

## OVERVIEW

This Report contains results of performance audit of (i) Working of the Coffee Board (ii) Functioning of the Rubber Board (iii) Indira Gandhi National Open University (iv) Integrated Vessel & Cargo Information and Billing System (IVCIBS) and Financial Management System (FMS) in the Cochin Port Trust and (v) Construction and allotment of houses by Delhi Development Authority.

## MINISTRY OF COMMERCE AND INDUSTRY

### Coffee Board

#### Working of the Coffee Board

The Coffee Board constituted under the Coffee Act, 1942 was vested with the power of marketing the entire coffee produced in India. With total liberalization of the coffee marketing in 1995-96, the Board's focus, has been on areas like research, extension, development, quality management, market promotion, etc. The actual production of coffee in the country fell short of the targeted production by 14 to 31 *per cent* during X Plan period. The performance audit conducted revealed slippages in implementation of the schemes. No new varieties of coffee were released and the Board continued to rely on the main varieties developed before 1980 which were prone to pest infestation. The Board could not develop any forecasting models on weather parameters *versus* yield/outbreak of pests. The Board was yet to recommend any effective effluent treatment mechanism to combat water pollution. The productivity of coffee in North Eastern Regions and the non traditional areas of Andhra Pradesh and Orissa was poor compared to national average. The targets for exports of Indian coffee also remained unachieved; exports were below the base level of 2.4 lakh tonnes during most part of the Plan period. The exports to Belgium, the Russian Federation and Germany showed declining trend.

*(Paragraph 1)*

### Rubber Board

#### Functioning of the Rubber Board

The Rubber Board was constituted by Government of India under the Rubber Act, 1947 and functioned mainly to promote the development of rubber industry by undertaking scientific research, imparting training in various aspects of rubber cultivation and giving technical advice to rubber growers. A performance audit covering the functioning of the board during the period 2002 to 2007 revealed that certain areas of the functioning need to be addressed for sustaining the growth momentum. There were arrears of cess amounting to Rs. 9.05 crore of which Rs. 3.02 crore was more than five years

old. Against 34850 hectares targeted during the X Plan period for replanting, achievement was only 23771 hectares. The Productivity Enhancement Scheme was not implemented during the first three years of the plan period due to delay in getting Ministry's approval. The scheme was also affected by inadequate procurement of inputs like rain guarding materials, fungicides etc. Underutilisation of the available area in the Board's nurseries ranged from 38 to 62 per cent. In the ten Regional Offices test-checked, shortfall in supply of plants from nurseries was 86 *per cent*. Substantial delays were noticed in disposal of applications for permits for planting and replanting, thus delaying assistance to growers. During the period 2002-07 there was decline in the area of plantation in non-traditional areas like Goa, Andaman & Nicobar, Orissa and Maharashtra. The Group Planting Scheme was not implemented in Regional Office, Guwahati during the first two years of the X Plan and implementation during the remaining three years was tardy. Insufficiency in field visits in the North-East resulted in deficiency in advisory and extension support to the growers. The scheme for setting up demonstration plots was not implemented by Guwahati Regional Office. Against the targeted number of 500 Rubber Producer's Societies only 72 were set up during the X Plan.

*(Paragraph 2)*

## MINISTRY OF HUMAN RESOURCE DEVELOPMENT

### **Indira Gandhi National Open University**

The Indira Gandhi National Open University (IGNOU) was established in 1985 primarily with the objective of providing opportunities of higher education through distance learning to a large cross section of people keeping in view their needs of employment and to determine the standards of open and distance learning systems in the country.

Performance audit of IGNOU disclosed that it did not carry out comprehensive need assessment studies to assess the firm demand before introduction of new programmes, which resulted in low success rates of a large number of new programmes. IGNOU did not carry out regular revision of programmes which resulted in decline in enrolments in many popular programmes as well decline in the academic performance of the university. The pass *percentage* of students in a large number of programmes of IGNOU was low. Placement services offered by IGNOU did not meet the objective of assisting the students to secure appropriate jobs. There were delays in dispatch of study material and declaration of results causing inconvenience to the students. Its achievement in respect of measures to provide access to higher education to the disadvantaged sections of the society was insignificant.

IGNOU was assigned the task of establishment, maintenance and operation of 40 FM channels termed as Gyan Vani, for broadcasting educational programmes. Despite an expenditure of Rs. 33.38 crore up to 2007 only 26

stations have been commissioned as of May 2007. Even the utilization of the commissioned channels was far below the available maximum programme hours. IGNOU is also the nodal agency for uplinking and transmission of the four Gyan Darshan channels for telecast of educational programmes. IGNOU's inability to ensure the telecast of Gyan Darshan channels by popular media service providers resulted in low viewership of these channels. Further, teleconferencing facilities established by IGNOU to facilitate direct access with teachers, were not utilized to the full extent due to poor response from students and lack of facilities in most of the study centers. IGNOU did not carry out any survey for determining the popularity and usefulness of Gyan Vani and Gyan Darshan channels.

Distance Education Council (DEC) was set up by IGNOU to function as an apex body for promotion, coordination and maintenance of standards of Open and Distance Learning (ODL) system in the country. DEC's regulation of ODL system was inadequate and ineffective, since many State Open Universities (SOUs) and Correspondence Course Institutes (CCIs) continued to offer programmes to students without getting DEC's approval. Besides, despite release of heavy grants to 54 CCIs by DEC, it failed to review and give approval to the programmes of these grantee institutions and failed in its commitment to develop a common pool of programmes for sharing with SOUs and CCIs.

Expenditure on Plan schemes such as establishment of national network of open and distance education, establishment of national center for innovation in distance education and schemes for disadvantaged groups and regions was negligible resulting in non-achievement of objectives. IGNOU suffered substantial loss of interest due to injudicious investments.

*(Paragraph 3)*

**MINISTRY OF SHIPPING, ROAD TRANSPORT AND  
HIGHWAYS**

**Cochin Port Trust**

**Integrated Vessel & Cargo Information and Billing System (IVCIBS) and  
Financial Management System (FMS) in the Cochin Port Trust**

Cochin Port Trust (CoPT), rendering services to Inland and Foreign vessels in handling cargo, initiated a Project during 1998-99 for the computerisation of different areas of Port operation so as to equip it to compete with other Ports. IT Audit of two major IT Applications, "Integrated Vessel & Cargo Information and Billing System (IVCIBS)" and "Financial Management System (FMS)" revealed glaring deficiencies in input control and process control. Also the inadequate logical access control affected the integrity of the database. CoPT, which invested Rs. 5.25 crore on the Project, continued with the manual system and did not attempt effective utilisation of all the features

in the application developed, so as to introduce budgetary control or to increase the efficiency of Port operation.

*(Paragraph 4)*

**MINISTRY OF URBAN DEVELOPMENT**

**Delhi Development Authority**

**Construction and Allotment of Houses by Delhi Development Authority**

Delhi Development Authority is responsible for the development and construction of Housing colonies and complexes to meet the housing needs of various sections of the population of Delhi. Audit review for the period 2002-03 to 2006-07 revealed that despite having sufficient funds, houses targeted to be constructed could not be achieved. Housing works were awarded without obtaining prior approval from local bodies and without ensuring availability of structural drawings and material to the contractor in time. Out of 30 works selected for detailed scrutiny, 3 works were rescinded and none could be completed in time as a result of which escalation charges of Rs. 6.83 crore were paid. Routine inclusion of clause 10CC in the lump sum contracts caused undue benefit of Rs. 10.71 crore to the contractors. As of 31 March 2007, 11650 houses constructed prior to April 2002 were not disposed off. On the other hand, waiting list for LIG houses in New Pattern Housing Scheme-79 (NPRS-79) and Ambedkar Awaas Yojana-89 (AAY-89) could not be cleared even after expiry of 27 and 17 years respectively since commencement of these schemes.

*(Paragraph 5)*