

Chapter-VIII

Financial assistance to Local Bodies and Others

Financial assistance to Local Bodies and Others

8.1 General

8.1.1 Autonomous bodies

Autonomous bodies and authorities are set up to discharge generally, non-commercial functions of public utility services. These bodies/authorities by and large receive substantial financial assistance from Government. Government also provides financial assistance to other institutions such as those registered under State Co-operative Societies Act, etc. to implement certain programmes of the Government. The grants are intended essentially for maintenance of educational institutions, construction and maintenance of charitable institutions, hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies. During 2002-03, financial assistance of Rs 199.34 crore was paid to various autonomous bodies against Rs 215.03 crore paid during 2001-02. Department-wise break-up of the amount paid during 2002-03 was as under:

Table No. 8.1

(Rupees in crore)

S. No.	Name of the Department	Amount
1.	Education	76.77
2.	Housing and Urban Development	65.96
3.	Agriculture	40.66
4.	Art and Culture	3.50
5.	General Administration	2.75
6.	Industries	3.00
7.	Tourism	3.87
8.	Law and Justice	1.65
9.	Health and Family Welfare	1.14
10.	Others ^Φ	0.04
	Total:	199.34

Delay in furnishing of utilisation certificates

8.1.2 Financial rules provide that where grants are given for specific purposes, utilisation certificates should be obtained by departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise.

^Φ Social Welfare Department: Rs 3.82 lakh; Public Works Department: Rs 0.30 lakh.

In respect of grants paid up to 2001-02, 8985 utilisation certificates for an aggregate amount of Rs 1333.31 crore were awaited as on 30 September 2003. Department-wise break-up of certificates not received up to 30 September 2003 in respect of grants paid during 2000-02 is given in *Appendix-23*. In the absence of utilisation certificates it was not clear as to how the departmental officers satisfied themselves whether and to what extent recipients utilised the grants for the purposes for which these were paid.

Delay in submission of accounts

8.1.3 In order to identify the institutions which attract audit under Sections 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/heads of departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose for which such assistance was sanctioned and the total expenditure of the institutions. The detail of defaulting departments which had not furnished information for 2001-02 and 2002-03 is given in *Appendix-24*. The particulars of bodies/authorities whose annual accounts for 2002-03 and earlier years were awaited are indicated in *Appendix-25*.

Audit arrangement

8.1.4 Audit of two organisations viz., Ladakh Autonomous Hill Development Council and Khadi and Village Industries Board falls under Section 19 (3) of Comptroller and Auditor General's (DPC) Act, 1971. Audit of accounts of Khadi and Village Industries Board for the years 2000-01 to 2002-03 (period entrusted) had not been conducted due to non-receipt of the accounts from the Board. Ladakh Autonomous Hill Development Council (LAHDC) was established by the State Government in June 1995. Though the State Government constituted a separate fund for recording transactions of the Council under Major Head 8448-Deposits of Local Funds-113 LAHDC Fund, rules for its management had not been framed by the Government. The Council had also not prepared its accounts since inception. Pending receipt of formal request from the Governor for taking up audit of the Council under Section 19 (3) of the CAG's (DPC) Act, 1971, its audit was taken up (July 2002) under Section 14 of the Act, *ibid*.

The audit of accounts of the following bodies had been entrusted to Comptroller and Auditor General under Section 20(1) of the CAG's (DPC) Act, 1971, for different periods as detailed below:

Table No. 8.2

S.No	Name of the body	Period of entrustment	Date of entrustment
1.	Sher-E-Kashmir University of Agricultural Sciences and Technology, Srinagar	2001-02 and 2002-03	24-07-2003 and 11-02-2003
2.	Jammu and Kashmir Employees Provident Fund Organisation, Srinagar	2000-01 and 2001-02	4-02-2002 and 25-08-2003

The primary audit of local bodies viz., Jammu and Kashmir Co-operative Supply and Marketing Federation Limited and, Srinagar and Jammu Municipalities is conducted by the Registrar, Co-operative Societies and Finance Department respectively.

Audit under Section 14

Overall results of audit of autonomous bodies

8.1.5 Accounts for 2001-02 and earlier years were received (September 2003) from 20 bodies/authorities (*Appendix-26*). Audit of 14 bodies/authorities was conducted during the year as these attracted audit under Section 14 of the Comptroller and Auditor General's (DPC) Act, 1971. Some main points noticed as a result of the audit of these bodies/authorities are given in the paragraphs that follow.

Grants remaining unutilised

8.1.6 Out of total available grants of Rs 75.48 crore, grants aggregating Rs 20.61 crore meant for developmental and educational purposes and implementation of beneficiary-oriented schemes, remained unutilised with the following bodies/authorities which were audited during 2002-03 for the years indicated against each:

Table No. 8.3

(Rupees in crore)

S.No	Name of Body/Authority	Year of account	Amount unutilised
1.	District Rural Development Agency, Rajouri	2001-02	0.90
2.	Jammu Urban Development Agency	2001-02	0.48
3.	District Rural Development Agency, Kupwara	2001-02	0.22
4.	District Rural Development Agency, Srinagar	2001-02	0.11
5.	Srinagar Municipality, Srinagar	2001-02	9.17
6.	Academy of Art, Culture and Languages, Srinagar/Jammu	2001-02	0.75
7.	District Rural Development Agency, Pulwama	2001-02	0.29

S.No	Name of Body/Authority	Year of account	Amount unutilised
8.	District Rural Development Agency, Kargil	2001-02	0.24
9.	District Rural Development Agency, Poonch	2001-02	0.13
10.	Jammu Municipality, Jammu	2001-02	1.50
11.	District Rural Development Agency, Budgam	2000-01	0.37
12.	Jammu and Kashmir Energy Development Agency, Jammu	2001-02	1.86
13.	District Rural Development Agency, Leh	2001-02	0.35
14.	Jammu and Kashmir Sports Council, Srinagar/Jammu	2001-02	4.24
	Total		20.61

No specific reasons for underutilisation of grants and non-refund of unutilised grants to the sanctioning authorities were intimated. Sanction to carry forward of these unutilised grants to the following years was also not obtained by the bodies/authorities concerned.

Outstanding advances

8.1.7 Advances aggregating Rs 2.50 crore given by the following bodies to contractors/suppliers, executing agencies for various purposes, were outstanding as of October 2003 as indicated against each:

Table No. 8.4

S.No	Name of body/authority	Earliest year from which outstanding	Amount (Rupees in crore)
1.	Jammu and Kashmir Sports Council, Srinagar/Jammu	2001-02	0.35
2.	District Rural Development Agency, Leh	1997-98	0.02
3.	District Rural Development Agency, Kargil	2001-02 [▼]	0.02
4.	District Rural Development Agency, Srinagar	2000-01	0.22
5.	District Rural Development Agency, Jammu	2001-02	1.01
6.	District Rural Development Agency, Poonch	2001-02	0.19
7.	District Rural Development Agency, Rajouri	1994-95	0.56
8.	Jammu and Kashmir Energy Development Agency, Pulwama	-*	0.13
	Total		2.50

▼ Detail of advances (aggregating Rs two lakh) disbursed prior to 1997 not available.

* Year-wise break up not available.

Action taken by these bodies for recovery/adjustment of these advances was not intimated (October 2003).

Outstanding audit observations

8.1.8 Audit observations on the accounts of bodies/authorities are conveyed to them in the form of Audit Inspection Reports (AIRs) and copies thereof are endorsed to the Government/Body for taking necessary action and for rectification of defects within a reasonable time. The status of AIRs issued up to March 2003 and outstanding at the end of September 2003 was as indicated below:

Table No. 8.5

S.No	Name of the body	Number of AIRs	Number of paragraphs	Earliest year from which outstanding
1.	State Pollution Control Board	1	7	1987-88
2.	Jammu and Kashmir Sports Council, Srinagar	4	32	1992-93
3.	Jammu and Kashmir State Social Welfare Advisory Board*	3	26	1985-86
4.	Jammu and Kashmir Academy of Art, Culture and Languages*	6	39	1995-96
5.	Jammu University	6	58	1980-81
6.	District Rural Development Agencies	68	350	1979-80
7.	Desert Development Agencies, Leh and Kargil	9	99	1979-80
8.	Jammu Municipality	3	39	1995-96
9.	Jammu and Kashmir Housing Board, Jammu	3	36	1979-80
10.	Islamia College of Science and Commerce, Srinagar	4	17	1994-95
11.	Jammu Urban Development Agency	5	40	1994-95
12.	Jammu and Kashmir Co-operative Supply and Marketing Federation Limited, Jammu	1	4	1994-95
13.	Srinagar Development Authority	3	62	1996-97
14.	Srinagar Municipality	3	64	1997-98
15.	Kashmir University	1	21	1996-97
16.	Jammu and Kashmir Energy Development Agency	4	38	1996-97
17.	Jammu Development Authority	3	17	1994-95
18.	Kashmir Urban Development Agency	1	11	1998-99
	Total	128	960	

The department-wise abstract of performance of the autonomous bodies receiving grant-in-aid is indicated in the *Appendix-27*.

* Move Office

Section-A-Review

Agriculture Production Department

8.2 Sher-E-Kashmir University of Agricultural Sciences and Technology Kashmir

Sher-E-Kashmir University of Agricultural Sciences and Technology (SKAUST) was established in April 1982 with the main objectives of imparting education in agriculture and allied branches, furthering advancement of learning and research in agriculture, animal husbandry and other relevant branches with emphasis on temperate and cold desert agriculture.

Highlights

- **The University had not prepared its accounts since inception and as a result its financial position and the position of its assets/liabilities were not ascertainable. The receipt and payment accounts prepared only up to 1999-2000 were not in standard format.**

(Paragraph: 8.2.5)

- **Percentage shortfall in intake of students during 1998-2003 ranged between 20 and 100 in graduate courses (except during 2000-01) and between 6 and 83 in postgraduate courses.**

(Paragraph: 8.2.8)

- **Out of 485 research experiments conducted during 1998-2002, only 46 experiments (nine per cent) were concluded during this period.**

(Paragraph: 8.2.9)

- **None of the scientists of the University published their research work in national/international publications of repute.**

(Paragraph: 8.2.10)

- **Out of 13 seed varieties developed by the University, five were not considered by the University Varietal Evaluation Committee for their release and the remaining eight were not notified by the Central Government under Seeds Act, 1966, rendering cost of their development infructuous.**

(Paragraph: 8.2.11)

- **Two institutions of the University at Shuhama and Wadoora had excess teaching/non-teaching staff (vis-à-vis UGC norms) ranging between 307 and 386 during 1998-2003. Expenditure on salaries of the excess staff aggregated Rs 16.10 crore during this period.**

(Paragraph: 8.2.12)

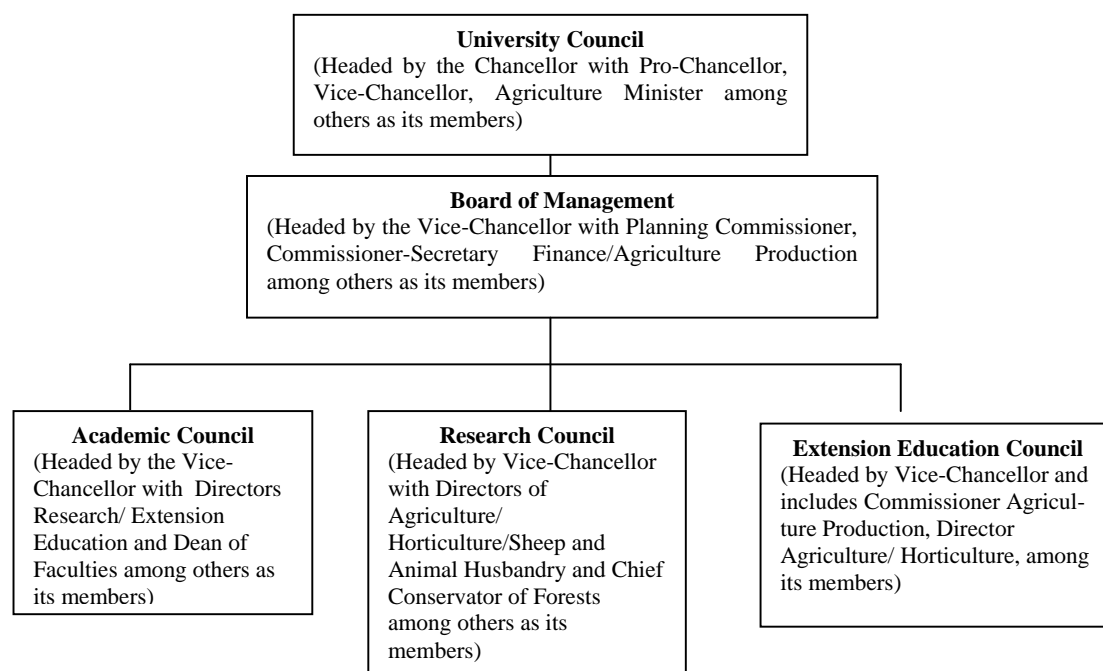
Introduction

8.2.1 Sher-E-Kashmir University of Agricultural Sciences and Technology (SKAUST) was established by an Act* of the State Legislature in April 1982. Its jurisdiction was initially over the whole of the State. With the establishment (September 1999) of a separate agriculture university for Jammu Division, the Sher-E-Kashmir University's jurisdiction was confined to the Kashmir Division only.

The main objectives of the University are to impart education in agriculture and allied branches, furthering advancement of learning and research in agriculture, animal husbandry and other relevant branches with emphasis on temperate and cold desert agriculture.

Organisational set up

8.2.2 Organisational structure of the University is given in the following chart:



* Sher-E-Kashmir University of Agricultural Sciences and Technology, Act 1982.

The University Council, the supreme authority, frames policies and programmes of the University with regard to its future plans, considers matters referred to it by the Board of Management (BOM) and examines annual accounts and reports thereon. The BOM, the Chief Executive Body is responsible for managing and supervising activities of the University, conducting all administrative affairs, framing budget estimates, controlling and administering funds/assets of the University. The Academic and the Research Councils are responsible for academic and research programmes, while the Extension Education Council makes recommendations with regard to extension education programmes.

Non-holding of meetings

8.2.3 The University Council, the BOM and the Councils under it did not hold meetings at required intervals during 1998-99 to 2002-03 as indicated below:

Table No 8.6

Name of the Authority	Periodicity of the meetings as per provisions of the Act	Number of meetings required to be held	Number of meetings held
University Council	Twice a year	10	3
Board of Management	Once in three months	20	8
Research Council	Twice in a year	10	9
Extension Education Council	Once in a year	5	2
Academic Council	Once in four months	15	11

The activities of the University were thus, not adequately monitored to ensure its smooth functioning. The BOM was also required to constitute Planning Committee for advising the University authorities on the matters of development and monitoring of major projects. No such committee had been framed (August 2003).

Audit coverage

8.2.4 Review on the working of the University, based on test-check of records of 10[#] out of 16 units for the period 1998-99 to 2002-03 was conducted from November 2002 to March 2003 under Section 20 (1) of the Comptroller and Auditor General's (DPC) Act, 1971. Significant audit findings are brought out in the succeeding paragraphs.

Arrears in preparation of annual accounts

8.2.5 According to Section 35 of the Act, *ibid*, the University was required to prepare annual accounts for submission to the Government. The University had prepared receipt and payment statements only, and that too, up to 1999-2000. In the absence of complete set of accounts viz. balance sheet, income and expenditure and receipt and payment accounts, its financial position, details of its assets/liabilities, etc.

[#] Research stations, Khudwani/Mirgund/K.D Farms/Cattle Development Farm Mansbal; Agriculture College Wadoora/Shuhama; Estates wing, Deputy Comptroller, Director Extension and University Headquarters.

was not ascertainable. The University Council had directed (October 2000) clearance of back log in preparation of accounts in a fixed time schedule with a time limit of 3 months for preparation of each pending account. However, as of March 2003 the arrears had not been cleared.

The following further points were noticed:

- (i) The detail of assets/liabilities transferred to the SKUAST-Jammu following creation of separate agricultural University for the Jammu Division, had not been worked out.
- (ii) Inter-unit reconciliation had not been carried out to ensure accuracy of the accounts.
- (iii) The receipt and payment accounts were not prepared on a standard format.

Receipts and payments

8.2.6 The University receives funds mainly from the State Government and the Indian Council of Agricultural research (ICAR) for specified schemes/projects. Income also accrues to it by way of fees, sale proceeds of farm produce, etc. The position of receipts and expenditure, based on information furnished by the University for 1998-99 to 2002-03 was as under:

Table No 8.7

(Rs in crore)

Year	Opening balance	Funds received from		Internal receipts	Total available funds	Expenditure met out of				Closing balance
		State Government	ICAR/GOI			State Funds	ICAR/GOI	Internal resources	Total	
1998-99	2.07	19.18	3.60	0.82	25.67	18.54	3.19	0.29	22.02	3.65
1999-00	3.65	26.57	9.70	0.46	40.38	25.56	3.34	0.43	29.33	11.05
2000-01	10.40	25.84	4.60	0.80	41.64	21.58	9.07	0.08	30.73	10.91
2001-02	10.91	27.02	5.14	0.53	43.60	25.72	4.70	0.30	30.72	12.88
2002-03	12.88	27.42	4.87	0.53	45.70	27.50	4.59	0.20	32.29	13.41
Total:		126.03	27.91	3.14		118.90	24.89	1.30	145.09	

Funds received from the State Government and ICAR were not utilised fully resulting in accumulation of unspent funds to Rs 13.41 crore at the end of March 2003. Late release of funds was one of the reasons for their underutilisation.

Variation of Rs 65 lakh between closing balance at the end of 1999-2000 and opening balance on 2000-01 had neither been reconciled nor investigated (September 2003).

Inaccurate budget estimation

8.2.7 The budget estimates were not prepared by the University realistically, as these were not based on the data furnished by some of its units, viz. Pomology, Entomology and Estates Wing. As a result, expenditure on salaries persistently fell

short of estimates during 1998-99 to 2001-02 (saving of Rs 5.24** crore). Internal receipts during 1998-99 to 2002-03 (except for 1999-2000 records for which were not made available) also exceeded the budget estimates (Rs 1.15 crore) by Rs 1.47 crore (228 per cent.).

Academic activities

8.2.8 The University imparts education in various graduate and postgraduate courses at its campuses at Wadoora, Shuhama and Shalimar. The annual intake capacity and the number of students admitted during the academic sessions 1998-99 to 2002-03, was as under:

Table No 8.8

Batch year	Intake capacity	Actual intake	Percentage shortfall
1998-99			
Graduate courses [^] :	157	Nil	100
Postgraduate courses [^] :	65	31	52
1999-2000			
Graduate courses:	157	126	20
Postgraduate courses	65 [§]	61	6
2000-01			
Graduate courses:	121 [#]	192	-
Postgraduate courses	65	33	49
2001-02			
Graduate courses:	121	95	21
Postgraduate courses	75	44	41
2002-03			
Graduate courses:	120	91	24
Postgraduate courses	86	15	83

(Source: University records)

Percentage shortfall in intake of students in respect of graduate courses ranged between 20 and 100 during this period except in 2000-01 in which year two batches were admitted. In respect of postgraduate courses, percentage shortfall ranged between six and 83 during this period. The intake capacity for postgraduate courses was enhanced to 86 during 2002-03 against 75 in 2001-02 despite shortfall in intake of students in these courses during the previous year.

The position of students enrolled vis-à-vis those who qualified their respective examinations during 1995-2001, as worked out in audit from admission registers and other connected records was as under:

** Estimated expenditure: Rs 77.80 crore; actual expenditure :Rs 72.56 crore.

[^] Graduate courses include BSc-Agriculture, BSc-Forestry and BVSc.

[♦] Postgraduate courses include MSc-Agriculture, MVSc and MSc-Sericulture.

[§] In absence of figures of intake capacity of postgraduate courses for the years 1999-00 and 2000-01, figures of 1998-99 adopted for these years also.

[#] Intake capacity was reduced from 2000-01 due to bifurcation of the University.

Table No 8.9

Batch	Course	Students enrolled	Unsuccessful candidates from previous year	Number of students appearing in the examination	Total students declared successful	Pass percentage
1995-96	BSc-Agriculture	75	Nil	75	66	88
	BVSc	36	Nil	36	20	56
	MSc-Agriculture MVSc	Data not available				
1996-97	BSc-Agriculture	51	9	60	42	70
	BVSc	12	16	28	11	39
	MSc-Agriculture	26	NA	26	2	8
	MVSc	7	NA	7	Nil	Zero
1997-98	BSc-Agriculture	44	18	62	28	45
	BVSc	25	17	42	-*	-
	MSc-Agriculture	27	24	51	12	24
	MVSc	10	7	17	2	12
1998-99	BSc-Agriculture	Nil	34	34	14	41
	BVSc	Nil	42	42	-	-
	MSc-Agriculture	31	39	70	20	29
	MVSc	-	15	15	Nil	Zero
1999-2000 [@]	MSc-Agriculture	29	50	79	35	44
	MVSc	1	15	16	Nil	Zero
	MSc-Sericulture	2	-	2	1	50
2000-01	MSc-Agriculture	29	44	73	34	47
	MVSc	1	16	17	2	12
	MSc-Sericulture	3	1	4	Nil	Zero

The percentage of successful students ranged between 39 and 88 in case of graduate courses and zero and 50 in case of postgraduate courses during the above period. Reasons for low pass percentage had not been analysed.

Research activities

8.2.9 The scientists of the University engaged in research activities are provided annual operating cost of Rs 3000 per experiment. Year-wise position of experiments in hand, new experiments taken up and concluded during 1998-99 to 2001-02 was as under:

Table No 8.10

Year	Experiments in hand at the beginning of Rabi and Kharif seasons	New experiments taken up	Experiments concluded	Experiments in hand at the end of each season	Expenditure incurred (Rupee in lakh)
1998-99	235	35	7	263	3.87
1999-2000	263	35	9	289	4.03
2000-01	289	57	20	326	4.87
2001-02	326	123	10	439	7.58
Total		250	46		20.35

Out of 485 experiments, only 46 experiments (nine per cent) were concluded during 1998-2002. Data indicating age-wise analysis of experiments in hand and reasons thereof were not available/furnished. It was also noticed that the

* No student was eligible for the examination in BVSc course during 1997-98 and 1998-99.

@ Examination of graduate courses of batches 1999-2000 and onwards was not due.

University received (June 2002) Rs 5.10 lakh from ICAR for a research scheme entitled 'Prototype Feasibility Testing of Farm Implements and Machinery'. The scheme was to be implemented in three years. However, the scheme had not been taken up as of March 2003 and the funds were lying unutilised as on that date.

Publication of research work

8.2.10 In July 1986, the BOM decided that the scientists engaged in teaching and research work shall publish their research work in national/international papers of repute. The professors (chief scientists) and associate professors (senior scientists and equivalent) were required to publish at least one full research paper in a year and assistant professors (junior scientists and equivalent) one full research paper in two years. No research work was published by the scientists in these papers. With the University starting its own publication from 1999, the scientists published their research work therein. However, the number of research papers published by the scientists during 1999-2002 was quite insignificant as indicated below:

Table No 8.11

Particulars	1999	2000	2001	2002
Number of professors, associate professors and scientists	81	81	99	121
Number of assistant professors	229	229	288	280
Total:	310	310	387	401
Number of research papers printed	40	37	35	46
Ratio of number of scientists to research papers	1: 0.13	1: 0.12	1: 0.09	1: 0.11

It was also seen that the scientists were allowed annual increments without publishing their research work in national/international papers of repute in violation of instructions of the BOM.

Development of seeds

8.2.11 The seeds developed by the University are evaluated by the University Varietal Evaluation Committee (UVEC) for being recommended to the State Level Seed Committee for notification by the Central Government under Seeds Act, 1966. It was observed in audit that the UVEC did not recommend release of following variety of seeds though these had been developed prior to 1997-98.

Table No 8.12

S.No.	Crop	Seed variety
1.	Rice	K-696-2-1-2-8, K-696-84-1, K-680-22-1 and K-334
2.	Maize	CIMMYT Gene Pool-39X Gurez, C-36-White Pool and CIMMYT-Gene Pool-42X Gurez
3.	Pulses	Rajmash R-19, Moong-M-86, Lentil L-1, Cowpeas-C-1 and C-2
4.	Oats	SKAUST-01, 03, 06, 08, 010, 012 and 018
5.	Vegetables	Carrot C-41, Turnip-T-2, Hot Pepper SPC-504 and SC-405

On this being pointed out in audit, the Director Research stated (April 2003) that proposal of release of the seeds could not be considered by the UVEC for want of adequate testing in adaptive trials to determine their worthiness in the areas of adaptation and also due to non-availability of mini-kit data in the farmers field. Further, out of 13 other seed varieties developed by the University, five[@] were not considered by the UVEC for their release, while eight[&] varieties though considered by the UVRC in November 1997/November 2000 were not notified by the Central Government as of March 2003.

Thus, the efforts of the University in developing these seed varieties did not yield desired results rendering cost of their development wasteful.

Excess manpower

8.2.12 The position of teaching/non-teaching staff and students on roll in the two colleges at Wadoora and Shuhama, imparting education in graduate courses during the five year period ending 2002-03 was as under:

Table No 8.13

S.No.	Particulars	1998-99	1999-00	2000-01	2001-02	2002-03
1.	Students on roll	301	314	534	468	290
2.	Teaching staff	73	68	72	97	90
3.	Non-teaching staff	379	422	415	386	374
4.	Total teaching and non-teaching staff	452	490	487	483	464
5.	Staff required as per UGC norm* :					
	Teaching	25	26	45	39	24
	Non-teaching	75	78	135	117	72
	Total:	100	104	180	156	96
6.	Excess teaching/non-teaching staff	352	386	307	327	368
7.	Total expenditure on salaries (Rs in crore)	2.95	4.09	4.80	4.63	5.58
8.	Excess expenditure on salaries (worked out proportionately)	2.30	3.22	3.03	3.13	4.42

The total number of teaching/non-teaching staff exceeded the number of students on roll during 1998-2003 (excepting during 2000-01 in which year two batches were admitted in graduate courses). Norms for requirement of teaching and non-teaching staff had not been recommended (October 2003) by the ICAR nor had the University fixed these. A comparison with the UGC norm (1996) revealed that two institutions of the University had excess manpower ranging between 307 and 386, on whom expenditure on salaries aggregated Rs 16.10 crore during 1998-99 to 2002-03, which was 11 *per cent* of the total expenditure during the period.

The University had also not drawn up seniority list of its staff as stipulated in the University Statutes.

[@] Wheat (Singchin), Barley (Narboo), Rice (Kohsaar), Turnip (T-P) and Carrot (Chamman).

[&] Wheat (Kailash and Mansarovar), Barley (Sindhu), Chilly (Sel-107), Capsicum (Nishat), Apple (Akbar), Walnut (Hamdan and Sulaiman) .

^{*} UGC norm: Ratio of teaching staff to students: 1:12 ; Teaching staff to non-teaching staff: 1:3.

Library

8.2.13 The library at the main campus in Shalimar had 9755 books at the end of 2001-02, which included 1778 books purchased during 1998-99 to 2001-02 (December 2002) at a cost of Rs. 42.67 lakh. However, only 105 books (cost: Rs. 1.01 lakh) had been issued to students/teaching staff during 1998-99 to 2001-02 which was indicative of the fact that purchases had not been made according to the requirement of students/teaching staff. Also, there was no provision in the library rules for recovery of penalty on delayed return of books. Consequently, no penalty was recovered from borrowers who failed to return 236 books even after lapse of 11 to 147 months.

Physical verification of the library books was not conducted since 1988-89.

Non-installation of Local Area Network

8.2.14 The University received (September 1999) Rs 10 lakh from ICAR under NATP for installation of Local Area Network at the Agriculture College, Wadoora and Animal Husbandry College, Shuhama. Of this, Rs 4.48 lakh were spent on purchase of equipment which had not been put to use as of March 2003. This resulted in locking of funds, besides depriving users the benefits of the system.

Internal audit

8.2.15 The University had not introduced internal audit to ensure compliance to/observance of the University Statutes and directions of the BOM/University Council.

Other points

Irregular write off of loss

8.2.16 Tor steel and structural steel costing Rs 12.47 lakh (weight: 138 MT) issued to a firm between November 1994 and September 1996, engaged for execution of construction works at Shalimar and Shuhama, was stolen from the construction site at Shuhama. The Board accorded (July 1998) sanction to write off of the amount, though as per agreement watch and ward of the stores was the responsibility of the firm. Also, no report had been obtained from the Police with whom FIR had been lodged before according sanction to write off.

Non-recovery of service tax

8.2.17 Under the Jammu and Kashmir General Sales Tax Act, 1962, service tax at two *per cent* with two *per cent* surcharge was leviable (with effect from 23 July 1997) on services provided by contractors in the shape of execution of works. The rate was increased to four *per cent* from 5 April 1999. It was, however, noticed that the University failed to recover service tax of Rs 18.18 lakh from the bills of the contractors paid during July 1997 to March 2002, putting the State exchequer to a revenue loss of Rs 18.18 lakh.

Infructuous expenditure

8.2.18 Auction of the culled live stock at the breeding farm Mansbal was conducted after delays ranging from 69 days to 597 days from the date they were recommended for culling by the Culling Committee. This resulted in infructuous expenditure of Rs 11.89 lakh during 1998-99 to 2002-03 on their feed and fodder.

The above points were referred to the Government/University in July 2003; reply had not been received from the Government (October 2003).

Section-B-Audit Paragraphs

Ladakh Autonomous Hill Development Council

Education Department

8.3 Locking of Government funds

The Principal Government Degree College, Leh purchased science material without any requirement which resulted in locking of Rs 14.53 lakh, the cost of which worked out to Rs 6.50 lakh.

Financial rules provide that purchases should be made in accordance with the definite requirement of the public service. Purchase of stores in anticipation of requirement involves locking of Government money.

Test-check (August 2002) of records of the Government Degree College, Leh revealed that the Principal of the college purchased science material for Rs 14.53 lakh* (August 1999: Rs 11.26 lakh; March 2001: Rs 3.27 lakh) without any requirement as neither had the science stream been introduced in the college nor had requisite staff for the science faculty of the college been sanctioned by the Government (August 2003). The material should have been purchased only after the science stream was introduced and staff sanctioned. Non-utilisation of the material resulted in locking of funds aggregating Rs 14.53 lakh.

The cost of locked funds to Government worked out to Rs 6.50 lakh[‡] (August 2003).

The matter was referred to the Government/Department in March 2003; reply had not been received (October 2003).

* Consumables: Rs 5.78 lakh; Non-consumables: Rs 8.75 lakh.

‡ Calculated at minimum borrowing rate of 12 per cent.

Food and Supplies Department

8.4 Shortage/loss of stocks due to lax supervision and defective storage

Lax supervision, defective storage and retention of a storekeeper by the Department for 13 years after his transfer, facilitated shortage of stores besides resulting in deterioration of 2000 quintals of rice and consequent loss of Rs 19.58 lakh to the State exchequer.

Financial rules provide that head of an office or any officer entrusted with the job of handling of stores shall ensure safe custody of stores to protect them from loss, damage, or deterioration. These rules further provide that the tenure of a Government servant handling stores shall not exceed two years.

Audit scrutiny (October 2001) of records of the Assistant Director Food and Supplies Department, Leh revealed that despite orders of his transfer in 1981, the Inspector (posted as storekeeper) held charge of the food store, Leh up to the date of his retirement (March 1994). Even on the eve of his retirement, he did not handover charge of the stores. In April 1994, the Deputy Commissioner, Leh constituted a committee[#] for conducting physical verification of the store, preparing inventory of stocks and sealing the store in presence of a Magistrate. The committee only sealed (December 1994) the stores without conducting physical verification of the stocks or preparing inventory thereof. Besides, no action was taken by the Assistant Director for proper storage of 2000 quintals of rice (cost: Rs 8.64 lakh) which had been stored in the open space. Physical verification of stocks conducted (May 1998) by the committee after four years revealed shortage of 2310^v quintals of various food items (cost: Rs 10.94 lakh) and deterioration of the rice stored in the open making it unfit for human or animal consumption.

The Department had not taken any action since May 1998 to recover the cost of shortages and fix responsibility for the loss, except constituting a committee in May 2002 to investigate the matter, the report whereof was awaited as of August 2003.

Thus lax supervision, defective storage and retention of the storekeeper for about 13 years after his transfer, facilitated shortage of stores besides resulting in deterioration of 2000 quintals of rice and consequent loss of Rs 19.58 lakh to the State exchequer.

The matter was referred to the Government/Department in August 2003; reply had not been received (October 2003).

[#] Consisting of Chief Animal Husbandry Officer Leh, Accounts Officer to the Deputy Commissioner Leh and Assistant Director Food and Supplies Department Leh.

^v Rice: 1557 quintals; cost: Rs 6.73 lakh; Atta: 199.21 quintals; cost: Rs 0.80 lakh; Sugar: 246 quintals; cost Rs 2.40 lakh, Wheat: 1.17 quintals; cost: Rs 338 and Salt: 306.20 quintals; cost: Rs 1.01 lakh.

Roads and Buildings Department

8.5 Shortage of stores due to ineffective control

The Executive Engineer, R&B Construction Division, Leh did not observe codal provisions prescribed for safe custody of stores which resulted in shortage of stores of Rs 16.70 lakh.

Financial rules provide that head of the office should take special care for arranging safe custody of stores, keeping them in good and efficient condition and protecting them from loss, damage or deterioration. The rules further provide that he should maintain suitable accounts and inventories of stores in his charge with a view to preventing losses and should physically verify the stores at least once in a year.

Audit scrutiny (August 2002) of the records of the Executive Engineer, R&B Construction Division, Leh revealed that the Executive Engineer had not maintained bin cards nor reconciled quantity with value accounts for exercising effective control over stores. Physical verification of stores was also not conducted annually and report on latest verification for the year 1999-2000 done after a gap of six years had not been received in the Division as of February 2003. Due to lack of effective control over stores and non-observance of rules, the shortages in two items (cement and tor steel) were noticed only at the time of transfer of charge of stores in November 2000. The value of shortages worked out in audit amounted to Rs 16.70 lakh. The shortages had neither been investigated nor made good from the defaulter.

On this being pointed out in audit, the Executive Engineer while admitting the shortages stated (August 2002) that action for recovery of shortages from the defaulters would be taken after receipt of the physical verification report for 1999-2000.

The matter was referred to Government/Department in January 2003; reply had not been received (October 2003).