

CHAPTER III

Internal Control Mechanism in Government Department

Higher Education Department

3.1 Internal Controls in Higher Education Department

Highlights

Internal Control is an integral component of an organisation's management process which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data are reliable and the applicable laws and regulations are complied with so as to achieve organizational objectives. A review of Internal Control in Higher Education Department brought out significant deficiencies in financial, budgetary and expenditure controls, programme implementation, human resource management and non-compliance with set monitoring mechanism. There were cases of unrealistic budget formulation, drawal of funds in advance of requirement, non-deposit of unspent funds, deficient maintenance of cash-book, non-reconciliation of drawals with treasury schedules and faulty implementation of schemes introduced for the benefit of students. Human Resource Management was lagging as cases such as students without teachers and teachers without students, irregular deployment of staff on deputation were noticed. Besides, internal audit of Government colleges and Directorate has not been conducted.

- **Budget estimates were prepared without any input from colleges, etc. Expenditure incurred during March ranged upto 98 per cent because of non-maintenance of expenditure control register.**

(Paragraphs 3.1.6.1 and 3.1.6.3)

- **Funds amounting to Rs 1.92 crore were not only drawn in advance/excess of requirement but also were deposited in the bank outside the Government account.**

(Paragraph 3.1.6.2)

- **Maintenance of cash-book and its reconciliation with treasury schedules were found to be deficient.**

(Paragraphs 3.1.6.6 and 3.1.6.7)

- **Rupees 1.62 crore were paid to SC students in cash instead of providing books. Further, incentive money to students taking remedial coaching were not paid due to paucity of funds.**

(Paragraphs 3.1.7.1 and 3.1.7.4)

- **Non-distribution of computers to SC students resulted in blocking of funds of Rs 0.91 crore.**

(Paragraph 3.1.7.2)

- **Setting up of placement cell in nine colleges did not help even a single student to get the job at campus.**

(Paragraph 3.1.7.6)

- **In violation of orders of Chief Secretary, 67 employees were deployed to other colleges but their pay and allowances were drawn from the original place of posting.**

(Paragraph 3.1.8.5)

- **Rupees 19.63 lakh were paid to teaching staff who were either posted in excess of sanctioned strength or were without any students.**

(Paragraph 3.1.8.6)

- **Internal audit wing was conducting internal audit of Government aided colleges but had not conducted internal audit of the department and Government colleges.**

(Paragraph 3.1.9.3)

3.1.1 Introduction

Internal Control is a system within an organisation that governs its activities to effectively achieve its objectives. A robust built-in internal control and strict adherence to statutes, codes and manuals provide reasonable assurance to the department about compliance of applicable norms and rules. This also helps in achieving reliability of financial reporting and effectiveness and efficiency in departmental operations.

Higher Education Department is responsible for providing quality higher education to the students especially for scheduled caste/scheduled tribe, weaker sections and girl students through the implementation of various schemes. Government colleges function under the administrative control of this department. Financial assistance to non-Government aided colleges and universities is also provided through this department.

3.1.2 Organisational set up

Higher Education Department is under the administrative control of the Financial Commissioner and Principal Secretary to Government, Haryana, Education and Languages Department. The department is headed by the Higher Education Commissioner (HEC) and assisted by a Joint Director, an Additional Director, a Registrar Education, a Deputy Director, District Attorney and a Chief Accounts Officer alongwith the supporting staff. There are four universities, 75 Government colleges, 96 non-Government aided colleges and four academies. Besides this, there are 357 self-financed institutions in the State.

3.1.3 Audit objectives

Audit objectives were to assess whether:

- the budgetary control and cash control were effective and efficient to ensure financial discipline;
- the operational controls were adequate to achieve the objectives of the department in an economic, efficient and effective manner;
- administration including establishment, manpower and inventory related controls were complied with; and
- the monitoring mechanism and internal audit were effective in ensuring smooth functioning of the department.

3.1.4 Audit Criteria

To achieve the audit objectives, the following audit criteria were adopted:

- Budget Manual and Financial Rules;
- Guidelines of the various schemes being implemented by department;
- Haryana Education Code and University Grants Commission Act; and
- Rules, regulation and instructions of Government.

3.1.5 Scope of audit and methodology

Records for the period 2006-09 of the HEC and 19¹ Government colleges out of

¹ Government colleges, Ambala Cantt., Barwala (Panchkula), Barwala (Hisar), Bhiwani, Chhachhrauli, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.

75 Government colleges in the State were test checked between January 2009 and May 2009. The selection of colleges for test check was made by adopting Simple Random Sampling with Replacement Method.

The methodology adopted was to test-check the records with reference to the provisions of the departmental codes, State Budget Manual, State Financial Rules, Treasury Rules, Government orders and instructions. The sample for audit *inter-alia* covered records relating to budget and expenditure, manpower policies, inventory control, internal audit and various prescribed control registers.

An introductory meeting was held on 6 January 2009 with the Higher Education Commissioner, Haryana in which important issues regarding working of the department, audit objectives and audit criteria were discussed. Audit findings and recommendations of audit were discussed in the exit conference held in July 2009 with the department and their views were incorporated while finalising the review report.

Audit findings

3.1.6 Financial management and budgetary control

3.1.6.1 Budget formulation and expenditure control

As laid down in para 5.3 of the Punjab Budget Manual and adopted by Government of Haryana, the budget estimates of ordinary expenditure² should be framed as accurately as possible. Budget for all items of expenditure that can be foreseen should be provided for and included under the proper sub-heads. Details of budget estimates, final appropriation and expenditure under Revenue and Capital Heads of Account during 2006-09 were as under:

(Rupees in crore)										
Year	Budget Estimates (BE)		Final grant after re-appropriation		Expenditure		Saving(-) /excess(+) with respect to BE		Saving(-) /excess(+) with respect to final grant after re-appropriation	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
Revenue										
2006-07	35.05	237.92	49.85	220.64	49.85	219.54	(+)14.80	(-)18.38	-	(-)1.10
2007-08	98.53	259.41	242.77	254.76	242.77	228.31	(+)144.24	(-)31.10	-	(-)26.45
2008-09	126.73	268.43	177.19	276.88	176.72	269.55	(+)49.99	(+)1.12	(-)0.47	(-)7.33
Capital										
2006-07	15.00	-	15.81	-	15.67	-	(+)0.67	-	(-)0.14	-
2007-08	16.70	-	25.03	-	31.10	-	(+)14.40	-	(+)6.07	-
2008-09	23.50	-	37.30	-	42.33	-	(+)18.83	-	(+)5.03	-

Source: Detailed Appropriation Account

² Ordinary expenditure relate to such expenditure as is expected to be incurred during the year for normal working of the department with reference to existing sanctions.

Budget estimates were not prepared on realistic basis.

There was excess expenditure over original budget provision under plan both Revenue and Capital Head indicating that the budget estimates of plan expenditure were not prepared on realistic basis.

An analysis of the records further revealed that above savings and excesses with reference to budget estimates occurred under the following minor heads as detailed below:

(Rupees in crore)

Sr. No.	Head of account	Year	Original Budget	Actual expenditure	Savings (-) / excess (+) with reference to original budget	Percentage of savings (-)/ excess (+)
1.	2202-001 Direction and Administration	2006-07	13.46	10.67	(-) 2.79	(-) 21
		2007-08	17.36	9.50	(-) 7.86	(-) 45
		2008-09	17.17	12.43	(-) 4.74	(-) 28
2.	2202-103 Government colleges and Institutes	2006-07	87.04	66.84	(-) 20.20	(-) 23
		2007-08	101.19	68.67	(-) 32.52	(-) 32
		2008-09	99.36	99.46	(+)0.10	(+)0.1
3.	2202-105 Faculty Development Programme	2006-07	9.42	9.08	(-)0.34	(-)4
		2007-08	13.32	5.95	(-) 7.37	(-) 55
		2008-09	8.50	5.88	(-)2.62	(-)31
4.	2202-107 Scholarships	2006-07	1.91	1.35	(-) 0.56	(-) 29
		2007-08	16.98	19.32	(+) 2.34	(+) 14
		2008-09	2.77	1.66	(-) 1.11	(-) 40
5.	2202-102 Assistance to Universities	2006-07	48.15	66.58	(+) 18.43	(+) 38
		2007-08	93.16	249.36	(+) 156.20	(+) 168
		2008-09	100.96	173.67	(+) 72.71	(+) 72
6.	4202-203 University and Higher Education	2006-07	15.00	15.67	(+)0.67	(+)4
		2007-08	16.70	31.10	(+) 14.40	(+) 86
		2008-09	23.50	42.33	(+) 18.83	(+) 80

Source: Detailed Appropriation Account.

The HEC stated (July 2009) that excess expenditure during 2007-08 was due to release of additional grants-in-aid to Bhagat Phool Singh Mahila Vishwavidyalaya, Khanpur Kalan (Sonipat) for acquisition of land and construction thereof and to other universities³ to enhance the intake capacity of students as well as to introduce new job oriented courses. The reply was not convincing as there were wide variations between original budget estimates and actual expenditure under different minor heads besides, the department should have anticipated such commitments/expenditure while preparing original budget estimates. As regards excess expenditure under capital head, the HEC stated that capital head was operated by Public Works Department and excess expenditure was incurred without their consent. This indicates lack of control over capital budget.

The deficiencies in the budgetary processes in the department may be attributed to the following factors:

³ Kurukshetra University, Kurukshetra; Chaudhary Devi Lal University, Sirsa and Maharshi Dayanand University, Rohtak.

Liability register was not maintained by 13 colleges.

- **Non-maintenance of liability register**

Para 12.11 of the Budget Manual requires the Drawing and Disbursing Officer (DDO) to maintain a register of liabilities in a prescribed format. Liabilities at the time of budget preparation and those anticipated to arise during the year are to be incorporated in the register to facilitate both expenditure control and preparation of budget estimates. Liabilities register was, however, not being maintained in 13⁴ colleges as a result of which provision for liabilities, if any, could not be made in the budget. The HEC while admitting the facts stated (July 2009) that all the Drawing and Disbursing Officers (DDOs) had been instructed to maintain liability register.

Budget estimates were framed without any input from the colleges.

- **Belated submission of budget estimates**

According to Budget Manual (Para 3.6 and 1.12) and instructions of Government from time to time, the head of the department is required to send budget estimates to Finance Department each year by 6 November. It was, however, noticed that submission of budget estimates was delayed by 23 to 77 days during 2006-09.

As per orders of HEC, Government colleges were to submit budget estimates to HEC by 28 August of each year. The submission of budget estimates was delayed upto 41 days during 2007-08 and 16 to 46 days during 2008-09. Thus, budget estimates were prepared by HEC without getting appropriate feed back/input from their field offices/colleges.

The HEC stated (July 2009) that care would be taken in preparing and timely submission of budget estimates in future.

Expenditure control register was not maintained by HEC.

- **Expenditure control register not maintained**

The HEC was responsible for monitoring the progress of expenditure with respect to allotment of funds. To ensure proper control over the approved/allocated budget grants, a register of expenditure was required to be maintained in Form B.M.-28 indicating the disbursing officer-wise allotment of funds and expenditure incurred thereagainst under each unit of appropriation/sub-heads, etc. The expenditure register was not maintained by the HEC. Non-maintenance of expenditure control register by the controlling officer resulted in unsatisfactory control over the expenditure showing saving/excess against original budget provision under various sub-heads. The HEC (May-July 2009) stated that required information were not received from field units. All the DDOs had been instructed to maintain Expenditure Control Registers.

⁴ Government colleges Barwala (Hisar), Chhachhrauli, Dubaldhan, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (women), Mahendergarh, Nalwa, Panchkula (women), Siwani and Tohana.

3.1.6.2 Drawal of funds in advance of requirement and retention of unspent funds out side Government Account

State Financial Rules (Rules 2.10 (b) (5)) provide that no money should be drawn from the treasury unless it is required for immediate disbursement or recoupment of the amount paid out of permanent advance. Further, the drawal of advance from the treasury for execution of work, the completion of which is likely to take considerable time, just to avoid the lapse of budget grant is not permissible. Retention of Government funds outside the Government Account is also irregular.

Rupees 0.73 crore were drawn in advance of requirement.

- During the years 2005-09, Government sanctioned Rs 1.40 crore⁵ under 'Human Resource Development of Teacher and Taught and Supporting Staff' Scheme' for conducting training in specific subjects and overall development of the teaching staff. The HEC directed the Principal of the Government College, Panchkula to draw the said amounts from the treasury and to keep the amount with him till further orders. The Principal drew Rs 1.40 crore⁵ and placed these amounts in bank account. The Principal used to issue cheques to different colleges from time to time for implementation of the scheme. A perusal of records revealed that a sum of Rs 66.95 lakh⁶ was spent on the scheme upto March 2009 and balance sum of Rs 73.05 lakh was lying in bank account of the Principal, Government College, Panchkula. The orders of the HEC to draw the amount in lump sum were in violation of financial rules. Further, the Principal had not refunded the unspent funds into treasury. Due to non-adherence of financial rules, huge funds remained outside the Government Account. The HEC while admitting the facts stated (July 2009) that the Principal had been directed to deposit the unspent funds into treasury.

Unspent funds were kept in bank account instead of depositing in Government Account.

- Scrutiny of the records revealed that unspent funds of Rs 1.19 crore relating to scholarship\stipend\incentives money, etc. were lying in bank account of Principals as some students left the college, some had not passed the examination and some students had not opened their bank accounts. The details are given below:

(Rupees in crore)				
Year	Number of Colleges	Amount received	Amount disbursed	Balance amount
2006-07	8	0.76	0.69	0.07
2007-08	12	0.91	0.79	0.12
2008-09	17	4.43	3.43	1.00
Total		6.10	4.91	1.19

Thus, unspent funds were not deposited into the Government Account but were retained by Principals in violation of Financial Rules. The HEC stated (July 2009) that all the Principals had been directed to deposit unspent funds into treasury.

⁵ August 2005: Rs 40 lakh, March 2006: Rs 10 lakh, March 2007: Rs 40 lakh, February 2008: Rs 25 lakh and September 2008: Rs 25 lakh.

⁶ 2005-06: Rs 10.63 lakh; 2006-07: Rs 10 lakh and 2007-09: Rs 46.32 lakh.

3.1.6.3 Rush of expenditure in March

Budget Manual (para 1.31) provides that rush of expenditure in the month of March should be avoided. Expenditure on contingencies should be staggered throughout the year and should not exceed 8.33 *per cent* of the total budget provision in the month of March. Despite this, it was noticed during audit that there was rush of expenditure in the month of March. Although funds were released every year from time to time throughout the year, the percentage of expenditure in seven colleges ranged between 31 and 98 in March 2007, in 11 colleges it ranged between 9 and 97 in March 2008; and in 13 colleges it ranged between 20 and 96 in March 2009. Significant spending during the last month of the financial year was as result of non-maintenance of expenditure control register and was against financial prudence as it was likely to lead to incurring of the expenditure without proper planning and merely with the objective of exhausting budget provision. The HEC while admitting the facts stated (July 2009) that necessary instructions to observe the provisions of budget manual had been issued to all the Principals of the Government colleges.

3.1.6.4 Incurring of expenditure beyond competency

As per Government notification dated 12 March 2006, the head of the office was empowered to sanction non-recurring expenditure upto Rs 10,000 in each case. Scrutiny of records revealed that during the years 2006-09, 12⁷ Government colleges purchased 209 store articles such as furniture, sports items, computer items, etc. worth Rs 1.56 crore from market (*Appendix XXVI*). Although the value of each item was more than Rs 10,000, the DDOs did not restrict the power of purchases within the prescribed limit and, thus, these purchases were irregular. No efforts were made by the Principals to obtain the sanction of higher authorities to regularise these purchases. The HEC stated (July 2009) that the explanations of the concerned Principals have been called for.

3.1.6.5 Conditions of sanction of advances not adhered to

As per terms and conditions mentioned in the sanctions of loans to Government employees, vehicles and computers should be purchased by the loanees within one and two months respectively after drawal of advance. Loanees are required to submit requisite documents i.e. seller's invoice, insurance policy, copy of registration of vehicle, etc. to the DDOs in token of having purchased the vehicles or computers. In case the vehicles or computers are not purchased within the stipulated period, the entire amount of advance is to be recovered in lump-sum along with penal interest.

Scrutiny of records revealed that necessary documents in respect of 31 cases involving advances of Rs 17.02 lakh were not submitted to HEC/Principals of Government College, Ambala Cantt., Bhiwani and Saha even after the expiry of

⁷ Government colleges, Barwala (Panchkula), Bhiwani, Dubaldhan, Hisar, Jatauli Haily Mandi, Jhajjar, Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.

prescribed period of one/two months. In the absence of these documents, the department could not ensure that the advances were used for the purposes for which they were drawn. The amount of advances along with penal interest had not been recovered in lump-sum from the concerned officers/officials. The HEC stated (July 2009) that the required documents would be obtained from the concerned officers/officials.

3.1.6.6 Deficiencies in the maintenance of the Cash-book

Surprise check of cash-book was not conducted.

Financial Rules (Rule 2.2 (iii)) provide that each head of office should check the totals of Cash-book or get it checked from a responsible subordinate other than the writer of the Cash-book and record a certificate in the Cash-book to this effect. Further Rule 2.2 (iv) provides that at the end of each month, the head of the office should verify the cash balance in the Cash-book and record a signed and dated certificate to that effect. Each and every entry on the receipt and payment side should be attested by the DDO.

The examination of the Cash-books for the period 2006-09 revealed that the entries in the Cash-book on the Receipt side in office of the HEC and the entries on the receipt and payment sides of all the colleges except Government College Barwala (Hisar) and Chhachhrauli were not found attested by the DDOs. The totals of the Cash-book had not been checked by the head of the office or by an official other than the writer of the Cash-book. Further, monthly closing balance of the Cash-book had neither been verified nor signed by head of the office with a dated certificate in the Cash-book.

3.1.6.7 Reconciliation of treasury schedules with the Cash-book not done

Reconciliation of treasury schedules with cash-book was not done by five colleges and HEC office.

As provided in the financial rules (Rule 2.31), the head of office was required to ensure that all amounts drawn from the treasury were entered in the Cash-book. For the purpose, the head of office/DDO was required to obtain from the treasury by 15th of every month, a list of all bills (Treasury schedule) drawn by him during the previous month and check all the amounts in the Cash-book and record a certificate on the list of treasury schedules to that effect. During the years 2006-09, it was noticed in the office of HEC and all the colleges (except Government College Barwala of Hisar district and Chhachhrauli) though they obtained treasury schedules from the treasury, yet they did not reconcile the same with the Cash-book.

In the absence of these stipulated controls, misappropriation of funds may go undetected. The HEC stated (July 2009) that all DDOs have been directed to comply with the provisions of Financial Rules.

3.1.7 Operational control

Higher Education Department implemented 20 schemes during 2006-07, 27 schemes during 2007-08 and 24 schemes during 2008-09. Review of

implementation of these schemes revealed several deficiencies as discussed in the following paragraphs:

3.1.7.1 Providing of books to SC students studying in Government colleges

In order to help and motivate SC student to pursue higher studies (except B.Ed. course), a complete set of text books was to be provided to 14,000 students through the concerned college valuing Rs 2,200 per student in each year. At the close of the year, the books were required to be returned, failing which 25 per cent cost of books was to be recovered.

During the period from October 2007 to March 2008 an amount of Rs 2.84 crore was drawn from the treasury by the HEC against the budget allocation of Rs 3.10 crore and the same was sent to the Principals of Government colleges through bank drafts.

Rupees 1.62 crore were paid to SC students in cash instead of providing text-books.

Scrutiny of records revealed that the Principals of 42 colleges had paid Rs 1.62 crore to 7,354 students at the rate of Rs 2,200 per student in cash instead of providing books to students. It was noticed that neither the recovery of 25 per cent was made from the students nor the books were returned by the students. Had the books been provided to students, the books could have been re-used in the next session. Further, a sum of Rs 5.65 lakh pertaining to 257 students was lying in bank accounts of 12 Principals and Rs 16.19 lakh was deposited in treasury pertaining to 776 students by 17 colleges. A sum of Rs 1.37 crore was paid to the students in January and March 2008 when the college session was near completion. Thus, the department failed to implement the scheme in proper manner and also failed to achieve the targets. The HEC admitted the facts and stated (July 2009) that recovery of books from students was not practicable and might create problem for librarian to keep account of second hand books as they might be in a perishable condition. The reply was not convincing as the books should have either been taken back from students or recovery at the rate of 25 per cent of the cost of the books should have been made as per provision of the scheme.

3.1.7.2 Providing of computer systems to SC students

Rupees 0.91 crore were blocked due to non-distribution of computers to students.

A scheme of providing computers to Scheduled Caste (SC) students under the scheme 'Empowering the Scheduled Caste Students for Employability in Information Technology' was started in 2007-08. Under the scheme, a sum of Rs 6.87 crore was deposited (March 2008) for purchase of 2,117 computer systems (computer, printer and UPS) with Haryana State Electronics Development Corporation (HARTRON). HARTRON in turn supplied (May-August 2008) 2,117 computer systems at a cost of Rs 6.72 crore.

Scrutiny of records revealed that the nodal colleges had distributed only 1,830 out of 2,117 computer systems and balance 287 computer system had been lying with them. Thus, 287 computers had still not been distributed among the students resulting in blockage of Rs 0.91 crore.

Further, a sum of Rs 6.90 crore was deposited (March 2008) with HARTRON for imparting computer training to undergraduate SC students. Out of this, computer training worth Rs 4.57 crore had been imparted by HARTRON and balance amount of Rs 2.32 crore was still (August 2009) lying with HARTRON. The HEC stated (August 2009) that the amount would be utilised for purchase of computers, printers, UPSs and software. The reply was not convincing as amount was deposited for imparting training and the scheme had been closed during 2008-09.

Similarly, Government Colleges, Hisar, Panchkula (women) and HEC had drawn Rs 38.01 lakh (2006-07: Rs 5.10 lakh and 2007-08: Rs 32.91 lakh) and deposited the same with HARTRON for purchase of computers. HARTRON supplied the material worth Rs 34.86 lakh leaving a balance of Rs 3.15 lakh⁸. The balance amount was neither demanded by the department nor returned by HARTRON. The HEC stated (July 2009) that out of Rs 3.15 lakh, Rs 0.76 lakh had been adjusted through purchase of cartridges from HARTRON.

3.1.7.3 Sports activities in Government colleges

Under the scheme 'Sports Activities', Government colleges were to purchase sports equipments, maintain sports library and to encourage adventurous sports in the colleges. The Government sanctioned (January 2008) an amount of Rs 1.69 crore under the scheme. Out of 49 Government colleges to whom this amount was released, four⁹ colleges did not utilise grants amounting to Rs 13.54 lakh. Thus, the students of these colleges were deprived of the benefits of the scheme. The HEC stated (July 2009) that the grants could not be utilised as the funds were released to the colleges in the last week of January 2008 and the supplier failed to supply this sports item in time. The reply was not convincing as reasons for belated release of funds were not explained by Government.

3.1.7.4 Incentive to SC/BC and minority community students

Under the scheme "remedial coaching to the students of SC/BC and minority community," an incentive to the teachers teaching English, Mathematics and Science was to be given at the rate of Rs 800 per subject per month per class and to students at the rate of Rs 200 per student per subject per month. Rupees 9.98 lakh and Rs 9.41 lakh were allocated to 47 and 55 Government Colleges during the year 2006-07 and 2007-08 respectively for implementation of the scheme.

It was noticed that 12¹⁰ colleges in 2006-07 and five¹¹ colleges in 2007-08 could not organise required coaching classes. Though the incentive money was paid to

⁸ Rs 1.41 lakh for 2006-07 and Rs 1.74 lakh for 2007-08.

⁹ Government colleges Bhattu kalan, Narnaul (Women), Adampur and Sirsa.

¹⁰ Government colleges Bahadurgarh, Bhattu kalan, Bhiwani, Dubaldhan, Gharaunda, Hisar, Hodal, Kalka, Naraingarh, Narwana, Siwani and Tauru.

¹¹ Government colleges Bodia Khera (Women), Gurgaon (Sector-14), Jatauli Haily Mandi, Kalka and Tigaon.

Incentive money to students was not provided due to paucity of funds.

the teachers, it was not paid to students during this period due to non-availability of adequate funds. Thus, the students of these communities were deprived of the benefit of the scheme. The HEC stated (July 2009) that students did not turn up to attend remedial coaching classes. The reply indicates that the department failed to motivate the students of SC/BC and minority community for remedial coaching.

3.1.7.5 Human resources development of students (earn while you learn)

To harness the energy and capacity of young students to the advantage of both the institution and the students by providing on campus facility of Human Resource Development through providing an opportunity for earning while learning, a scheme for engaging students in small tasks in the college such as laboratories works, library jobs, assistance to the computer rooms of the college was introduced. For all these jobs, students were to be paid at the rate of Rs 50 per hour.

Scrutiny of the records of test checked colleges revealed that the students were engaged on the jobs such as office work, EDUSAT, house examination, sports and placement cell instead of deploying them on specified jobs by seven¹² colleges. An amount of Rs 3.99 lakh was paid to 109 students during 2006-09 which was irregular. The HEC stated (July 2009) that the reasons for deviation have been called for from the concerned Principals.

3.1.7.6 Setting up of placement cell in Government colleges

With a view to provide job opportunities to the students pursuing higher education, a scheme setting up of placement cell was started in all the Government colleges. During the years 2006-09, an amount of Rs 49 lakh was provided under the scheme.

Nine colleges could not provide job to students through placement cell.

Scrutiny of records of test checked colleges revealed that while six¹³ colleges succeeded in providing jobs to 326 students, nine¹⁴ (out of 10,125 final year students) colleges could not provide job to students during 2006-09. No placement agency was invited and no workshop/seminar organised by these nine colleges despite availability of funds.

3.1.7.7 Strengthening of library services in Government colleges

One of the objectives of the scheme 'Strengthening of Library Services' was to purchase e_books and provide on line library service to the students. For this purpose, SOUL software was purchased during 2005-09. An expenditure of Rs 69.49 lakh was incurred by these colleges. Scrutiny of the records revealed

¹² Government colleges Barwala (Panchkula), Jatauli Haily Mandi, Mahendragarh, Nalwa, Saha, Siwani and Tohana.

¹³ Government colleges Ambala cantt., Jhajjar, Hisar, Karnal, Karnal (Women) and Tohana.

¹⁴ Government colleges Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Jatauli Haily Mandi, Mahendragarh, Nalwa, Saha and Siwani.

that 14¹⁵ colleges purchased SOUL software, but none of these colleges could provide online library service to the students and also no e_books had been purchased. Failure to purchase e_books and provide on line library service to the students resulted into non-achievements of the objectives of the scheme. The HEC stated (July 2009) that sufficient funds were not provided by the Government to develop e_books /e_library.

3.1.7.8 Non-providing of adequate facilities to hostels of students

Adequate hostel facility was not provided to the students of Government College, Hisar.

As per provisions of Haryana Education Code, every college which enroll boarding/resident student is required to provide a suitable accommodation to all the boarders. The college authorities have to appoint one resident Superintendent to ensure that the boarding house premises are kept in a clean and good sanitary condition and a balanced food is served to the boarders. Scrutiny of records of Government College, Hisar revealed that hostel facilities were insufficient as 107 to 128 girl students (out of 1,452 to 1,621) were housed in 20 rooms during 2006-09. There was no prescribed norms for accommodating students in hostels. However, the Principal of the college stated that each room in the hostel had been provided with three almira, as such three girl students could be accommodated. Further, the Superintendent was not posted for the hostel. The HEC stated (July 2009) that excessive students were accommodated due to the pressure of the parents of girls students of remote area and that requisition for filling up the post of Hostel Superintendent had been sent to Haryana Staff Selection Commission.

3.1.8 Human resources management control

Codal provisions provide that the department should follow a sound system for manpower requirement, their regulation and their efficient and effective utilisation. A periodical review should be conducted to assess whether the sanctioned manpower is utilised for the purpose for which it was sanctioned.

3.1.8.1 Shortage of staff

The sanctioned strength and actual strength of 17 test checked colleges during 2006-09 was as under:

Sr. No.	Year Posts	2006-07			2007-08			2008-09		
		Number of posts			Number of posts			Number of posts		
		Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant
Number of Colleges		15			17			17		
1.	Principals	15	15	-	17	15	2	17	16	1
2.	Lecturers	674	637	37	730	677	53	728	650	78
3.	Non-teaching staff	393	287	106	425	326	99	422	315	107

The position of vacant post of teaching and non-teaching staff was high in

¹⁵ Government colleges, Ambala Cantt., Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Nalwa, Saha, Siwani, Tohana, Jhajjar, Mahendragarh and Panchkula (Women).

17¹⁶ test checked Colleges. No post of teacher was sanctioned for two Government colleges located at Barwala (Hisar) and Chhachhrauli. However, the teaching work was arranged by diverting staff from other colleges.

The HEC stated (July 2009) that requisition for lecturers had been sent to Haryana Public Service Commission.

3.1.8.2 Uncovered study periods

Scrutiny of work load statement of 14¹⁷ colleges revealed that as per work load statement prepared by the colleges, the requirement of the lecturers was 805 for 21,774 students on roll against the sanctioned post of 677 during 2008-09. Further, against this, only 560 lecturers were posted. Thus, there was overall shortage of 245 lecturers. In spite of shortage, 45 lecturers were sent on deputation to other colleges with the result, the number of teaching hours remained uncovered without teachers which ultimately hampered the quality of education. Besides, although there was shortage of lecturers in sampled checked colleges, 14 lecturers were posted in excess in seven colleges. This indicates lack of manpower planning.

3.1.8.3 Students without lecturers

Scrutiny of records revealed that 4,981 students during 2006-07, 6,359 during 2007-08 and 3,374 students during 2008-09 in 12 colleges in various subjects remained without lecturers as no lecturer was posted in concerned subject in these colleges during 2006-09 (*Appendix XXVII*)

The HEC admitted the facts and stated (July 2009) that a requisition to fill up the posts of lecturers had been sent to the Haryana Public Service Commission.

3.1.8.4 Deployment of lecturers without adhering to UGC norms

As per University Grants Commission (UGC) norms fixed in September 1991, the lecturers should have a good academic record with at least 55 *per cent* marks or should possess an equivalent grade of master's degree level in the relevant subject. Besides fulfilling the above qualification, candidates should have cleared the eligibility test for lecturers conducted by the UGC, CSIR or similar test accredited by the UGC. Scrutiny of records revealed that in 12 colleges, 73 lecturers including guest faculty were not fulfilling the UGC norms. They were holding only Masters degree without qualifying the eligibility test being conducted by UGC although these lecturers were employed after September 1991. The HEC during exit conference stated that the case would be examined and factual position would be intimated.

¹⁶ Government colleges Ambala Cantt., Barwala (Panchkula), Bhiwani, Dubaldhan, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Karnal, Karnal (Women), Kaithal, Mahendragarh, Nalwa, Panchkula (Women), Saha, Siwani and Tohana.

¹⁷ Government colleges Ambala Cantt., Barwala (Panchkula), Bhiwani, Gharaunda, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal, Karnal (Women), Mahendragarh, Saha, Siwani and Tohana.

3.1.8.5 Irregular adjustment of staff

Chief Secretary to Government of Haryana imposed (December 1996) a total ban on change of headquarters of the employees as this was considered as another kind of transfer.

Sixty seven employees were deployed to other colleges in violation of orders of the Chief Secretary.

Scrutiny of records of the HEC and 19 colleges revealed that 67 employees of 10¹⁸ colleges (61 teaching staff and 6 non-teaching staff) had drawn pay and allowances from their original place of posting but these employees were deployed to other colleges on deputation for the period ranging between 2 and 19 months instead of regular posting after obtaining orders from the Government. The action of the HEC in sending the lecturers on deputation was irregular and against the orders of the Chief Secretary. The HEC stated (July 2009) that due to administrative exigencies, lecturers/other staff were deputed to other colleges where requirement existed. The reply was not convincing as deployment of lecturers to another place without regular transfer orders was against the existing orders.

3.1.8.6 Retention of excess staff/staff without work

In two colleges, the teaching staff was deployed in excess of sanctioned posts as detailed below:

Name of Government college	Subject	Sanction strength	Posted	Excess	Period	Pay and allowances (Rupees in lakh)
Jatauli Haily Mandi	Geography	2	3	1	July 2006 to June 2007	2.07
	English	3	4	1	August 2006 to August 2008	4.58
Mahendragarh	Economics	1	2	1	March 2006 to August 2007	6.06
	Commerce	3	6	3	October 2006 to February 2007 and September 2007 to February 2008	1.44
	Geography	3	4	1	September 2007 to February 2008	0.48
Total						14.63

An amount of Rs 19.63 lakh was paid to teaching staff who were either posted in excess of sanctioned strength or without any student on roll.

One lecturer (Mathematics) in Government College, Dubaldhan (April 2006 to October 2006) and one Commerce lecturer in Government College, Siwani (May 2006 to September 2007) was posted though there was no student on roll for these subjects during this period. The department spent Rupees five lakh on their pay and allowances during this period. Thus, these lectures were idle without any classes/work in the colleges. No efforts were made either by the college Principals or the department to post them as per their requirement and to utilise their services meaningfully.

¹⁸ Government colleges Karnal; Karnal (Women); Bhiwani; Hisar; Jhajjar; Duabldhan; Mahendragarh; Jatauli Haily Mandi; Barwala (Panchkula) and Panchkula (Women).

3.1.9 Monitoring including internal audit

3.1.9.1 Monitoring

According to instructions (April 1989) of Administrative Department, each Government office was required to maintain calendar of returns/charts of statement to ensure timely submission of returns and statements to the concerned higher authorities. Besides, each office was to maintain a complaint register in the prescribed form indicating total number of complaint cases at the beginning of the month, cases received/disposed off during the month and total number of complaints outstanding at the end of each month for monthly review of the complaint cases. Further, each Government office was required to use and attach calendar of dates/events in prescribed form while submitting the cases to higher authorities to ensure quick disposal of cases and avoid delay in their finalisation. It was noticed that the calendar of returns/charts of statement was not prepared in 13¹⁹ colleges, system of calendar of dates/events was not followed in 11²⁰ colleges and 11²¹ colleges had not maintained complaint registers. The HEC while admitting the facts stated (July 2009) that necessary instruction to comply with the Government Instructions had been issued to all the colleges.

3.1.9.2 Non-preparation of Annual Administrative Report

As per Government instructions (July 1991), Annual Administrative Report showing the annual activities of the department is to be prepared and placed before the council of Ministers every year. It was, however, noticed that the department had not prepared the Administrative Reports for the years 2007-08 and 2008-09. The Annual Administrative Report for the year 2006-07 had been prepared but the same had not been submitted to Government for approval. In the absence of Annual Administrative Reports, the activities/performance of the department during the year could not be made public.

The HEC stated (July 2009) that Administrative Report for 2007-08 was under process.

3.1.9.3 Internal audit system

With a view to improve over all quality of work, reduce errors/omissions and irregularities, the State Government introduced the system of internal audit. Internal audit wing was required to conduct audit of the department and its

Internal audit of HEC office and Government colleges was not conducted.

¹⁹ Government colleges Barwala (Hisar), Bhiwani, Chhachhrauli, Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women), Siwani and Tohana.

²⁰ Government colleges Barwala (Panchkula), Barwala (Hisar), Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Mahendragarh, Nalwa, Panchkula (Women) and Tohana.

²¹ Government colleges Hisar, Jatauli Haily Mandi, Jhajjar, Kaithal, Karnal (Women), Karnal, Mahendragarh, Nalwa, Panchkula (Women), Siwani and Tohana.

subordinate offices. The post of one Chief Accounts Officer, two Accounts Officers, five Section Officers and one Auditor and two Junior Auditors were sanctioned in the department. Out of these sanctioned posts, one post of Auditor and one post of Junior Auditor were vacant. Internal audit wing was conducting audit of only non-Government aided colleges. The internal audit of the department alongwith Government Colleges was not conducted. There was no audit manual with the department to carry out its functions.

The HEC stated (July 2009) that internal audit staff posted was deployed for providing pension to teaching and non-teaching staff of non-Government aided colleges and supervising the work of pension of the staff. Thus, the internal audit staff was deployed for other than internal audit work. During exit conference the HEC stated the more staff would be sought from Government for internal audit.

3.1.10 Conclusions

Internal control is an internationally accepted good practice and is an integrated component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently. There were weaknesses in financial management as cases of non-maintenance of liability register, non-maintenance of expenditure control register leading to excess expenditure over budget provision, drawal of funds in excess of requirement, non-deposit of unspent funds, non-reconciliation of cash-book with treasury schedules, in the absence of which misappropriation of funds may go undetected were noticed. Operational control was also deficient as students were paid in cash instead of providing text-books under 'providing of books to SC students scheme', 287 computers were lying undistributed under 'providing of computers systems to SC students scheme', funds for payment of incentive money to SC/BC and minority community students were not provided and scheme for setting up of placement cell in colleges was not effective. Human resource management was also not efficient as there were cases of teachers without students, students without teachers, irregular deployment of teachers on deputation in violation of orders of the Chief Secretary, etc. Further monitoring mechanism was also ineffective due to non-compliance of instructions and non-conducting of internal audit of the department and Government colleges.

3.1.11 Recommendations

- The Department should maintain liability Register and Expenditure Control Register. The system of regular reconciliation of drawal of funds with treasury should be made effective so that misappropriation of funds may not go undetected.

- A proper system should be evolved to make sure that the unspent funds with HARTRON are refunded.
- To ensure accrual of intended benefits to the beneficiaries, proper planning to be adopted for implementation of the schemes.
- Posting of teaching staff needs to be rationalised to avoid the cases of students without teachers and teachers without students.
- Internal audit system should be strengthened to conduct audit of the department and Government colleges.

These points were demi-officially issued to the Financial Commissioner and Principal Secretary to Government of Haryana, Education Department in June 2009; reply had not been received (August 2009).

Chandigarh

Dated:

(Sushama V. Dabak)
Principal Accountant General (Audit),
Haryana

Countersigned

New Delhi

Dated:

(Vinod Rai)
Comptroller and Auditor General of India