

CHAPTER XII : MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

Department of Personnel and Training

Institute of Secretariat Training and Management

12.1 Unauthorised retention of Government Receipts

Institute of Secretariat Training and Management (ISTM), an attached office of the Department of Personnel and Training, Government of India, unauthorisedly retained part of its receipts outside the Government account by maintaining a separate current account. The receipt into and expenditure incurred out of this account bypassed the PAO system. As a result the required checks were compromised. The fact that these funds were kept outside the budgetary process also undermines the Parliamentary authorisation for incurring expenditure.

The Institute of Secretariat Training and Management (ISTM), an attached office under the Department of Personnel and Training, Government of India is a multidisciplinary organization specializing in capacity building, consultancy and research support particularly for the Central Secretariat. ISTM imparts training to officers of Central Secretariat Service (CSS) and also provides training support to State Governments, Central Public Sector Undertakings, Central Autonomous bodies and other organisations in specialized and general areas. The receipts of ISTM mainly include course fee and licence fee charged for providing hostel accommodation to the trainees.

Rule 6(1) of the Central Government Account (Receipts and Payments) Rules, 1983 (Rules) stipulates that all moneys received by or tendered to Government officers on account of revenues or receipts or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government Account. Moneys received as aforesaid shall not be utilised to meet departmental expenditure except as authorised¹ in sub-rule (2) nor otherwise kept apart from the accounts of the Government. ISTM is required to follow these Rules.

¹ in the case of cash receipts by Postmasters, deposits received at a Civil Court, cash received by Forest Department etc.

Audit, however, observed that the fees received by the ISTM through conducting organization specific paid programmes on the request of PSUs, autonomous bodies were being deposited by it in its current account maintained with State Bank of India (SBI). These receipts were also utilized to meet the departmental expenditure. Between April 2006 and March 2013, the ISTM collected fee receipts aggregating ₹ 10.43 crore out of which ₹ 9.85 crore was utilized for meeting its expenditure. This action of the ISTM contravened the Rules and was, therefore, irregular.

Audit also observed that the ISTM did not maintain a cash book in respect of the transactions made from the current account with SBI. Further, the expenditure from this account was largely of a discretionary nature like purchase of training equipment and computer hardware/software, expenditure on infrastructural development, expenditure in connection with inviting guest faculty members, honorarium payment to faculty, printing of course material, cleaning charges, photocopying charges etc. Audit observed that the expenditure from this account was not routed through the PAO system. As a result, the required checks were bypassed. Further, the practice of the ISTM to maintain a distinct financial system outside the purview of the government control undermines the Parliamentary authorisation for incurring expenditure.

The financial requirements of the ISTM are met through appropriate budgetary process and during 2012-13, ISTM had incurred an expenditure of ₹ 15.03 crore only out of the total budgetary provisions of ₹ 30.19 crore (both Plan and Non-Plan) which indicates that ISTM had been receiving sufficient budgetary allocations to undertake its activities.

ISTM, in response to the audit observations approached the Controller of Accounts, Ministry of Personnel, Public Grievances and pensions requesting them to authorize ISTM to open PD account so that the amount lying in the credit of current account may be transferred to PD account.

The action of the ISTM to seek approval for opening of PD account establishes the audit contention about the unauthorised operation of current account. The fact that this arrangement has been continuing for a long time also indicates that the Ministry of Public Grievances and Pensions, viz. the administrative Ministry in this case, failed to exercise adequate oversight over the transactions of the ISTM.

The Ministry while admitting the audit observations stated (June 2014) that the ISTM was being advised to take appropriate action in the matter.