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## OVERVIEW

### ECONOMIC SECTOR

This report contains one Performance Audit Report and four Compliance Audit Paragraphs. The significant audit observations are discussed below:

#### Performance Audit

##### Functioning of Kerala Agricultural University

A performance audit was conducted to assess the extent to which the Kerala Agricultural University (the University) had achieved its organisational goals and objectives in the areas of academic, research and extension education activities with reference to the existing Act and Regulations, and also the adequacy of its financial management and internal controls in ensuring economy, efficiency and effectiveness in the functioning of the University.

The governance framework of the University was weakened by non-framing/ updation of its Statutes, Ordinances & Regulations and non-publication of the same in the Gazette as mandated under the Kerala Agricultural University (KAU) Act, 1971. Further, the University did not appoint 'Officers of the University' in the prescribed manner. Teaching staff were nominated to these posts with full additional charge. These arrangements contributed significantly to the University's non-compliance with various University Grants Commission (UGC) regulations governing it and applicable guidelines of the Indian Council of Agricultural Research (ICAR). Also, it contributed to its under-performance in terms of quantity and quality of research papers published in the scientific journals.

The information furnished by the University to the National Agricultural Education Accreditation Board (NAEAB), the accreditation agency for Agricultural Universities during the accreditation process had factual inaccuracies. The University did not comply with the relevant UGC regulations regarding the award of Ph.D. degrees and recruitment of both regular and contract teaching staffs. As a result, the Government norms for granting advance increment were not satisfied and the granting of the same to the faculty members who were awarded such degrees was irregular. It established a new College of Agriculture in Ambalavayal, Wayanad without the minimum requirements prescribed by ICAR. The University's integrated Master's Degree Programme in Climate Change Adaptation instituted in 2010 was being run without any permanent faculty since the inception of the programme as it had not framed statutes for recruiting them.

The research product of the University in terms of number and quality of research papers published in scientific journals by its faculty, were below benchmark. Over a third of its faculty members had not authored or co-authored any research papers during the period 2014 to 2018. The popularisation of new varieties of crop developed by the

University was adversely affected due to non-initiation of measures to get these varieties notified under the Seeds Act, 1966. The University had not taken measures to protect new varieties of crops developed by it under the Protection of Plant Varieties and Farmers' Rights Act, 2001. New technologies developed were transferred without applying for patent. The University did not have a system to determine potential infringements to Geographical Indication owned by it.

The accounting software used by the University was not certified by an external agency for its reliability and controls. This can lead to malpractices and frauds through manipulation of figures. More than fifty *per cent* of the stations under the University were not covered by its internal audit. The University had not initiated action on the recommendations of the Committee on Public Accounts (PAC).

*(Chapter 2)*

### **Compliance Audit Paragraphs**

- Non-exercise of caution and checks by departmental officials enabled contractors to defraud the Public Works Department of ₹30.65 lakh by submitting multiple copies of the same invoices in support of purchase of bitumen for different works.

*(Paragraph 3.1)*

- Revision of estimates by the Public Works Department in favour of the contractors resulted in inadmissible payment of ₹1.99 crore in three bridge works.

*(Paragraph 3.2)*

- Failure of the Public Works Department to recover the differential cost of departmental bitumen from contractors consequent on the decrease in the market price of bitumen resulted in undue benefit of ₹4.36 crore to the contractors.

*(Paragraph 3.3)*

- The Public Works Department incurred an unfruitful expenditure of ₹18.34 crore during the period 2014-15 to 2018-19 towards the salary of staff attached to 86 road rollers idling in eight PWD divisions

*(Paragraph 3.4)*