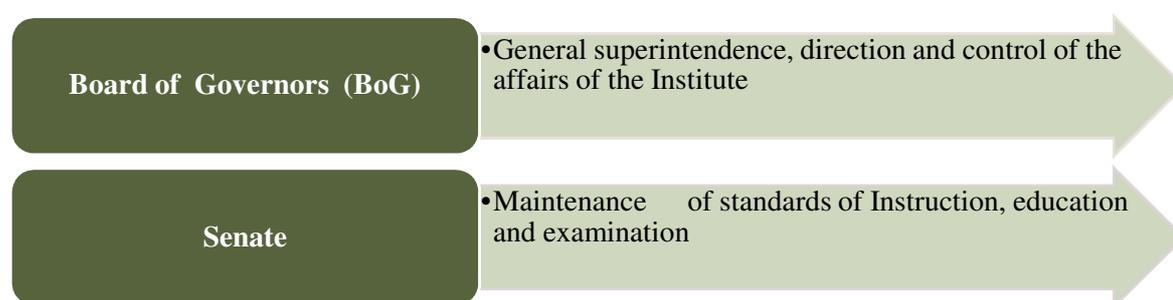


Chapter VI: Functioning of Oversight Mechanism

Oversight mechanism is a system or process used by organisations to monitor and ensure that their work is effective, of envisioned quality and that all applicable rules and regulations are followed. A well-structured oversight mechanism with governing bodies at appropriate levels institutionalises smooth functioning of the organisation and ensures that the intended outcomes are achieved economically, efficiently and effectively.

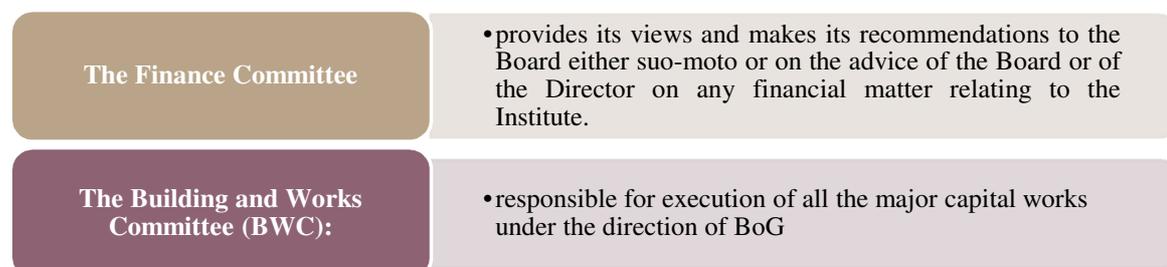
The Institutes of Technology Act, 1961 stipulates (Section 10) for constituting of Governing bodies such as Board of Governors, Senate (refer Para 1.3 Chapter I). The responsibilities of these governing bodies as stipulated by the Act are as in the *Chart 6.1*:

Chart 6.1: Showing role of BoG and Senate



The Act also mandates that such other authorities as may be created by the Statutes of respective IITs may be formed. Accordingly, the Statutes of all eight IITs declared the creation of the following additional authorities as depicted in the *Chart 6.2*:

Chart 6.2: Showing role of Finance committee and BWC



Further, the Act/Statutes also provide for a Chairman of Board, Director, Deputy Director and Registrar as officers of the IIT who are required to perform such duties as may be prescribed under the Act and the Statutes.

6.1 Composition and functioning of Governing Bodies/Availability of Officers of the IIT

All the eight IITs have formed the BoG, Senate, Finance Committee and BWC as stipulated by the Act. Audit examined the performance of these bodies with reference to their composition, functioning and discussions/decisions as contained in the Minutes of the meetings and the follow up action thereof.

The significant findings are as discussed below.

6.1.1 Meetings of Governing Bodies

The Act and Statutes stipulate for a minimum number of meetings to be held every year by each governing body. Conducting the meetings as prescribed facilitates regular monitoring of the activities and taking timely remedial measures.

It was noticed that there were shortfalls in number of meetings held by the BoG, Senate, Finance Committee and BWC in all IITs during the five-year period 2014-19. The shortfalls observed during the five-year period i.e., 2014-19 were as shown in *Table 6.1*:

Table 6.1: Shortfalls in number of meetings of governing bodies during 2014-19

Authority	Shortfall in number of meetings
BoG	2 (IITJ) and 4 (IITGN)
Senate	4 (IITP), 5 (IITJ), 2 (IITGN), 3 (IITH), 10 (IITI), 6 (IIT Mandi) and 3 (IIT Ropar)
BWC	1 (IITBBS), 1 (IITP) and 7 (IITH)
FC	1 (IITGN) and 4 (IITH)

It can be seen from the table above that the Senate in the IITs was not meeting as frequently as mandated. There were shortfalls in meetings of the BoG, BWC and FC also. Shortfalls in meetings of the Senate would affect its role in monitoring issues relating to maintenance of standards of education. Shortfalls in the meeting of BWC and BoG shows that inadequate supervision took place during the infrastructure development period which led to delays in construction in all IITs as pointed out in Paragraph no. 3.4.

IITGN replied that five meetings of Senate in 2014 and 10 meetings of BWC in 2018 were held. IITJ replied that fewer meetings were held in 2016 because most of the procedure, routine and other matters were placed and approved in the four meetings of BoG conducted in the year 2015. IIT Mandi replied that shortfall was due to lesser number of faculty, students etc. and there was no shortfall in meetings after 2018. IIT Ropar replied that the meetings as per norms would be ensured in future. IITH replied that the meetings could not take place during the period mentioned by Audit and stated that it would ensure that the meetings are convened regularly at the prescribed intervals.

The reply may be seen in the light of the fact that due to shortfalls in the prescribed number of meetings, the monitoring authorities lost the opportunity to take timely review and corrective action on ongoing infrastructure projects and other activities. Audit noticed that lack of coordination between IIT authorities with the executing agencies led to inordinate delays in timely completion of infrastructure projects impacting the timely utilization of funds, introduction of courses, creation of student intake and effective execution of research activities as pointed out in Chapters 3, 4 and 5.

6.1.2 Effectiveness of the Functioning of Governing Bodies

The effective functioning of the governing bodies directly impacts the development of infrastructure, introduction of courses and overall functioning of the IITs. The governing

bodies are *inter-alia* responsible for taking decisions on questions of policy relating to the administration and working of the IIT.

(i) Audit noticed that during the period 2014-19, as highlighted in “Chapter III – Creation of Infrastructure”, there were considerable delays in the execution of infrastructure works across eight IITs. There were delays of 20-52 months in completion of the projects (Phase-I and Phase-II) in all IITs. It was also observed that the delays were ratified on case-to-case basis by providing Extensions of Time. These had inevitable repercussions on the financial costs of these projects also, leading to cost escalation in most cases. Thus, timely action and effective superintendence was not exercised by these governing bodies to prevent delays.

(ii) On the academic front too, non-achievement of targets set with regard to student intake/student enrolment, faculty student ratio, non-establishment of Research and Technology Development council, indicate that the governing bodies need to re-align and re-visit their mechanisms of supervision and monitoring with respect to frequency of the meetings and follow-up of the decisions taken therein while strengthening the process wherever necessary.

(iii) The role of Finance Committee (FC) which is mandated to provide its views, make its recommendations to the Board on any financial matter and provide advice and guidance relating to resource mobilization is crucial for financial management of the IITs. However, audit observed that insufficiency of internal resources led to increased dependency on government aid, availing of loans without proper assessment of timely absorption capacity of construction activities, resultant idling of the loans availed, which point towards scope for better financial management and more effective monitoring by FC and other governing bodies.

6.2 Specific instances of lapses in oversight

(i) IIT Gandhinagar

IITGN entered into an MoU with CPWD during May 2012 for construction of new campus. As per the MoU, there would be a two-level monitoring system in place consisting of both CPWD and IIT authorities. Audit observed that BWC set up the Project Progress Monitoring Committee (PPMC) for monitoring of infrastructure works only in November 2013 i.e., after a lapse of 18 months.

Through the responses received from the Ministry (September 2021), IITGN replied that monitoring by PPMC in greater technical details had been found very useful.

Thus, delayed action of BWC in constituting the PPMC which was to monitor the infrastructure works resulted in inadequate monitoring during this period as delays were observed in execution of the works as pointed out in para 3.4.2 (b).

(ii) IIT Bhubaneswar

As per Statute 7(2) of IITBBS, the Finance Committee is responsible for providing its views and making recommendations to the Board on any financial matter relating to the IIT.

IITBBS entered (October 2014) into a tripartite³³ agreement for supply of 5 MLD³⁴ water to its campus. The agreement was executed by the Director without approval of BoG/FC which was against the said stipulation of their Statutes. Further, the requirement of water was not properly estimated as on November 2018 the actual requirement was only for 0.5 MLD against the 5 MLD agreed. As per records furnished to audit, the agreed volume of water (5 MLD) would be required in the year 2030 i.e., after complete development of the campus.

The water supply project was functional since June 2018 and the agency claimed water supply charges of ₹3.32 crore (March 2019) though no water was drawn by the IIT till date through this project.

Thus, improper/unplanned assessment of water requirement at initial stage and signing of agreement, without prior approval of governing bodies and incorporating bulk supply condition instead of actual consumption resulted in involvement of financial liability of ₹3.32 crore on the IIT without any commensurate outcome.

The Ministry did not give a specific reply to the audit observation.

(iii) IIT Hyderabad

As per the Statute 8(2) of IITH, the BWC is, *inter alia*, responsible, under the direction of the Board, for construction of all major capital works after securing from the Board the necessary administrative approval and expenditure sanction. BWC is also responsible to give the necessary administrative approval and expenditure sanction for minor works including maintenance and repairs.

Audit observed that as against two meetings in a year, BWC met only once during 2014-15, 2016-17 and 2017-18 and no meetings were conducted in 2015-16 and 2018-19. It was also observed that the BWC in its ninth meeting (September 2014) ratified, in one sitting, 175 construction works taken up between 2012-15 (175 works costing ₹9.33 crore).

In response, IITH replied (November 2020) that the BWC was mandated to meet twice in every year and the meetings could not take place during the periods mentioned by audit. IIT accepted the lapse and informed that henceforth it would ensure that the meetings would be convened regularly at the prescribed interval. In respect of the specific observation on ratification of works in one sitting by the BWC, IIT replied that in view of requirement of works on immediate basis the works were taken up within the powers of Director and were subsequently ratified by BWC.

The reply may be viewed in the light of the fact that due to non-conduct of regular BWC meetings the IIT lost the opportunity of proper discussion/review on the execution of referred works and was left with no option other than granting *ex-post facto* ratification.

(iv) IIT Indore

As per the delegation of powers of IITI, the Director was delegated financial powers to award the works upto ₹50 lakh and the works beyond ₹50 lakh should be referred to BWC.

³³ Public Health Engineering Organisation (Bhubaneswar), MEIL (Bhubaneswar) and IITBBS

³⁴ Millions Liters per Day

It was observed that the Chief Engineer and Project-in-Charge of CPWD awarded (December 2015) a work to a contractor for construction of RCC road amounting to ₹92.97 lakh without calling for tender and without the prior approval of BWC.

The Ministry replied (September 2021) that as per delegation of powers, the Director of Institute has the power to sanction new works costing up to ₹ two crore and therefore, this work was not required to be referred to BWC for approval.

On scrutiny of documents provided by IIT Indore, it was seen that the delegation of powers (2010) referred in Ministry's reply was for incurring expenditure. However, as per the delegation of financial powers (2012) for works expenditure, works beyond ₹50 lakh should be referred to BWC. Thus, the reply of the Ministry is not acceptable in this case.