

CHAPTER XII: MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Secondary and Higher Education

12.1 Release of grant without assessment of need

Releasing of Plan Grant of Rs 18 crore to All India Council for Technical Education in the year 1997-98, without assessing requirement of funds and subsequently granting permission to carry forward the unspent balance year after year upto 2000-2001 resulted in locking up of funds and loss of interest of Rs 1.61 crore on account of differential amount of interest between market borrowings of the Government and interest earned on Fixed Deposit.

All India Council for Technical Education (AICTE) was formed in 1987 by an Act of Parliament to plan and coordinate development of technical education system throughout the country. The Council was operating from a rented office space at Indira Gandhi Indoor Stadium at a monthly rent of Rs 9.64 lakh since March 1994, revised to Rs 19.27 lakh from April 1997. The Council, without any specific proposal in hand of purchase of land/building for its own office complex or staff quarters, earmarked a sum of Rs 18 crore for the purpose in its Annual Plan of Rs 79.10 crore for the year 1997-98. The Ministry, without assessing the prospect of utilisation, approved the proposed allocation of the Council for Rs 79.10 crore while no land or building was in sight. The Council failed to utilise the funds and the amount continues to be kept in fixed deposit in a nationalized bank as of August 2001. On being pointed out in audit (January 2001), the Ministry got five acres of land transferred to the Council in Jawahar Lal Nehru University (JNU) Campus in August 2001 out of 25 acres already transferred by JNU to University Grants Commission (UGC). The Council took possession of the land in August 2001.

Thus, the Ministry failed to secure its funds against the conjectural budgetary practice adopted by the AICTE and in the process has borne the interest differential of Rs 1.61 crore being the cost of borrowed funds lying locked up in bank account without use for three years.

The Ministry stated in November 2001 that AICTE was actively engaged in the process of acquiring office space since it became operational. However, the fact remains that no concrete proposal ever existed with AICTE to utilise the grant of Rs 18 crore which continues to remain locked up for more than three years and government continues to bear the burden of differential rate of interest between market borrowing and the interest earned on fixed deposit.

12.2 Follow up on Audit Reports

Despite repeated instructions/recommendations of the Public Accounts Committee the ministry did not submit remedial/ corrective Action Taken Notes on five Audit Paragraphs.

Review of outstanding Action Taken Notes (ATNs) on paragraphs included in the Reports of the Comptroller and Auditor General of India - Union Government (Civil) as of 31 October 2001 revealed that the Ministry has failed to submit ATNs in respect of five Paragraphs included in the Audit Reports up to and for the year ended March 1999 as detailed below:

Number and year of the Audit Report	Paragraph Number	Subject
2 of 1999	8.1	Non receipts of Books and Journals
2 of 1999	8.2	Non allotment of staff quarters
2 of 2000	13.1	Unprocessed Books
2 of 2000	13.2	Unauthorised expenditure on the operation of local posts
3 of 2000	3	Integrated Child Development Services Schemes.

The matter was referred to the Ministry in December 2001; their reply was awaited as of December 2001.