

## CHAPTER V

### INTERNAL CONTROL SYSTEM

#### HOME DEPARTMENT

#### 5.1 Evaluation of Internal Control System and Internal Audit in the Department of Prisons

##### Highlights

*Internal Control System is an integral process by which an organisation governs its activities to effectively achieve its objectives. A built-in Internal Control System and strict adherence to statutes, codes and manuals minimise the risk of errors and irregularities and help to protect resources against loss due to waste, abuse, mismanagement, etc. The main functions of the Department of Prisons were admission and custody of prisoners, providing employment and rehabilitation, monitor their release, etc. Evaluation of the Internal Control System revealed instances of non-compliance with rules, manual and codes. Prevention of entry of prohibited articles into prison was not effective. Prisoners accommodated in several prisons exceeded the capacity of such prisons. Prison authorities did not submit to courts the prescribed monthly statements of undertrial prisoners. The Board of visitors who were to inspect prisons periodically and ensure compliance with rules and procedures had not been constituted in test-checked prisons.*

Though, undertrial prisoners constituted 79 to 83 per cent of total prisoners, prison authorities did not submit to courts the monthly statements indicating the number of undertrial prisoners awaiting trial for more than three months and those eligible for bail.

(Paragraph 5.1.11)

Some test-checked prisons were over-crowded due to insufficient accommodation and inaction of prison administration to transfer prisoners to less congested prisons.

(Paragraph 5.1.10)

During 2001-02, there were cases of prisoners possessing prohibited articles inside prisons. Similar information for 2002-04 was not furnished.

(Paragraph 5.1.8)

**Data regarding escape of convicted and undertrial prisoners during 2002-04 for the State as a whole was not furnished. In test-checked prisons, cases of 18 prisoners escaping from custody during 2002-04 were reported, revealing non-compliance with controls prescribed for custody and security of prisoners.**

**(Paragraph 5.1.13)**

**Board of visitors who were to inspect prisons, had not been constituted in test-checked prisons.**

**(Paragraph 5.1.15)**

**State Government had not implemented recommendations of the National Human Rights Commission regarding new Prison Bill and Jail Manual.**

**(Paragraph 5.1.16)**

### **5.1.1 Introduction**

An Internal Control System may be defined as methods, procedures and other measures to achieve:

- Economical, efficient and effective operations consistent with the organisation's mandate,
- Prevention of loss, wasteful expenditure and other irregularities and
- Adherence to laws, regulations and management directives.

Thus, Internal Control is a process to provide reasonable assurance regarding performance, achievement of objectives, reliability of financial reporting and compliance with Rules and Regulations.

The various internal controls as applicable to the Department of Prisons have been prescribed in the Karnataka Prisons Act, 1963 (Act), the Karnataka Prisons Rules, 1974 (Rules) and the Karnataka Prisons Manual, 1978 (Manual), for effective functioning of the Department.

### **5.1.2 Objectives of Internal Control**

The main objectives of Internal Control in the Prison Department are:

- Custody, security, reformation and rehabilitation of prisoners
- Ensuring proper maintenance of control registers and records
- Ensuring proper compliance with provisions of Act, Rules and Manual by the Jail authorities through periodical inspections and internal audit.

### 5.1.3 Organisational set-up

The Department of Prisons is under the administrative control of the Principal Secretary to Government, Home Department and is headed by the Director General of Police and Inspector General of Prisons (DGP&IGP), assisted by the Deputy Inspector General of Prisons (DIG). There are 53 prisons, classified as Central Prisons (six), district prisons (six), district headquarters sub-jails (seven), special sub-jails (two), taluk sub-jails (29), open-air jail (one), juvenile jail (one) and borstal school (one).

### 5.1.4 Audit objectives

To assess the extent of compliance with the financial and operational controls in relation to physical verification of prisoners at the time of entry and exit, segregation of prisoners, producing undertrials to courts, rehabilitation measures, transfer and release of prisoners, *etc.*, as prescribed in the Act, Rules and Manual.

### 5.1.5 Audit coverage

Internal control system relating to financial as well as operational areas of the Department for the period from 2000-01 to 2003-04 was reviewed during January to June 2004 by test-check of records maintained at the Secretariat (Home Department), Office of the DGP&IGP, four<sup>◇</sup> Central Prisons, four<sup>◎</sup> district prisons/district headquarters sub-jails and five<sup>\*</sup> taluk sub-jails. The results of the test-check are brought out in the succeeding paragraphs.

## Financial controls

### 5.1.6 Budget and expenditure

Budget provision and expenditure of the Department during 1999-2004 were as under:

(Rupees in crore)

Year	Budget provision	Actual Expenditure	Excess (Percentage)
1999-2000	19.53	19.75	0.22 (1.1)
2000-01	22.56	22.96	0.40 (1.8)
2001-02	25.30	25.96	0.66 (2.6)
2002-03	27.48	27.92	0.44 (1.6)
2003-04	41.54	49.46	7.92 (19.1)
<b>Total</b>	<b>136.41</b>	<b>146.05</b>	<b>9.64 (7.1)</b>

◇ Bangalore, Belgaum, Bellary and Mysore

◎ Dharwad, Kolar, Shimoga and Tumkur

\* Arasikere, Chickballapur, Ramanagara, Gokak and Tiptur

Excess expenditure occurred under Salaries (22.2 per cent) and modernisation of prisons (27.5 per cent) during 2003-04. Excess of expenditure over the budget provision reflected on the quality of control over expenditure.

### 5.1.7 Deficiencies in maintenance of personal deposit accounts

**Personal deposit account relating to prisoners cash not maintained properly**

Superintendents of jails were to maintain personal deposit (PD) account (Paragraph 802 of Prison Manual) in the treasury into which money belonging to prisoners including wages earned by them were to be deposited and also to account for all payments. Besides, they were to maintain a Prisoners' Private Property Register indicating prisoner-wise amount collected, paid and balance as on any date. The balance as reflected in the PD account and the balance as per Prisoners' Private Property Register was to be reconciled once in every six months. Totals of Prisoners' Property Register had never been drawn and agreed with the PD account in any of the test-checked prisons.

Cash collected from prisoners was to be remitted to PD account within a month. The Superintendent in charge of Central Prison, Shimoga, delayed remittance by 270 days (two cases aggregating Rs.3,000) and 30 days (Rs.1,500) while in Central Prison, Mysore, it was delayed by 10 to 30 days (five cases involving Rs.3.62 lakh) and 91 to 153 days (eight cases involving Rs.2.47 lakh). The Superintendent, Central Prison, Mysore, stated (June 2004) that the amount retained was not huge. The reply was not tenable as balance on each occasion ranged from Rs.0.51 lakh to Rs.0.60 lakh which was retained in violation of Rules.

## Operational controls

### 5.1.8 Prevention of entry of prohibited articles into prison

**Possession of prohibited articles by the prisoners indicated ineffectiveness of control**

The prisoners at the time of admission and on every subsequent occasion of entry/exit are to be physically checked by the Jailor and the subordinate staff to prevent entry of prohibited articles into prison (Paragraph 184(i) of Prison Manual). Besides, any person passing through the prison gate and suspected of bringing any prohibited article into or out of prison shall be searched by the gatekeeper. During 2000-02, 48 cases of prisoners possessing prohibited articles were reported. Similar details for 2002-04 were not furnished. However, review of the Superintendent's Journal in respect of Central Prison, Bangalore revealed two such cases (mobile telephone and gutka parcels) (July 2002, October 2002). This also indicated that eight cell phone de-activators and mobile phone jammer system installed (June 2002) at a cost of Rs.2.56 lakh in the Central Prison, Bangalore, were not effective. DIG, Central Prison, Bangalore, stated (May 2004) that the range of these de-activators was small and Government had sanctioned purchase of a sophisticated mobile phone jammer at a cost of Rs.96.37 lakh. DGP&IGP, however, did not intimate whether this jammer had been purchased and installed or not. These cases, though illustrative, indicated that the existing procedure of physical verification of prisoners was not quite effectively followed leading to entry of prohibited articles into prisons.

### 5.1.9 Prisoners not subjected to quarantine

**Prisoners on their admission not subjected to quarantine due to lack of accommodation**

Prisoners, on their admission, were to be subjected to quarantine for a minimum of ten days to acquaint them with the rules/discipline of prisons and also to ensure that they were free from epidemic disease (Paragraph 202(i) of Prison Manual). In the test-checked prisons, though on an average 43 to 385\* prisoners were admitted during each fortnight in 2001-04, none was subjected to quarantine. The prison authorities while admitting the lapse attributed (July 2004) the same to non-availability of accommodation. However, in the Central Prison, Bangalore, prisoners were not subjected to quarantine despite availability of separate quarantine block which was used for accommodating high security prisoners.

### 5.1.10 Custody and segregation of prisoners

As against the prescribed area of 50 square feet (Paragraph 902 of Prison Manual) to be provided to a prisoner, actual space provided was not available on record in any of the test-checked prisons.

Details of daily average number of prisoners held in custody during 2001-03 as against the authorised capacity in eight test-checked prisons were as follows:

Name of the Prison/ Intake capacity	2001-02			2002-03		
	Convict prisoners	Undertrial prisoners	Percentage of over-crowding	Convict prisoners	Undertrial prisoners	Percentage of over-crowding
Bangalore/2100	620	2101	30	652	2073	30
Mysore/362	364	609	169	416	580	175
Tumkur/69	-	216	213	-	-	-
Shimoga/167	6	287	75	11	361	123
Kolar/82	-	207	152	-	-	-
Dharwad/120	75	-	-	8	158	38
Belgaum/1162	279	495	-	365	432	-
Bellary/747	-	400	-	-	443	-

**There was huge congestion and non-categorisation of prisoners**

Despite availability of accommodation for additional 304 to 388 prisoners in the Central Prisons at Bellary and Belgaum during 2001-03, action was not taken to transfer (Rule 155 of Karnataka Prison Rules) convict prisoners from other prisons where there was heavy congestion. Details of daily average number of prisoners for 2000-01 and 2003-04 were not furnished.

Male prisoners were to be categorised<sup>⊗</sup> age-wise and each category was to be kept separately in all central and district prisons. This was to be ensured through inspections by DGP&IGP, DIG and Board of Visitors.

\* Bangalore-385, Kolar-64, Mysore-81, Shimoga-102 and Tumkur-43

⊗ Male prisoners below age of 21 years from those above that age and male prisoners who had reached the age of puberty but were below 21 years

Information on such categorisation and segregation for the State as a whole was not available with DGP&IGP. However, prisoners were not categorised in two (Bangalore and Mysore) out of eight prisons test-checked. The Superintendents in charge of these prisons attributed (June 2004) the over crowding and non-segregation of prisoners to non-availability of accommodation.

It was, however, noticed in audit that Government of India had released its 50 per cent share of grant of Rs.1.40 crore during 1999-2002 for modernisation of prison administration in the State which included Rs.12 lakh for construction of additional accommodation. The State Government failed to release its matching share and the accommodation problem in the jails remained largely unsolved.

### 5.1.11 Producing undertrial prisoners to courts

The percentage of undertrial prisoners produced to courts declined continuously from January 2003 in Central Prison, Bangalore

Undertrial prisoners constituted 79 to 83 per cent of total prisoners held in custody during 2000-03 as per details given below:

(Daily average)				
Year	Number of convicts	Number of undertrials	Total	Percentage of undertrials
2000-01	1,623	7,769	9,392	83
2001-02	2,058	8,400	10,458	80
2002-03	2,136	8,253	10,389	79

The undertrial prisoners are to be produced to courts on the date stipulated in warrants (Paragraph 723(ii) of Prison Manual). However, all the undertrial prisoners required to be produced on a particular date were not produced on that date but were produced on second/ subsequent occasions in a staggered manner. Undertrial prisoners produced in courts in different months during 2001-04 ranged from 71 to 94 per cent of total number of undertrial prisoners in test-checked prisons excluding the Central Prison, Bangalore. In the Central Prison, Bangalore, the number of undertrial prisoners produced to courts declined continuously from 85 per cent (January 2003) to 30 per cent (February 2004) of total number of undertrial prisoners required to be produced in respective months as shown below:

	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	June 2003	July 2003	Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003	Jan 2004	Feb 2004	Mar 2004
Total number of undertrial prisoners	6,377	6,127	7,111	7,272	7,487	7,162	8,124	5,550	6,042	8,070	7,099	6,742	7,353	7,400	5,990
Number of undertrial prisoners produced to Court	5,399	4,622	5,083	4,891	3,472	2,310	3,431	2,902	3,095	2,508	2,194	2,062	2,330	2,207	1,972
Percentage	85	75	71	67	46	32	42	52	51	31	31	31	32	30	33

The deficiency in producing undertrial prisoners to court was attributed (May 2004) by DGP&IGP to change in escort arrangement effected (November 2000) by the Government. Earlier, required number of escorts were provided by the Police Department on requisition from the Prisons Department as and when required. However, from November 2000, the Government provided escorts (Police Department) on deputation basis for a fixed period against 947 sanctioned posts in Prisons Department. Though, DGP&IGP had written (September 2003) to the Government to either restore the earlier system or to sanction 768 additional deputation posts of escorts, the Government had not taken any action in the matter (December 2004).

#### ***5.1.12 Statements of pendencies of undertrial cases not produced***

**Large number of undertrial prisoners ranging from 1137 to 82 awaiting completion of investigation/trial for two to five years**

Prison authorities were to submit to courts on the fifth of each month (Paragraph 724(3) of Prison Manual), a monthly statement indicating details of undertrial prisoners whose cases are pending in courts for more than three months. This would enable courts to review cases pending for long and expedite their disposal. However, the statement had not been furnished to courts though a large number of undertrial prisoners (1137 up to two years, 411 up to three years, 100 up to four years, 82 up to five years as of March 2004) were awaiting completion of investigation/trial in various prisons of the State. Similarly, a periodical statement indicating undertrial prisoners who might be eligible for bail was also to be furnished to the courts. Such statements were also not furnished. Due to non-submission of the said statements, the position of cases pending for long could not be reviewed. Expenditure of Rs.3.93 crore was incurred on diet and uniforms of the undertrial prisoners for periods ranging from two to five years excluding the initial period of three months.

#### ***5.1.13 Escape of prisoners from custody***

Prison authorities were to ensure safe custody and security of prisoners through effective watch/surveillance over their movement, verification during exit from or entry into barracks and cells (Paragraph 251, 253 and 265 of Prison Manual) and confining in iron where warranted (Rule 119 of Karnataka Prison Rules). However, 82 convict prisoners had escaped from custody as of March 2002. DGP&IGP did not furnish details of undertrials/convicted prisoners who escaped from the jails of the State during 2002-04. Test-check in Central Prisons at Mysore, Belgaum, Shimoga and Bangalore, revealed that 18 prisoners (five convicts, 13 undertrials) escaped during 2002-04. Superintendents of these jails attributed (March 2004) escape of these prisoners to inadequate guarding staff and non-availability of fencing/compound wall for gardening area outside the jail premises. The recurring feature of prisoners escaping from jails indicated non-compliance with controls prescribed for ensuring safe custody/safety of prisoners.

#### **5.1.14 Non-maintenance of Medical Records**

At the Central Prison, Bangalore, the following records were not maintained:

Medical Treatment Register to note entries in respect of treatment given to sick prisoners as in-patient or out-patient.

A Hospital Roll and Prescription Book to record the names of prisoners, who were detained for observation in a hospital for more than 24 hours and indicating the treatment given to them.

A Case Book to record the history of every case admitted in the hospital daily.

### **Monitoring and Evaluation**

#### **5.1.15 Non-constitution of Board of visitors**

**Board of  
visitors not  
constituted**

Government was to constitute a Board of visitors\* for each prison (paragraph 624 of Prison Manual). Board of visitors was to inspect the prison once a week to ensure that management of prisons and prisoners was carried out in accordance with the prescribed rules and procedures. They were also to ensure that (a) health, cleanliness and proper discipline were maintained, (b) no person was illegally detained or detained for undue length of time while awaiting trial, (c) examine various registers, (d) inspect food supplied to prisoners and (e) hear complaints and petitions from prisoners. The Board of visitors was also to meet once in a quarter. It was seen in audit that the Board of visitors had not been constituted in the test-checked prisons. Information regarding whether the same was constituted for other jails and functioned as prescribed was not furnished to audit.

#### **5.1.16 Non-compliance with the recommendations of National Human Rights Commission**

The National Human Rights Commission (NHRC) had prepared a Draft Indian Prison Bill during 1996 and circulated it to the States and Union Territories for consideration. The Commission in its Annual Report for the year 2000-01 had observed that its recommendation to draft a new Prison Bill and a Jail Manual had not been implemented by the Government of Karnataka. It was stated (May 2004) by the Department that action would be taken to draft a new Prison Bill and Jail Manual.

#### **5.1.17 Shortfall in inspection of prisons**

As per Para 19 of the Manual, the Deputy Inspector General of Prisons was to inspect 50 per cent of the district prisons and at least one-third of the Taluk sub-jails every year and complete inspection of all the taluk sub-jails in three

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\* Board of Visitors consists of Ex-officio visitors viz.- Deputy Commissioner as Chairman, Sessions Judge, Inspector General of Police, Deputy Inspector General of Police, Director of Public Instruction, Director of Health and Family Planning Services, Superintending Engineer, Director of Industries and Commerce, Secretary to Government, Home Department and 10 non-official visitors appointed by the Government



years with a view to ensuring that administration of prisons and management of prisoners were carried out properly and in accordance with the prescribed rules and procedures. The Superintendents of Central Prisons and Borstal School, Dharwad were to inspect taluk sub-jails in their jurisdiction twice in a year. It was observed that no such inspection of taluk sub-jails was being carried out by the Superintendents of the Central Prisons during the period 2001-04. The shortfall in inspection was as under:

Period	No of Jails actually inspected		Shortfall in coverage	
	District prison	Taluk sub-jails	District prison	Taluk sub-jails
2001-02	02	05	05	05
2002-03	02	04	05	05
2003-04	06	04	01	09

Evidently, in respect of prisons not inspected, compliance with rules and procedure, quality of food, discipline, existence of hygienic conditions, etc. was not verified.

### Evaluation of Internal Audit System

#### 5.1.18 Non-preparation of Manual for internal audit

The department had not prescribed internal auditing standards

There was no Internal Audit Manual in the Department, codifying the practices and procedure relating to conduct of internal audit. The guidelines issued (December 1992) by Government provided that all offices of the Department be audited annually. The mandays required are to be fixed on the basis of volume of transactions in the auditee organisation and the quantum of audit checks are to include detailed examination of one monthly account and general coverage of the entire year under audit. Internal Audit Reports are to be issued within a month from the date of conduct of audit and replies thereto furnished by the auditee office within one month. A Control Register is to be maintained in the Internal Audit Wing (IAW) to watch receipt and clearance of the outstanding paragraphs and money value of objections. IAW is to verify invariably encashments and remittances and check correctness of reconciliation of expenditure. The IAW of the Department had not complied with any of the above requirements.

#### 5.1.19 Internal Audit Wing not functioning independently

As per guidelines issued by the Finance Department, the IAW was to function with personnel drawn from the Department of State Accounts with overall responsibility for internal audit remaining with the Administrative Department. On the contrary, the IAW of the Department of Prisons was completely manned by the Departmental staff (one Audit Superintendent and four Grade-II Auditors) and was functioning under the overall control of the Department and was thus, not an independent entity.

### **5.1.20 Planning & Poor internal audit coverage**

All the units in the Department are to be audited annually and no unit is to be left unaudited for more than two years. Besides, internal audit of units has to precede external audit by the Accountant General. There were 53 prisons in the Department. Percentage of units covered in internal audit during the period 2000-03 ranged between zero and six *per cent*. Audit of 31 prisons was in arrears for three or more years.

The DGP&IGP stated (February 2004) that the poor coverage was due to inadequate staff provided for IAW and hence offices were selected on the basis of quantum of transactions. It was, however, seen that even the available staff was not exclusively used for internal audit purposes and internal audit of even the six central prisons where the quantum of expenditure was huge had not been audited annually.

### **5.1.21 Issue of Inspection Reports & Compliance**

Timely issue of Inspection Reports to the Drawing and Disbursing Officers (DDOs) and monitoring the outstanding paragraphs and money value of objections of internal audit as required under the guidelines could not be verified as the relevant control registers were not maintained in the IAW. However, the statement of outstanding objections furnished (February 2004) by the Department indicated the following position as of 2002-03.

(Number of paragraphs)

Year	OB	Additions	Clearance	Total
2000-01	42	14	12	44
2001-02	44	53	14	83
2002-03	83	-	14	69

Financial implication of the above paragraphs was not furnished by the Department.

### **5.1.22 Evaluation of the working of Internal Audit Wing**

Inadequate staff, absence of a departmental internal audit manual, lack of audit planning and severe shortfall in the coverage of units rendered internal audit in the Department of Prisons ineffective.

### **5.1.23 Conclusion**

Physical check of prisoners during their entry/exit was ineffective which resulted in possession of prohibited articles by convicts inside prisons. There was huge delay in producing undertrials to court due to problems of escorting and the prescribed reports were not sent to courts causing delayed justice to them. There was over-crowding of prisoners due to insufficient accommodation in prisons. Non-constitution of Board of visitors deprived the convicts of opportunities for redressal of their grievances through an independent body.

#### **5.1.24 Recommendations**

- System of physical check of prisoners during entry/exit should be made more effective by installing sophisticated gadgets and deploying trained staff.
- The system of providing escorts to undertrials when they are taken to courts should be streamlined and monthly reports regarding undertrials submitted to courts regularly.
- Immediate action is necessary to constitute the Boards of Visitors and to draft a new Prison Bill and Jail Manual as per the recommendations of the NHRC.

**5.1.25** The matter was referred to Government in August 2004; their reply had not been received (December 2004).

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