projects.

Thus important requirements relating to preparation of budgetary estimates were violated by the Institute.

The Institute accepted the necessity for maintaining proper budget and expenditure of students' projects.

2.7.2 Internal resource generation

The Institute's own income ranged between 5 per cent and 9 per cent of the total income, its main source of income being the Government grants.



2.7.2.1 Low tuition fees

Tuition fees from the students should form a major source of internal revenue generation of any institute. The Governing Council in August 2001 revised the fees from Rs. 7500 to Rs. 55000 for the entire course of three years. But even after such increase, the fees were abnormally low compared to the revenue expenditure, which was incurred almost entirely for running the sole post-graduate diploma course in cinema. The revenue expenditure comprised of three major components—Establishment Expenses, Administrative Expenses and Academic Expenses. Of these, academic expenses constituted 37 *per cent* of the total revenue expenditure incurred during 2003-04 to 2005-06¹.

Audit analysis revealed that the total academic expenses incurred during the last three years was Rs. 5.16 crore whereas the tuition fees chargeable from 120 students for three years at the rate of Rs. 55000 per student works out to Rs. 66 lakh constituting only 12.80 *per cent* of the academic expenses.

Thus, the fees were not enough even to meet the academic expenses of the Institute. But no review to link the fee structure with the cost of running the course was undertaken by the Institute in the last five years and as such the fees remained unrealistic and had no relationship with the concept of recovery of cost.

2.7.2.2 Lack of control for timely realisation of fees

As per the decision of the Governing Council, students were required to pay the total course fee of Rs. 60000 (including refundable security deposit of Rs. 5000) in six equal instalments; each instalment was to be paid in advance

¹ upto 2002-03 these were not shown separately.

before the commencement of each semester. The hostel rent of Rs. 15000 was also payable in six instalments. The prospectus further stated that failure to deposit fees within the prescribed date(s) would attract action as per extant rules. Audit scrutiny revealed that the Institute did not frame any such rules as of November 2006. There was also no system of charging late fee for delayed payment of the tuition/ hostel fees. As a result, the Institute failed to recover Rs. 7.05 lakh due from 62 students towards course fee and hostel rent as of November 2006. Some of the defaulting students have already passed out from the Institute. In the absence of proper control mechanism, the Institute had failed to take effective action for timely recovery of fees.

2.7.2.3 Failure to generate revenue from additional sources

The Governing Council of the Institute in August 2003 accorded approval for additional resource generation by the following ways:

- Hiring out of the infrastructure/space and equipment to outside professionals when they are not required for the Institute's own academic activities
- Introduction of 'Short & Medium Term Courses' like (i) Film Appreciation Course; (ii) Multi-Camera On-Line Video Production Course; (iii) Crash Course on Acting; (iv) Film Making Appreciation Course for Children.

While the Institute could generate an insignificant income of only Rs. 5.67 lakh during the period from 2001-02 to 2005-06 from hiring out of the infrastructure to different organisations and production companies, no effort was made to introduce the short and medium term courses that were approved by the Governing Council.

The Institute stated that the recommendation of audit for augmenting internal revenue generation would be given due consideration so as to reduce dependence on government grants.

2.8 Management of academic activities

Since commencement of first academic session in August 1996, the Institute has been running a 3 Year Post Graduate Diploma Course in Cinema with specialisation in Direction and Screenplay Writing, Motion Picture Photography, Editing and Sound Recording with an annual intake of 40 students, 10 in each specialisation. The Institute had framed its academic by-laws only in 2006 after 10 years of its functioning.

2.8.1 Planning

The Institute prepared "Performance and Development Action Plan" for three years, viz. 2004-05 to 2006-07, which were approved by the Governing Council in July 2004. It was noticed that the Institute had never prepared any perspective plan or even annual plan indicating the short and long term goals

and targets and specific actions for fulfillment of the objectives except the “Performance and Development Action Plan” for three years, viz. 2004-05 to 2006-07.

2.8.2 Introduction of new courses

The Film and Television Institute of India (FTII), Pune runs as many as six courses with a total intake of 136 students every year. Though, the Memorandum of Association (MOA) of the Kolkata Institute enjoins it to run courses in various areas, both at the undergraduate as well as the postgraduate levels and also to undertake research in various branches of films and television, audit scrutiny brought out the following:

- The Institute could not start any other course of study or research even after 10 years of functioning. In May 2004 a committee headed by Dean of FTII, Pune had recommended the introduction of a number of courses on television. The Institute also has a TV studio but it has not introduced any training course in television so far. The TV studio is used by students for the purpose of shooting films.
- As per Performance and Development Action Plan for 2004-05 and 2005-06, the Institute had targeted to introduce following short term self financing courses.

Year	Courses targeted to be introduced
2004-05	4-week Film Appreciation Course (2 courses)
	6-week Multi Camera Video Production Course (1 course)
	2-week Film Appreciation Course for Children (2 courses)
	Video Production Hands-on course for officials and working professionals
2005-06	6-month crash course in Acting (1 Course)
	6-month crash course in Animation (1 Course)
	Selective increase in frequency of the on-going courses

None of above course was introduced as of November 2006 leading to gross under performance of its mandated activities.

2.8.3 Programme management

As stated earlier the Institute runs only one 3 Year Post Graduate Diploma Course in Cinema with annual intake of 40 students. Audit of management of this programme brought out the following:

- The Institute ought to have enrolled 11 batches of students till 2006. But only six batches of students were admitted till 2006. There were no enrolments of students during 1998, 1999, 2000, 2004 and 2006.
- The Institute has never drawn up any annual academic calendar or examination schedule and has been following an ad-hoc approach. There was no system of allotment of classes to the faculty. The actual

number of classes taken by the faculty also could not be ascertained as no records in this regard were maintained. The students' attendance records were also not maintained properly.

- The diploma course run by the Institute is primarily project oriented, involving production of different kinds of films by the students. But the Institute did not maintain records of the schedules for individual projects undertaken by the students showing the date of submission of script, production meeting, shooting dates etc. The date of approval of the script was sometimes noted on the body of the script but the date of submission of the script was not at all recorded. Thus the Institute did not control the schedule of the projects.
- No periodical report/return was prescribed by the management for monitoring the progress of academic activities. As such, the pace of implementation of the academic curricula could not be monitored.
- There were delays in completion of the course run by the Institute, as seen in the table below. The delays led to non-enrolment of students during 1998, 1999, 2000, 2004 and 2006.

Batch	Month and year of admission	Scheduled date of completion of course	Present status (as on Nov 2006)	Extent of delay
1 st	August 1996	July 1999	Awarded Diploma in November 2002	More than 3 years
2 nd	August 1997	July 2000	Awarded Diploma in June 2005	About 5 years
3 rd	September 2001	August 2004	6 th (final) Semester running	More than 2 years
4 th	June 2002	May 2005	6 th (final) Semester running	1 year and 6 months delay already occurred.
5 th	August 2003	July 2006	5 th Semester running	4 months delay already occurred

While accepting the audit observation, the Institute cited the following reasons for delays in completion of the course:

- (i) Students often failed to submit the script in time due to which the schedule had to be revised on a case-to-case basis resulting in a cumulative delay.
- (ii) Necessary equipment and adequate facilities, especially for sound recording, were not available.
- (iii) The Institute having no laboratory of its own, the material after shooting had to be sent to outside laboratories usually in Chennai for processing. The students concerned had to visit the laboratory at the final stage of completion of the project, which further added to the delay in completion of the course.

The reply is not tenable since the reasons cited in response are not uncommon in similar institutes and should have been tackled with proper planning. The Institute has a TV studio but has not yet commenced any course relating to TV

which indicates that adequacy of equipments etc. provides no assurance for achieving the objectives. As discussed above the Institute did not properly plan or monitor its academic activities.

During the exit conference, the Head of the Department (Direction) admitted that many of the deficiencies pointed out by Audit were known to them but there was lack of a systematic and well documented approach on these issues. The Dean of the Institute stated that a separate cell was required for planning and monitoring of the academic activities. Institute, however, did not take any action inspite of its awareness of the problems.

2.9 Human Resource Management

The Institute had a total sanctioned strength of 75, all posts being temporary. Besides, the Institute has also been engaging a number of personnel, both technical and non-technical, on contract/ casual basis for running its day-to-day activities. It also invites guest faculties from time to time. As of March 2006, the Institute had 75 persons on its roll including 14 contractual staff and 13 deputationists. Audit scrutiny brought out the following:

2.9.1 Job description

The Regulations of the Institute broadly outline the structure of the hierarchy in the Institute and the composition of the Governing Council, besides laying down some broad guidelines. The Institute does not have any administrative manual to conduct its day-to-day business. The Regulations of the Institute provide that the Director shall prescribe the duties of all the officers and of the staff of the Institute and shall exercise such supervision and disciplinary control as may be necessary. But no duty list of the officers/staff has been prepared more than a decade after its establishment.

2.9.2 Recruitments

The Institute has its Service Byelaws and its own Recruitment Rules approved by the Governing Council. As per the Service Byelaws, the Governing Council has the power to relax any provision of the Recruitment Rules with reference to any category of persons for reasons to be recorded.

Test check of records revealed the following:

- The Institute made 49 appointments of faculty and non-faculty till date. Out of these in respect of seven faculty appointments, the Institute had relaxed the upper age limit up to 14 years and in respect of 14 non-faculty appointments it had relaxed the upper age limit up to 18 years. As per the provisions of the Service Byelaws, only the Governing Council had the power to relax the age and qualification prescribed in the Recruitment Rules. It was noticed that approval of the Governing Council was not obtained in seven cases of appointments where the upper age limit was relaxed.

- As per the Recruitment Rules, degree from a recognized University was an essential qualification for appointment as faculty of the Institute. The Institute appointed a candidate for the post of Lecturer (Cinematography) in March 2002 even though he was unable to produce proof of educational qualification (Degree/Certificate). The candidate failed to produce the Degree/Certificate till November 2006.
- The Institute had appointed 11 persons on contract basis without obtaining the Ministry's approval, which was a prerequisite for such appointments. Further, the services of these contractual employees were extended from time to time on the basis of recommendation of the Head of the Department. The Ministry in April 2005 pointed out the violation of its instructions and advised the Institute to strictly comply with the rules in this regard. The Institute has so far not taken any action to obtain approval from the Ministry or to terminate such contractual appointments.

2.9.3 Promotion

As per Government rules, ad-hoc promotion may be granted for a maximum period of one year and approval of the DOPT is required for any further extension.

- In March 2000, the Institute granted ad-hoc promotion to three non-faculty officials. They were allowed to continue in their promotional posts till 24 March 2006 without obtaining approval of the DOPT. Thereafter they have been reverted to their earlier posts. Thus, the Institute had irregularly granted ad-hoc promotion beyond the permissible period without the approval of the DOPT.
- As stated earlier, the Institute had sanctioned strength of 75. All these posts being temporary needed extension from time to time. It was noticed that not a single post had extension approval beyond February 1998. In October 2000, the Institute sought the Ministry's approval for continuation of all the 75 posts and for conversion of the temporary posts into permanent ones so that the eligible employees could be declared confirmed in service. Ministry is yet to accede to this proposal. While the correspondence between the Ministry and the Institute has been going on, the Institute in the meantime promoted irregularly five officials to higher grades without approval of Ministry for continuation of the posts.

2.9.4 Vacation leave

The Institute has not yet been declared a vacation department. Responding to agenda item on 'declaration of vacation leave' the Governing Council in its meeting of January 2006 had decided that vacation leave should be granted only if the academic/project schedule happen on time. However, the faculty-members have been availing of leave at different times of the year by applying for "vacation leave" which were approved by the leave sanctioning authority

but were not being recorded in the leave accounts of the concerned faculty. The leave applications are kept in a file and not recorded in the service books/leave accounts. The approach of the Institute clearly indicates its disregard for rules as well as Governing Council's decisions.

2.10 Asset management

The Institute was in possession of a number of equipments including those required for production of films and television programmes costing Rs. 21.40 crore. The Purchase Section of the Institute maintains a centralized asset register wherein allocation of equipment to different departments is noted after procurement. Some of the equipment like camera, lights and sound recording equipment are issued to the students on a regular basis for shooting inside the campus as well as on outside locations.

Audit scrutiny brought out the following:

- The Institute did not carry out physical verification of assets regularly. Physical verification (February 2001) by a Chartered Firm engaged by the Institute had revealed that a VCR and print of a film costing Rs. 1.50 lakh were not traceable. Both the items were still missing as on November 2006. Another verification done by another Chartered Accountant in December 2005 revealed shortage of 156 books and 17 audio-visual materials. No physical verification of assets, other than library books and audio-visual materials was conducted during 2001-02 to 2004-05.
- Test check of equipment issue registers revealed that the Motion Picture Photography and Sound departments issued equipments to students without recording the identification number of the equipment. In January 2006, a video camera along with accessories costing Rs. 0.62 lakh was reported missing from the Sound Department which was yet to be recovered (November 2006).

2.11 Internal Audit

It is the primary responsibility of the management to install an effective internal audit system and take prompt remedial action in respect of the deficiencies pointed out by internal audit. No system of Internal Audit existed at the Institute and there was no Internal Audit Manual. The Institute accepted the need for internal audit.

2.12 Administrative issues

2.12.1 Lack of computerisation

Vital academic functions e.g. admission of students, allotment of classes to faculty, preparation of academic schedules and records relating to production of films, administrative functions e.g. maintenance of personnel records, inventory management and accounting functions e.g. preparation of payroll,

payment and adjustment of advances were not computerized and were being done manually. Audit noted that the Institute did not prepare any plan for computerization of its activities. The institute agreeing to the need for proper IT plan stated that the planning was in process to augment some of the infrastructure.

2.12.2 Encroachment on Institute assets

As of November 2006 there were two unauthorised temporary structures (Jhopris) inside the Institute's campus which were being used by outsiders for running business of eateries. No action had been taken as of November 2006 to demolish the unauthorised structures and evict the illegal occupants from the campus.

While accepting the audit observation, the Institute stated that appropriate action needs to be taken regarding the unauthorised occupation inside the campus.

2.13 Acknowledgement

We acknowledge the co-operation of the Institute management during course of audit including discussions as well as entry and exit conferences.

The performance audit report was issued to the Ministry in January 2007; their reply was awaited.