

CHAPTER -V

INTERNAL CONTROL

GENERAL EDUCATION DEPARTMENT

5.1 INTERNAL CONTROL IN GENERAL EDUCATION DEPARTMENT

Internal Control is an integral component of an organization's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data is reliable, and the applicable laws and regulations are complied with, so as to achieve organizational objectives. Internationally the best practices in Internal Control have been given in the COSO¹ framework which is a widely accepted model for internal controls. In India, the GoI has prescribed comprehensive instructions on maintenance of internal control in government departments through Rule 64 of General Financial Rules 2005. A review of internal control on selected areas of General Education Department has shown that:

Highlights

- Receipt books with duplicate numbers were found in South Education Zone and Government Multipurpose Higher Secondary School, Margao. North Education Zone did not maintain a stock account of receipt books.

(Paragraph 5.1.6.1)

- The loan of Rs 30 crore availed of by Government from Goa State Infrastructure Development Corporation (GSIDC) was not routed through the Consolidated Fund of Goa. The payment of interest was understated as this expenditure was booked under Capital outlay instead of the Interest head of account.

(Paragraph 5.1.7.1)

- Of the GSIDC loan, Rs 29.77 crore was disbursed (as of March 2007) to 200 institutions as 50:50 interest free loan/grant, without executing agreement between Government and institutions. Enforcement of recovery totalling Rs 1.16 crore in respect of ten schools which did not utilize the grants has become (June 2007) doubtful.

(Paragraph 5.1.7.1)

¹ Committee of Sponsoring Organisations of the National Commission on Fraudulent Financial Reporting or the Treadway Commission.

- Periodic academic inspections prescribed under the School Education Rules, 1986 were not conducted as per norms during 2002-07.

(Paragraph 5.1.8.1)

- Internal audit of 1,100 Government schools/99 DDOs of Department had not been conducted since inception despite Finance Department's instructions.

(Paragraph 5.1.8.2)

Introduction

5.1.1 School Education in Goa

Goa enacted the Compulsory Education Act, 1995 and enforced it from September 1996, to ensure that no child in the age group of 6-14 years remains out of school. Six* out of eleven talukas in the State have been declared as educationally and infrastructurally backward talukas. Literacy in Goa as per the 2001 census was 82.3 *per cent*.

5.1.2 Organisational set-up

The Secretary (Education), Government of Goa has administrative control of Education Department. The Director of Education, who is also Ex-officio Joint Secretary (Education), heads the Directorate of Education (General Education) and is assisted by a Director (Administration), Joint Director of Accounts, six Deputy Directors of Education and nine Assistant Directors of Education. At the block level 12 Assistant District Educational Inspectors (ADEIs) look after the work of administration, supervision, co-ordination, monitoring etc., under the supervision and guidance of the Assistant Directors of Education/Deputy Directors of the respective zones.

The State has been divided into three zones by the Department, viz., Central, South and North. Each Zonal office is headed by a Deputy Director of Education, assisted by an Assistant Director of Education for academic matters. An Assistant Accounts Officer functions as Drawing & Disbursing Officer (DDO) at the Directorate and one each at the Zones. As on March 2007 the total number of Government and Aided schools was 1,100 and 398 respectively.

5.1.3 Audit objectives

This review of Internal Control has been conducted to test compliance with the General Financial Rules, Receipt and Payment Rules, related accounting instructions and the Goa Education Rules, 1986 alongwith supplementary departmental directives. In addition, the arrangements for information, communication, monitoring and evaluation including Internal Audit and

* Bicholim, Canacona, Pernem, Quepem, Sattari and Sanguem.

Vigilance have been examined. Internal Control activities designed and put into operation for enforcing the management directions and ensuring achievement of programme objectives have also been examined for some selected areas.

5.1.4 Audit Coverage

The audit was conducted by test check of records for the period 2002-07 at the Secretariat, Directorate of Education, two Zonal Offices², DIET³, SIE⁴, three ADEIs⁵, three GHSS⁶ and five GHS⁷ during the period March to June 2007.

The audit objectives were discussed in the entry conference with the senior officers of the Department. The audit process included discussion with officials of the Department, collection of data through examination of records and their analysis. Exit conference was held with Secretary of the Department in July 2007.

Audit Findings

5.1.5 Compliance with General Financial Rules and instructions related to Budget formulation and utilisation

5.1.5.1 Non receipt of estimates from subordinate offices

The State Government did not have any budget manual of their own and all the provisions of the General Financial Rules are followed for implementation of budget and other financial matters. The details of budget provision and expenditure of General Education Department for five years 2002-07 are given below.

(Rupees in crore)

Year	Capital Expenditure			Revenue Expenditure						
	Budget Provision	Expenditure	Percentage Savings(-) Excess(+)	Budget Provision	GoI Funds	Teaching/ Non-Teaching Staff Salaries	GIA Salaries	Other Expenditure	Total Expenditure	Percentage Savings(-) Excess(+)
2002-03	1.49	1.41	(-) 5.36	213.18	0.49	62.47	126.10	24.12	212.69	(-) 0.45
2003-04	3.20	3.01	(-) 5.93	207.38	0.56	57.25	117.29	32.55	207.09	(-) 0.40
2004-05	4.57	4.49	(-) 1.75	228.73	0.01	62.95	128.07	37.10	228.12	(-) 0.27
2005-06	4.25	4.15	(-) 2.35	235.71	4.15	64.85	140.11	29.92	234.88	(-) 0.27
2006-07*	13.62	13.90	(+) 2.06	304.58	1.86	66.97	145.21	89.56	301.74*	(-) 1.53
Total	27.13	26.96		1,189.58	7.07	314.49	656.78	213.25	1,184.52	

* The increase in expenditure in 2006-07 is attributable mainly to implementation of Cyberage Scheme.

² North and South Zones.

³ District Institute of Education & Training, Porvorim (DIET).

⁴ State Institute of Education, Porvorim (SIE).

⁵ Assistant District Educational Inspectors- Pernem, Quepem and Vasco.

⁶ GHSS- Margao, Sanquelim, Pernem.

⁷ GHS - Government High School - Agarwada, Alto Betim, Mulgaon, Vadenagar, Vasco main.

* Provisional

* Includes original, supplementary and re-appropriation.

Though budget estimates were to be prepared based on estimates received from subordinate offices, it was seen that in respect of 91 DDOs out of 99 in the Directorate, estimates had not been received (2005-06). The Department replied (September 2007) that the left out DDOs, were heads of schools (High/HSS) incurring expenditure on salary/office which was within the control of Directorate. The reply is not tenable, as the DDOs should have their own allotment of funds based on their estimates.

5.1.5.2 Retention of amounts of AC Bills for long periods and delay in submission of Detailed Contingent (DC) bills

General Financial Rules prescribe that amount should not be drawn to avoid lapse of funds and detailed contingent (DC) bill should be submitted within a month of date of drawal of Abstract Contingent bill. Amounts of Rs 5.50 lakh and Rs two lakh were drawn (March 2005) for payment towards survey work of Sarva Shiksha Abhiyan (SSA) by SIE. Both the cheques dated 31 March 2005 were encashed on 29 June 2005. Disbursements totaling Rs 4.99 lakh/ Rs 1.85 lakh were made between August 2005 - February 2006 and September 2005 - October 2005 respectively and balance amounts credited (March 2006) into Government treasury. DC bills were submitted after one year from the date of drawal. The encashment after three months from drawal of cheques showed that the amount of Rs 7.50 lakh was drawn at the fag end of financial year 2004-05 to avoid lapse of funds.

SIE drew amounts frequently on AC Bills for incurring expenditure on training/scholarships etc. During 2005-07 out of 70 AC bills drawn for a total of Rs 27.30 lakh, DC bills in respect of 55 AC bills for a total of Rs 15.42 lakh were submitted to Director of Accounts, Panjim with delay ranging from one month 24 days to 10 months. The Department's reply (September 2007) that the survey continued for a long period and disbursements could be completed only by February 2006, shows that the AC bills were not drawn as and when required.

5.1.6 Compliance with Receipts and Payments Rules

5.1.6.1 Stock Accounts of receipt books not maintained

Non maintenance of proper stock account of receipt books resulted in duplicate numbers for Receipt Books

- According to Government of Goa Receipt and Payment Rules 1997, machine numbered receipt books are required to be obtained from the Government Printing Press (GPP), Panaji. Audit scrutiny of the records maintained for receipt and issue of receipt books at the Directorate, Zonal and other units revealed that the Directorate and three zones separately obtained receipts books from GPP. The receipt books were numbered by the Accounts sections only at the time of issue to various departments, instead of getting them numbered by GPP or numbering them immediately on receipt from GPP and recording the numbers in the stock account register under attestation by DDO/Joint Director of Accounts. Periodical physical verification of the blank receipt books was also not done by the

DDOs (DE/Zones). The Directorate's stock account showed several incorrect entries. At GMHSS, Margao, it was found that there were two TR-5 receipt books bearing the same serial number 29 and both Receipt books had been put to use in June 2002. The stock register of TR-5 receipt books of the Directorate showed that only one book Sr. No. 29 was issued to the school. Thus non-numbering/recording the serial number in stock account at the time of receipt of stock is fraught with risk of misappropriation. The Department replied (September 2007) that the mistake could not be traced out due to non-maintenance of register for Receipt Books by GMHSS, Margao.

- The North Education Zone, Mapusa did not maintain a register to show the Receipt books indented from GPP/ obtained from private parties and issued to Cashier/Government Village Libraries (GVL). A total of 14[^] receipt books (used/in use/ unused) printed by GPP in 1992 were shown to audit. A few of these receipt books were used by Government Village Libraries under the zones. Eight[^] intermediate numbers of receipt books were missing. Neither the GPP indents nor other records to establish the quantity of receipt books brought to NEZ could be shown to audit. Audit could not ascertain whether the eight receipt books were put to use and the money received was deposited into Government Treasury. The reasons for the non-availability of these receipt books could not be explained by the Department, which stated (June 2007) that the concerned staff had retired. The Department instructed NEZ to trace out the Stock Register for Receipt Books.
- DDO (SEZ), Margao had not taken over from the stationery clerk, a total of 58 blank receipt books indented from GPP in Feb 1992/Jan 2001. Of these, 50 were unnumbered and of the remaining eight receipt books numbered, one receipt book had two numbers viz. 47 and 193. Physical verification of this stock had not also been conducted since receipt of stock. The Department accepted (September 2007) the audit contention and stated that the number 193 is the correct number. This indicates the lack of control by DDO (SEZ).

5.1.6.2 *Transactions not routed through Cash Book and Non-reconciliation*

- ◆ According to Goa Receipt and Payment Rules 1997, all transactions of receipts and payment should be supported by the prescribed vouchers. The receipt transactions, were to be supported by TR-5 receipts. Audit scrutiny revealed that the fees for registration under the Goa Coaching Classes (Regulation) Act, 2001 and renewal of certificate of registration ranging from Rs 100 to Rs 8,000 per annum depending on the strength of students per class, were collected by the zones in the form of Demand Drafts/Cheques, but TR-5 receipts were not issued. The Demand

Receipt vouchers for registration fees of coaching classes and Cyberage scheme, not issued. Delay of over six months in remittances to Treasury and non-reconciliation of receipts and remittances

[^] 304, 307, 310 (used) 315, 324 (In use) 316, 317, 318, 319, 320, 321, 322, 323, 325 (blank) = 14 receipt books.

[^] 305, 306, 308, 309, 311, 312, 313, 314 = 8 receipt books.

Drafts/cheques were then sent by the Zones (North/South) to the Directorate for remittance into Government treasury, with delays of over six months. From September 2006 the Zones were directed to credit the amounts through local banks (Mapusa/Margao). These transactions were not routed through the Cash book, nor was a reconciliation between collection and remittance into Government treasury done either at Zonal or Directorate level.

- ◆ At GHSS Sanquelim, TR-5 receipts were also not issued for Cyberage scheme registration fees ranging from Rs 1,000 to Rs 3,000 during 2002-07. Nor were acknowledgements issued, in token of receipt of fees from the students.
- ◆ GHSS Pernem had not recorded in Cash Book either the collection amounts of registration fees from 2002-03 to 2006-07 or the refund of Rs 0.76 lakh (2003-04) in respect of 50 *per cent* concession granted to SC/ST/OBC and all students of this remote taluka.
- ◆ NEZ/SEZ had issued TR-5 receipts books to Government Village Libraries (GVLs) for collection of membership fees. The GVLs under SEZ had not handed over the collections of fees to SEZ, nor did SEZ obtain the counterfoils/challans from the GVLs in their jurisdiction. Full accounting of these fees into Government treasury could not be ensured. The Department stated (September 2007) that the instructions were being issued separately to all DDOs/Zones to follow proper accounting procedure.

5.1.6.3 Cash Book maintenance

Financial rules require that cash books should have the pages machine numbered and certified by DDO before it is put to use. Attestation of transactions and monthly closing is also required to be done. A review of the cash books at NEZ Mapusa showed that during August 2001, August 2002, December 2002 - May 2004, December 2004 - February 2006 the transactions had not been attested and the certificate of count of pages had not been affixed by the DDO. On 7 January 2003 receipt numbers 31 to 37 for Rs 120 (book number not cited), are shown as remitted to Government Treasury. But these receipts were not entered on receipt side of cash book. What was entered, viz. receipt numbers 25, 26, 27 dated 7 January 2003 for total of Rs 720 in cash book does appear to have been remitted into treasury. Thus the cash book was made to agree without showing all transactions. Further test check showed that seven cash receipts totaling Rs 1.25 lakh remitted into Government treasury as per challan register had not been recorded in cash book. The DDE stated (June 2007) that action as deemed fit would be taken against the concerned, after investigation. The Department stated (September 2007) that action was being taken to impart training on maintenance of cash book. No reply was given regarding difference in cash book of NEZ.

*Revenue
receipts not
accounted for*

In two* Government High Schools, audit observed that during 2002-07 cash books were not closed monthly and physical verification of cash balance was not conducted.

5.1.7 Internal Control activities

5.1.7.1 Loan cum Grant scheme to aided institutions without agreements

Government announced (2001-02) a scheme to finance Non-Government aided educational institutions (NGAIs) to equip every school in Goa with basic minimum infrastructural facilities such as classrooms, toilets, playground, furniture etc. The scheme envisaged assistance ranging from Rs 6-12 lakh for Primary, Rs 15-24 lakh for Secondary and Rs 18-24 lakh for HSS. The last date of receipt of applications for the scheme was 31 March 2004. Of the total amount sanctioned to the institution, 50 per cent was grant and 50 per cent interest free loan, to be repaid in equal/equated monthly instalments. Government availed during 2001-07 loans totaling Rs 30 crore from Goa State Infrastructure Development Corporation repayable within periods ranging from 5½ years to 15 years and disbursed (March 2007) an amount of Rs 29.77 crore to 200 institutions. Audit scrutiny revealed that:

Infrastructure loan availed of, not routed through Government accounts

- ◆ The loan of Rs 30 crore availed by Government from GSIDC was not routed through the Consolidated Fund of Goa. Repayment of loan and payment of interest totaling Rs 17.72 crore (March 2007) was made under capital outlay on Education Annuity contribution to GSIDC. Thus the interest payments under the appropriate interest head of account were understated. The Department replied (September 2007) that the pattern was approved by Finance Department to boost Public/Private Partnership and therefore the loan availed of from GSIDC was not routed through the Consolidated Fund of Goa. The reply is unacceptable as it is contrary to provisions of General Financial Rules.
- ◆ Terms and conditions of loan prescribed 0.5 per cent of loan as processing fees. The Government paid Rs 15 lakh as processing fee and Rs five lakh as guarantee fees though Government was the loanee, despite the major processing being done by the Directorate of Education, as GSIDC only signed the cheques which were also issued to the institutions by Directorate of Education. The Department accepted (September 2007) that they processed the cases of the institutions and stated that the fees paid were for the processing to raise the loan, which was not tenable as GSIDC charged processing fees which implied that the processing would be done by GSIDC.
- ◆ Though the scheme was implemented from 2001-02, the guidelines for implementation of the scheme were framed/approved by Government only in December 2005. No agreements were executed with the institutions to

* GHS, Vasco (main) and Agarwada.

safeguard recovery of loan. Thus, enforcement of recovery particularly in respect of ten* schools which did not utilize the loan/grants totaling Rs 1.16 crore was doubtful. The Department replied (September 2007) that execution of agreement was not required. The reply is not tenable as agreements are safeguards against defaults.

- ◆ Ledgers/Consolidated record/returns to monitor repayment of loans by institutions were not maintained. The amounts outstanding therefore, could not be ascertained. The Department stated (September 2007) that the post was vacant. This only indicates lack of monitoring of recovery of loans.

Thus the scheme did not provide necessary guidelines/execution of agreement for recovery/repayment/breach of contract and did not conform to Government rules for accounting of loans in the Consolidated Fund of Goa.

5.1.7.2 Disparity in the rates of fees/deposits

The Goa Education Rules 1986 prescribe a term fee @ Rupees eight per term and Pupil fund @ Rupees two per month. The amounts of Rs 16 (two terms) and Rs 24 in a year were to be credited to a separate bank account and utilized for the students physical/extra curricular activities. Government issued (February 1999) guidelines on the collection and accounting of General/Caution Money Deposit (CMD)/laboratory deposit @ Rs 100 per student, to be credited in a Personal Ledger Account (PLA) at sub-treasury level. The Goa Board of Higher Secondary Education (GB) prescribed an enrolment fee of Rs 60 per student at the time of admission to Std XI or XII.

PLA Cash Book, Pernem does not reflect all PLA transactions. Caution money collection utilized for refund, without routing through the cash book

Test check of three GHSS⁺ revealed that different rates of fees/deposits were charged by each GHSS during 2002-07. These transactions were either not recorded or partly recorded in Personal Ledger Account. GHSS Pernem's PLA Cash book showed no transactions between 21 March 2000 and 11 July 2001 and very few CMDs were recorded each year during 2002-07, as the deposits were being partly[^] utilized for refunds of students finishing/leaving school. Audit scrutiny at GHSS Pernem also revealed (May 2007) that the last PLA

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	<u>Rupees in lakh</u>		<u>Rupees in lakh</u>
1) Chandranath E.S.H.S. Assolda	11.00	6) Parse H.S. Parse	07.50
2) Dnyanprasarak Mandal, Mulgaon	10.00	7) R.Rane Mem. H.S. Molinge	10.00
3) Kasturba M.H.S. Panaji	10.00	8) Rosary H.S. Miramar	15.00
4) New English H.S.S. Mandrem	22.50	9) Union H.S. Chimbel	10.00
5) National H.S. Valpoi	07.50	10) Vikas High school Valpoi	12.00

⁺GHSS at Margao, Pernem and Sanquelim.

[^] Between 19/09/05 and 02/08/06 amount of Rs 3,240 was refunded to 81 students without being accounted as departmental receipt.

cheque for Rs 4,000 was drawn in December 2001. The refund of CMDs totaling Rs 4,000 extended from 16 January 2002 to 17 August 2005. Also, neither was a CMD register giving details of TR 5 receipts issued for collection of caution money maintained, nor a reconciliation between CMD/Laboratory deposits collected and refunds made carried out. Though Rs 6,570 only was collected (2002-03) from 123 students towards enrolment fees, an amount of Rs 8,580 was remitted (July 2002) to the Goa Board. The Principal (GHSS, Pernem) could not indicate the account from which the difference of Rs 2,010 was obtained. Thus controls in the accounting of PLA deposits were weak in GHSS Pernem. The Department replied (September 2007) that the difference of Rs 2,010 was met from own resources. This showed that the principles of accounting for Government money were not observed and that personal and Government funds were mixed up.

Wide disparities in the rates of fees/deposits charged in Higher Secondary Schools

GMHSS Margao recorded both admission fees/deposits and Cyberage Registration fees in the PLA Cash book in 2005-07 though they were to be recorded in separate Cash Books. Further a CMD register had not been maintained despite collecting CMDs/Laboratory Deposits (LD) for XI & XII standards @ Rs 400 per student as against a prescribed CMD/LDs of Rs 200 only for XI.

Audit scrutiny also revealed that despite Department stating (1999) that GHSS should have had a common prospectus to avoid variations in rates and procedure, there was wide disparity in the rates from one school to another. At Pernem and Margao no prospectus was published. The three GHSS visited, had admission fees ranging from Rs 365 to Rs 665 (XI – S/V*), Rs 150 to Rs 595 (XII- S/V), Rs 290 to Rs 565 (XI Arts/Commerce) and Rs 150 to Rs 505 (XII Arts/Commerce). Approval of the Department for the rates charged could also not be produced to audit. Thus, despite issue of guidelines for uniformity in rates of fees and procedure for accounting in GHSS, the Department did not issue any uniform rates prospectus nor monitored the rates and accounting in GHSSs. The Department replied (September 2007) that a general circular to maintain uniform rates of fees in Government schools would be issued separately.

5.1.7.3 Lack of controls in drawals of salary grants to aided schools

Drawal of GIA salaries without maintenance of control registers showing superannuation date etc.

The Grant in Aid (GIA) towards salary grants to aided schools ranged from Rs 117.29 crore to Rs 145.21 crore during 2002-07. The GIA cheques were drawn at Directorate level and sent to zonal offices for issue to the concerned institutions. Audit scrutiny revealed that the amounts were drawn based on the bills received from the institutions. The Department lacked controls in respect of verification of adjustments/recoveries to be made for staff proceeding on EOL/leave without pay/suspension/voluntary retirement/superannuation and recoveries prescribed by Audit Cell of the Department in their Inspection Reports. In this respect it is seen that as the date of superannuation was not on record with the department, a case arose wherein the Headmaster of an aided

* S/V = Science/Vocational.

school in Panjim continued to draw salary for eight months beyond the date of superannuation (30 April 2006). When the matter came to the notice of the Department on public complaint, the Director of Education issued a show cause notice to the Chairman, School Managing Committee regarding the fraudulent drawal of salary of the retired Headmaster amounting to Rs 1.84 lakh.

Further, though the Audit Cell conducts audits of aided schools, the Department lacks a system of submission of returns by the GIA section/Audit cell to each other and to the controlling officer, to monitor the recoveries. A test check by audit revealed that in respect of a Higher Secondary School in Ponda, out of a recovery of Rs 3.91 lakh pointed out in January 1992/August 1993 reports, only two instalments @ Rs 65,000 had been adjusted in 2005-07, leaving Rs 2.61 lakh outstanding (April 2007) for over 12 years. Records did not also indicate the authority who had fixed the quantum of instalment for recovery. The Department stated (September 2007) that they would maintain register for the staff strength of schools and the Zones for the officials/teachers retiring within five years. However, their reply inferring that it was solely the management's responsibility to verify EOL sanctions/ release of increment/ date of retirement, was not acceptable in audit, as the Department would not be aware of excess grants released unless the management intimated the same.

5.1.7.4 Non-maintenance of control registers at Zonal/ADEI's offices for payment of electricity/water bills of GPS

There were (2006-07) a total of 948* Government Primary Schools in Goa. As one of the ADEIs of each taluka is declared DDO for drawal of salaries of GPS teachers and ADEI's office staff, the maintenance (electricity/water) bills of the Government Primary Schools were being forwarded by the taluka ADEI to the respective zone for payment. A test check at North Zone and ADEI, Pernem revealed that the zone made these payments of electricity and water bills through the permanent advance of Rs 8000 (enhanced from Rs 5000 in February 2005), without maintaining a control register to record the monthly bills. Further, ADEI, Pernem records revealed that seven+ GPS were closed for periods from one to ten years (as of May 2006), but electricity supply had not been disconnected. The bills were being forwarded routinely to the zone without the zone/ADEI taking further action for disconnection. Audit could not ascertain the quantum spent after closure of the schools for want of control registers regarding these charges. The Department stated (September 2007) that ADEIs would henceforth maintain relevant register.

5.1.7.5 Records of computers not maintained

The Directorate of Education did not maintain (February 2007) stock records of computer hardware which consisted of 22,602 P.Cs, UPS and printers,

* North Zone- 368, South Zone- 257, Central Zone- 323.

+ GPSs at Devsu Korgaon, Betkhal Agarwada, Terakhol, Madhobawada Morgim, Ashvem Mandrem, Bandekarwada Morgim, Janaswada Mandrem.

worth Rs 42.24 crore, procured for implementing Cyberage Scheme. As a result, the receipt/issue and balance available could not be verified. There were also no records from which it could be ascertained if computers issued to schools had been distributed to the students.

5.1.7.6 Surplus teachers in Government Schools

There was an additional unfruitful expenditure of Rs 1.36 crore on 49 surplus High School teachers for two years

In respect of Government High Schools (GHS) Government prescribed (September 1991) the number of teachers based on the number of admissions in the school, commencing with nine teachers for six divisions to 23 teachers for 16 divisions. Audit scrutiny revealed that despite an existing surplus (2005-06) of 49 Assistant Teachers (ATs) including Drawing Teachers (DTs), Department promoted (December 2005) on probation of two years, 99 GPTs/Laboratory Assistants/Supervisors to ATs/DTs and appointed (January 2007/February 2007) 27 fresh ATs/DTs creating an additional unfruitful burden of Rs 3.35 lakh p.m.* (March 2007) in addition to the Rs 1.36 crore* on the 49 surplus ATs/DTs for 2005-07. The lack of controls in maintenance of consolidated records/guard files of sanctioned strength and men-in-position resulted in irregular appointments and heavy burden on the exchequer. The Department's reply (September 2007) that there was no surplus is not acceptable in audit as the surplus pointed out from 2005-06 was based on the enrolment of students.

5.1.7.7 Non-maintenance of manpower details

Non-availability of consolidated record for sanctioned strength/men-in-position at Directorate/Zones/ADEIs

The Directorate of Education did not have any records for manpower such as guard files, consolidated registers or district-wise registers, showing the number of posts sanctioned from time to time to verify the correctness of the number of posts for which salaries were drawn by all units. The zonal offices (Deputy Directors of Education), ADEIs (DDOs for hundreds of Middle/Primary schools), Government Higher Secondary Schools and Secondary Schools also did not have any consolidated record/Government orders relating to sanctioned posts of teachers in their districts. Thus the Department could not furnish (June 2007) the Sanctioned Strength/Men-in-Position of the Department. Neither the Academic section nor the GIA cells in the Directorate processing the salary grants for the aided schools had any register showing the sanctioned strength. Thus, the number of posts of teachers actually approved was not verifiable in audit, though as per 2005-06 statistics there were 3,254 teachers in 1,100 Government schools and 5,184 teachers in 398 aided schools. Further, neither the Directorate nor the subordinate units maintained any charge registers for the work allocated to the administrative and surplus teaching staff. Thus, a system of entrusting the responsibility of duties assigned to each post was lacking. Department replied (September 2007) that consolidated registers showing the number of posts and post-wise registers for certain categories of field staff were maintained. The records were not however produced to audit despite repeated requests during the audit.

* 5500 (BP), Total emoluments - $12391 \times 27 = \text{Rs } 3.35 \text{ lakh}$.

* 5500 (BP), Total emoluments - $11603 \times 49 \times 24 = \text{Rs } 1.36 \text{ crore}$.

The reply is unacceptable as Department (HQrs.) should have proper records of all sanctioned strength/men-in-position.

5.1.7.8 Land and Building records not maintained

Physical verification of departmental land and buildings not conducted for long, due to lack of property records

The Department did not maintain any consolidated record for the properties in respect of Government school buildings and had not carried out any physical verification of these properties to check encroachments and misutilisation particularly in respect of closed Government Primary Schools. No officer of the Department was entrusted with the duties of Estate Officer to oversee the administration of the departmental properties. The Department stated that (September 2007) no Estate Officer was appointed and necessary action was being taken by the Department with the help of Mamalatdar/Collector.

5.1.7.9 Non-disposal of unserviceable furniture of Government Schools

Schools' unserviceable furniture not disposed of

The General Financial Rules prescribe physical verification of assets like furniture, preparation of an inventory by a responsible officer who shall submit a report of surplus and obsolete stores to the authority competent to issue orders for disposal at least once a year and also prescribe appointment of a Committee to declare the items surplus/unserviceable. Audit visits to peripheral units revealed that large quantities of unserviceable furniture are lying in the Government schools undisposed (June 2007). Government constituted (August 2005) a local level committee to identify and recommend for disposal of the unserviceable articles/furniture of the schools comprising the Assistant Engineer of PWD (Building) looking after the area and Principal (HSS) or Headmaster (HS) or ADEI of taluka (Middle and Primary school) or Manager of society in respect of Private Government assisted institutions. The committee was to submit its report with the recommendations after inspecting and examining the material to the Director of Education within a period of one month. Audit could not ascertain any compliance in this respect, as the Department had not prescribed (2002-07) any returns to be sent to the Directorate for centralized disposal of these unserviceable items nor had the Department monitored implementation of their directives. The Department accepted (September 2007) that disposal of Government school's unserviceables had not been done and stated that the same was under process.

5.1.7.10 Other points of interest

Assistance of Rs 60.42 lakh not reimbursed though sanctioned

GoI sanctioned (February 2005) assistance of Rs 60.42 lakh to Goa Government to meet cooking costs. Utilization certificate for Rs 37.80 lakh was sent (January 2006) to GoI and balance Rs 22.62 lakh adjusted in 2005-06 grants. Audit checks at Directorate of Accounts, Panaji revealed that Reserve Bank of India's advice for transfer of Rs 60.42 lakh to Goa Government had not been received. Thus, amount sanctioned was not reimbursed due to lack of reconciliation between sanctions and actual reimbursements booked. The Department replied (September 2007) that the matter was being pursued with MHRD[^] and with Directorate of Accounts, Panaji.

[^] Ministry of Human Resources and Development

5.1.8 Monitoring including Internal Audit and vigilance arrangements

5.1.8.1 Failure to conduct periodic academic inspections

The Goa, Daman and Diu School Education Rules 1986 stipulate that the Deputy Education Officers (DEOs) shall inspect/cause to be inspected all the schools in their charge every year. Also that DEOs and DDEs/ADEIs shall inspect on an average in a year, 40 Secondary Schools and 10 to 20 middle/primary schools respectively, as allotted by the Director. A report on the results of the inspection shall be submitted within 15 days from the date of completion of inspection to the Director and to the school. Audit observed that neither the Directorate nor the Zone had maintained a consolidated record/guard file showing the number of schools to be inspected as per norms, inspection conducted and reports issued (2002-07). At the Directorate, the files produced to audit showed that the DDE (Academic) had approved (2005-06), inspections of eight HS, four HSS under Central Zone and seven HS, 13 HSS under North Zone. Audit could not ascertain the basis of selection and the manner in which monitoring of academic inspection was done in the absence of control records. The Department replied (September 2007) that the DDEs/ADEs/DEOs conduct monthly inspections of High/Middle schools and the ADEIs inspect the Primary schools for which Inspection Registers are maintained in each Primary school. Thus departmental records were not maintained for Primary schools. The reply was silent regarding control registers for Middle/HS/HSS at zonal/HQrs. level and about basis of selection and monitoring.

5.1.8.2 Internal Audit

Every controlling officer must satisfy himself that prescribed checks to guard against waste and loss of public money are effectively applied in subordinate offices. The Finance Department specified (August 1996) that in departments where the post of Accounts officers/Senior Accounts officer existed, the duty of carrying out the internal inspection of the establishment/Drawing and Disbursing officers subordinate to them would devolve on the Accounts officer.

Internal audit of all Govt. schools and departmental units, not conducted since inception

It was observed that though the Education Department has a Joint Director of Accounts besides an Accounts officer, internal audits of the 1,100 Government schools/99 DDOs had not been carried out (April 2007). Internal audit wing had not been set up. It was further seen that the Department has an audit cell, which conducted audits of GIA institutions. The percentage of GIA schools not audited since inception was 10 (HSS), five (HS), 90 (Middle) and 82 (Primary). Internal audit of Grant in aid units was conducted without observing a fixed periodicity, quantum of expenditure and size of the unit. There was no coordination between the audit cell and the GIA sections which maintained the expenditure figures. No auditing guidelines were issued. The Department's reply (September 2007) that internal audits were not conducted due to shortage of staff indicated non-implementation of rules framed by Government.

5.1.8.3 Vigilance

The Department had set up a vigilance mechanism for non-gazetted employees. The State Government had a common vigilance department at Government level for all Departments in respect of Gazetted staff with Chief Secretary as the Chief Vigilance Officer. The number of cases framed, disposed of during 2002-07 and pending for more than a year (June 2007) were 14, three and six respectively.

5.1.9 Conclusion

The Department needs to strengthen monitoring and control over activities/programmes. Provisions relating to maintenance of cash books were not properly implemented in the Zones/GHSS. Some of the schemes for which budget provision was made, were not implemented, as planning was lacking. Funds released to SSA remained unutilized for a long period and were drawn to avoid lapse of funds. Department did not maintain any consolidated record for the manpower. Consolidated records of assets were neither prepared nor the physical verification carried out. Internal audit of the 1,100 Government schools/99 DDOs of the department had not been conducted since inception.

5.1.10 Recommendations

- Consolidated record showing the sanctioned strength/men in position to evaluate the department's workforce and charge registers entrusting specific duties to staff should be maintained on priority basis.
- Academic inspections as prescribed should be conducted and consolidated programme registers maintained at Directorate and Zones.
- Government aided schools may be asked to report in advance on superannuation/retirement/leave and GIA adjustments.
- Land and buildings records should be maintained at Directorate level and periodical physical verification should be conducted.
- Internal audit of Government schools/DDOs should be done regularly.