

## Executive Summary

### Introduction

Department of Science and Technology (DST) was established in May 1971 under Ministry of Science and Technology (MST), with the objective of promoting new areas of Science and Technology (S&T) and to play the role of a nodal department for organising, coordinating and promoting S&T activities in the country. There are 28 Autonomous Bodies (ABs) under the administrative control and substantially funded by DST, located in different parts of the country.

In view of the substantial dependence of the ABs on public money which necessitates compliance with Government rules and instructions in conducting their affairs, a compliance audit of administrative functioning of 19 selected ABs of DST was conducted, covering the period from 2009 to 2014.

### Main findings

Significant audit findings on administrative functioning of selected ABs are as follows:

#### Regulatory framework of Autonomous Bodies

As per Rule 208 of General Financial Rules, no new autonomous institution should be created by Ministries or Departments without the approval of the Cabinet. International Advanced Research Centre for Powder Metallurgy, Hyderabad was registered as a society without the approval of the Cabinet. DST sanctioned funds of ₹ 241.04 crore between 2009-14 to the Centre.

(Para 2.2.1)

Bose Institute, Kolkata, which was registered under the Societies Act 1860, did not comply with the provisions of West Bengal Societies Act 1961. In spite of this, DST released grants-in-aid to the Institute.

(Para 2.2.2)

During the period from 1988 to 2011, the Governing Body of Technology Information and Forecasting Assessment Council, Delhi was reconstituted four times. However, approval of the Competent authority for such reconstitution, as required under Memorandum of Association of the Council was not obtained on three of the four occasions.

(Para 2.3.1)

### **Administrative functioning of Autonomous Bodies**

The 17 selected ABs failed to comply with instructions of Ministry of Finance to incorporate restrictive clauses in their Rules and Bye laws relating to the powers of the Governing Bodies in matters having financial implications.

**(Para 3.2)**

Though ABs have no powers to create/upgrade posts, 486 posts were created/upgraded by 11 ABs.

**(Para 3.3.1)**

There were deviations from prescribed Government rules and orders in the Recruitment Rules framed by 13 ABs for which approval of Ministry of Finance was not obtained.

**(Para 3.4.3)**

Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram and Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru failed to adhere to the guidelines/instructions issued by University Grants Commission (UGC) on adoption of pay structure of academic staff. Adoption of higher pay scales and fixation of pay at higher stages resulted in excess expenditure of ₹ 6.43 crore on recruitments and promotions of academic staff.

**(Para 3.4.6, 3.4.7 (b) and 3.5.1 ii)**

Irregularities in grant of promotion to Scientists under Flexible Complementing Scheme by Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram resulted in inadmissible payment of ₹ 8.70 crore.

**(Para 3.5.4)**

Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram unauthorisedly paid Clinical Research Allowance and Learning Resource Allowance to its staff, resulting in irregular expenditure of ₹ 6.86 crore. The Institute also paid ₹ 1.53 crore as Hospital Patient Care Allowance without obtaining approval of DST.

**(Para 3.6.1 and 3.6.2)**

Three ABs granted extension of service to retired staff without approval of competent authority, which resulted in inadmissible payment of ₹ 3.41 crore.

**(Para 3.7.2)**

### Oversight functions of DST

No peer review was conducted by DST for any of its 17 selected ABs as envisaged in Rule 208 (vi) of General Financial Rules.

(Para 4.2)

Nature of grants, viz. recurring or non-recurring was not segregated in the sanction letters issued by DST to the ABs as envisaged in Rule 209(5) of General Financial Rules.

(Para 4.3)

Utilisation Certificates (UCs) submitted by the ABs to DST did not contain achievements about specified, quantified and qualitative targets as well as the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. as envisaged in General Financial Rules.

(Para 4.4)

There was shortfall in conducting internal audit of ABs ranging from 39 *per cent* to 61 *per cent* as against the target fixed by DST for annual audit.

(Para 4.5)

### Conclusion

The Audit disclosed establishment of one AB without the approval of the Cabinet and non-adoption of the requisite provisions of the applicable State Societies Registration Act by an AB, due to which there were inconsistencies in compliance of the provisions of the State Act. DST continued to release grants to these ABs in a routine manner without examining the adherence to legal requirements by these ABs. Administrative functioning of the selected ABs did not conform to the applicable rules and regulations. The extant rules and orders were violated in creation of posts, recruitments, promotion policies for scientists, staff entitlements, retirement matters and outsourcing of services. The oversight role of DST was weak. No peer review was conducted as per the provisions of GFRs, due to which the performance of the ABs was not evaluated. Sanction letters for payment of grants by DST did not specify the nature of grants. Monitoring of submission of UCs by ABs was lax. None of the UCs submitted by the 19 ABs to DST contained achievement about specified, quantified and qualitative targets. There was shortfall in conduct of internal audit by DST.

## Summary of Recommendations

DST may obtain ex-post facto approval of the Cabinet for establishment of International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad as an Autonomous Body for regularisation of its continuance and ensure that prescribed procedures are followed for creation of Autonomous Bodies.

DST may review Memorandum of Association and Regulations of all the Autonomous Bodies and ensure that provisions of the same are in conformity with the applicable Central/State Societies Registration Act.

DST may ensure that Autonomous Bodies incorporate relevant clauses in the Bye-Laws specifying the powers enjoyed by the Governing Bodies/Council of the said Autonomous Body in matters of creation of posts, recruitments, promotions, retirements, staff entitlements and other administrative issues.

DST may ensure that Autonomous Bodies, recognised as Deemed Universities, follow the UGC guidelines on pay structures.

DST may evolve a mechanism for conduct of peer review of all the Autonomous Bodies under its administrative control. DST may strengthen its internal audit mechanism.