

**Report of the
Comptroller and Auditor General of India
for the year ended March 2012**



**Union Government (Civil)
Autonomous Bodies
Performance Audit
No. 16 of 2013**

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PREFACE

This report of the Comptroller and Auditor General of India containing results of performance audit on the following topics has been prepared for submission to the President of India under Article 151 of the Constitution:

1.	Working of Indian Council for Cultural Relations	Ministry of External Affairs
2.	Functioning of University of Allahabad	Ministry of Human Resource Development
3.	Functioning of Babasaheb Bhimrao Ambedkar University, Lucknow	Ministry of Human Resource Development

These performance audits incorporate the results of test check of records of the above mentioned units for the period 2006-07 to 2011-12.

EXECUTIVE SUMMARY

MINISTRY OF EXTERNAL AFFAIRS

Working of Indian Council for Cultural Relations

Indian Council for Cultural Relations was established with the primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries. To achieve this objective, the authorities of the Council comprising General Assembly, Governing Body and Finance Committee formulated policy and programmes. Audit observed that these authorities did not meet in accordance with the prescribed frequency, nor was any annual plan of action prepared.

The Council failed to provide adequate publicity to ICCR Scholarship Scheme. As a result, there was sub-optimal utilisation of slots and skewed representation of countries under the programme. The Council allocated 25 *per cent* slots under Cultural Exchange Programme Scholarship Scheme to countries with whom there were no Cultural Exchange Programme agreement.

Three Indian Cultural Centres were opened and run by the Council without the required approval of the Ministry of External Affairs. The Council had been operating the posts of Director, ICC in various countries without obtaining the requisite approval from the Ministry of Finance. The Council did not formulate any guidelines for appointment of external persons to the posts of Director ICC. As a result these posts were being filled up by the Council in an arbitrary manner.

There were major deficiencies in the procurement process adopted by the Council. The Council incurred significant expenditure on procurement of services from private firms without following the provisions of General Financial Rules.

MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Functioning of University of Allahabad

The University of Allahabad is one of the oldest universities in India and was established in September, 1887. It was registered as State University under the

Uttar Pradesh State Universities Act, 1973. The Government of India declared the University of Allahabad to be an institution of national importance and granted status of a Central University in July, 2005.

The performance audit of University of Allahabad, covering the period from 2006-2012 revealed significant shortcomings in its functioning. The University could not utilise its resources efficiently as there was critical shortage of teaching staff and the teacher student ratio was more than the prescribed norms. The University opened only seven inter disciplinary centres out of the 15 centres required to be opened as per its ordinance.

There were significant shortfalls in the utilisation of funds for research projects. The University could utilise only about 33 per cent of funds received for various research projects. The hostel allotment was marked by inefficiency as there were unauthorised occupancy of the hostel accommodation coupled with waiting list for hostel allotment. The fund management in the University was poor. As a result, unutilised funds of the University increased from ₹ 64.80 crore in the year 2006-07 to ₹ 97.15 crore in the year 2011-12. The University in violation of MHRD directions, diverted maintenance grant for payment of interest on GPF accounts of its employees.

Functioning of Babasaheb Bhimrao Ambedkar University, Lucknow

Dr. Bhimrao Ambedkar University, Lucknow was established by the State Government in 1989 for imparting post graduate, doctoral/post-doctoral studies and research in Science & Technology. The University was notified (January 1996) as Central University and renamed as Babasaheb Bhimrao Ambedkar University, Lucknow under Babasaheb Bhimrao Ambedkar University Act, 1994.

Performance audit of the University revealed that the University did not achieve its objective in respect of opening of Schools and Departments as prescribed in the Academic Ordinance, 2004. The University was functioning with critical shortage of infrastructure, teaching staff and other amenities viz. hostels, sports complex, health centre. The utilisation of funds by the University was poor. As a result, the amount of un-utilised funds increased from ₹ 2.56 crore during 2006-07 to ₹ 54.30 crore during 2011-12.

**MINISTRY OF HUMAN RESOURCE
DEVELOPMENT**

**FUNCTIONING OF UNIVERSITY OF
ALLAHABAD**

CHAPTER II : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Functioning of University of Allahabad

Highlights

- The University opened only seven inter disciplinary centres out of 15 centres required to be opened as per its Ordinance.

(Paragraph 2.2.2.1)

- There was severe shortage of teaching staff and teacher student ratio was more than prescribed norms. Failure rate was more than 50 per cent in Science stream.

(Paragraphs 2.2.2.2, 2.2.2.3 and 2.2.2.4)

- The University could utilise only ₹ 14.09 crore out of ₹ 35.07 crore received for various research projects.

(Paragraph 2.2.6)

- Unauthorised occupancy along with waiting list for hostel allotment was noticed in University Hostels.

(Paragraph 2.2.7.1)

- The University Central Library could utilise only ₹ 22.80 crore against ₹ 36.67 crore. Library had no guidelines on the conservation of its resources and many valuable books were damaged. The Physical verification of books was not being done.

(Paragraph 2.2.7.2)

- The unutilised funds increased from ₹ 64.80 crore in the year 2006-07 to ₹ 97.15 crore in the year 2011-12.

(Paragraph 2.2.8.1)

- In violation of MHRD directions, the University diverted maintenance grant for payment of interest on GPF accounts of its employees.

(Paragraph 2.2.8.2)

- The fund allotted for maintenance of heritage building could not be utilised.

(Paragraph 2.2.9.2)

Recommendations:

- ❖ *The meeting of the various Authorities may be held as per required frequency, for them to function effectively.*
- ❖ *The University may establish the remaining centres in a time bound manner.*
- ❖ *The University may take steps to fill up vacant posts of teaching staff so as to improve the quality of education.*
- ❖ *The ICC&CE may assess reasons for declining enrollment in B.A. and take necessary action.*
- ❖ *The University may appropriately organise the activities of IQAC and apply for accreditation.*
- ❖ *The University may monitor unauthorised occupancy, get them evicted and allot vacant rooms to those in the waiting list.*
- ❖ *University may adopt appropriate mechanism for conservation of its library resources.*
- ❖ *Physical verification of books may be carried out periodically as per Rule 194 of GFR.*
- ❖ *The University should follow MHRD/UGC directions regarding payment of interest on GPF accounts to its employees.*

2.1.1 Introduction

The University of Allahabad was established on 23 September 1887 and is fourth oldest University of India after Calcutta, Bombay and Madras Universities. It was registered as State University under the Uttar Pradesh State Universities Act, 1973. The Government of India declared the University of Allahabad (the University) to be an institution of national importance and granted status of a Central University under the University of Allahabad Act, 2005 (the Act) with effect from 14 July 2005. The main objectives of the University as per Section 6 of the act are:

- ❖ to disseminate and advance knowledge by providing instructional and research facilities in such branches of learning as it may deem fit;
- ❖ to make provisions for integrated courses in the humanities, the social sciences, the basic and applied science and technology in the educational programmes of the University;
- ❖ to take appropriate measures for promoting innovations in teaching-learning process, inter-disciplinary and professional studies and research, removal of gender disparities and the digital divide, and the application of knowledge to social advancement, national progress and human welfare; and
- ❖ to educate and train human resource for the development of the country.

2.1.2 Organisational setup

The University has 11 Constituent Colleges, four Faculties (Science, Arts, Commerce and Law) comprising of 32 Departments, three Institutes and one Constituent Institute (March 2012).

The Act provides for the following officers of the University:

- (1) The Chancellor shall be the head of the University and preside at the convocations of the University and meetings of the Court.
- (2) The Vice-Chancellor (VC) is the Principal Executive and Academic Officer of the University. The Vice-Chancellor shall be appointed by the Visitor i.e. the President of India.
- (3) The Pro-Vice Chancellor assists the Vice-Chancellor and is appointed by the Executive Council on the recommendations of the Vice-Chancellor.
- (4) The Deans of Faculties are responsible for conduct and maintenance of standards of teaching and research in the Faculties and are appointed by the Vice-Chancellor.

- (5) The Registrar is *ex-officio* Secretary to the Court, the Executive Council and the Academic Council and is appointed by the Executive Council on the recommendation of a selection committee.
- (6) The Finance Officer is *ex-officio* Secretary to the Finance Committee and exercises general supervision over the funds of the University and advises it as regards its financial policy and is appointed by the Executive Council on the recommendation of a selection committee.

The Act also provides for the following authorities of the University:

- i. The Court;
- ii. The Executive Council;
- iii. The Academic Council;
- iv. The Board of Faculties; and
- v. The Finance Committee.

2.1.3 Audit mandate

The audit of the University was conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

2.1.4 Audit scope

The performance audit covered the period from 2006-07 to 2011-12, involving test check of records of the University relating to role of the authorities, academic activities, research, support services, financial management and infrastructure development.

2.1.5 Audit objectives

Performance audit of the University was carried out to ascertain whether:

- role of the authorities under the Act was adequate and effective;
- the academic activities were planned and executed efficiently and effectively;
- research and consultancy projects were carried out as per norms and yielded intended results;
- student support services like hostels and library were adequate;

- the financial resources were managed efficiently and effectively; and
- the University had efficiently executed works relating to its infrastructure.

2.1.6 Audit Criteria

Audit Criteria were derived from:

- The University of Allahabad Act, 2005 and Ordinances of the University;
- Terms and conditions of grants by University Grants Commission (UGC) and other agencies;
- Guidelines/orders of UGC and Ministry of Human Resource Development (MHRD); and
- Minutes of meetings of the Court, the Executive Council, the Academic Council, the Financial Committee, etc.

2.1.7 Audit methodology

The performance audit of the University commenced with entry conference with Vice-Chancellor in June 2011 in which audit objectives, criteria, scope and methodology were discussed. The records of the University were scrutinised during June 2011 to February 2012. The draft Performance Audit report was issued to the University on 3 April, 2012. Replies received (May 2012) from the University have been suitably incorporated in the report. Exit conference was held with Vice-Chancellor on 18 January 2013, to discuss the main audit findings and recommendations therein. The report was issued to the Ministry on 11 December 2012. The reply of the Ministry was awaited (March 2013).

2.2 Audit Findings

2.2.1 Role of Authorities

Various authorities such as the Court, the Executive Council, the Academic Council and Finance Committee were constituted under the Act. Examination of the records relating to their function, strength, number of meeting of these Authorities, resolutions and action taken thereon by the University revealed following:

2.2.1.1 The Court

The main function of the Court is to review the broad policies and programs of the University from time to time, and to suggest measures for its improvement and development.

The Act prescribes annual meetings by the Court where a report on the working of the University during the previous year, together with the statement of the receipt and expenditure, the balance sheet as audited and the financial estimates for the next year shall be presented (Section 8(3) of the Schedule).

It was observed that during 2006-07 to 2011-12, only one meeting was held on 21 June 2008 attended by only 14 out of 31 members as against the quorum of 25.

Thus, mechanism of the Court, for reviewing the broad policies and programmes of the University from time to time and to suggest measures for improvement and development of the University, was found to be ineffective.

The University while confirming (May 2012) the facts and figures, stated that meetings of the Court and its quorum would be ensured in future.

2.2.1.2 The Executive Council (EC)

The Executive Council is the principal executive body of the University and its main function is to manage and administer the revenues and property of the University and conduct its administrative affairs.

Audit scrutiny further revealed:

2.2.1.3 Purchase of Vehicles

With a view to contain non-developmental expenditure under 'Austerity Measures' Ministry of Finance directed (July 2006) that no new vehicles shall be purchased even for replacement of condemned vehicles. Similar orders were also issued earlier (November 2005).

For proposal to purchase four staff cars, the Finance Committee (FC) in its first meeting held on 15 September 2006 recommended 'purchase of vehicle should be made within the guidelines prescribed by the Ministry of Finance, Department of Expenditure and UGC. As per these orders the sanction of UGC is required even for the purchase of new cars in lieu of condemned

ones'. The FC also suggested that hiring of vehicles may be considered and recommended purchase of only one car for the Vice-Chancellor.

However, in the meeting of the EC (October 2006), it was resolved that four staff cars required in the University are to be purchased in lieu of condemned vehicles. Accordingly four staff cars were purchased in March 2007 for ₹ 18.24 lakh.

The FC in the meeting on 4 August 2007 reiterated that ex-post facto approval may be obtained from MHRD.

Thus, the Executive Council apart from violating Government instructions, also overruled recommendations of the FC without justification. Further, no ex-post facto approval was taken by the University.

The University stated (May 2012) that EC was competent to manage, regulate the finances and provide infrastructure for carrying on the work of the University. Hence, approval from MHRD was not required. The reply is not correct as the directive of the Ministry of Finance was applicable to Autonomous Bodies also.

2.2.1.3 The Finance Committee (FC)

The FC is responsible for consideration of annual accounts and financial estimates. It also recommends limits for the total recurring and non-recurring expenditure for the year. Section 13(5) of the Act provides that FC shall meet at least thrice every year.

It may be seen that lesser number of meetings than scheduled were held – one each in 2006 and 2007, two in 2008, one emergent meeting in 2009 and two each in 2010 and 2011. Only in 2012 three meetings as prescribed were held.

The University stated (May 2012) that corrective measures have been adopted from the year 2012.

Recommendation

- ❖ *The meeting of the various Authorities may be held as per required frequency, for them to function effectively.*

2.2.2 Academic Activities

2.2.2.1 Introduction of Centres

As per Ordinance XXVIII, the University Institute of Inter-Disciplinary Studies shall have 15 Centres¹ (**Annex-1**).

Scrutiny of the records revealed that Eight Centres i.e. Centre of Bio-Medical Magnetic Resonance, Centre of Culture and Communication, Centre of Environmental Studies, Centre of Human Rights, Centre of Intellectual Property Rights, Centre of Mobile Communications for Developing Countries, Centre of Nano Science and Nano Technology and Centre of Science and Society were not established (March 2012).

The University stated (May 2012) that efforts were being made to establish the remaining centres.

Recommendation

- ❖ *The University may establish the remaining centres in a time bound manner.*

2.2.2.2 Shortage of Teaching staff

Availability of qualified and experienced faculty is necessary to maintain academic standards of an educational institution. The position of sanctioned posts and persons-in-position as on 31 March 2012 is shown in **Table-1**.

Table-1

Designation	Sanctioned posts	Persons-in-position	Vacant posts (vacancy as per cent of sanctioned posts)
Professor	79	12	67 (85)
Reader	189	69	120 (63)
Lecturer	553	234	319 (58)
Total	821	315	506 (62)

It was observed that:

¹ Centre means a unit of University or of a University Institute providing teaching, consultancy and research facilities.

- (a) the shortage of teaching staff ranged between 58 to 85 *per cent*.
- (b) out of 69 posts of teaching staff sanctioned (May 2006) by UGC under X Plan, only 29 staff were appointed. Similarly, out of 243 posts of teaching staff sanctioned (July 2008) under OBC plan, only one was appointed (March 2012).
- (c) two departments², two centres³ and one institute⁴ were running without any faculty as revealed from the list of vacant positions as on 01.07.2011.

Thus the University was operating under severe shortage to teaching staff inspite of availability of sanctioned posts.

The University stated (May 2012) that there was contradiction about the mode of application of reservation roster whether to take University as a unit or a department as a unit, between guidelines issued by UGC and a decision of the Supreme Court. Finally, University has followed UGC guidelines and has issued the advertisement for filling up vacant posts. It was also informed that for some posts suitable candidates were not found.

2.2.2.3 Teacher Student Ratio

The recommended norms by UGC for teacher-student ratio were as under:

Table 2

Programme	Ratio for PG	Ratio for UG
Science	1:10	1:25
Humanities/Social Sciences	1:15	1:30
Media and Mass Communication	1:10	1:15

However, the overall teacher-student ratio during the period under review (2006-12) ranged between 1:43 to 1:72 (**Annex-2**) which was more than the recommended norms.

² Visual arts, Home science,

³ Bio informatics, Film & theater

⁴ National center for experimental mineralogy and petrology

2.2.2.4 Success Rate of Students

Success rate of students in examination for Arts, Commerce and Science for first year students during 2007 to 2012 was analysed (**Annex-3**).

It was noticed that percentage of students dropped out/failed ranged between 11 to 66 *per cent*. It was observed that the failure rate was significantly higher in science courses (51 to 66 *per cent*). Further, the failure rate was showing increasing trend in both Arts and Science stream.

The University stated (May 2012) that in science faculty some students migrate to Engineering/Medical institutions and some students do not appear in all papers. The reply is not convincing as failure rate in science stream increased from 21 to 42 *per cent* for candidates who appeared for exam. Further, there was no response regarding failure rate in Arts courses.

Recommendation

- ❖ *The University may take steps to fill up vacant posts of teaching staff so as to improve the quality of education.*

2.2.2.5 Course introduced without prior permission

PG Diploma course in Town and Country Planning was introduced in 2003-04 in Geography Department for which permission from the Institute of Town Planners India (ITPI) was required. The University was continuously enrolling students till 2009-2010. It applied for recognition of the course in May 2010 which was not agreed to (August 2010) by ITPI as the basic pre- requisite for the course as prescribed by ITPI were Bachelor of Engineering (Civil) or Bachelor of Architecture or Bachelor of Planning or Master in Economics/ Sociology/ Geography. Also the course was required to be for two years duration. Contrary to this, the eligibility for the said course being offered by the University was Bachelor in Arts, Science and Commerce and the course was for one year only.

Thus due to non recognition, the course was discontinued in 2010-11.

The University stated (May 2012) that requirement of recognition for this course was not known to them and assured that new courses would be opened only after due recognition.

2.2.2.6 Academic Staff College

The Academic Staff College (ASC) was established in 1987, to organise such orientation programmes and refresher courses for serving teachers, covering every teacher at least once in three to five years. At the beginning of each year, the ASC draws up an annual calendar containing a tentative schedule of training programmes to be conducted during the year and obtains approval from UGC. The courses conducted by the ASC for last six years are given below:

Table-3

Year	Scheduled training courses (approved by UGC)	Number of courses conducted	Shortfall in the Number of courses conducted (<i>per cent</i> of scheduled courses)
2006-07	17	14	3 (18)
2007-08	18	13	5 (28)
2008-09	19	14	5 (26)
2009-10	18	15	3 (17)
2010-11	22	16	6 (27)
2011-12	22	15	7 (32)
Total	116	87	29(25)

It may be seen that the ASC was continuously having shortfalls ranging from 17 to 32 *per cent*, from number of scheduled training programmes.

The University attributed the shortfall in the training to non-availability of sufficient number of candidates, inability of the departments in conducting refresher courses, late receipt of approval from UGC and no facility of hostel for participants.

The fact remains that the ASC itself was planning the courses and there were consistent shortfalls.

2.2.2.7 Institute of Correspondence Courses and Continuing Education (ICC&CE)

The ICC&CE was established in 1978, to provide alternative opportunities to the students under distance education mode. During 2006-07 to 2011-12, ICC&CE offered the courses for B.A. and B.Com. Audit scrutiny revealed that although enrollment in B.Com. course was satisfactory, but the same for B.A. course declined continuously as shown below:

Table-4

Name of the course	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
B.A.	NA	2905	1920	1723	1286	997
B.Com.	NA	1855	2430	3475	3617	2612

No reply on the issue was received.

Recommendation

- ❖ *The ICC&CE may assess reasons for declining enrollment in B.A. and take necessary action.*

2.2.3 Quality assurance

2.2.3.1 Internal Quality Assurance Cell

UGC guidelines provide that every Higher Educational Institution (HEI) should have an internal quality assurance system with appropriate structure and processes and with enough flexibility to meet the diverse needs of the stakeholders. For this purpose every HEI should establish Internal Quality Assurance Cell (IQAC) for planning, guiding and monitoring Quality Assurance (QA) and Quality Enhancement (QE) activities. IQAC *inter alia* was to prepare Annual Quality Assurance Report (AQAR) which the University could submit for its accreditation.

Scrutiny revealed that although IQAC was established in the University during 2008-09, but neither Annual Quality Assessment Report (AQAR) nor any periodical assessment report was prepared (March, 2012).

Thus the mechanism of quality assurance as envisaged in UGC guidelines was not in place.

2.2.3.2 National Assessment and Accreditation Council

The National Assessment and Accreditation Council (NAAC) was established by the UGC in 1994, as an autonomous body and entrusted with the task of performance evaluation, assessment and accreditation of universities.

It was noted that the University had not taken any action in this regard for accreditation.

In reply the University accepted (May 2012) the audit observation and stated that efforts were being made for getting accreditation.

Recommendation

- ❖ *The University may appropriately organise the activities of IQAC and apply for accreditation.*

2.2.4 Establishment of Chair

University had received funds from Government of Uttar Pradesh for establishment of Meghnad Saha Chair for education and research in Physics, and Ganga Nath Jha Chair in Sanskrit. The expenditure was to be incurred from the interest earned from these funds. The position of funds and establishment of Chairs (March 2012) was as under:

Table-5

(₹ in lakh)

Name of the Chair	Receipt of Funds in	Amount received	Interest earned (up to March 2012)	Expenditure	Establishment of Chair
Meghnad Saha	December 1998	70.00	72.16	10.81	Not established
Ganga Nath Jha	May 1999	50.00	56.97	8.00	February 2010
Total			129.13	18.81	

Thus, although the Meghnad Saha Chair was sanctioned in 1998 but it wasn't established till March, 2012 in spite of repeated reminders by the Head of the Department of Physics. Expenditure of ₹ 10.81 lakh was incurred on seminars, lectures and conferences without establishment of the Chair. Similarly, Ganga Nath Jha Chair was established only in February 2010.

The University stated (May 2012) that the matter regarding establishment of Chairs would be scrutinised. The reply was interim in nature.

2.2.5 Convocation for Award of Degrees

University Ordinance LXII provides that Convocation for conferring degree may be held by the University not more than once in a year. UGC (Grant of Degree and Other Awards by Universities) Regulations, 2008 also provides that:

1. The degree award date shall be within 180 days of the date by which the students are expected to qualify and become eligible for them;
2. The University shall notify a programme for degree awards at least 30 days before the date so fixed, so that the candidates can apply for the same.

Audit observed that no Convocation was held during 2006-12 and degrees were being given as and when requested by students.

The University stated (May 2012) that the degrees were given as per requirements of students. The reply did not clarify why the University was not having Convocations as per regulations of the UGC.

2.2.6 Research Projects

Research projects constituted an important component of the academic activity of the University. Research Projects were sanctioned by different funding agencies for different periods ranging from one to five years.

The University received a total of ₹ 35.07 crore (including opening balance of ₹ 2.17 crore) for various projects during 2008-09 to 2011-12 and utilised ₹ 14.09 crore leaving an unspent balance of ₹ 20.98 crore as given in **Table-6**:

Table-6

(₹ in crore)

Year	Opening balance	Amount received during the year	Amount utilised	Closing balance
2008-09	2.17	3.26	2.36	3.07
2009-10	3.07	5.10	2.70	5.47
2010-11	5.47	15.24	3.46	17.25
2011-12	17.25	9.30	5.57	20.98
Total		32.90	14.09	

Thus, the University could utilise only 40 *per cent* of its research grant during the above mentioned period.

It was observed that University had no centralised system to monitor the research projects executed by different departments. The University could also not produce information relating to quality of research in terms of copyrights,

patents, completed projects, utilisation certificates and final technical report/progress report in respect of projects during 2006-07 to 2011-12.

The University noted (May 2012) the observation and informed that office of Dean (Research & Development) was established to monitor research projects and to ensure their quality.

2.2.7 Support Services

2.2.7.1 Hostel Management

The position of hostel utilization for 13 hostels⁵ out of 14 hostels of the University was as under:

Table-7

Year	Capacity	Admitted	Vacant	Unauthorised	Number of students in waiting list
2006-07	2078	1746	222	110	910
2007-08	2078	1839	212	27	696
2008-09	2167	1991	162	17	1138
2009-10	2180	2076	102	11	1310
2010-11	2455	2182	142	131	1321
2011-12	1783	1459	324	178	Not Provided
	12741	11293	1164	474	

The information for the year 2011-12 is for 9 hostels only.

Out of cumulative intake capacity of 12741, only 11293 students were provided hostel facility. Besides there was unauthorised occupancy of 474 students and entire unauthorised occupation during 2011-12 was reported to be from Tara Chand hostel. The unauthorised occupancy seemed to be a regular feature.

Thus due to unauthorised occupation and non allotment of vacant rooms, students continued to be in waiting list for hostel accommodation.

⁵ 1.Ganga Nath Jha 2 P.C.Banerjee 3. Tara Chand 4.Shatabdi Boys 5. S.N.Girls 6. P.D.Girls 7. Shatabdi Girls 8.International House 9. Amar Nath Jha 10. Diamond Jubilee 11. Sir Sundar Lal 12. Mahadevi Verma Girls 13.S.Radhakrishnan (14. Kalpana Chawala –information not provided)

The University stated (May 2012) that the main reason for the vacancy in the hostel was unauthorised occupancy and efforts would be made to get the rooms vacated with the help of local authorities.

Recommendation

- ❖ *The University may monitor unauthorised occupancy, get them cleared and allot vacant rooms to those in the waiting list.*

2.2.7.2 Library Management

The University has a Central Library with a collection of 6,62,380 books and journals (March 2012). The status of utilisation of grants for library during year 2006-12 was as under:

Table-8

(₹ in crore)

Year	Received	Utilised	Balance
2006-07	2.5	2.5	-
2007-08	1.5	1.5	-
2008-09	7.00	4.00	3.00
2009-10	7.00	6.03	0.97
2010-11	6.29	4.25	2.04
2011-12	12.38	4.52	7.86
Total	36.67	22.80	13.87

(a) Thus the University was not able to fully utilise grants received for library.

(b) Special Grant of ₹ 5.00 crore was provided by UGC (2008-09) for modernisation of library and its services. This was to be used for library automation, radio frequency identification (RFID) technology, creation of computerised cataloguing, digital library project and collection development. The University could utilise only ₹ 2.44 crore for collection development. No work on library automation, RFID technology, computerised cataloguing and establishment of digital library laboratory was undertaken despite the availability of funds.

In reply, the University accepted the facts and stated (May 2012) that efforts were being made to utilise the remaining grant.

(c) Two fumigation chambers were purchased in 2005 for ₹ 0.33 lakh for disinfection of books through chemical treatment, but the same were not utilised since their procurement for want of specialised manpower.

- (d) Besides, the Library had no guidelines on the conservation of its resources. It was noticed that many valuable books were damaged.



Picture-1: Damaged Books

The University while accepting the fact stated (May 2012) that guidelines would be framed in this regard and the post of Conservation Assistant would be created for the purpose.

- (e) Closed circuit television cameras (CCTV) were installed in the Library since 2003, but were not functional (March 2012). Further, safeguards against fire hazards were not installed.
- (f) General Financial Rule (GFR) 194 provides that sample physical verification of library books at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes. But no physical verification of the library books was conducted ever since the University attained Central University status.

The University while accepting, stated (May 2012) that due to shortage of staff and non-cataloguing of collection, it was not possible to conduct physical verification.

Recommendations

- ❖ *University may adopt appropriate mechanism for conservation of its library resources.*
- ❖ *Physical verification of books may be carried out periodically as per Rule 194 of GFR.*

2.2.8 Financial Management

2.2.8.1 Budget and Expenditure

The University is mainly financed through grants received from the University Grant Commission (UGC). Besides, the university generates revenue through its own resources by way of fees from students, interest from investments and saving accounts.

The year wise position of grants received and utilisation is given below.

Table-9

(₹ in crore)

Year	Opening balance	Addition (grants and other receipts)	Total funds available	Total funds utilised	Closing balance
2006-07	38.53	121.69	160.22	95.42	64.80
2007-08	64.80	134.24	199.04	140.52	58.52
2008-09	58.52	165.25	223.77	164.63	59.14
2009-10	59.14	200.64	259.78	227.14	32.64
2010-11	32.64	258.20	290.84	199.70	91.14
2011-12	91.14	219.88	311.02	213.87	97.15

The University could not utilise available funds resultantly, the un-utilised funds increased from ₹ 64.80 crore in 2006-07 to ₹ 97.15 crore in 2011-12.

The University replied (May 2012), that reasonable balance was required to meet the expenses and payments relating to works to be paid in April of next year. It further stated that some of the balance amount was to meet committed expenditure.

2.2.8.2 Diversion of Maintenance Grant

MHRD in its communication dated 13 November 2003 to UGC, which was circulated to all Central Universities directed that the budget of an institution can in no case be augmented in order to meet the shortfall between the interest liability of the institution on PF subscription and the income earned on the investment of Provident Fund. In the event of shortfall between the interest liability on PF subscription and the income earned on the investment of Provident Fund, the institution would have no option but to pay interest at lesser rates, unless financial position of the institution permits to follow the rate of interest notified by the Government.

A decision was taken in the second meeting of the FC (August 2007) that surplus funds of General Provident Funds should be invested in short term deposits with banks which offered highest rate of interest, it was further informed that no support from Maintenance Grant would be extended to meet any deficit.

The University invested the GPF balances in banks at the rate of interest ranging between 5.5 and 11.25 *per cent* resulting in deficit of ₹ 4.49 crore during 2008-12 for paying the declared rate of interest.

To recoup the deficit for the year 2008-09 and 2009-10 the University diverted ₹ 1.31 crore (₹ 43.63 lakh in March 2010 and ₹ 87.66 lakh in March 2011) from maintenance grant. For the remaining years 2010-11 and 2011-12, the deficit was ₹ 3.18 crore.

The University stated (May 2012) that the payment of interest on GPF was a statutory service expenditure which had to be met from maintenance grant and as such it was not diversion.

The action of the University was clearly in violation of MHRD/UGC directions.

Recommendation

- ❖ *The University should follow MHRD/UGC directions regarding payment of interest on GPF accounts to its employees.*

2.2.8.3 Irregular payment of Transport Allowance

The Government of India in pursuance of the recommendation of Fifth Pay Commission, sanctioned transport allowance to its employees with effect from 1 August 1997 to compensate the expenditure incurred on commuting between the place of residence and place of duty. In terms of said orders transport allowance was not admissible to the staff in case the period of absence from duty point exceeded 30 days due to leave, training, tour, etc.

Every year the University declares summer vacation from 7 May to 15 July for its teaching staff. Accordingly, no transport allowance was admissible for the month of June every year. However, in contravention of these orders, University and its constituents Colleges paid transport allowance for the month of June also to their teaching staff. Total excess payment amounted to ₹ 50.97 lakh during 2006-07 to 2011-12.

In reply the University stated (May 2012) that summer vacation is neither absence from duty nor it falls under the categories mentioned in FR/SR. Moreover, the teaching staff attended departments/offices for research/examination/entrance test, etc. The reply of the University did not justify for the payment of transport allowance during declared vacation.

2.2.9 Infrastructure Management

A total of 16 building projects were taken up for construction during 2006-07 to 2011-12, of which seven projects⁶ were completed, three projects were yet to commence and six projects were in progress although their stipulated period of completion was over.

For Infrastructure Development of the campus allocation and expenditure for 16 projects were ₹ 180.26 crore and ₹ 90.66 crore respectively.

The University did not provide the information regarding released fund against construction of building projects and unspent balances. Records/files for individual work were also not provided to audit. On the basis of the information made available following observations are made:

2.2.9.1 33/11 KV Substation

Scrutiny revealed that despite the completion of work of 33/11 KV substation, it could not be commissioned for want of laying of underground cable for connecting the power supply which had to pass through the railway line. Prior permission was required for the same from Railway authorities. When the University requested (November 2010) for permission, Railway authorities demanded (June 2011) ₹ 13.37 lakh as way leave charges for ten years which was not paid by the University.

Thus due to non-receipt of permission from Railway, the sub-station could not start functioning.

The University in its reply stated (May 2012) that it had requested the Railways to waive off the way leave charges. It was delay on the part of the

⁶ Completed works: (1) Construction of Boys Hostel at P.C.B Hostel Complex Ist Phase (2) Construction of Boys Hostel at P.C.B Hostel IInd Phase (3) Setting up 33/11kv Sub Station (4) Construction of Girls Hostel (5) Over Head Tank (6) Law Five Year Building Ist Phase (7) 24. Type II Quarters.

Railway authorities to respond to the request of the University which was delaying the project.

In absence of prior permission or adequate pursuance the substation remained non functional.

2.2.9.2 Heritage buildings

Since the University is more than 125 years old, it has a number of heritage buildings. For repair and rehabilitation of such buildings, ₹ 3.00 crore under X Plan, and ₹ 5.15 crore under XI Plan were allocated by UGC. The preliminary estimates for conservation of Vijaynagram Hall was prepared and submitted (January 2008) by Indian National Trust for Art and Culture Heritage (INTACH) for ₹ 3.45 crore. Subsequently the work was awarded on Project Management Consultant basis to RITES (April 2009) which prepared and submitted its preliminary estimates for ₹ 10.87 crore in June 2011. The work could not be taken up by RITES as advance was not given to the agency. Thus, delay in awarding the work resulted in increase of cost and conservation and restoration work to arrest deterioration of its heritage building could not be started (March, 2012).



Picture 2 Dilapidated condition of Darbhanga Hall



Picture-3 Broken Ashoka Pillar

It was also observed that several other sculptures/murals were damaged for which no action was taken for repairs. Ashoka Pillar situated in Darbhanga Hall was broken. (Picture 2 and 3 above)

The University stated that conservation was a specialised work, and that it was careful about its heritage and steps were under way to get conservation work

started. Further, a proposal was included in the XII Plan for release of additional amount for other heritage buildings.

2.2.10 Conclusion

The performance audit of University of Allahabad, covering the period from 2006-2012 revealed that the meetings of its Authorities were not being held as per prescribed frequency, objective of opening centres was not achieved, there was shortage of teaching staff, the university did not organise its activities relating to quality assurance, research projects were not monitored, and grants were not utilised fully. It diverted maintenance grant for payment of interest on GPF accounts to its employees.

Annex-1**Status of Centres.***(Refers to Paragraph 2.2.2.1)*

Sl. No.	Name of Centre to be established	Year in which established
1.	Centre of Bio-Technology	2000
2.	K.Banerji Centre of Atmospheric and Ocean Studies	2000-2001
3.	Centre of Bio-Informatics	2002
4.	Centre of Material Science	2009
5.	Centre of Globalization Studies	2010
6.	Meghnad Saha Centre of Space Studies	Established
7.	Centre of Women's Studies	Established
8.	Center of Bio-Medical Magnetic Resonance	Not established
9.	Centre of Culture and Communication	Not established
10.	Centre of Environmental Studies	Not established
11.	Centre of Human Rights	Not established
12.	Centre of Intellectual Property Rights	Not established
13.	Centre of Mobile Communication for Developing Countries	Not established
14.	Centre Of Nano Science and Nano Technology	Not established
15.	Centre of Science and Society	Not established

Annex-2
Teacher-student ratio
(Refers to Paragraph 2.2.2.3)

Year	Number of teachers	Total Number of students enrolled	Teacher-student ratio
2006-07	346	19609	1:57
2007-08	338	24432	1:72
2008-09	335	14357	1:43
2009-10	347	20420	1:59
2010-11	347	16173	1:47
2011-12	315	22615	1:72

Annex-3
Failure and dropout rate
(Refers to Paragraph 2.2.2.4)

Year	Number of students appeared for exam	Number of students passed	Number of students			Per cent to number of students appeared		
			Failed	Dropped / Absent	Total	Failed	Dropped / Absent	Total
BA I								
2007	2746	2047	471	228	699	17	8	25
2008	2770	2155	412	203	615	15	7	22
2009	2861	2228	388	245	633	14	8	22
2010	3324	2436	596	292	888	18	9	27
2011	4032	2952	709	371	1080	18	9	27
2012	11041	7379	2538	1124	3662	23	10	33
B.Sc. I								
2007	821	400	226	195	421	28	23	51
2008	751	337	159	255	414	21	34	55
2009	761	317	212	232	444	28	30	58
2010	922	402	223	297	520	24	32	56
2011	1087	489	276	322	598	25	30	55
2012	3358	1168	1395	795	2190	42	24	66
B.Com. I								
2007	468	339	129	0	129	28	0	28
2008	468	415	27	26	53	6	5	11
2009	473	388	33	52	85	7	11	18
2010	536	475	29	32	61	5	6	11
2011	642	540	53	49	102	8	8	16
2012	3871	2824	753	294	1047	19	8	27

**MINISTRY OF HUMAN RESOURCE
DEVELOPMENT**

**FUNCTIONING OF BABASAHEB
BHIMRAO AMBEDKAR UNIVERSITY,
LUCKNOW**

CHAPTER III : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Functioning of Babasaheb Bhimrao Ambedkar University, Lucknow

Highlights

- ❖ The objective of the University relating to opening of Schools and Departments could not be achieved.

(Paragraph 3.3.1.1)

- ❖ There was delay in submitting the proposal for XIth plan to University Grant Commission, which was compounded by delays in award of work, resulting in non completion of important building projects in the plan period.

(Paragraph 3.3.1.2)

- ❖ The un-utilised funds increased from ₹ 2.56 crore in the year 2006-07 to ₹54.30 crore in the year 2011-12.

(Paragraph 3.3.2.1)

- ❖ Shortage of teaching staff ranged between 17 to 57 per cent.

(Paragraph 3.3.4.1)

- ❖ The University is functioning with shortage of infrastructure i.e. buildings and other amenities viz. hostels, sports complex, health center, etc.

(Paragraph 3.3.5.1)

Summary of recommendations

- ❖ *The University in consultation with University Grants Commission (UGC)/Ministry of Human Resource Development (MHRD) may prepare a time bound programme to complete the goal of opening schools as prescribed in the Academic Ordinance.*
- ❖ *The University may plan its expenditure with reference to grants received to ensure proper utilisation.*
- ❖ *The University may ensure appropriate investment of idle funds.*
- ❖ *The University may take appropriate steps to get accreditation of its courses from National Assessment and Accreditation Council (NAAC).*
- ❖ *The University may take steps to fill up vacant posts to ensure quality of education and research activities as per its objectives.*
- ❖ *The University may take appropriate measures to ensure availability of proper infrastructure, i.e. buildings for its schools or departments as well as other amenities like hostels, health center and sports complex.*

3.1 Introduction

Dr. Bhimrao Ambedkar University, Lucknow was established by the State Government in 1989 for imparting post graduate, doctoral/post-doctoral studies and research in science & technology. The University was notified (January 1996) as Central University and renamed as Babasaheb Bhimrao Ambedkar University, Lucknow under Babasaheb Bhimrao Ambedkar University Act, 1994. As per the Act, the objects of the University shall be:

- (i) to promote advanced knowledge by providing instructional and research facilities in such branches of learning as it may deem fit;
- (ii) to make provisions for integrated courses in science and key frontier areas of technology and other allied disciplines;
- (iii) to offer appropriate courses relevant for the development of socially and economically depressed sections of the people, including agricultural technology and rural crafts;
- (iv) to promote the study of the principles for which Babasaheb Bhimrao Ambedkar worked during his lifetime viz. national integration, social justice and democratic way of life and also study Constitutions of the world and,
- (v) to take appropriate measures for promoting innovations in teaching learning processes in inter-disciplinary studies and research and pay special attention to the promotion of educational and economic interests and welfare of the people in general and of members belonging to the Scheduled Castes and the Scheduled Tribes in particular by providing adequate percentage of seats for the Scheduled Castes and Scheduled Tribes.

The goals of the University were achieved through eight schools having 21 departments, which offered 22 Post Graduate Courses and 17 Ph.D. programmes (**Annex-1**) in various disciplines.

3.1.1 Organisational set-up

The Vice Chancellor (VC) is the principal executive and academic head of the University and exercises general supervision and control over the affairs of the University. Specific activities of the University are supervised by various authorities viz. the Board of Management (BOM), the Academic Council, the

Planning Board, the Boards of Studies and the Finance Committee. The VC is assisted by Registrar, Finance Officer, Librarian, Deans of Schools and Heads of Departments. The VC is also Chairman of the Board of Management, the Academic Council, the Planning Board and the Finance Committee.

3.2 Audit approach

The performance audit of the University was conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3.2.1 Audit scope

The performance audit involved test check of records of the University relating to planning, financial management, academic activities, manpower management and infrastructure development for the period from 2006-07 to 2011-12.

3.2.2 Audit objectives

The main objectives of the performance audit were to assess whether:

- planning process to achieve the objectives of the University was adequate and effective;
- management of financial resources was prudent;
- academic programmes and research activities undertaken were adequate to achieve the objectives of the University;
- teaching faculty were adequate and,
- Infrastructure facilities were sufficient.

3.2.3 Audit Criteria

Audit Criteria were derived from:

- Babasaheb Bhimrao Ambedkar University Act, 1994
- University Grants Commission (UGC) Guidelines
- General Financial Rules-2005 and other orders/rules of Government of India
- Agenda and Minutes of meetings of various authorities of the University

3.2.4 Audit methodology

The performance audit of the University commenced with an entry conference with the VC in June 2011 in which audit objectives, audit criteria and scope of audit were discussed. Records of the University were examined during June 2011 to December 2011. The draft Performance Audit Report was issued to the University in February 2012 and to the Ministry of Human Resource Development (MHRD) in June 2012. Exit conference to discuss the audit findings and recommendations was held with the VC on 20 September 2012. The audit findings and recommendations were accepted by the University. The replies received from the University (September 2012) and the Ministry (February 2013) have been suitably incorporated in the Report.

3.2 5 Acknowledgement

We acknowledge the co-operation and assistance rendered by the University during the course of audit.

3.3 Audit findings

3.3.1 Planning Process

Plans are the means to achieve set out goals or objectives. Therefore, establishment of organisational or overall objectives is the first step in planning. Planning process is the process by which goals are achieved.

3.3.1.1 Introduction of Courses

As per the Academic Ordinance notified through the Gazette of India on 30 December 2004, 17 Schools and 55 departments were to be established by Babasaheb Bhimrao Ambedkar University (**Annex-1**). However, only eight schools with 21 departments were established up to March 2012.

Scrutiny revealed that no long / medium / short term planning to achieve the goal as defined in the Academic Ordinance was done by the University. It was also observed that important Schools viz. Earth Sciences, Energy Studies and Technology, Social Sciences, Humanities, Languages and Literature, Fine Arts, Performing Arts, Commerce and Space Sciences & Technology were yet to be established.

The Management stated (August 2012) that four school buildings¹ were constructed as per the availability of funds. It was further assured that the remaining schools will be constructed as per availability of funds by UGC/Ministry of Human Resource Development (MHRD) in phased manner.

The four Schools (buildings) referred to in reply were already functioning in the University. The reply was silent about the planning process and time frame for the remaining nine schools and 34 departments. Further, non availability of funds which was referred to as main constraint may be viewed in light of non utilisation of grants sanctioned by UGC for XIth plan as discussed in subsequent para.

3.3.1.2 Implementation of XIth Five Year Plan

UGC directed (February 2007) the University to submit the XIth five year plan (2007-2012) requirements within three weeks. University submitted (June 2008) the final consolidated XIth five year plan requirement of ₹ 373 crore for creation of five new Schools and 17 Departments and other facilities viz. auditorium, central library, sports complex and health center. UGC approved (March 2009) the XIth plan allocation of ₹ 145.91 crore for creation of two Schools and other buildings.

The estimates of construction works were finalised (August 2010) by Building Committee of the University after one year and four months from receipt of sanction (March 2009). Out of total allocation of ₹ 145.91 crore, UGC had released ₹ 113.35 crore² as of March 2012. The University could incur only ₹ 75.73 crore (67 *per cent*) and balance amount of ₹ 37.62 crore remained unutilised at the end of XIth five year plan period (March 2012). Due to delay in finalisation of XIth five year plan compounded by delay in finalisation of

¹ School building for Environmental Sciences, Ambedkar Studies, Biological Science & Biotechnology completed and building for School of Legal Studies was under construction.

² (₹ in crore)

Proposed by the University	Allocated by UGC	Released by UGC		Expenditure	Cumulative Unutilised balance
		Year	Amount		
373.00 (June 2008)	145.91 (March 2009)	2007-08 (08.06.2007)	3.35 (Advance grant)	0.59	2.76
		2008-09	--	3.37	-0.61
		2009-10 (31.03.2009) (31.03.2010)	10.00 for 08-09 and 12.00 for 09-10	6.57	14.82
		2010-11 (21.12.2010)	29.00	27.55	16.27
		2011-12 (27.11.2011) (04.01.2012)	9.50 49.50	37.65	37.62
		Total	113.35	75.73	37.62 (Cumulative)

estimates of works, the major developmental works could only be started (October 2010) after three and half years from the commencement of the plan.

The delay in finalisation of XIth five year plan proposal & estimates of works and inability of the University to utilise the total released funds resulted in non completion of its planned building (**Annex-2**).

The Management stated (August 2012) that, taking lesson from past experiences, XIIth five year plan proposal of this University was submitted in time to UGC.

Recommendation

- ❖ *The University in consultation with UGC/ MHRD may prepare a time bound programme to complete the goal prescribed in its Academic Ordinance.*

3.3.2 Financial Management

Financial Management is concerned with planning, organising, directing and controlling the financial activities and includes procurement and utilisation of funds of the enterprise. It means applying general management principles to financial resources of the enterprise.

3.3.2.1 Utilisation of Funds

The University is mainly financed from grants received from UGC. Besides, the University generates its own revenue by way of fee from students, interest from investments and saving accounts etc.

The year-wise position of receipts and utilisation of funds during 2006-12 is indicated as follows.

Table-1: Utilisation of funds.

(₹ in crore)						
Year	Opening Balance	Grants received	Other income	Total fund available	Total fund utilised	Un-utilised fund ³
2006-07	1.04	7.99	11.26	20.29	17.73	2.56
2007-08	2.56	16.13	8.59	27.28	21.22	6.06
2008-09	6.06	7.93	12.76	26.75	24.23	2.52
2009-10	2.52	37.96	4.31	44.79	20.68	24.11
2010-11	24.11	46.77	6.85	77.73	46.84	30.89
2011-12	30.89	79.33	3.68	113.90	59.60	54.30

³ Plan and Non-Plan

The University could not utilise the total funds and carried over balance of the previous year which resulted in accumulation of the fund which increased from ₹ 2.56 crore as on 31 March 2007 to ₹ 54.30 crore as on 31 March 2012. Scrutiny revealed that the major portion of this amount, ₹ 47.26 crore (₹ 43.52 crore plan grant, ₹ 1.06 crore for residential coaching academy, ₹ 1.30 crore for Jagjivan Ram boys hostel and ₹ 1.38 crore for Jagjivan Ram girls hostel) was on account of delay in planning and award of works to the construction agencies.

The Management stated (August 2012) that in case of plan expenditure, they have to follow the GFR and guidelines of UGC issued from time to time for utilisation of the funds while in case of non-plan expenditure, the grant was released⁴ at the end of March for next financial year, so it could not be utilised.

The reply does not relate to the reasons of delay on account of following the guidelines. Further increasing trend of unutilised funds establishes that the funds even if received in the end of March could not be utilised in next year also.

The University should have prepared its long/ short term plan in respect of fund flow and planned accordingly for expeditious utilisation of funds.

3.3.2.2 Investment of funds

As per Statute 6 (the second schedule) of Babasaheb Bhimrao Ambedkar University Act, 1994, the Finance Officer shall exercise general supervision over the funds of the University, shall advise on financial policy and hold and manage the investments of the University.

Although, the University witnessed a steady growth of un-utilised funds from ₹ 2.52 crore to ₹ 54.30 crore as on 31 March 2012, but it had not prepared any investment policy (March 2012) to manage the funds. The unutilised funds remained in saving bank accounts during the period of review earning lower interest (approx. 3.5 to 4.0 *per cent*). In response to audit observations, an Investment and Monitoring Committee was constituted (March 2012) to invest funds available with the University.

The Management stated (September 2012) that there was no guideline available regarding investment of grants received from UGC. The

⁴ Advance grant of ₹ 0.73 crore was released for both the years 2010-11 and 2011-12.

Management further stated that UGC has given the grant for expenditure purpose and not for investment.

The reply is not acceptable as the financial propriety required that the funds available should have been invested suitably to get better returns. Even the banks were providing flexi accounts facilities where the idle funds could generate better returns. Further there was no bar by the UGC for investing the idle funds.

Recommendations

- ❖ *The University may plan its expenditure with reference to grants received to ensure proper utilisation.*
- ❖ *The University may ensure appropriate investment of idle funds.*

3.3.3 Academic Programmes

3.3.3.1 Utilisation of intake capacity

The University offered 22 different courses for students. Analysis relating to first year enrollment revealed that in 17 courses, the enrollment was satisfactory i.e. more than 75 *per cent*. However, in five courses⁵ average vacancy was more than 25 *per cent* (ranged between 25 to 52 *per cent*) as indicated in **Annex-3**.

The poor interest of students in these courses indicates that courses started in the University were not selected, on the basis of proper evaluation of demand.

The Management stated (August 2012) that the University conducts all India level entrance examination every year and admits students on the basis of merit. The Management while accepting that the courses started in the University were not selected, on the basis of proper study intimated that now the efforts have been made to open more professional courses to attract more students as per our Academic Ordinance.

3.3.3.2 Need for quality assurance

The National Assessment and Accreditation Council (NAAC) was an outcome of the recommendations of the National Policy on Education (1986) that laid

⁵ Economics 35%; Political Science 37%; Human Development and Family Studies 35%, Applied Animal Sciences 31% and Applied Statistics 52%.

special emphasis on upholding the quality of higher education in India. NAAC was established by UGC in 1994 as a premier national quality assurance agency to assess and accredit higher educational institutions.

It was noted that the University had not taken any action in this regard for either the accreditation of the University or any of its courses.

The Management stated (August 2012) that the University is making efforts to ensure quality of education. It has set-up Internal Quality Assurance Cell (IQAC) in each department which is a step towards getting the accreditation from NAAC.

3.3.3.3 Centre of Excellence

The University had planned (2007-09) to develop centers of excellence in areas of Environmental Science, Environmental Law, Intellectual Property Rights Law, Science and Technology, etc., but the same could not be achieved as of March, 2012.

The Management stated (August 2012) that the University has firm commitment to make department of Law and department of Environment Science as 'Centre of Excellence' but was also committed to make all its departments centres of excellence. The University further stated that it will be able to establish centres for excellence in one or two area in XIIth five year plan.

Recommendation

- ❖ *The University may take appropriate steps to get accreditation of its courses from NAAC.*

3.3.4 Manpower Management

Manpower Management is the planning and processing of the human resource needs of an organisation, and ensuring their optimum utilisation. To remain viable the organisation needs to be adequately staffed with the best qualified persons in each position.

3.3.4.1 Shortage of staff

UGC sanctions the number of posts based on number of departments in a University. The position of sanctioned posts and men-in-position of teaching staff for each year was as under;

Table-2: Men-in-position, vis-à-vis, sanctioned strength

Year	Sanctioned posts	Men-in-position	Vacant post and its percentage to sanctioned post
2006-07	87	38	49(56)
2007-08	87	37	50(57)
2008-09	130	76	54(41)
2009-10	130	76	54(41)
2010-11	130	76	54(41)
2011-12	130	108	22 (17)

As indicated above, the shortage of teaching staff ranged between 17 to 57 *per cent*. Six posts for each department was sanctioned by the UGC in 2008-09 for five departments⁶ which were established in the academic year 2010-11. However, appointments of faculties were made during the academic session 2011-12.

Scrutiny further, revealed that on account of shortage of faculty, meager 22 research projects were undertaken by the University during 2006-12, out of which only two projects could be completed (March 2012). Thus there was negligible progress in research activities by the University.

The Management stated (August 2012) that the University is fixing up its priority to recruit trained/qualified man powers on all vacant posts in current financial year in order to cope with the shortage of the manpower.

Recommendation

- ❖ *The University may fill up vacant posts for ensuring quality of education and research activities as per its objectives.*

3.3.5 Infrastructure facilities

3.3.5.1 Shortage of basic facilities

Adequate infrastructure facilities are essential for any academic institution. It was noticed that till 1999-2000 the University had only one school building which was catering to needs of two schools (School for Information Science and Technology & School for Environmental Sciences). Construction of building for School for Environmental Sciences was completed in April 2008.

⁶ Pharmaceutical Science, Applied Physics, Applied Chemistry, Applied Mathematics and Rural Management

During 2000-01 to 2011-12 six schools and 18 departments were added to the University (**Annex-4**) with only one addition to the school buildings. As a result, these Schools/Departments are forced to operate under constrained use of space like shift wise use of lecture halls, construction of cabins in circulation areas, using residences as office space and using administrative block, etc., for classes.

It was further observed that there was shortage of hostel facilities and more than 50 *per cent* of students were not provided with hostel facility although, section 8 of the Act provides that “every student of the University normally reside in a hall or hostel”. The other common amenities viz. health centre, sports complex, conveyance facility (the University is about 15 km from Lucknow city) were either missing or inadequate.

The Management agreed (August 2012) that the buildings for different schools are urgently required. It was further informed that the efforts are being made to augment the other infrastructural facilities.

The Ministry stated (February 2013) that under the Act, the University is empowered to establish Departments and Schools with due approval of its statutory bodies, namely, Academic Council and BOM and it can also set up necessary infrastructure to carry out academic activities properly. It was further stated that the University could not utilise the actual release of funds.

3.3.5.2 Avoidable Payment of Centage Charge

An amount of ₹ 100 crore was sanctioned (March 2009) by UGC for XIth Plan period for construction of buildings, roads, etc. The Buildings Committee with a view to utilise the funds within the plan period and that the sanctioned grant does not lapse, wanted the projects to be completed within one year and accordingly asked Central Public Works Department (CPWD) whether they will be able to complete all 10 projects within 12 months. CPWD expressed their ability to complete only three works within the stipulated period. The University awarded (September/October 2010) three works to CPWD estimated at ₹ 28.10 crore, five works (October 2010) estimated at ₹ 94.76 crore (**Annex-2**) to three State Nigams⁷ at CPWD rates and remaining two works could not be started as of March 2012. However, the Nigams

⁷ Uttar Pradesh Rajkiya Nirman Nigam, Uttar Pradesh Samaj Kalyan Nirman Nigam and Construction & Design Services, Uttar Pradesh Jal Nigam.

charged ₹ 6.19 crore as centage charges over and above CPWD rates. Award of work without competitive bidding process deprived the University to get the works done in a transparent, competitive and fair manner. Further, none of the works was completed within stipulated time of one year i.e. by January 2012. The physical progress as of 31 March 2012 ranged between 20 to 70 *per cent*. Had the works been awarded to CPWD instead of Nigams, the centage charges of ₹ 6.19 crore could have been avoided.

The Management stated (August 2012) that the works were given to various construction agencies as per provisions of GFR and after approval of the competent authorities, as CPWD had expressed its inability to complete all the works within planned period. It further stated that the past experience of the University with CPWD was not good as it delayed not only all the works of Xth plan but settlement of their accounts also.

The reply does not clarify about its inability to get the works completed as per schedule in spite of payment of centage charges. Further GFR does not allow allocation of work on nomination basis. Thus the works could not be completed as planned even after paying higher charges.

Recommendation

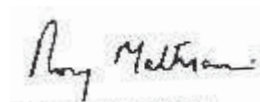
- ❖ *The University may take appropriate measures to ensure availability of proper buildings as well as other amenities like hostel, health center, sports complex and conveyance facilities.*

3.4 Conclusion

The performance audit of the University revealed the following deficiencies in its functioning:

- The objective of the University relating to opening of Schools and Departments could not be realised.
- Due to delay in finalisation of XIth Five Year Plan proposal and estimates of works, sanctioned works under XIth plan could not be completed even after completion of Plan period.
- Non - investment of unutilised funds deprived the University to get the better returns.
- Shortage of teaching staff ranged between 17 to 57 *per cent*.

- The University was functioning with inadequate infrastructure and other amenities viz. hostels, health centre, sports complex and conveyance facilities.



(Roy Mathrani)

**Director General of Audit
Central Expenditure**

New Delhi

Dated: 8 August 2013

Countersigned



(Shashi Kant Sharma)

Comptroller and Auditor General of India

New Delhi

Dated: 14 August 2013

Annex-1
Status of Schools and Departments (As on 31.3.2012)
(Refers to paragraphs 3.1 & 3.3.1.1)

Sl. No.	Name of Schools to be established	Whether established or not	Year of establishment	Name of Departments to be established	Whether established or not	Year of establishment
1	School for Ambedkar Studies	Yes	2000-01	Department of Economics Department of History Department of Political Science Department of Philosophy Department of Social work Department of Education Department of Sociology	Yes Yes Yes No No No Yes	2000-01 2000-01 2008-09 - - - 2008-09
2	School for Information Science and Technology	Yes	1997-98	Department of Library & Information Science Department of Computer Science Department of Information & Technology Department of Mass Communication & Journalism Department of Continuing Education and Community Services	Yes Yes Yes Yes No	1997-98 1997-98 2007-08 2008-09 -
3	School for Environmental Sciences	Yes	1997-98	Department Environmental Impact Studies Department of Restoration and conservation Ecology Department of Environmental Sciences Department of Microbiology	No No Yes Yes	- - 1997-98 2007-08
4	School for Earth Sciences	No	-	Department of Applied Geology Department of Geophysics Department of Geochemistry	No No No	- - -
5	School for Bio-Sciences and Technology	Yes	2004-05	Department of Applied Animal Sciences (Sericulture) Department of Applied Plant Sciences (Horticulture) Department of Bio-technology Department of Pharmaceutical Sciences	Yes Yes Yes Yes	2001-02 2004-05 2005-06 2010-11
6	School for Home Sciences	Yes	2008-09	Department of Human Development and Family Studies Department of Home Management Department of Food and Nutrition Department of clothing and Textile Department of Home Science Extension	Yes No No No No	2008-09 - - - -
7	School for Energy Studies and Technology	No	-	Department of Renewable Energy Department of Non-renewable Energy	No No	- -
8	School for Social Sciences	No	-	Department of Anthropology Department of Buddhist Studies	No No	- -
9	School for	Yes	2010-11	Department of Rural Management	Yes	2010-11

	Management Studies					
10	School for Physical Sciences	Yes	2010-11	Department of Electronics and Telecommunication Department of Applied Physics Department of Applied Mathematics and Statistics Department of Applied Chemistry	No Yes Yes Yes	- 2010-11 2010-11 2010-11
11	School for Humanities	No	-	Department of Psychology	No	-
12	School for Languages and Literature	No	-	Department of Sanskrit and Pali Department of Hindi Department of English and European Languages Department of Urdu Department of Asian Languages	No No No No No	- - - - -
13	School for Fine Arts	No	-	Department of Painting Department of Sculpture Department of Museology Department of Applied Art	No No No No	- - - -
14	School for Performing Arts	No	-	Department of Music Department of Dance Department of Drama	No No No	- - -
15	School for Commerce	No	-	Department of Accountancy and Finance Department of Business Studies Department of Banking	No No No	- - -
16	School for Space Sciences and Technology	No	-	Department of Space Science	No	-
17	School for Legal Studies	Yes	2000-01	Department of Human Rights Department of Law	Yes Yes	2000-01 2008-09

Annex-2

Status of works sanctioned under XIth plan
(Refers to paragraph 3.3.1.2)

(₹ in crore)

Sl. No.	Name of work	Date of Sanction*	Amount of Administrative Approval	Amount of Sanctioned fund	Amount of Centage Charges (7per cent of estimate)	Name of Executing Agency	Date of Start / Date of Completion	Physical and Financial Progress as on 31.03.2012	
								Physical (in per cent)	Financial (in crore)
1	2	3	4	5	9	11	12	13	14
1	Central Library	16.03.2009	31.32	20.00	2.05	UPRNN	19.01.2011 / 18.01.2012	38	6.43
2	Auditorium of 1200 capacity	16.03.2009	24.61	15.00	1.61	UPRNN	29.01.2011 / 28.01.2012	42	4.04
3	School for Legal Studies	16.03.2009	8.75	8.00	0.57	UPSKN	01.12.2010 / 03.01.2012	20	1.62
4 (a)	Construction of 1000 Kiloliter capacity overhead tank including underground storage, tube well, rising main and external water lines	16.03.2009	8.46	8.00	0.55	C & D Services UP Jal Nigam	01.02.2011 / 31.10.2011	65	3.05
4 (b)	Construction of external services such as roads, trunk, sewer lines, drainage and footpath etc.	16.03.2009	14.12	12.00	0.92	C & D Services UP Jal Nigam	01.04.2011 / 6.1.2012	30	2.10
5	Residential Coaching Academy #	09.09.2009	7.50	7.00	0.49	UPSKNN	04.10.2010 / 03.01.2012	70	3.89
6	Construction of additional two floors on 50 bedded girls hostel	16.03.2009	3.00	3.00	Nil	CPWD	28.04.2009/ 19.03.2010	100	2.18
7	2 Nos boys hostel of 272 capacity each	16.03.2009	14.07	14.00	Nil	CPWD	01/2011 01/2012	92	12.60
8	Construction of the building for School for Bio-Science and Bio-Technology (Phase -1)	16.03.2009	11.03	10.00	Nil	CPWD	12/2010 12/2011	95	9.00
9	Earth filling in low lying areas.	16.03.2009	-	5.00	Work not started				
10	External Electrification work such as construction of 11/0.4 KV sub-station and laying of cables	16.03.2009	-	6.00	Work not started				
Total			122.86	108.00	6.19				

*All sanction are from UGC

#this work was sanctioned separately in excess of ₹ 101.00 crore

Annex-3
Intake capacity vis-à-vis vacant seats
(Refers to paragraph 3.3.3.1)

Sl. No.	Course	Year																		Total for 2006-2012			Total Enrollment (in %)	Total Vacant (in %)
		2006-07			2007-08			2008-09			2009-10			2010-11			2011-12							
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	Total Intake	Total enrolled	Total Vacant		
1	Economics	30	6	24	30	22	8	40	32	8	50	38	12	40	31	9	100	58	42	290	187	103	64.48	35.52
2	History	30	17	13	20	27	0	40	21	19	46	33	13	50	37	13	50	43	7	236	178	58	75.42	24.58
3	Political Science							40	13	27	40	17	23	40	39	1	40	32	8	160	101	59	63.13	36.88
4	Sociology							30	26	14	30	30	0	46	35	11	50	43	7	156	134	22	85.90	14.10
5	Applied Animal Science	30	4	26	20	13	7	30	23	7	34	26	8	38	33	5	46	38	8	198	137	61	69.19	30.81
6	Applied Plant Science	30	29	1	30	30	0	30	30	0	34	34	0	36	30	6	30	35	0	190	188	2	98.95	1.05
7	Biotechnology	30	28	2	20	20	0	26	24	2	28	28	0	30	32	0	30	30	0	164	162	2	98.78	1.22
8	Pharmaceutical Science													28	28	0	30	30	0	58	58	0	100.00	0.00
9	Environmental Science	30	25	5	20	20	0	30	30	0	34	34	0	40	42	0	48	48	0	202	199	3	98.51	1.49
10	Environmental Microbiology				20	19	1	26	26	0	28	28	0	30	28	2	34	34	0	138	135	3	97.83	2.17
11	Human Development & Family Studies							30	12	18	40	31	9	40	29	11	40	26	14	150	98	52	65.33	34.67
12	Computer Science	30	27	3	30	30	0	30	30	0	34	34	0	35	34	1	34	34	0	193	189	4	97.93	2.07
13	Information Technology				15	15	0	20	20	0	24	24	0	34	25	9	35	35	0	128	119	9	92.97	7.03
14	Library & Information Science	30	27	3	30	30	0	30	30	0	34	26	8	34	33	1	36	36	0	194	182	12	93.81	6.19

15	Mass Comm. & Journalism							30	30	0	36	36	0	36	36	0	40	40	0	142	142	0	100.00	0.00
16	Human Rights	30	21	9	20	20	0	30	31	0	32	33	0	31	30	1	30	30	0	173	165	8	95.38	4.62
17	Law							30	30	0	30	29	1	30	30	0	36	36	0	126	125	1	99.21	0.79
18	Applied Physics													26	25	1	40	40	0	66	65	1	98.48	1.52
19	Applied Chemistry													30	26	4	25	36	0	55	62	0	112.73	0.00
20	Applied Mathematics													30	24	6	30	33	0	60	57	3	95.00	5.00
21	Applied Statistics													30	4	26	30	25	5	60	29	31	48.33	51.67
22	Rural Management													40	36	4	46	46	0	86	82	4	95.35	4.65
Total		270	184	86	255	246	16	492	408	95	554	481	74	774	667	111	880	808	91	3225	2794	438		

A - Intake Capacity B – Students Enrolled C – Vacant Seats

Annex-4
Departments and Status of buildings
(Refers to paragraph 3.3.5.1)

Sl. No.	Name of School	Name of Department	Year of when Department was opened	Status of building for the School
1.	School for Ambedkar Studies	Department of Economics	2000-01	Available
		Department of History	2000-01	Available
		Department of Political Science	2008-09	Available
		Department of Sociology	2008-09	Available
2.	School for Environmental Sciences	Department for Environmental Sciences	1997-98	Available
		Department for Microbiology	2007-08	Available
3	School for Information Science and Technology	Department of Library & Information Science	1997-98	Not Available
		Department of Computer Science	1997-98	Not Available
		Department of Information Technology	2007-08	Not available
		Department of Mass Communication & Journalism	2008-09	Not available
4	School for Bio-Science and Technology	Department of Applied Animal Sciences (Sericulture)	2001-02	Not available
		Department of Applied Plant Sciences (Horticulture)	2004-05	Not available
		Department of Bio-Technology	2005-06	Not available
		Department of Pharmaceutical Science	2010-11	Not available
5	School for Home Sciences	Department of Human Development and Family Studies	2008-09	Not available
6	School for Management Studies	Department of Rural Management	2010-11	Not available
7	School for Physical Sciences	Department of Applied Physics	2010-11	Not available
		Department of Applied Mathematics and Statistics	2010-11	Not available
		Department of Applied Chemistry	2010-11	Not available
8	School for Legal Studies	Department of Human Rights	2000-01	Not available
		Department of Law	2008-09	Not available

MINISTRY OF EXTERNAL AFFAIRS

**WORKING OF INDIAN COUNCIL FOR
CULTURAL RELATIONS**

CHAPTER I : MINISTRY OF EXTERNAL AFFAIRS

Working of Indian Council for Cultural Relations

Highlights:

- The Council did not hold the prescribed number of meetings of the General Assembly (GA) and the Governing Body (GB). It did not place its budget for the years 2007-08 to 2009-10 before the Finance Committee, the Governing Body and the General Assembly for approval. This undermined the role of these bodies.

(Paragraphs 1.2.1.1, 1.2.1.2 and 1.2.1.3)

- The Council did not prepare the annual plan of action for the years 2006-07 to 2011-12. The omission was in contravention of its constitution and specific directions from the GB.

(Paragraph 1.2.1.4)

- The Council failed to comply with the directions of the Finance Committee and the GB about setting up of a mechanism to assess the effectiveness of its programmes.

(Paragraph 1.2.1.5)

- The Council did not give adequate publicity to one of its Scholarship Scheme resulting in low utilisation of slots and skewed representation.

(Paragraph 1. 2.2.1)

- The Council allocated 25 per cent slots under Cultural Exchange Programme Scholarship Scheme to countries with which no valid agreement for Cultural Exchange Programme/Education Exchange Programme existed.

(Paragraph 1.2.2.2)

- Against the approval for opening 14 Indian Cultural Centers (ICCs) abroad, the Council had opened 17 ICCs. The Council was also in the process of opening eight additional ICCs, without obtaining the required approval.

(Paragraph 1.2.3.3)

- The Council was operating posts of Directors for its ICCs abroad, without sanction of posts by the Ministry of Finance.

(Paragraph 1.2.4.2.a)

- **The Council has not laid down guidelines/norms for appointment and payment of pay and allowances to external persons appointed as Directors in ICCs.**

(Paragraph 1.2.4.2.b)

- **The Council did not frame rules, regulations or norms for selection and sponsorship of artists for exhibitions abroad.**

(Paragraph 1. 2.5)

- **Thirty four delegations sent to 70 countries during 2009-10 to 2011-12 involving an expenditure of ₹ 8.15 crore were unauthorised in the absence of approval of the competent authority i.e., President ICCR.**

(Paragraph 1.2.6.1)

- **There were major deficiencies in the procurement process and processing of bills for payment in the Council.**

(Paragraph 1.2.6.2)

Recommendations

- ❖ *The meetings of statutory authorities should be held according to the prescribed periodicity.*
- ❖ *The Council should ensure the placement of annual budget, annual report and annual accounts before the statutory authorities for approval and adoption. The annual plan of action needs to be approved by the GB.*
- ❖ *The Council should devise a suitable mechanism to evaluate effectiveness of its programmes.*
- ❖ *ICCR Scholarship scheme meant for promoting Indian culture may be more effectively implemented through enhanced communication with Indian Missions.*
- ❖ *Utilisation of slots needs to be more broad based.*
- ❖ *Eligibility criteria for selection of candidates should be followed scrupulously.*
- ❖ *The Council may take up the issue of short utilisation of slots under the CEP/EEP with the Missions/Posts to ensure adequate utilisation of the scheme.*
- ❖ *The Council may ensure that scholarships are awarded to students of those countries with whom valid agreement exists.*
- ❖ *The budget should be prepared on realistic basis and actual expenditure should be monitored periodically for effective budgetary control.*
- ❖ *Timely communication of budget allotment and remittances to ICCs is essential for their effective functioning.*
- ❖ *The ICCR should obtain necessary approvals of MEA and MoF before opening of new ICCs.*
- ❖ *The Council should seek prior sanction of the MoF for creation of post of Director in the ICCs.*
- ❖ *The Council should prepare guidelines for appointment and terms and conditions of Directors, ICCs and make the process of selection transparent.*
- ❖ *The Council may review existing work load vis-a-vis the human resources deployed in its Regional Offices, both in terms of numbers as well designation.*
- ❖ *The Council may devise suitable norms for selection of artists for international exhibitions and financial support for the same.*
- ❖ *The Council should follow the limits defined in delegation of financial power for granting approvals of cultural delegations.*
- ❖ *The Council should follow Government of India instructions regarding air travel.*

1.1 Introduction

The Indian Council for Cultural Relations (Council) was set up in 1950 with primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries. The Council is registered



as a Society under the Societies Registration Act, 1860. The objectives of the Council as contained in its constitution are:

- to participate in formulation and implementation of policies and programmes relating to India's external cultural relations;
- to foster and strengthen cultural relations and mutual understanding between India and other countries;
- to promote cultural exchange with other countries and peoples;
- to establish and develop relations with the national and international organisations in the field of culture; and
- to take such measures as may be required to further these objectives.

1.1.1 Organisational set up

The Council works under administrative control of the Ministry of External Affairs (MEA). It is headed by the President, who is appointed by the President of India. It has three Vice-Presidents, two of whom are elected by the General Assembly of the Council amongst its members. The Foreign Secretary to the Government of India is ex-officio third Vice-President.

The General Assembly (GA), the Governing Body (GB) and the Finance Committee are three important authorities of the Council.

The Director General is the Principal Executive Officer of the Council and is assisted by two Deputy Director Generals who are entrusted with

responsibilities relating to specific areas/activities. The Director General and two Deputy Director Generals are appointed by the MEA. As per its constitution, the Financial Advisor (FA) of the MEA is also FA of the Council.

The Council has 20 Regional Offices in India and 37 Indian Cultural Centres (ICCs) abroad (31 March 2012).

1.1.2 Audit Mandate

The audit of the Council was conducted under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.1.3 Audit Objectives

The performance audit was conducted to verify whether:

- the Council formulated adequate programmes for promoting cultural relations with other countries;
- cultural exchange programmes and other activities were implemented efficiently and effectively towards achievement of its objectives;
- the financial management ensured economic, efficient and effective utilisation of resources;
- manpower management including recruitment, promotions and deployment were as per the rules and transparent.
- selection of artists and consultants was as per the rules and transparent, and
- internal controls within the Council and oversight by the Ministry were adequate.

1.1.4 Audit Scope and Criteria

The performance audit covered the period from 2006-07 to 2011-12, except for Indian Cultural Centres (ICCs) abroad for which the period was from 2008-09 to 2011-12. Three out of 20 Regional Offices and 12 out of 37 ICCs were selected for detailed audit. The performance of the Council was evaluated against criteria/ parameters contained in its Constitution, Memorandum of Association (MoA) and its norms/policies, apart from rules and instructions issued by the Government from time to time.

1.1.5 Audit Methodology

The performance audit of the Council commenced from 27 June 2011. An entry conference was held with the Director General in August 2011 in which audit objectives, criteria, scope of audit and methodology were discussed. The audit findings were issued to the Council and the Ministry on 30 May 2012. The exit conference to discuss audit findings was held on 3 July 2012 with the Director General, ICCR. The Council's response (28 September 2012) to the draft performance audit report has been suitably incorporated in this report. The reply from MEA was awaited (June 2013).

1.1.6 Acknowledgement

The cooperation and assistance rendered by the Council and its officers, during the course of this performance audit is acknowledged.

1.1.7 Important activities undertaken by the Council

Important activities performed by the Council during 2006-07 to 2011-12, in terms of number of activities are given in **Table-1**.

Table-1: Important activities undertaken by the Council

(No. of Activities)							
Sl. No.	Activity	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Exhibitions (organised/supported) abroad	5	16	22	20	44	42
2.	Exhibitions (organised/supported) in India	5	14	19	07	49	51
3.	Conference and Seminars (assisted in India and abroad)	23	24	25	27	36	12
4.	Maintenance of Chairs of Indian Studies abroad	21	29	32	43	75	91
5.	Incoming Cultural Delegation	34	33	52	39	42	44
6.	Outgoing Cultural Delegation	78	63	93	101	124	148
7.	Incoming Visitors	30	20	19	19	19	11
8.	Outgoing Visitors	64	76	85	54	72	35
9.	Commissioning of Busts/Statues abroad	9	9	01	13	03	15
10.	Scholarships administered to foreign students	1100	1205	1238	1517	1483	1530

The Council has thus been expanding most of its activities.

1.2 Audit Findings

1.2.1 Authorities of the Council

1.2.1.1 General Assembly

Under the constitution¹ of the Council, the General Assembly (GA) is entrusted to consider and formulate the programmes of the Council in the light of policies laid down by the Government of India, to advise the Government of India on foreign cultural relations, to adopt the annual budget of the Council approved by the GB, to consider and approve programmes and specific projects proposed by the GB, to give directions in this behalf and to adopt annual report and accounts of the Council. Further, the Constitution² provides that the GA should meet at least once in a year.

Audit observed that no meeting of the GA was held during the year 2008-09. The budget for the years 2007-08 to 2009-10, annual accounts for the year 2008-09 and annual reports for the years 2006-07 to 2008-09 were not submitted to the GA for adoption. Further, the Council had not prepared the annual plan of action during the years 2006-07 to 2011-12 for submission to the GA and the GB. The fact that these important activities were not undertaken undermined the role of the GA.

The Council stated (September 2012) that due to some inevitable reasons these proposals/items could not be laid before General Assembly and due care would be taken to conduct the General Assembly and lay the important documents as pointed out by audit.

1.2.1.2 Governing Body

Under the constitution³, the Governing Body (GB) is entrusted to exercise executive authority of the Council, to supervise and control the work of the Council, to formulate programmes and specific projects for submission to the GA, to approve the annual budget of the Council and to approve the annual report and accounts of the Council for adoption by the General Assembly. To perform these activities, the GB was to meet at least twice every year.

Audit observed that eight meetings were held during the period 2006-07 to 2011-12 as against the requirement of 12 meetings. The Council did not seek

¹ Clause 5

² Clause 6, 8 (v)

³ Clause 8

approval of the budget for 2007-08 to 2009-10 and on annual reports for 2006-07 to 2008-09 from the GB. This was not only in violation of its constitutional provisions but also indicated lack of monitoring and governance over the affairs of the Council.

The Council stated (September 2012) that meetings of GB were held as per constitution barring a few years when these were conducted once in a year, and lapses in placing budget and annual report before the GB does not constitute breach of the constitution. It reiterated its endeavour to implement constitutional provision in letter and spirit. The fact remains that neither were the meetings held nor were budget and annual reports placed before the GB as enjoined by its constitution.

1.2.1.3 Finance Committee

Under the constitution⁴, the Finance Committee *inter-alia* was to consider the budget estimates of the Council and make recommendations thereon to the GB, consider and make recommendations on matters relating to the administration and programmes of the Council which were referred to it from time to time by the President or the GB or the GA.

Scrutiny of records revealed that Council did not seek approval of the budget for the years 2007-08 to 2010-11 from the Finance Committee.

The Council accepted (February and September 2012) the audit observation.

1.2.1.4 Plan of Action

Planning is essential for optimal utilisation of resources towards attainment of organisational objectives. Under the constitution⁵, formulation and presentation of the programme of activities and budget estimates to the GB is to be done by the Director General in consultation with the Financial Adviser and the Finance Committee. The Council was submitting annual plan of action along with budget to the GB till 2005-06. The GB while approving plan of action for 2005-06, directed (November 2005) that the plan of action should be put-up as a separate item for its approval.

Audit observed that the Council did not prepare documents for annual plan of action for the period 2006-07 to 2011-12. The action of the Council was thus in contravention of its constitution and specific directions from the GB.

⁴ Clause 11 of the Constitution of the Council.

⁵ Clause 15 (iii) (c) of the Constitution of the Council

The Council stated (September 2012) that plan of action would be prepared and approved separately in future.

The analysis above (1.2.1.1, 1.2.1.2, 1.2.1.3 and 1.2.1.4) indicates that the mandated functions of the GA, the GB and the Finance Committee relating to budget, annual accounts, annual reports and annual plan of action were not being carried out effectively, which undermined the role of these bodies.

1.2.1.5 Effectiveness of programmes

The objective of promoting cultural relations with other countries is accomplished through organisation of cultural programmes by the Council. In order to evaluate effectiveness of programmes, the Finance Committee decided (February 2005) that a notice be put up at the venue of cultural performances to seek comments from the audience in given proforma. Further, the Missions and ICCs were to be advised to collate and assess the feedback received with regard to outgoing cultural performances and share it with ICCR (HQ). The GB also desired (March 2005) that feedback collated should be shared with it.

Audit noticed that feedback on cultural programmes was neither being compiled nor shared with GB.

The Council stated (December 2011) that comments of public received through website, media reports and comments/reports of the critics were indicative of the effectiveness of its programmes. It further stated (September 2012) that in-house committee was being set up to further strengthen the existing mechanisms.

The reply of the Council may be viewed in the light of specific directions from the Finance Committee and the GB and also the fact that no information relating to comments of public/media reports about programmes was furnished to audit.

1.2.1.6 Synergy with other cultural organisations

One of the objectives of the Council is to establish and develop relations with national and international organisations in the field of culture. The GA and the GB in various meetings⁶ had noted the need for synergy among the activities of the Council, Zonal Cultural Centres (ZCCs) of Department of Culture and State Academies (SAs). The GB decided (March 2004) that

⁶ GB meetings dated 21 January 2004 and 10 March 2004, GA meeting dated 27 September 2006.

annual meetings of Directors of the ZCCs, SAs and the Council should be held during 27-29 January every year to develop collaborative programmes. President, ICCR suggested (GA Meeting-September 2009) that a brainstorming session should be held among the ICCR, the Ministry of Culture, the Ministry of Tourism, the Ministry of Information and Broadcasting and the Sahitya Academy for the same. In the GB meeting (September 2009) the Foreign Secretary also suggested that there should be an integrated approach for cultural promotion, with coordination between Public Diplomacy Division and Ministry of Tourism. Thus various authorities had expressed need for coordination and synergy with similar organisations in the field of culture.

However, there were no documents in the records of the Council indicating attempts at synergy or coordination between different agencies.

The Council stated (December 2011) that most of the members of ICCR's GB were also the members of other similar organisations like Sahitya Academy, Lalit Kala Academy, Sangeet Natak Academy and feed-back was shared among members of these organisations. Further, the Council stated (September 2012) that the members were informed of any decision and activity undertaken or planned, and approval was taken from the statutory bodies of ICCR.

The said mechanism was not seen to be effective because very few meetings of GA which had representatives from Sahitya Academy, Lalit Kala Academy, Sangeet Natak Academy were attended by members of these academies. Further directions of GA/GB of the Council for improving synergy amongst similar bodies in India were not followed.

Recommendations

- ❖ *The meetings of statutory authorities should be held according to the prescribed periodicity.*
- ❖ *The Council should ensure the placement of annual budget, annual report and annual accounts before the statutory authorities for approval and adoption. The annual plan of action needs to be approved by the GB.*
- ❖ *The Council should devise a suitable mechanism to evaluate effectiveness of its programmes.*

1.2.2 Scholarship Schemes

The Council administers various scholarship schemes for foreign students to pursue under-graduate, post-graduate and doctoral programmes as well as professional courses in India. Scholarships are also awarded for learning Indian dance, music, painting, sculpture. The Council has 11⁷ scholarship schemes of its own, in addition to which it administers 10⁸ scholarship schemes on behalf of other Ministries/Departments of the Government of India.



Since these schemes are for international students, these are implemented in coordination with Indian Missions abroad. The Council arranges for the enrolment of selected students in various universities in India. Payment in scholarship schemes consists of three components- a) tuition fees as charged by educational institution, b) living allowance, and c) fixed contingent allowance.

During the period 2006-07 to 2011-12, the Council utilised 8073 scholarship slots out of 12604 available, as detailed in **Table-2**:

Table-2: Year-wise position of utilisation of scholarship slots

Period	Number of Scholarships			
	Own Scholarship		Agency Work	
	Slots Available	Slots Utilised	Slots Available	Slots Utilised
2006-07	1150	596	654	504
2007-08	1218	625	660	580
2008-09	1234	685	606	553
2009-10	1212	689	1105	828
2010-11	1178	677	1172	806
2011-12	1223	667	1192	863
Total	7215	3939	5389	4134

⁷ General Cultural Scholarship Scheme, Bangladesh Scholarship Scheme, Sri Lanka Scholarship Scheme, Mauritius Scholarship Scheme, Special Scholarship Scheme for Mauritius National, ICCR scholarship scheme, Cultural Exchange Programme, Commonwealth Scholarship/Fellowship Plan, Africa Day, Craft Instructor, Dadoo Naicker.

⁸ Aid to Maldives, SAARC Chair/Fellowship Scheme, Ayush Scholarship Scheme for BIMSTEC countries, Ayush Scholarship Scheme for BIMSTEC member countries & non-BIMSTEC countries on behalf of MEA & AYUSH Department, Mekong Ganga Co-operation Scholarship Scheme, Scholarship for Pacific Island Countries, IOR-ARC Scholarship Scheme, Africa Scholarship Scheme, Silver Jubilee, Afghanistan Scholarship Scheme

Three scholarship schemes viz., Special Scholarship Scheme for Afghan nationals, ICCR Scholarship Scheme and Cultural Exchange Programme Scholarship Scheme were examined in detail. The result of examination revealed that though the implementation of Special Scholarship Scheme for Afghan nationals was satisfactory, there were certain deficiencies in implementation of other two schemes as discussed below:

1.2.2.1 ICCR Scholarship Scheme

In this scheme scholarship is provided to any foreign student desirous of learning Indian art, culture and music. Applications from foreign students forwarded by Indian Missions are scrutinised on certain eligibility criteria. The selected students are attached with various universities/institutions and Gurus.

Review of this scheme revealed the following:

(a) Utilisation of slots

Although maximum number of students at any point of time under this scheme could be 100, but the Council could utilise only 52, 35, 45, 49, 55 and 57 slots for years 2006-07 to 2011-12 respectively. Audit noted that the low utilisation of slots was due to absence of any communication to Indian Missions/Posts regarding invitation of application from interested students (as was being done for other scholarship schemes).

The Council stated (September 2012) that it had already taken necessary steps for wide publicity of this particular scholarship scheme through respective Missions abroad.

(b) Country-wise utilisation

The Council allots number of slots to different countries for different scholarship schemes, but in this scheme number of slots for each country was not decided. During analysis of Country-wise utilisation of slots, it was seen that a significantly large proportion of slots (49.15 *per cent* during audit period) was used by students from one particular country i.e. Sri Lanka. This indicated that the scholarship scheme was being implemented in a skewed manner.

The Council stated (September 2012) that applications were processed on first come, first serve basis and that during the previous years, the number of slots used by Sri Lanka under this particular scheme had been higher due to larger number of applications from that country and that their action was as per norms and past practice.

However, the reply of the Council may be seen in the light of the fact that unlike many other scholarship schemes which were country or region specific, this scholarship scheme could be availed by student from any country. The present arrangement was restrictive as it narrowed the utilisation of this scheme to a restricted geographical area.

(c) Eligibility criteria for granting scholarships

The selection of foreign students for scholarship scheme is implemented through certain eligibility criteria as described in **Table 3**. Scrutiny of the records (62 cases selected randomly out of total 116 cases for the period 2006-07 to 2011-12) relating to selection of students against different eligibility criteria revealed following:

Table-3: Observations in eligibility criteria

Sl. No.	Eligibility criteria	Audit observations
1.	Proficiency in English language as certified by the Mission forwarding the application.	Scholarship awarded to 16 students were without English proficiency certificates.
2.	Physical fitness certificate by Registered Medical Practitioner.	Three students did not possess the required certificate.
3.	Certificate from the concerned Mission/ Posts that the candidate after completion of course would return to his country.	19 students granted scholarship without certificates from the Mission.
4.	Scholars for structured undergraduate and post-graduate courses must carry full term student visa and scholars for Ph. D. courses must carry Research Visa for a specific period of 4-5 years.	In case of 16 students, visa and passport details and in case of another 16 students, visa details alone were not found on record.
5.	Priority for students who have never studied in India.	In 11 cases, scholars had earlier studied in India.

Overall out of 62 cases selected for audit, 45 had one or more issues in meeting eligibility criteria. Thus, the Council did not scrutinise the scholarship applications with due diligence and selected candidates who did not meet the minimum eligibility criteria.

The Council stated (September 2012) that regarding English proficiency certificates, Missions decide the modalities for certifying proficiency by taking interview or test of candidate. It further stated that the word 'priority' does not debar ICCR for offering scholarships to those who have already availed scholarships. However, the Council accepted other observations of Audit for future compliance.

Audit is not questioning the modalities chosen by the Missions, but only stating that English proficiency certificates for 16 students were not on record.

Recommendations

- ❖ *ICCR Scholarship scheme meant for promoting Indian culture may be more effectively implemented through enhanced communication with Indian Missions.*
- ❖ *Utilisation of slots needs to be more broadbased.*
- ❖ *Eligibility criteria for selection of candidates should be followed scrupulously.*

1.2.2.2 Cultural Exchange Programme Scholarship Scheme

The Cultural Exchange Programme Scholarship Scheme (CEPSS) is based on the Cultural Exchange Programme (CEP)/Education Exchange Programme (EEP) entered into by the Government of India with different countries. The CEP/EEP is agreement signed with any country for cultural promotion or educational co-operation, on mutually agreed terms and conditions which are settled through diplomatic channels. The agreements are normally for defined duration.

The role of ICCR is limited to the implementation of scholarships in these agreements. Every year scholarships in various fields are offered by the Council to international students in accordance with the terms and conditions of CEP/EEPs signed. Under the CEPSS, scholarships are offered for under graduate, post-graduate and doctoral studies in various fields.

Position of the slots utilised against the slots available under the CEPSS during the last six years is given in **Table-4**.

Table 4: Year-wise position of scholarship slots utilised

Year	Slots Allotted	Slots Utilised	Per cent of slots Utilised
2006-07	313	141	45.04
2007-08	330	140	42.42
2008-09	324	147	45.37
2009-10	318	138	43.30
2010-11	309	141	45.63
2011-12	306	131	42.81
Total	1900	838	44.10

The above data shows that during six years the percentage of utilised slots under the scheme ranged between 42.42 to 45.63 *per cent*. Further, in respect

of 14⁹ countries no slots were utilised during the period 2006-07 to 2011-12 resulting in 158 slots remaining unutilised.

Audit noted that the Council allocated 470 (25 per cent of total allotted slots) slots for the students of 10¹⁰ countries with which no valid CEP/EEP existed. Out of these 470 slots, 227¹¹ scholars have been awarded scholarship under the scheme. On the other hand the Council offered no slots to Cyprus (agreement duration 2007-10) and New Zealand (agreement duration 2005-10) with which the Government of India had signed CEP/EEP. The Council thus failed to ensure that scholarships are awarded to students from countries with valid CEP/EEP.

The Council attributed (February 2012) various reasons for the short utilisation of slots like non-receipt of application in time, non-fulfillment of eligibility criteria, limited seats available with the universities, late confirmation of Ph.D admission from universities, etc. The Council's reply enumerated various possible reasons for the under utilisation of slots, but did not specify steps undertaken to improve the situation.

The Council further stated (September 2012) that scholarships in future will be offered to those countries with whom valid CEP exists.

Recommendations

- ❖ *The Council may take up the issue of short utilisation of slots under the CEP/EEP with the Missions/Posts to ensure adequate utilisation of the scheme.*
- ❖ *The Council may ensure that scholarships are awarded to students of those countries with whom valid agreement exists.*

⁹ Kuwait (6), Norway (12), Slovak (12), Bahrain (8), Laos (12), Algeria (12), Nigeria (24), Senegal (6), Tunisia (6), Zimbabwe (12), Rwanda (6), Australia (18), Netherlands (18) and DPR Korea (6)

¹⁰ Iraq (170), Japan (66), Mongolia (60), Nigeria (24), Poland (66), Slovak (12), South Korea (12), Spain (30), Turkey (24) and Ukraine (6)

¹¹ Iraq (76), Japan (12), Mongolia (41), Poland (58), South Korea (12), Spain (19), Turkey (7) and Ukraine (2)

1.2.3 Financial Management

1.2.3.1 Budget

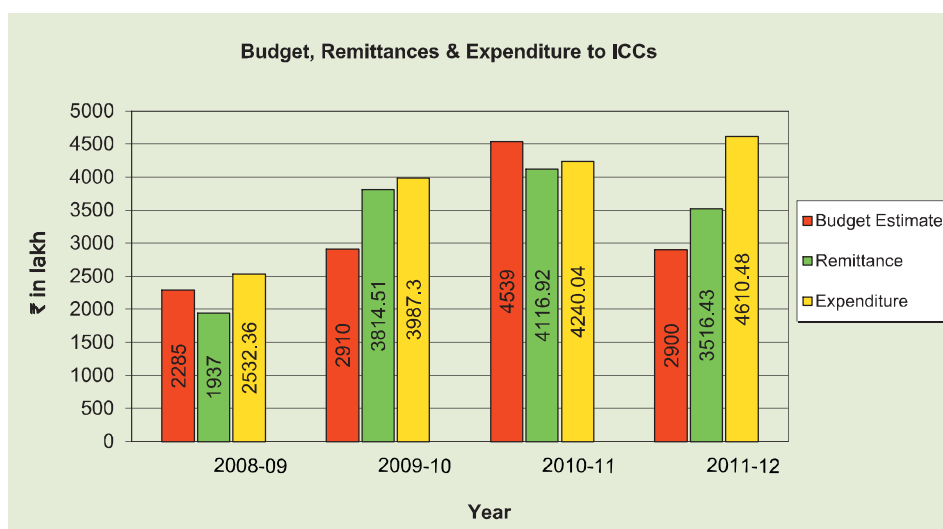
Budget is a tool to monitor and control the expenditure pertaining to various activities of an organisation. The year-wise position of budget estimates (BE), proposed revised estimates (RE), funds allocated by the MEA and actual expenditure for the period 2006-07 to 2011-12 in respect of the Council are given in the **Annex-I**.

It was observed that there were excess expenditure of ₹497.52 lakh, ₹71.46 lakh, ₹182.11 lakh and ₹3639.01 lakh during 2006-07, 2007-08, 2008-09 and 2011-12 respectively and there were savings of ₹890.88 lakh and ₹163.00 lakh for the year 2009-10 and 2010-11 respectively. The head 'Fixed Charges' showed continuous excess expenditure ranging from 7.97 to 22.71 *per cent* during 2008-09 to 2011-12. Under the head 'Activities' there were consistent savings ranging from 1.63 to 18.20 *per cent* during 2007-08 to 2009-10. The above indicated weaknesses in budgetary controls.

The Council stated (February 2013) that the excess expenditure incurred during 2011-12 was met from ICCR's own receipts and the amount received from different Departments/Ministries for agency works and its arrears. The reply of the Council was not convincing as it did not address budgetary control weaknesses.

1.2.3.2 Remittances to ICCs Abroad

The budget estimates for the ICCs are prepared at the Council's Headquarters. The Council, through the MEA, transfers funds in quarterly installments to the ICCs for meeting establishment and activity expenses. Position of the budget estimates, the remittances made to ICCs and the actual expenditure incurred abroad during the period 2008-09 to 2011-12 is depicted below:



Analysis of data (details in **Annex-II**) revealed the following -

- a. Variation in Budget Estimates and Actual Expenditure – In three out of four years (2008-09, 2009-10 & 2011-12), there was an excess of expenditure over budget estimates ranging from 10.80 to 58.96 *per cent*.
- b. Shortage of Remittances – Funds remitted were less than actual expenditure in all four years ranging from 3.01 to 31.11 *per cent*. The shortage was met out of funds of respective Missions.
- c. Delayed release of Remittances – In three ICCs during 2008-09 (Jakarta, Beijing and Port of Spain), two ICCs (Colombo and Bangkok) during 2010-11 and four ICCs (Kabul, Almaty, Cairo and Bali) during 2011-12, 40 *per cent* or more of total remittances were released during last month/quarter of the financial year. The delayed remittances affected their functioning.
- d. Communication of Budget Allotment to ICCs – There was no communication about the budgetary allotment to the ICCs during the year 2008-09 and 2009-10, while for the year 2010-11, the communication was made in September 2010.

The Finance Committee had also directed (February 2005) that guidelines be formulated which stress that budget estimates communicated to all the ICCs should not be exceeded. No deviation from budget allocation should be made without the prior approval of the Council. Audit noted that guidelines were not formulated.

It was, observed that Council did not use budgetary mechanism for financial discipline. It did not prepare the budgets on realistic basis and did not remitt funds based on the budgets and in time to its ICCs.

The Council stated (September 2012) that due to curtailed grant, it was not in a position to send sufficient funds to ICCs. The Mission spends the money on behalf of ICC and later overdrawal is adjusted from subsequent release of grant by MEA. The Council further stated (February 2012) that guidelines for ICCs abroad were under active consideration and would be implemented shortly.

Recommendations

- ❖ *The budget should be prepared on realistic basis and actual expenditure should be monitored periodically for effective budgetary control.*
- ❖ *Timely communication of budget allotment and remittances to ICCs is essential for their effective functioning.*

1.2.3.3 Opening of new Indian Cultural Centers (ICCs) Abroad

The Finance Minister in his budget speech (March 2008) earmarked an additional amount of ₹ 75 crore, to project India's 'soft power', that is music, literature, dance, art, cuisine and films around the world. The Council prepared (May 2008) an expansion plan which included opening of 14 new ICCs which was approved by MEA. The Committee on Non-Plan Expenditure, Ministry of Finance also approved the expansion plan (February 2009) subject to the following conditions:

- the grant of ₹ 75 crore would be a one-time grant and recurring expenses would be met out of the MEA's budget in future;
- the implementation of the programmes would be evaluated after one year; and
- the changes would be made based on the evaluation carried out as above.

The Council opened 14 new ICCs as per the approved expansion plan, between 2009 and 2011. However in addition to these, three more ICCs were opened by the Council at Prague, Budapest and Hague between August 2010 and October 2011. Further, eight more ICCs were in the process of being opened (March 2012). As opening of ICC involves additional financial burden and creation of posts, specific approval is required from the MEA as well as the Ministry of Finance (MoF), which was not taken for these additional ICCs. Also no evaluation of 14 approved ICCs was done.

The Council stated (December 2011 and September 2012) that on the recommendation of the respective Missions the competent authorities of the Council had decided to open new ICCs. It further stated that audit observations on opening of ICCs would be kept in mind while processing the opening of new ICCs.

The reply that Council had opened new additional centres on the recommendation of the respective Missions is not acceptable, as permissions of MEA and MoF were not obtained.

Recommendation

- ❖ *The ICCR should obtain necessary approvals of MEA and MoF before opening of new ICCs.*

1.2.4 Manpower Management

1.2.4.1 Staff Strength

The staff strength of the Council (including ICCs abroad and Regional Offices in India) as on March 2012 is as given in **Table-5**. All posts are sanctioned by MoF.

Table-5: Position of sanctioned strength, Men-in-position and shortage

Group	Sanctioned strength	Men-in-Position	Shortage(-)
A	78	68	(-) 10
B	53	36	(-) 17
C	120	109	(-) 11

Examination of records related to manpower management in the Council revealed following:

1.2.4.2 Appointment of Directors at Indian Cultural Centres abroad

In order to promote awareness and appreciation of India's cultural heritage, the Council maintained (March 2012) 37 ICCs abroad, which are headed by Directors. The posts of Director are manned by ICCR cadre, MEA cadre and external persons. Officials belonging to MEA cadre are selected by the MEA, while external persons and those belonging to ICCR cadre are selected by ICCR and finally approved by MEA. During the audit period, 16 external persons (**Annex-III**), 20 persons belonging to the ICCR cadre and 8 persons

belonging to the MEA cadre occupied posts of Director in various ICCs abroad.

a. Sanctioned Strength of Director

The Council had sanctioned strength of three posts of Director (March 2012). All three posts had been filled in the Council's HQ/Regional Offices in India from its own cadre. As discussed in the previous paragraph the Council was operating posts of Director, ICCs in its Cultural Centres abroad which were occupied by the staff of ICCR cadre, MEA cadre and external persons, but the Council had not shown these posts on its sanctioned strength.

Audit noted that in one case¹² (April 2004), the Council had approached MEA to regularise the post of the Director, ICC. The MEA, however, directed the Council to take up the matter directly with MoF. No further progress was available on record. The Council again took up the matter (December 2010) of creation of extra posts of Directors ICCs, but again this proposal was also not approved by the MEA in view of ban on creation of posts imposed by MoF.

Besides officers of MEA and ICCR cadre, the posts of Director, ICCs were occupied by 16 external persons in 12 ICCs during audit period (**Annex-III**). The Council had incurred an expenditure of ₹ 6.11 crore on pay and allowances of these external persons during audit period. In addition, other facilities like rent free accommodation, medical allowance, children holiday passage, composite transfer grant, international air travel, RG was also being paid. Operating posts of Director ICCs and incurring expenditure there against without appropriate sanction of the posts was irregular.

The Council stated (February 2012) that appointment of Directors at ICCs abroad was done with the approval of competent authorities of ICCR. It further stated that observations made by Audit would be kept in mind regarding the appointment of new Directors and guidelines would be prepared, if needed. The reply was however silent as to why the approval of MoF was not sought in these cases.

¹² For Director of Jawahar Lal Nehru Indian Cultural Centre in Jakarta, the Council approached the MEA requesting to sanction one post of Director in April 2004. As the MEA was not involved in creation or upgradation of post in ICC abroad, the Council was informed by the MEA that the matter may be taken up directly with the Department of Expenditure, Ministry of Finance by the Council.

b. Appointment of External Persons

Audit observed that there were no guidelines for appointment of external persons as Director of ICCs. Also, no procedure appears to have been followed for the selection of external persons. There was no correspondence relating to circulation of vacancies, number of applications received and considered for all the 16 cases examined in Audit. As a result, lack of transparency in selection of external persons as Director ICC abroad was evident.

Further, the pay scale and status granted to external persons, who were working in universities/other government organisations, on their appointment as Directors were on the basis of their existing pay scale in their parent departments. But no guidelines or norms were formulated by the Council for grant of pay scale and status to the external persons coming from private sector, which resulted in grant of different grade pay and status for the same post as indicated in **Table 6**:

Table-6: Pay scale and status of External Person as Director, ICC

Sl. No.	Name of the Director and their background in private sector	Pay-scale given	Status given
1.	Sh. Arup Kumar Dutta (Journalist)	₹14300-400-₹18300(pre-revised) ₹37400-₹67000 with GP of ₹8700 (revised w.e.f. Jan.2006)	Counsellor
2.	Ms. Renuka Narayanan (Journalist)	₹15600-₹39100 with GP of ₹7600	First Secretary
3.	Ms. Geeti Sen (Journalist)	₹15600-₹39100 with GP of ₹7600	First Secretary
4.	Sh. Rajesh Mehta (Academician)	₹15600-₹39100 with GP of ₹6600	Second Secretary

The Council stated (February 2012) that the three external persons appointed as Director were journalists working for different private agencies and their pay was fixed as per their earning in private sector. The Council further stated (September 2012) that formulation of guidelines /norms regarding selection and appointment of Directors for ICCs is in hand and would be submitted for approval of statutory bodies and MEA.

The reasons advanced by the Council are not justified as appointment in Government would be governed by relevant rules and regulations, irrespective of their position in the private sector.

Recommendations

- ❖ *The Council should seek prior sanction of the MoF for creation of post of Director in the ICCs.*
- ❖ *The Council should prepare guidelines for appointment and terms and conditions of Directors, ICCs and make the process of selection transparent.*

1.2.4.3 Manpower Management in Regional Offices

The Council's Regional Offices implement scholarship schemes¹³ for overseas students, provide local artists a platform to show their talents and take care of foreign troupes by arranging for their performances. Implementation of scholarship schemes for international students involve reception of international students on arrival, payment of scholarship, assistance in accommodation, liaison with universities/colleges, opening of bank account, monitoring of progress reports, keeping data bank of students, etc.

Utilisation of manpower in ROs with respect to existing workload was reviewed in audit. An analysis was made by comparing the staff strength deployed with the average number of scholarships dealt and average annual expenditure by the ROs during the four years (2008-09 to 2011-12). The position is depicted in **Table-7**:

Table-7: Comparison of average number of staff strength, scholarship and expenditure

Sl. No.	Name of the RO	Staff Strength (own + outsourced) * ¹⁴	Average number of Scholarships dealt by RO annually during the last four years	Average no. of scholarships per employee dealt by ROs annually during the last four years	Average expenditure of ROs during the last four years (₹ in lakh)	Average expenditure per employee in ROs during the last four years (₹ in lakh)
1	Bangalore	6 (4 + 2)	616	102.67	946	157.66
2	Kolkata	9 (1 +8)	174	19.33	524	58.22

¹³ The scholarships given to students are in graduate, post graduate and doctoral programmes as well as in professional courses such as engineering, pharmacy, accountancy, business administration and management. Scholarships are also given for learning Indian dance, music, painting, sculpture, etc.

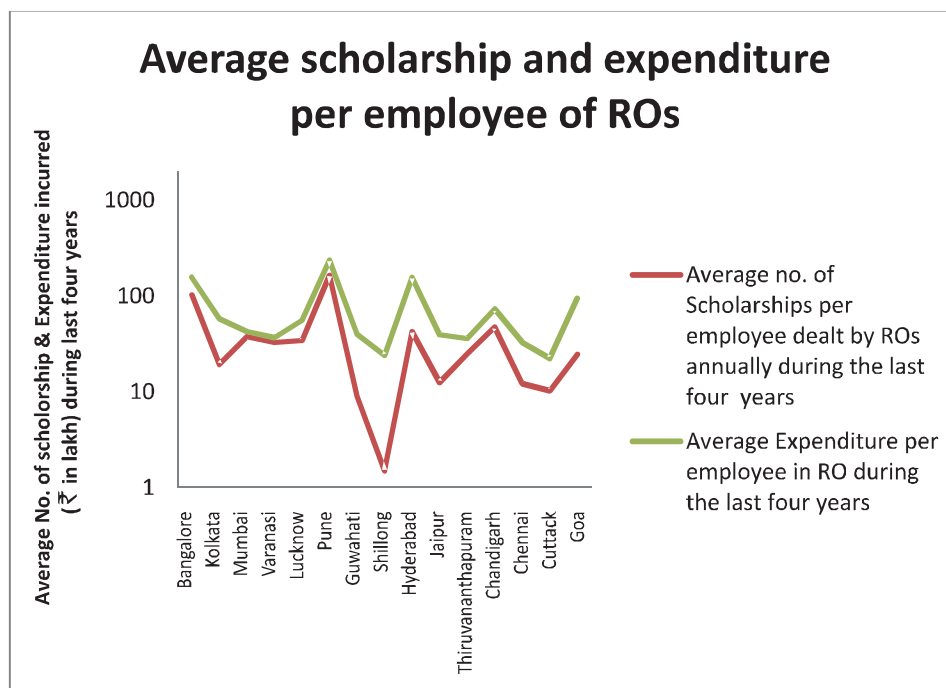
¹⁴ Clerk and above

3.	Mumbai	6 (4 + 2)	226	37.66	255	42.5
4.	Varanasi	3(1 +2)	98	32.66	110	36.66
5.	Lucknow	4 (3 + 1)	137	34.25	223	55.75
6.	Pune	6 (2 + 4)	986	164.33	1419	236.5
7.	Guwahati	3 (1 + 2)	18	9	120	40
8.	Shillong	2(1+1)	03	1.5	48	24
9.	Hyderabad	6(3 + 3)	255	42.5	939	156.5
10.	Jaipur	4 (2 + 2)	50	12.5	157	39.25
11.	Thiruvananthapuram	4 (3 + 1)	100	25	144	36
12.	Chandigarh	4 (own staff)	190	47.5	293	73.25
13.	Chennai	7(own staff)	85	12.14	230	32.85
14.	Cuttack	4(1 + 3)	41	10.25	89	22.25
15.	Goa	3 (0 + 3)	74 ¹⁵	24.66	283	94.33

It was observed that staff strength of ROs at Bangalore, Mumbai, Pune and Hyderabad was similar but there were wide variations in work handled by the offices. While the Pune office handled an average number of 986 scholarships annually, other ROs i.e. Mumbai, Bangalore and Hyderabad handled 226, 616 and 255 annual scholarships respectively. The average expenditure of the Pune RO was ₹ 1419 lakh whereas expenditure of other three ROs was ₹ 255 lakh, ₹ 946 lakh and ₹ 939 lakh respectively. The Chennai Office had the maximum number of ICCR's own staff but the average number of scholarships handled annually was 85 only.

Further, average number of scholarships handled per employee and average expenditure per employee in ROs showed wide variations and were in the range of two to 164 and ₹ 22.25 lakh to ₹ 236.50 lakh respectively as depicted below:

¹⁵ Figures pertained to the year 2011-12 (Newly opened regional office)



Further, Audit noted that the ROs were being headed by different levels of officers¹⁶. Pune RO, which contributed maximum output both in terms of number of scholarships handled as well as the amount of expenditure incurred, was headed by a Programme Officer whereas in Chennai RO, where the work was significantly lower, the RO was headed by a Director¹⁷/Programme Director rank officer.

Thus the manpower distribution in terms of number and rank for different ROs was not commensurate with their workload.

The Council stated (September 2012) that temporary arrangement and deployment in various ROs pending approval of posts from MoF resulted in mismatch of designations of officers deployed. The Council further stated that the matter would be sorted out shortly on receipt of approval and review would be done by ICCR as recommended by the Audit.

¹⁶ Assistant Programme Officer (Grade Pay-₹ 4600/-), Programme Officer (Grade Pay-₹ 5400/-), Programme Director (Grade Pay-₹ 6600/-), Senior Programme Director (Grade Pay-₹ 7600/-), Director (Grade Pay-₹ 8700/-)

¹⁷ Director rank officer upto 2010-11 and Programme Director rank officer from 2011-12 onwards

Recommendation

- ❖ *The Council may review existing work load vis-a-vis the human resources deployed in its Regional Offices, both in terms of numbers as well designation.*

1.2.5 Selection of artist for sponsorship of exhibitions

Sending artists for performances and artists and/or material for exhibitions abroad, were two important activities of the Council. For sending artists abroad for performances, the Council had a defined mechanism for empanelment. But in the case of exhibitions, it was noticed that there was no defined procedure. The artists who wanted to exhibit their creations abroad approached the Council directly for financial support. They would inform the Council that an exhibition on particular theme will take place at a specific venue and that he/she had been invited to display his/her exhibits at the venue of the exhibition.

Scrutiny of the records of all 20 exhibitions (involving support of more than ₹ 2.00 lakh by the Council) sponsored by the Council revealed that the expenditure ranging from ₹ 2.00 lakh to ₹ 8.00 lakh was incurred by the Council for the exhibitions abroad. The Council had not framed rules, regulations or norms for the entitlement of artists for exhibitions abroad. Audit also noted wide variation in the facilities extended to the artists as detailed below:

- (a) In seven cases, 20 economy class air tickets were provided to artists and persons accompanying them. Whereas in four¹⁸ other cases, 10 business class air tickets were provided to the artists/curators/organising agents.
- (b) In 17 cases accommodation or other facilities in the host country were not provided by the Council but in three cases such facilities were provided.
- (c) In 11 cases, the Council provided a lump sum grant to the artist/agency to take part in the event without any detailed breakup to examine necessity and justification of expenditure.

Thus apart from absence of norms for facilitations/financial support to be provided for exhibitions, there was lack of transparency.

¹⁸ Paris Louvre Carousel-2010-11, Satyagrah-2008-09, Exhibition for the art camp at Sanskriti Art Gallery by Shruti Foundation – 2011-12 and Painting exhibition by Shri Jatin Das 2011-12

The Council stated (September 2012) that the decision regarding providing economy class or business class air tickets was taken on the basis of seniority of the artists. The reply did not clarify how the seniority of artists were determined in the absence of definite procedure.

Recommendation

- ❖ *The Council may devise suitable norms for selection of artists for international exhibitions and financial support for the same.*

1.2.6 Internal Controls

Internal Control is an integral part of an organisation's management process to provide reasonable assurance that the operations are carried out effectively and efficiently, that financial reports and operational data is reliable, and that the applicable laws and regulations are complied with so as to achieve organisational objectives. Audit scrutiny relating to internal control revealed following:

1.2.6.1 Cultural delegations sent abroad without the approval of the competent authority

As per the delegation of financial powers of the Council, the Director General was competent for approving expenses up to ₹ 15 lakh and expenditure beyond ₹ 15 lakh required approval of the President.

Audit noted that out of 41 tour programmes during the years 2009-10 to 2011-12 related to cultural delegations sent abroad, where the total expenditure on air travel, boarding, lodging and DA of the group exceeded ₹ 15 lakh, the approval of the President, ICCR was not obtained in 34 cases. Further, Audit noted that the Council had either resorted to splitting of proposals or did not include estimated expenditure on air travel, daily allowance, etc. Thus expenditure of ₹ 8.15 crore on 34 delegations sent to 70 countries during 2009-10 to 2011-12 was unauthorised in the absence of approval from the competent authority (**Annex-IV**).

The Council stated (September 2012) that the proposal for air fare, honorarium, etc., for outgoing groups are put up separately as per past practice. The Council further stated that the outgoing delegations had the approval of President, ICCR during approval of budget estimates.

The reply of the Council may be viewed in the light of the fact that practice followed by the Council amounted to splitting of expenditure to avoid obtaining approval of the higher authority. Further in October 2012, Council

was requested to submit documents to Audit relating to approval of President, ICCR of the budget estimates of outgoing cultural delegations but the Council did not furnish such documents/records.

Recommendation

- ❖ *The Council should follow the limits defined in delegation of financial power for granting approvals of cultural delegations.*

1.2.6.2 Procurement of Services for organising events

The Council procures various services for organising various events (exhibitions and cultural performances) to achieve its objectives. Different provisions of GFR and CVC guidelines require that all purchases be made in transparent, competitive and fair manner to secure best value for money. Examination of all 18 cases involving total payment of ₹ 11.54 crore relating to procurement of services above ₹ 20 lakh during the year 2006-07 to 2011-12 (**Annex-V**) revealed the following deficiencies:

- a. Under Rule 179 of GFR, Ministry or department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries/Departments/Organisations involved in similar activities, scrutiny of 'Yellow Pages' and trade journals, web site, etc. 17 out of 18 checked cases revealed that the Council did not prepare a list of likely and potential contractors involved in similar activities.
- b. Rule 180 of GFR requires preparation of tender enquiry which should contain *inter-alia* – (i) the details of the work or service to be performed by the contractor, (ii) the facilities and the inputs provided to the contractor by the Ministry or Department, (iii) eligibility and qualification criteria to be met by the contractor for performing the required work/service, and, (iv) the statutory and contractual obligations to be complied with by the contractor.

However, it was noticed that neither tender enquiry was made nor vendor/department's contractual & statutory obligations were spelt out in 15 out of 18 cases.

- c. Rule 184 of the GFR states that should it become necessary, in an exceptional situation, to outsource a job to a specifically chosen contractor, the competent authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases, the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.

The Council in violation of rule resorted to selection of vendors on single source basis in 16 out of 18 cases without giving any detailed justification on record.

d. As per Rule 204 (iv) (c), a contract document should be executed with all necessary clauses to make it a self-contained contract in respect of works with estimated value of ₹ 10 lakh and above. The Council in violation of the rule did not enter into contracts with firms for execution of the works in all the 18 checked cases.

e. Under Rule 159, ordinarily, payments for services rendered should be released only after the services have been rendered. However, if it become necessary to make advance payment in certain cases, these should not exceed thirty *per cent* of the contract value to private firms. While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc., should be obtained from the firm. Audit noted that in contravention of the rule, advance payments exceeding 30 *per cent* of estimated cost were made to firms without obtaining bank guarantee or performance security or seeking relaxation to the rule from the competent authority.

Thus Council as a matter of practice did not issue advertisements for procurement of services and works from private agencies. The Council did not adopt the due process prescribed for single source selection of agencies for award of work, thus rendering undue benefit to the firms. The Council inspite of not observing various conditions of GFR/sanction letters certified (February 2008 and January 2010) to the Ministry that conditions had been observed.

Similarly scrutiny of payment vouchers of 18 cases involving a total payment of ₹ 11.54 crore relating to procurement of services above ₹ 20 lakh during the year 2006-07 to 2011-12 revealed discrepancies like non depiction of itemwise rates, non attachment of supporting documents, missing invoice number, service tax number, etc. The details of the specific deficiencies noted are detailed in the **Annex-VI**. In six cases TDS amounting to ₹ 4.19 lakh was not deducted from the payments made to the firms by the Council. (**Annex-VII**).

Thus there were major deficiencies in the procurement process and processing of bills for payment in the Council.

The Council stated (January 2012) that points raised by the Audit have been noted for future compliance and it would be ensured that provisions of GFR are invariably followed.

1.2.6.3 Irregularities in air travels

As ordered by the Ministry of Finance (July 2009) in all cases of air travel, where the Government of India bears the cost of air passage, the official concerned may travel only by Air India. These orders were also applicable to officials in autonomous bodies funded by Government of India. In cases of deviation exemption was to be sought from Ministry of Civil Aviation. The MoF further directed (September 2010) that air ticket be purchased directly from Air India or through authorised travel agent viz. M/S Balmer Lawrie & Company or M/S Ashok Travels & Tours.

During 2009-12 98.32 *per cent* expenditure was incurred on air travel by airlines other than Air India and only 1.68 *per cent* air travel expenditure pertained to Air India indicated indifference to the Government's policy instructions.

It was also observed that the air ticketing of cultural groups and its officials was carried out by the Council through empanelled air travel agents. During 2009-10 to 2011-12, expenditure of ₹ 35.59 crore was incurred on air travel of cultural groups and staff for performances and exhibitions by the Council.

The Council in its reply stated (September 2012) that by providing tickets from private vendors rather than going to Air India, it had saved government money and the formulation of standard norms for purchase of air tickets is under active consideration. It also stated that seeking exemption from Civil Aviation is not feasible as ICCR sends a number of troupes and members abroad.

Recommendation

- ❖ *The Council should follow Government of India instructions regarding air travel.*

1.2.6.4 Monitoring of Scholars by Regional Offices of the ICCR

Regional Offices work closely with local cultural and educational organisations and the State Government for carrying out Council's mandated activities. Based on the expenditure and activities, three Regional offices (out of 15) viz. Bangalore, Jaipur and Varanasi were selected for detailed audit scrutiny.

a. Registration

Foreign students, within 14 days of arrival, are required to register with the Foreigner's Registration Office (FRO)/Foreigners Regional Registration

Office (FRRO). Residential permits are issued by the FRO/FRRO to these students. Further, the students are issued exit visas by the FRO/FRRO whenever they depart for their respective countries on production of passport and residential permit.

The Council noted (November 2007) that many scholars do not leave for their native countries immediately after completion of their studies which can create security related issues. The Council advised its ROs to keep a close track of the students finishing their courses and ensure that they leave the country immediately after completion of their studies. Regional Offices retain a copy of the exit visas of the departing students on their completion of the course.

A test check regarding residential permit of 91 foreign students and exit visa of 34 foreign students in three ROs (Bangalore, Varanasi and Jaipur) revealed that in 67 *per cent* cases copy of the residential permits were not available, while for exit visas the information was not available in 88 *per cent* cases.

The Council stated (September 2012) that the local authorities and ICCR HQ collectively monitor the stay of the scholar and that the lack of monitoring could be due to communication gap.

b. Attendance and Progress Report

The Council/Regional Offices in their instructions to the foreign scholarship students emphasise the submission of attendance sheet and progress reports from the universities/colleges to their respective ROs on completion of each semester.

The test checked of 91 foreign students in three ROs revealed that attendance reports are not maintained in 98 *per cent* cases and progress report was not maintained in 87 *per cent* cases.

The Council stated (September 2012) that the Regional Offices have been asked to do the needful.

1.2.6.5 Internal Audit

Internal audit in any organisation is an independent, objective assurance and consulting activity designed to add value and improve organisation's operations. In ICCR, the internal audit function was being conducted by its Accounts Section.

During the period 2006-07 to 2011-12, units covered for internal audit and position of objections raised are depicted in **Table 7**.

Table-7
Year-wise position of internal audit conducted, objections raised and outstanding

Year	Total No. of ICCs & ROs	No. of Units audited	Percentage of units covered to total units	Total Number of Objections raised	Number of Objections outstanding as on 31.3.2012
2006-07	20+9	7	24	41	41
2007-08	22+12	NIL	-	-	-
2008-09	23+13	NIL	-	-	-
2009-10	26+14	2	5	11	11
2010-11	36+15	10	20	118	118
2011-12	37+15	13	25	194	194

It can be seen that during 2007-08 and 2008-09 no internal audit was done, while for other years the coverage was only five to 25 *per cent* of total field units. Internal audit of different wings of Council Headquarters were not carried out during 2006-07 to 2011-12. In the absence of proper follow up all objections raised were outstanding. It was observed that ICCR did not have its internal audit manual nor did it make audit plans for carrying out internal audit.

Thus the function of internal audit was not very effective.

The Council stated (September 2012) that audit of more ICCs and ROs would be conducted during 2012-13.

1.2.6.6 Role of the Ministry

Rule 208 (iv) of GFR states that instead of giving recurring grants, wherever possible, the Ministry may consider creating a Corpus Fund, the returns on investment of which, alongwith their internally generated resources should enable the autonomous organisation to meet its revenue expenditure. As per Rule 208(v), a system of external or peer review of autonomous organisations every three or five years depending on size and nature of activity should be put in place. Further, as per Rule 208 (vii), autonomous bodies should be required to enter into a Memorandum of Understanding with the Administrative Ministry spelling out clearly the output targets in terms of details of programme of work and qualitative improvement in output, alongwith commensurate input requirements. The output targets, given in measurable units of performance, should form the basis of budgetary support extended to these organisations.

Audit noted that Ministry did not create a Corpus Fund and no peer review was undertaken during the period 2006-07 to 2011-12. Further, the Ministry

did not enter into Memorandum of Understanding with the Council to perform the requisite oversight over the performance of the Council.

The Ministry accepted (February 2012) that no such proposal has been mooted to create any Corpus Fund. It further stated that neither was any peer review undertaken nor any MoU been signed with ICCR.

Conclusion

The ICCR was established with the primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries. To achieve this objective, the authorities of the Council comprising General Assembly, Governing Body and Finance Committee formulated policy and programmes. Audit observed that neither did these authorities meet in accordance with the prescribed frequency nor was any annual plan of action prepared.

The Council administers various scholarship schemes for international students. However, the Council failed to provide adequate publicity to ICCR Scholarship Scheme resulting in low utilisation of slots and skewed representation of countries. It allocated 25 *per cent* slots under Cultural Exchange Programme Scholarship Scheme to countries with which no Cultural Exchange Programme agreement existed. Council did not use budget as a control mechanism to ensure financial discipline by not preparing the budgets of ICCs on realistic basis and not remitting funds based on the budgets and in time to its ICCs.

The Council opened three ICCs and was in the process of opening another eight ICCs without the approval of MEA. The Council was operating the posts of Director, ICC in various countries without obtaining the requisite approval from the MoF. In the absence of guidelines for the appointment of external persons to the posts of Director, ICC, the Council has been making appointments in an arbitrary manner and providing different pay for the same post to the selected persons.

The Council has not framed any norms for selection and entitlement of artists for international exhibitions and carried out this activity on a case to case basis. The Council sent 34 delegations to 70 countries during 2009-10 to 2011-12 involving expenditure of ₹ 8.15 crore without the approval of the competent authority. The Council incurred significant expenditure on procurement of services from private firms without following the provisions of General Financial Rules.

Annex-I**(Refers to paragraph 1.2.3.1)****Statement showing BE, proposed RE, Fund Allocated and Actual Expenditure of ICCR****(₹ in lakh)**

Year	Budget Estimates	Proposed Revised Estimates	Funds allocated by MEA	Actual Expenditure	(+) Excess/(-) Saving w.r.t. allocated funds
2006-07	6050.00	9176.00	6250.00	6747.52	(+)497.52
2007-08	7000.00	8163.85	7670.73	7742.19	(+) 71.46
2008-09	8982.00	10807.00	8645.87	8827.98	(+) 182.11
2009-10	13343.00	14954.00	13900.00	13009.12	(-) 890.88
2010-11	16641.00	17641.00	15000.00	14837.00	(-) 163.00
2011-12	21956.00	19702.00	14000.00	17639.01	(+) 3639.01

Annex-II

(Refer to paragraph 1.2.3.2)

Budget Estimates and Actual Expenditure pertaining to ICCs Abroad

(₹ in crore)

Year	Budget Estimate	Actual Expenditure	(+) Excess/(-) Savings	Percentage of Excess
2008-09	22.85	25.32	(+) 2.47	10.80
2009-10	29.10	39.87	(+) 10.77	37.01
2010-11	45.39	42.40	(-) 2.99	-
2011-12	29.00	46.10	(+) 17.10	58.96

Remittances and Actual Expenditure pertaining to ICCs Abroad

(₹ in crore)

Period	Remittances	Actual Expenditure	Shortage	Percentage of Shortage
2008-09	19.37	25.32	5.95	30.71
2009-10	38.14	39.87	1.73	4.53
2010-11	41.16	42.40	1.24	3.01
2011-12	35.16	46.10	10.94	31.11

Annex-III**(Refers to paragraph 1.2.4.2)****External Persons who occupied the post of Director in ICCs abroad during 2006-2012**

Sl. No.	Name of the ICC	Name of the Director	Period *	Total Salary paid (₹ in lakh)
1.	Maulana Azad Centre for Indian Culture, Cairo, Egypt	Dr. A. Basheer Ahmad	16.1.2006 to 26.1.2009	47.26
2.	Indira Gandhi Centre for Indian Culture, Port Louis, Mauritius	Ms. Amita Shaw	From 29.11.2010	28.52
3.	Indian Cultural Centre, Georgetown, Guyana	Ms. Malti Sahai	26.6.2008 to 24.6.2010	61.92
4.	Lal Bahadur Shastri Centre for Indian Culture, Tashkent, Uzbekistan	Dr. Nasir Raza Khan	19.4.2009 to 25.11.2010	26.95
5.	Lal Bahadur Shastri Centre for Indian Culture, Tashkent, Uzbekistan	Shri Rajesh Mehta	From June 2011	13.21
6.	Indian Cultural Centre, Johannesburg, South Africa	Shri Vinod Kumar Sandlesh	From 21.1.2011	24.70
7.	Indian Cultural Centre, Colombo, Sri Lanka	Shri M. Ramachandran	From 24.10.2010	24.61
8.	Indian Cultural Centre, Suva, Fiji	Prof. Mahavir Singh	27.1.2006 to 28.1.2009	18.81
9.	Indian Cultural Centre, Suva, Fiji	Dr. Kamal Kishore Mishra	From 6.3.2009	50.13
10.	Indian Cultural Centre, Kathmandu, Nepal	Dr. Geeti Sen	From October 2009 to September 2011	42.47
11.	Indian Cultural Centre, Bangkok, Thailand	Ms. Renuka Narayanan	From August 2009	53.36
12.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Arup Kumar Dutta	17.05.2004 to 05.10.2007	50.91
13.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Mrityunjay Kumar Singh	21.01.2008 to 18.07.2011.	135.00
14.	Jawaharlal Nehru Indian Cultural Centre, Jakarta, Indonesia	Shri Zahur Haider Zaidi	From 19.8.2011	11.99
15.	Tagore Centre, Berlin	Prof. H.S. Shiva Prakash	From June 2011	21.22
16.	Mahatma Gandhi Indian Cultural Centre, Port of Spain, Trinidad & Tobago	Shri J.P. Arya	From 5.3.2012	--
Total				611.06

*For Directors who continued to occupy the posts, 31.03.2012 was taken to calculate financial implications.

Annex-IV
(Refers to paragraph 1.2.6.1)
Splitting up of Expenditure

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
1	14 Member Bhangra group led by Ms. Shelly Sharma to participate in Namaste France Festival, Italy and Turkey from 4-23 September 2010.	Two separate estimates (i) ₹ 6.69 lakh (towards airfare, honorarium, insurance, DA etc. of 5 members) and (ii) ₹ 11.82 lakh (towards airfare, honorarium, insurance, DA etc. of 9 members) were submitted on the same day (30 August 2010) to DG, ICCR. The estimate of ₹ 18.51 lakh was split so as to keep it below limit of ₹ 15 lakh.
2	38 Member Theatre group led by Shri Ratan Thiyam (Uttar Priyadarshi) Festival of India in China from 4-17 April 2010.	Two separate estimates (i) ₹ 8.48 lakh (towards honorarium, insurance, DA etc.) and (ii) ₹ 14.73 lakh (towards air fare) were submitted on the same day (31 st March 2010) to DG, ICCR. The estimate of ₹ 23.21 lakh was split up and kept below ₹ 15 lakh.
3	8 Member Ghungroo Dance Academy led by Ms. Madhumita Misra to Shangai Expo-2010, Singapore, Indonesia and South Korea from 9-31 October 2010.	The estimate submitted to DG, ICCR indicate ₹ 19.85 lakh as expected expenditure on tour programme. However, this was not submitted to the President, ICCR for approval.
4	12 Member Kuchipudi Group led by Ananda Shankar Jayant to Russia, Greece and Syria from 29 July to 16 August 2009.	Approval of President ICCR obtained.
5	12 Member group of Seraikella Chhau led by Shri Shahadhar Acharya to Vietnam, Japan and Russia from 22 Sep to 7 October 2009.	The expenditure on the tour programme was more than ₹ 15 lakh (₹ 13.75 lakh on travel + ₹ 2.58 lakh on honorarium, etc.). However, approval of the President, ICCR was not obtained. Even the estimate was not submitted to DG, ICCR for his approval.
6	Six member group of Dr. L Subramaniam to Russia, Poland, Spain, Portugal and Italy from 30 May to 20 June 2009.	Two separate estimates (i) ₹ 14.52 lakh (towards honorarium, insurance, DA international travel, etc.) and (ii) ₹ 1.40 lakh (towards domestic air fare) were submitted to DG, ICCR for approval. The estimate was split up and kept below ₹ 15 lakh.
7	12 Member contemporary dance group led by Ms. Tanushree Shankar to Russia, Netherland and Azerbaijan from 18 September to 2 October 2009.	The estimate of expenditure (₹ 14.90 Lakh) submitted for approval of DG, ICCR did not include the amount of DA payable to the group members. Further the actual expenditure on the tour exceeded ₹ 15 lakh (on account of charges not included in the estimate e.g. EBT, DA, extra performance), however approval of the President ICCR was not obtained.
8	12 Member Goenchim Noketram group led by S.Marianela Philigina Mascarenhas Dias to Argentina from 4-14 November 2010.	Estimated expenditure on Air Travel (₹ 13.86 lakh) was not included in the estimate and proposal of only ₹ 3.80 lakh submitted to DG ICCR for approval. The total estimated expenditure was ₹ 17.66 lakh, however approval of the President, ICCR was not obtained in this case.
9	30 Member Bharatnatyam Dance group from Kalakshetra Foundation to Festival of India, China from 22-25 October 2010.	Approval of President ICCR obtained.
10	11 Member Rajasthani Group Ganga Bai Teratali led by Ganga Bai Kamad to Trinidad and Tobago, Suriname, Grenada etc., from 25 May to 8 June 2010.	Two separate estimates of ₹ 12.13 lakh (towards airfare, honorarium, insurance, DA etc.) and ₹ 4.32 lakh (towards expenditure to be incurred during performance) were submitted by the Council. The estimate of ₹ 16.45 lakh was split up and kept below ₹ 15 lakh.
11	12 Member Rajasthani Folk Dance Group led by Shri Gazi Khan to New Zealand from 13 October to 3 November 2010.	While obtaining approval for the Group, element of DA payable to the group (₹ 3.37 lakh) was not included in the estimate. The estimate was kept below ₹ 15 lakh.
12	12 Member Lavani Group led by Ms. Rajashri Nagarkar to Japan, Indonesia and Russia from 11-25 November 2010.	Estimated expenditure on air travel (₹ 17.77 lakh) was not included in the proposal submitted to DG ICCR for approval. The total estimated expenditure was ₹ 21.82 lakh, however approval of the President, ICCR was not obtained in this case.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
13	12 Member Bhavi, Baharupi and Acrobatic Gujarati group led by Shri Joraversingh Jadav to Trinidad and Tobago, Suriname and USA from 29 October to 14 November 2010.	Estimated expenditure of ₹ 16.88 lakh was submitted to the President, ICCR and his approval was obtained.
14	10 Member Bharatnatyam group Ganesh Natyalaya led by Saroja Vaidyanathan to Germany and Algiers from 19 March to 4 April 2011.	Estimate of ₹ 14.99 lakh was submitted to DG, ICCR for financial approval. It was observed that the rates of performance quoted were incorrect (instead of ₹ 50000, ₹ 40000 were mentioned). The final expenditure ₹ 17.69 lakh exceeded ₹ 15 lakh limit. However, approval of the President ICCR was not obtained.
15	10 Members Mayur-Bhanj Chhau Group led by Kartikeshwar Rana to Trinidad & Tobago from 14-21 March 2011.	Two separate estimates (i) ₹ 2.81 lakh (towards honorarium, insurance, DA etc.) and (ii) ₹ 13.52 lakh (towards airfare) were submitted by the Council. The estimate of ₹ 16.33 lakh was split up and kept below ₹ 15 lakh.
16	12 Member Gujarati Folk Dance group of Saurashtra Lok Kala Kendra led by Shri Amardeepsinh Jadeja to New Zealand from 8-24 October 2009.	Estimated expenditure on air travel (₹ 10.67 lakh) was not included in the proposal submitted with DG, ICCR for approval. The total estimated expenditure was ₹ 16.93 lakh, however, approval of the President, ICCR was not obtained.
17	9 Members Composite Music and Dance group comprising of Kumud Diwan and Mahua Shankar to Guyana, Suriname, Venezuela and Trinidad&Tobago from 2-6 May 2009.	The composite tour programme was split in two parts (i) expenditure on Kathak dance group led by Mahua Shankar ₹ 12.84 lakh and (ii) expenditure on classical group led by Kumud Diwan ₹ 10.56 lakh. The estimate of ₹ 23.40 lakh was split up and kept below ₹ 15 lakh.
18.	14 Member Kadamb group in the festival 'Year of India in Canada in 2011' from 12 th to 29 th August 2011.	The total estimated expenditure on air travel (₹ 11.45 lakh) and estimated expenditure on (DA, medical, honorarium, hotel stay, misc. transport to the group) amounting (₹ 10.55 lakh) were submitted (10 th Aug. 2011) and (8 th Aug. 2011) approved by DG, ICCR on 16 th Aug. 2011 and 17 th Aug. 2011 to avoid approval of the President, ICCR.
19.	Visit of 25-member Ila Arun group to Canada from 16 th to 30 th October 2011.	The estimated expenditure on the cost of designing, making and hiring (₹ 12.50 lakh) and another estimate for cost of concept, choreography, rehearsals etc. (₹ 12.50 lakh) were submitted separately for approval on the same day (24.8.2011) to DG of the Council. Further, for the approval towards costumes, props and hiring of venues (₹ 25.00 lakh) the estimates were submitted on 12.9.2011. The estimated expenditure on excess baggage, performance fees, DA, medical insurance, assemblage charges, miscellaneous (₹ 11.50 lakh) and expenditure for travel costs approximately ₹ 16.62 lakh was submitted on 05-10-2011. The estimates were split up and approval of the President, ICCR was not obtained.
20.	Festival of India group led by Ms. Ranjana Gauhar to South Korea, Japan, China, Singapore and Phillippines from 27 th June to 3 rd July, 2011.	The estimated expenditure for the visit of 14-member Odissi dance to South Korea and 7 member (among 14 – member group) Odissi dance group to South Korea, Japan, China, Singapore, and Phillippines amounting to ₹ 8.12 lakh and ₹ 8.05 lakh were submitted for approval on the same day i.e., (23-6-2011) and approved by DG ICCR on the same day. Expenditure was split to avoid approval of the President, ICCR.
21	FOI in Brazil led by Ms. Ananda Shankar Jayant, from 17 th May to 6 th June, 2011.	Approval of the President, ICCR obtained.
22.	Bollywood Group by Ms. Shubhra Bhardwaj to USA, Canada and Trinidad & Tobago from 16 th March to 2 nd April, 2011.	Approval of the President, ICCR obtained.
23.	Visit of Guru Jayarama Rao to Canada 'Year of India in Canada in 2011' from 17 th Aug. to 2 nd September 2011.	The estimated expenditure on air fare (₹ 14.73 lakh) submitted for approval on 8 th Aug., 2011 and estimated expenditure on (DA, baggage, honorarium) amounting (₹ 9.31 lakh) submitted for approval on 10 th Aug., 2011 to DG, ICCR. Estimate of ₹ 24.04 lakh was split up and kept below ₹ 15 lakh.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
24.	Visit of Chinh group led by Ms. Meenakshi Rai to participate in 'Year of India in Canada-2011' from 12 th May to 7 th June, 2011.	The estimated expenditure on air fare only for 18-members for the sector Delhi-Ottawa-Edmonton-Delhi (₹ 13.32 lakh) was approved by DG, ICCR (29-5-2011). Another estimate which included DA, honorarium, EBT, medical/baggage, assemblage charges and miscellaneous expenditure stated "As per approved quotation and rates" against air fare of 18 member for the same sector total amounting ₹ 12.27 lakh was approved by DG, ICCR (12-5-2011). Expenditure was split and kept below ₹ 15 lakh to avoid the approval of the President, ICCR.
25.	15-member group Shakuntalam led by Ms. Usha Venkateshwaran to USA and Canada from 6 th to 14 th March, 2011.	The total estimated expenditure (₹ 21.77 lakh) not approved by the President, ICCR.
26.	16-member group led by Ms. Tanushree Shankar in USA from 7 th to 18 th March 2011.	The proposal of estimated expenditure on air fare, DA, EBT (₹ 14.28 lakh) and that of accommodation, DA, honorarium, misc. expenses (₹ 14.27 lakh) were submitted for approval of DG, ICCR on the same day (22 nd Feb. 2011). Estimated expenditure was split up and kept below ₹ 15 lakh to avoid the approval of the President, ICCR.
27.	9 member violin group led by Dr. L. Subramaniam in 'Year of India in Canada 2011' from 01-6-2011 to 10-6-2011.	Approval of the President, ICCR obtained.
28.	12-member Pubjabi Pop Band led by Sh. Paramjeet Singh to Kuala Lumpur and Fiji from 22 nd December 2011 to 6 th January 2012.	The total estimated expenditure on air fare on Delhi-Suva-Delhi (₹ 10.80 lakh) and Mumbai-Suva-Mumbai (₹ 3.85 lakh) was submitted for approval (29-11-2011) while that for the performance fees, DA, local transportation, miscellaneous expenses to Fiji (₹ 13.80 lakh) was separately submitted for approval on 01-12-2011 of the same sector of travel. The estimated expenditure for Malaysia & Fiji (22-12-11 to 06-1-12) was split and kept below ₹ 15 lakh to avoid approval of the President, ICCR.
29.	60 th Anniversary of India – Japan Diplomatic Relations, 4 th to 9 th February 2012.	Approval of the President, ICCR for an estimated expenditure (₹39.27 lakh) was not obtained.
30.	Visit of cultural group to Colombia to participate at the FOI, Sh. Kalpesh Dalal from 8 th to 26 th Nov. 2011.	The total estimated expenditure in Ecuador (8 th to 20 th Nov. 2011) and in Columbia (20 th to 26 th Nov. 2011) amounting ₹ 12.15 lakh and ₹ 10.69 lakh respectively were split up and kept below ₹ 15 lakh. Approval of the President, ICCR was not obtained.
31.	Asom Jyoti Sanskritik Gosthi: Siva Prasad Das St. Vincent and Paramaribo from 30 th May 2011 to 8 th June 2011.	The total estimated expenditure (₹ 23.87 lakh) submitted for approval on 27 th May 2011 was not approved by the President, ICCR. Further, air fare for six economy class tickets (₹ 9.11 lakh) was submitted for approval on the same day (27-5-2011) and another proposal towards eight return tickets (₹ 12.15 lakh) was submitted for approval on 25-5-2011. The estimates were kept below ₹15 lakh.
32.	19-member Mahim Junction theatre group led by Ms. Sohaila Kapur in Canada, UK and UAE from 31 st October to 20 th November 2011.	Approval of the President, ICCR for an estimated expenditure (₹35.73 lakh) was not obtained.
33.	16-member Naksh Virsa Punjab da Bhangra and Gidda group led by Sh. Sandeep Sharma in Trinidad and Tobago, Grenada, Barbados and Suriname from 28 th May to 18 th June 2011.	Approval of the President, ICCR, obtained.
34.	14-member Matrix Bollywood group led by Suresh K. Nair in Beirut, Finland, Turkmenistan and Russia from 10 th October to 7 th November 2011	The estimated expenditure on air fare including medical, travel insurance and EBT (₹ 14.44 lakh), the performance fees for 8 performances, DA (₹ 12.48 lakh), performance fee for 7 performances, DA for stay in Beirut, Finland, Turkmenistan and Russia, local transportation, miscellaneous (₹ 13.77 lakh) were separately submitted for approval of the DG, ICCR on the same day (30-9-2011) and kept below ₹ 15 lakh. Approval of the President, ICCR was not obtained.

Sl. No.	Brief of tour sponsored	Remarks regarding estimates and approvals
35.	08 Member Qawali Group to Trinidad & Tobago from 13-19 th October, 2011 and Suriname from 20 th -23 rd October, 2011.	The estimated expenditure on air fare including medical, travel insurance and EBT (₹ 12.07 lakh), honorarium, DA and miscellaneous expenses (₹. 6.64 lakh) were submitted for approval on the same day (30-9-2011) and kept below ₹ 15 lakh thereby approval of the President, ICCR was not obtained.
36.	4-member Puppetry group and 11-member Manipuri dance group in New Zealand from 6 th —17 th October 2011.	The estimated expenditure on air fare, medical insurance, EBT (₹ 12.46 lakh) and that of DA., performance fee (₹ 7.35 lakh) were separately submitted for approval to DG, ICCR (30-9-2011) and kept below ₹ 15 lakh, thereby approval of the President, ICCR was not obtained.
37.	Cultural Group to Indonesia – 24-member Brij Lok Kala Manch group led by Sh. Sanjay Sharma from 2-26 November 2011.	The required approval for incurring expenditure on air fare for 24 member group for the visit to Indonesia and Fiji (₹ 38.00 lakh) was not obtained from the President, ICCR.
38.	14-member Kathak group led by Smt. Uma Sharma from 23-6-2011 to 03-7-2011 to participate in the Mini Festival of India.	The estimated expenditure on air fare (₹ 11.96 lakh) and that on performance fee, DA, local transportation, medical, travel insurance and EBT, misc. (₹ 9.53 lakh) were submitted separately for approval to the DG, ICCR and kept below ₹ 15 lakh, thereby approval of the President, ICCR was not obtained.
39.	12-member Odissi Group led by Ms. Meera Das to Fiji from 13-23 August 2011.	The estimated expenditure of 12 member group were split for 6-member group each amounting to ₹ 14.51 lakh and ₹ 12.01 lakh and submitted for approval to DG, ICCR on 08-08-2011 and 09-08-2011 respectively, thereby expenditure kept below ₹ 15 lakh and approval of the President, ICCR avoided.
40.	Travel Grant to M/s. Teamworks Productions in connection with the 5 th Edition of Shared History – The Indian Experience in South Africa 2011 from 3 rd -24 th September 2011.	Ex-post facto sanction for an amount of ₹ 12.44 lakh and budget estimates for an amount of ₹ 8.66 lakh towards honorarium and DA were obtained on the same day (22-9-2011) and kept below ₹ 15 lakh, thereby approval of the, President, ICCR was not obtained.
41.	13-member Bollywood group led by Ms. Penaz Masani to South Korea, Indonesia, Vietnam and Thailand from 12 th October to 7 th November 2011.	The budget estimate amounting ₹ 11.43 lakh was submitted for approval on 4 th October 2011 and further, another estimated expenditure on tour to Indonesia (₹ 8.79 lakh), Vietnam (₹ 9.70), Thailand (₹ 9.31 lakh) and South Korea (₹ 13.84 lakh) was approved on 10 th October, 2011. The estimates were kept below ₹ 15 lakh, thereby avoiding approval of the President, ICCR.

Annex-V
Procurement of Services
(Refers to paragraph 1.2.6.2)

Sl. No.	Name of the Event	Name of the Firm/Organisation	Expenditure incurred (₹ in lakh)	Services provided
1.	India Africa Partnership Summit	M/s. Modern Stage Service Pvt. Ltd.	37.92	Complete audio system, lights, stage, green room, sitting arena, gensets, mobile toilets, etc.
2.	SAARC Artists Camp at Jaisalmer, 15-22 January, 2007	SEHER	53.16	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
3.	SAARC Bands Festival 2007	SEHER	122.00	Stage decoration, build-up, sound, generator, lights, seating arrangement, printing of cards/posters, press & media coverage, transport, photography, security, volunteers, travel, boarding and lodging of bands, etc.
4.	Closing Ceremony of Festival of China in India	M/s. Showcraft Productions	99.15	VVIP passage doorway, TV crew enclosure, green room, platform for VVIP seating, masking & LED wall frame, motorised curtain, guest helpdesk, valet parking, mobile toilets, ushering duty, etc.
5.	South Asian Artists Camp at Pondicherry	SEHER	75.00	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
6.	International Day of Non-Violence	M/s. Paras Art Studio	63.21	Digital printing on the fire retardant fabric, architectural design, lay out, creation of podium, low voltage spot lamps, air fare, local transport, boarding and lodging of creative crew, etc.
7.	South Asian Artists Camp at Kovalam, (Advance payment)	SEHER	50.00	Artists fees for participation, travel, boarding and lodging, local transport, art material, transportation of art works from venue to ICCR Hqrs. at New Delhi, etc.
8.	South Asian Bands Festival – December 2009	SEHER	110.00	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
9.	Festival of Russia in India	M/s. Modern Stage Service Pvt. Ltd.	55.00	Multilevel stage with steps, green room., sitting arena, trussing, genset., general lighting, mobile toilet, etc.

10.	South Asian Bands Festival – December 2010	SEHER	110.00	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
11.	SAARC Literary Festival	FOSWAL	70.00	Air tickets/train fare for delegates, local hospitality (hotel accommodation, conveyance, meals, etc.)
12.	SAARC Seminar-cum-Folklore Festival 2007	FOSWAL	49.58	Organisation of SARRC seminar cum folk lore festival 2007.
13.	FDCI/ SAARC Fashion Show 2007	FDCI	30.00	Venue, stage, light and sound, audio, set design, choreography, make-up artist, models, backstage coordinator, accommodation, food and beverages, dressers, tailor, invites and courier, travel and ground transportation, photography, video, etc.
14.	SAARC Textile Exhibition 2007	ACASH	20.00	Organisation of SAARC textile exhibition
15.	South Asian Bands Festival – February 2009	SEHER	107.24	Stage decoration, build-up, sound, generator, lights, chairs and other seating arrangements, set design and ambience, printing of cards/posters and other publicity material, artist's costs (remuneration, travel, stay, local conveyance, etc.), advertisement in newspapers, press and media coverage, security, volunteers, etc.
16.	Delhi International Arts Festival – November 2011	M/s. Modern Stage Service Pvt. Ltd.	43.46	Stage, green rooms, seating arrangements, gensets, stage light, sound, video, truss and ambience lighting equipment, etc.
17.	South Asian Band Festival – December 2011	SEHER	28.05	Set design and ambience, publicity, press and media coverage, local transport, videography and projection with large screens, live webcast on ICCR website, security, volunteers, etc.
18.	2 nd Jazz Festival – March 2012	SEHER	30.00	Set design and ambience, printing of cards and other publicity materials, local transport, artists equipments, press and media coverage, live webcast, security, volunteers, etc.
Total			1153.77	

Annex-VI
(Refers to paragraph 1.2.6.2)
Deficiencies in various Bills

Sl. No.	Name of the Event	Deficiency	Reply of the Council
1.	India-Africa Partnership Summit (April, 2008)	(a) Rehearsal for the event was held on April 5, 2008 and actual event was held on April 6 and 7, 2008 at Purana Qila. It was, however, noticed that the Council made a payment for four days. Since the services for the event were provided for three days, payment for the fourth day (₹ 6.64 lakh) should have been disallowed by the Council. (b) The firm charged ₹ 1.50 lakh for 29 mobile toilets twice in its bill. This fact remained unnoticed by the Council at the time of payment	The Council stated (Jan.2012) that it has noted all the points raised by the Audit and has taken steps to follow the relevant GFR provisions. Further, it is in the process of rectifying the procedure.
2.	SAARC Artists Camp at Jaisalmer (January, 2007)	(a) An amount of ₹ 5.96 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had neither given its bill nor service tax number to the Council. (b) Seher submitted bills of travel agency 'ABC Travels' amounting to ₹ 2.79 lakh in support of air journeys. However, it was noticed that copies of air tickets were not attached with the bills and payment had been released merely on the basis of hand written bill of the travel agent. Five cases were found where even name of the passengers were not mentioned in the bills. In the absence of the basic details, payment made towards purchase of air tickets was questionable.	No Reply from the Council.
3.	SAARC Bands Festival (December, 2007)	(a) The bill submitted in respect of design, production, conceptualization and implementation fee amounting to ₹ 9.93 lakh was without any bill number. (b) In the bill given by M/s Delhi Tent & Decorators both service tax and D-vat were charged. Since the items in the bill were hired, not sold, charging of D-vat amounting to ₹ 12,500/- was not justified. (c) An amount of ₹ 2.25 lakh was shown by SEHER as spent on mementos for artists, accompanists and public. However, no details about their purchase and distribution was found on record. (d) An amount of ₹ 7.99 lakh and ₹ 7.00 lakh were shown to be paid to M/s Delhi Tent & Decorators and M/s Audio Design respectively for stage set up and sound system but there was no item wise rate. As such, genuineness of the claim could not be established in audit. (e) An amount of ₹ 13.50 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had neither given its bill nor service tax number to the Council.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures.
4.	Closing Ceremony of Festival of China in India (December, 2010)	The invoice dated 21/12/2010 of the firm did not mention the item wise rates.	The Council stated (Jan.2012) that items of work undertaken are enclosed. However Council did not supply the item wise rates of works undertaken.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
5.	South Asian Artists Camp at Pondicherry (March, 2010)	(a) Improper bill was submitted in respect of Coordination fee of ₹ 6.50 lakh, yet payment was made. (b) An amount of ₹ 7.04 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had not given any bill/invoice/challan in support of service tax claimed.	No Reply from the Council.
6.	International Day of Non-violence at New York (October, 2007)	The bill No.PAS/EXHB/2007/10/057 dated 17/10/2007 of the firm for ₹ 31.28 lakh (Voucher No.155 Dated 17/01/2008) did not mention the item wise rate. (b) Service tax amounting to ₹ 3.44 lakh was charged by the firm and paid by the Council. However, the bill of the firm does not bear the Service Tax Registration Number.	No Reply from the Council.
7.	South Asian Bands Festival (December, 2009)	(a) An amount of ₹ 8.91 lakh was paid to M/s Audio Design for providing sound & lights equipment but there was no item wise rate. As such genuineness of the claim could not be established in audit. (b) ₹ 2.48 lakh was shown to be paid to M/s Sumant Jayakrishnan for supervision, design, production expenses, etc. while SEHER also separately claimed ₹ 7.50 lakh for the same. (c) ₹ 4.26 lakh (₹ 1.92 lakh + ₹ 2.34 lakh) was shown to be paid to M/s Punj Art Studio for 100 panels made for Band Festival and for putting them at different Metro Stations, Delhi Haat, NDMC, MCD areas of Delhi. However, receipts of Metro, Delhi Haat, NDMC and MCD authorities were not found attached with the bills of M/s Punj Art Studio. It is not understood how the Council satisfied itself of fulfillment of this requirement. (d) An amount of ₹ 5.35 lakh was shown to be paid to M/s Exposition Consultants (P) Ltd. for advertisements in news papers. However, the receipt given by the said firm was for ₹ 4.00 lakh only. Moreover, no copies of the advertisements were found attached to the bill. (e) An amount of ₹ 46,800/- was shown to be paid to M/s Centre for Multimedia Professionals. However, the receipt given by the said firm was for ₹ 44,550/-. (f) An amount of ₹ 6,250/- and ₹ 10,000/- were shown to be paid towards generators and expenses on electricity permission. However, no bills were found on record except the receipts. (g) An amount of ₹ 10.90 lakh was charged towards service tax, which was paid by the Council without noticing that vendor had not given any bill/invoice/challan in support of service tax claimed.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures followed by it.
8.	Festival of Russia in India (February, 2008)	(a) The bill of the contractor did not mention details of items/services provided and rate of each item, etc. (b) The Finance & Accounts Wing of the Council observed procedural and financial irregularities in the matter and advised the Council to seek the concurrence of the AS (FA), Ministry of External Affairs, who also happened to be the financial advisor of the Council. However, the Council made payments	The Council stated (Jan.2012) that it has noted all the points raised by the Audit and has taken steps to follow the relevant GFR provisions. Further, it is in the process of rectifying the procedure.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
		to the contractor without referring the matter to the AS (FA).	
9.	SAARC Literary Festival 2010	(a) The 12 bills of travel agent, amounting to ₹ 22.93 lakh, submitted by FOSWAL did not carry details of flight and class in which journeys were actually performed with dates of journey. No copies of air tickets were attached to verify the amount of air tickets. (b) 12 payments amounting to ₹ 2.50 lakh were shown to be made towards reimbursement of air ticket and train fare, but no copies of tickets were found attached. (c) Bills of J&M Hospitality Services were submitted for ₹ 17.00 lakh in respect of arranging different hotels. Bills of different hotels i.e. Forest Green Hotel, Glitter Hotel, Vikram Hotel, Grand Sartaj Hotel, Saptagiri Hotel were not submitted in support of ₹ 17.00 lakh.	The Council stated (Dec.2011) that grant in aid of ₹ 70 lakh was given to Foswal. The reply of the Council is not acceptable because scrutiny of records revealed that work of organizing SAARC literary festival was assigned to FOSWAL by the Council.
10.	SAARC Seminar-cum-Folklore Festival 2007 (December, 2007)	The Council released final payment of ₹ 49.58 lakh to FOSWAL. However, agency did not enclose the supporting documents with the bill in support of the expenditure.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
11.	SAARC Fashion Show (December, 2007)	An amount of ₹ 74,160/- was charged towards service tax by FDCI which was paid by the Council without noticing that the FDCI had not given its service tax number.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
12.	SAARC Textile Exhibition (December, 2007)	The Council released balance amount of ₹ 33.55 lakh to Association of Corporations and Apex Societies of Handlooms (ACASH) without receiving any bills. ACASH returned ₹ 33.55 lakh stating that it had no pending dues/accounts pertaining to the above event.	The Council noted (Jan.2012) the points raised by Audit and stated that they had already started rectifying the procedures followed by it.
13.	South Asian Bands Festival (Feb.2009)	(a). ₹ 3.93 lakh (₹ 1.60 lakh + ₹ 2.33 lakh) was shown to be paid to M/s Punj Art Studio for 100 panels made for Band Festival and for putting them at different Metro Stations, NDMC, MCD areas of Delhi. However, receipts of Metro, NDMC and MCD authorities were not found attached with the bills of M/s Punj Art Studio. It is not clear how the Council satisfied itself of genuineness/correctness of the claim of ₹ 3.93 lakh before making payments. (b). The ICCR made a payment of ₹ 75,247/- to SEHER against a bill presented by it, which was raised in the name of M/s Maruti Udyog Ltd. The amount was spent on the accommodation of Vishal-Sekhar group in the hotel 'The Lalit'. (c). An expenditure of ₹ 1288.88 was incurred at the restaurant 'The Pavilion' at the Hotel Maurya for liquor and dinner on 15.2.2009, a week before the event took place.	The Council noted (Jan.2012) the points raised by Audit and stated that it had already started rectifying the procedures followed by it.
14.	Delhi International Arts Festival (November, 2011)	The invoices dated 16/12/2011 of the firm did not mention the item wise rates. In the absence of these essential details, the payments were made on an incomplete bill.	No Reply from the Council.
15.	South Asian Bands Festival	(a) ₹ 2.76 lakh was paid to M/s Sumant Jayakrishnan for supervision, design, production expenses, etc.,	No Reply from the Council.

Sl. No.	Name of the Event	Deficiency	Reply of the Council
	(December 2011)	while SEHER also separately claimed ₹ 9.38 lakh for the same. (b) ₹ 3.74 lakh (₹ 1.98 lakh + ₹ 1.76 lakh) was shown to be paid to M/s Punj Art Studio for panels made for Band Festival and for putting them at different Metro Stations, Delhi Haat (INA & Pitampura), NDMC, MCD areas of Delhi. However, receipts of Metro, NDMC and MCD authorities were not found attached with the bills.	
16.	2nd Jazz Festival (March 2012)	(a) ₹ 2.92 lakh was shown to be paid to M/s Sumant Jayakrishnan for supervision, design, production expenses etc., while SEHER also separately claimed ₹ 8.50 lakh for the same. (b) ₹ 2.58 lakh was paid to M/s Punj Art Studio for panels made for Jazz Festival and for putting them at different places of NDMC and adjoining areas of Delhi. However, receipt of NDMC was not found attached with the bills. (c) An amount of ₹ 90,000/- was paid to one Shri Vikrant Jain for operation charges but there was no item wise rate.	No Reply from the Council.

Annex-VII
(Refers to paragraph 1.2.6.2)
Non-deduction of TDS

Sl. No.	Name of the Event and Firm	Amount Paid
1.	SAARC Artists Camp at Jaisalmer – SEHER	SEHER claimed a Coordination fee of ₹ 4.29 lakh, which was paid by the Council without deducting TDS.
2.	SAARC Bands Festival, 2007 – SEHER	SEHER claimed design, production, conceptualization and implementation fee of ₹ 9.93 lakh, which was paid by the Council without deducting TDS.
3.	South Asian Artists Camp at Pondicherry - SEHER	SEHER claimed a Coordination fee of ₹ 6.50 lakh, which was paid by the Council without deducting TDS.
4.	International Day of Non-violence at New York – M/s Paras Art Studio Pvt. Ltd.	An amount of ₹ 31.28 lakh was paid to M/s Paras Art Studio in connection with the organizing of exhibition but no TDS was deducted.
5.	South Asian Bands Festival, February 2009 – SEHER	SEHER claimed a Coordination fee of ₹ 7.50 lakh, which was paid by the Council without deducting TDS.
6.	South Asian Bands Festival, December 2009 - SEHER	SEHER claimed a Coordination fee of ₹ 7.50 lakh, which was paid by the Council without deducting TDS.