

## CHAPTER III

### INTEGRATED AUDIT

#### EDUCATION DEPARTMENT

#### 3.1 Integrated audit of functioning of some schemes in Higher and Technical Education wings in Education Department

##### Highlights

*The department took up programmes on ad hoc basis without preparing Activity Plans which led to savings of up to 100 per cent of allocations besides non-establishment of a Teachers' Training University, a Knowledge Consortium and a Knowledge Corporation. The Digital English Language Laboratory was not fully utilized by Dr. Babasaheb Ambedkar Open University and failed to achieve its objectives. The benefits of the e-library could not be passed on to the students. Non-disbursement as well as delays in disbursement of scholarships were noticed. The teacher-student ratio was as high as 1:57 in Higher Education as against 1:30 prescribed for under-graduate courses and 1:10 for post-graduate courses by the University Grants Commission. Teachers lacked training in the modern system of education. The system of internal control was inadequate and ineffective.*

**Non-execution of the work of construction of new buildings by Gujarat University for six years resulted in cost overrun of ₹1.70 crore besides loss of assistance of ₹1.65 crore from University Grants Commission.**

(Paragraph 3.1.6.3)

**A Teachers Training University was not established and the Knowledge Consortium and the Knowledge Corporation were not completely activated due to lack of a time-bound Action Plan.**

(Paragraph 3.1.7.1 and 3.1.7.2)

**Computers along with laser printers costing ₹74.36 lakh, meant for Government colleges were diverted to 12 grant-in-aid colleges without obtaining approval from the Government.**

(Paragraph 3.1.7.6)

**Infrastructure created at a cost of ₹18.12 crore for a Digital English Language Laboratory (DELL) project did not serve the purpose of promotion of English language through Information and Communication Technology.**

**(Paragraph 3.1.8.1)**

**Thirty five colleges of technical education were denied access to free e-journals and e-books under the Indian National Digital Library in Engineering Sciences and Technology programme.**

**(Paragraph 3.1.8.2)**

**Payment of scholarship to the students was delayed beyond the academic years and cases of non-disbursement of scholarships were also noticed.**

**(Paragraph 3.1.8.6)**

**The system of internal control was inadequate and ineffective. Payment of retirement dues was abnormally delayed.**

**(Paragraph 3.1.9.5)**

### **3.1.1 Introduction**

In Gujarat, the Education Department consists of four wings i.e. Primary, Secondary and Higher Secondary, Higher Education and Technical Education. There were 10 universities, 48 Government colleges, 356 grant-in-aid<sup>1</sup> colleges, 450 self-financed institutions under Higher Education. While under Technical Education wing, there were one university, 43 Government colleges, six grant-in-aid colleges and 244 self financed institutions. There were in all 38,463 degree and 45,740 diploma seats imparting technical education in the State as of March 2010. An integrated audit of some schemes under the department was conducted.

### **3.1.2 Organizational set-up**

The Principal Secretary, Education Department was in overall charge of the Education Department. While the Commissioner, Higher Education (Commissioner) was responsible for administration of Government and grant-in-aid colleges including implementation of various Plan schemes specific to higher education, the Director of Technical Education (Director) was responsible for similar functions for technical education in the State. The Commissioner and the Director were the Heads of Departments (HODs) of their respective wings. They were assisted by Joint Directors, Deputy Directors, Principals and Accounts Officers as detailed in the chart at **Appendix -XXIII**.

<sup>1</sup> Colleges run by the private trusts with funding from Government as per norms.

### **3.1.3 Audit objectives**

The audit objectives were to assess whether:

- financial management resulted in economic, efficient and effective utilization of resources
- programmes and schemes for dissemination of knowledge and education were effectively implemented
- the system of providing support services and facilities such as infrastructure, library facilities, IT infrastructure and inventory and stores management was efficient and met its objectives
- a proper internal control mechanism and monitoring system was in place.

### **3.1.4 Audit criteria**

The audit criteria adopted for conducting the integrated audit were

- (i) Rules and Regulations and resolutions issued by the Government;
- (ii) Orders and instructions issued while releasing funds;
- (iii) The provisions of the Gujarat Budget Manual and Gujarat Treasury Rules;
- (iv) The guidelines and norms of the University Grants Commission / All India Council for Technical Education.

### **3.1.5 Scope of audit**

The integrated audit of Higher and Technical Education wings of the Education Department with special emphasis on the functioning of some of their important schemes, was conducted (March-June 2010) covering the period 2005-10. Records maintained by the Principal Secretary, Commissioner, Director, three universities and 23 colleges, pertaining to academic functioning and infrastructure were test-checked. The selection of the colleges was randomly done to ensure representative coverage. The details are given in **Appendix - XXIV**.

Statistical data was collected, analyses and physical evidence were obtained in the shape of replies to audit queries, copies of documents etc. An entry conference was held in April 2010 with the Principal Secretary to explain methodology of audit. The audit observations and recommendations were also discussed in the exit conference held in August 2010.

## **Audit findings**

### **3.1.6 Financial management**

Audit noticed shortcomings in preparation of budget estimates, maintenance of cash books, handling receipts, control mechanism and utilization of central assistance etc. as discussed below:

### 3.1.6.1 Budget provisions and expenditure

Budget provisions, expenditure thereagainst and excess/savings during 2005-10 of Higher and Technical Education wings were as detailed in Table-1.

**Table-1: Details of budget provisions and expenditure**

(₹ in crore)

Year	Budget Provision	Expenditure	Excess(+)/ Saving (-)	Percentage of Excess(+)/ Saving (-)
<b>Higher Education wing</b>				
2005-06	404.12	395.26	(-) 8.86	(-) 2.19
2006-07	447.69	438.88	(-) 8.81	(-) 1.97
2007-08	481.46	457.36	(-) 24.10	(-) 5.00
2008-09	592.41	559.97	(-) 32.44	(-) 5.47
2009-10	676.71	640.57	(-) 36.14	(-) 5.34
<b>Total</b>	<b>2602.39</b>	<b>2492.04<sup>2</sup></b>	<b>(-) 110.35</b>	
<b>Technical Education wing</b>				
2005-06	176.85	145.15	(-) 31.70	(-) 17.92
2006-07	197.07	207.84	(+) 10.77	(+) 5.46
2007-08	285.53	260.64	(-) 24.89	(-) 8.72
2008-09	402.93	265.33	(-) 137.60	(-) 34.15
2009-10	526.88	329.40	(-) 197.48	(-) 37.48
<b>Total</b>	<b>1589.26</b>	<b>1208.36<sup>3</sup></b>	<b>(-) 380.90</b>	

(Source: Figures given by the Commissioner/Director)

**Savings of grants under various Plan schemes were up to 100 per cent of allocation.**

As per para 102 of the Gujarat Budget Manual, Controlling Officers were required to watch the progress of expenditure against appropriations. Para 103 of the said Manual provided that expected savings should be surrendered to the administrative department by 15 February to avoid lapse of grants. It is clear from the table above that there were persistent savings during 2005-10, ranging from 1.97 to 5.47 per cent, under expenditure incurred by the Commissioner. Similarly, persistent savings ranging from 8.72 to 37.48 per cent occurred during 2005-10 under expenditure incurred by the Director. Some of the Plan schemes in which there were persistent savings are detailed in **Appendix - XXV**. The funds, which were sanctioned for activities without preliminary groundwork and time-bound action plan could not, therefore, be utilized ultimately resulted in lapse of grants and rendering the funds non-available for other immediate use. Non-surrendering of the savings also reflected poor monitoring of the expenditure.

On a detailed analysis, it was seen that the Education Department had accorded (March 2008), administrative approval for ₹ 21.43 crore for providing boiler suits, workshop practical kits, tuition fees, technical books for higher study, for remedial classes and coaching classes for weak Scheduled Caste (SC) students of Government Engineering Colleges and Polytechnics. However, in the absence of details regarding the purpose for which fund was sanctioned in the budget publication, the Director could not spend the assistance during the year and surrendered (March 2009) the entire amount, resulting in deprival of the intended benefits of the assistance to the SC students.

<sup>2</sup> This included works expenditure of ₹ 63.18 crore incurred directly by the Roads and Buildings department

<sup>3</sup> This included works expenditure of ₹ 201.61 crore incurred directly by the Roads and Buildings department

### 3.1.6.2 Rush of expenditure

Para 109 of the Budget Manual stipulates that expenditure during the year should as far as possible, be uniformly spread over each year and rush of expenditure during the last quarter and particularly during the last month should be avoided. Scrutiny of the records of the Commissioner and Director revealed rush of expenditure, with the expenditure under the Plan head during the last quarter being between 34 and 56 *per cent*. During the month of March it was between five and 46 *per cent* during 2005-10 in disregard to codal provision. Details given in **Appendix – XXVI**. During the exit conference (August 2010), department assured that efforts were on to spread the expenditure evenly from next year onwards.

### 3.1.6.3 Loss of Central assistance

Assistance of ₹ 3.28 crore from University Grants Commission (UGC) / All India Council for Technical Education (AICTE) was not availed of due to non-execution of work, non-deployment of staff as per UGC norms, delay in disbursement of funds, non-observance of AICTE instructions, etc. by some test-checked educational institutions as discussed in the succeeding paragraphs:

**Delay of six years in implementation of the project resulted in cost overrun of ₹1.70 crore besides loss of assistance of ₹1.65 crore during the Tenth Plan.**

- Under its programme of improving infrastructure and providing of basic facilities, UGC provided allocation to the Universities during the Tenth Plan for construction of new buildings and major repairs. Gujarat University received (May 2003) an allocation of ₹ 4.29 crore which included ₹ 1.65 crore for construction of an examination centre. The allocation was to be utilized during the currency of the Tenth Plan (i.e. by March 2007). Extension of time limit was granted upto 31 March 2009. The plans and estimates for construction and repairs were submitted (November 2006) belatedly by the University. Work order for execution at the tendered cost of ₹ 3.35 crore was issued in February 2009. Due to non-execution of the work even during the extended time limit, the project was proposed to be shifted to the Eleventh Plan. This resulted in loss of assistance of ₹ 1.65 crore in the Tenth Plan and cost overrun of ₹ 1.70 crore. The Registrar attributed (May 2010) the delays in submission of plans and estimates to non-existence of an Executive Council and Senate between December 2003-05.
- Deployment of staff as per the norms<sup>4</sup> was a pre-condition of the UGC for granting recognition to a new university under section 12 (B) of the UGC Act. Krantivir Shyamji Krushna Varma (KSKV) Kachchh University, Bhuj established in January 2004, failed to get recognition till May 2010 as their deployment of staff was not as per the norms. This, apart from resulting in loss of all the assistance of UGC, deprived the students of far flung areas of modern educational facilities.
- Government sanctioned (January 2008) ₹ 1.50 crore for computerization in KSKV Kachchh University, Bhuj. The funds were placed at the disposal of the Commissioner, who disbursed the amount belatedly in the last week of March 2008. Late release of funds by the Commissioner resulted in

<sup>4</sup> one Professor, two Readers and adequate numbers of Lecturers.

non-completion of the purchase procedure and surrendering of unspent grants. Next year, the Government sanctioned (May 2008) only ₹ one crore curtailing ₹ 50 lakh meant for infrastructure. Thus, delay in disbursement of funds by the Commissioner deprived the new university of infrastructure development. Reasons for the delay were not assigned by the Commissioner though called for.

- L.D. Engineering College runs 11 post-graduate courses, out of which four courses are funded by AICTE in the form of scholarships to Graduate Aptitude Test for Engineering (GATE) qualified students, salary to two lecturers and assistance for library and contingency expenditure. For the rest of the courses, only scholarships to GATE qualified students is given. AICTE provides this as a re-imbusement of expenditure. During the year 2005-06, AICTE asked the institute to open a separate bank account for the scheme and submit a utilization certificate from a chartered accountant. The institute has not complied with AICTE instructions till August 2010. The Principal, L.D. Engineering College stated (August 2010) that due to administrative reasons and delay in permission from the Government, the account could only be opened in May 2009. Being a Government institute, it did not need to get the accounts certified from a chartered accountant. AICTE did not release the assistance amount of ₹2.32 crore for the period 2005-06 to 2008-09. After discussions with the college authorities AICTE released (January 2010) ₹1.45 crore and remaining amount of ₹0.87 crore was not released. Thus, due to non-observance of AICTE instructions and delay in taking decision, the institute lost ₹ 87 lakh.
- The Government sanctioned (May, 2007) ₹26.34 lakh for purchase of furniture, equipment and library books for Government Science College, Chikhli. However, the Principal surrendered (March 2008) the entire grant of ₹26.34 lakh to Government. When this was pointed out in audit, the Principal stated (August 2010) that due to non-allotment of a cardex<sup>5</sup> number from the District Treasury, Navsari, the grant could not be drawn. This is not acceptable as the Principal could have pursued the matter with the District Treasury Officer for obtaining cardex number in time. Due to non-allotment of cardex number, students of the college were deprived of learning facilities.

#### **3.1.6.4 Blockage of funds**

To bring quality and excellence in technical education in the State, the Government decided (August 2003) to participate in the Technical Education Quality Improvement Project (TEQIP) launched by GOI under World Bank assistance. The project cost of ₹86.70 crore was shareable by the State Government, GOI and the World Bank in the ratio of 20:24:56. Scrutiny of records revealed that the project cost was curtailed to ₹50.10 crore on 23 May 2007 on account of diversion of allocation for tsunami projects. Despite communication of the curtailment of cost, the Director continued to draw funds till March 2008.<sup>6</sup> The excess drawal of ₹13.36 crore including an amount of ₹10.15 crore drawn immediately before curtailment of the project cost (5 May 2007) was belatedly

<sup>5</sup> A unique number allotted by a Treasury Officer to each drawing and disbursing officer empowering him to withdraw funds from the treasury.

<sup>6</sup> ₹ 61.50 crore on 25 July 2007, ₹2.58 crore on 27 March 2008.

refunded<sup>7</sup>. Drawal of funds in excess of requirement together with its retention for one year after completion of the project resulted in blockage of ₹13.36 crore.

### 3.1.6.5 Non-recovery of overpaid grant

**Overpaid grants totalling ₹1.24 crore were not adjusted while releasing subsequent grants.**

During the internal audit of grant-in-aid colleges for the period 2000-2005 conducted during 2005-10, auditors had pointed out recoveries of approximately ₹1.24 crore towards overpayment of grants of previous years<sup>8</sup> as of March 2010 on account of expenditure stated to have been incurred on inadmissible items. Similarly, an amount of ₹47.53 lakh was outstanding from grant-in-aid technical colleges, to be recovered by the Director. The Commissioner replied (August 2010) that an amount of ₹45.85 lakh had been recovered. For recovery of the balance, the amount had been notified to the grant wing for taking effective measures in the calculation of next year's grant.

### 3.1.6.6 Drawal of funds of ₹ 31.17 crore to avoid lapse of grant

For purchase of machinery, equipment, furniture, computers etc. required by the Government engineering colleges and Government polytechnics, indents were being sent to the Director by the Principals of the respective colleges in June-July every year. Machinery, furniture etc. was being procured by the Director through e-tendering after finalization of specifications etc. by a committee appointed for scrutiny of technical parameters. The Gujarat Technological University (GTU), Ahmedabad was nominated by the Director for centralized payment during 2009-10. Scrutiny of the records of the Director and GTU in respect of procurement of goods revealed as under:

The Director purchased (March 2010) 560 items valuing ₹10.24 crore, but the suppliers failed to supply 69 items valuing ₹63.84 lakh. A total of 26 items valuing ₹18.18 lakh were rejected by the consignee as they did not match the specifications of the supply orders. The terms of agreement executed with the suppliers included provision for pre-despatch inspection of machinery and recovery of inspection charges at half *per cent* of the total value of the stores inspected. It further provided for recovery of liquidated damages at half *per cent* of the price of undelivered stores per week of delay. The rejection of stores valuing ₹18.18 lakh by the consignee after pre-dispatch inspection indicated weakness in inspection. No fresh attempt for the purchase could be initiated as no time was left for completion of the procedure by the end of the financial year.

Since there was no time left for actual procurement of machinery in view of the statutory time limit of 90 days for delivery by suppliers, the Director placed (20 March 2010) ₹31.17 crore at the disposal of GTU with directions to deposit the amount with the Gujarat State Financial Services Limited (GSFSL), a State Government owned undertaking. GTU deposited (April 2010) ₹30.17 crore with GSFSL as a short term deposit retaining ₹ one crore

<sup>7</sup> ₹ 10.30 crore on 06 June 2009 and balance between July 2008 and March 2010

<sup>8</sup> Details not mentioned in control register.

for immediate payment of further amount of ₹30 crore was withdrawn till 30 June 2010. Though the entire amount was directed to be utilised by 30 June 2010, records of GTU revealed (July 2010) an unspent balance of ₹2.06 crore as of 30 June, including interest of ₹ four lakh. Keeping the fund outside Government account in order to avoid lapse of grant resulted in parking of funds. Though inspection charges of ₹ 6.42 lakh and liquidated damages of ₹46.79 lakh were recovered by the GTU from the suppliers' bills, the same were treated as reduction in expenditure instead of revenue to the Government.

### ***3.1.7 Academic programme management***

National Policy on Education provides for all round improvement in the education system with emphasis on consolidation and expansion of existing facilities. Achievement of the objectives contained in the national policy requires effective programme management by the State for optimum utilization of existing facilities, active involvement of private self-financed colleges in deficient areas and introduction of schemes for utilization of internet, electronic media etc. for widespread coverage. The schemes/programmes introduced by the State and the status of their implementation are discussed in the succeeding paragraphs.

#### ***3.1.7.1 Non-establishment of Teachers' Training University***

**Teachers' Training University was not established despite availability of ₹6.95 crore.**

To bring uniformity in the standards of teaching in higher education, the Commissioner proposed (February 2008) to create a new Teachers' Training University with state-of-art teaching aid facilities. The Government provided funds of ₹ one crore in the budget for the year 2008-09 and ₹6.95 crore in 2009-10 (August 2009: ₹ one crore, March 2010: ₹5.95 crore) for creation of posts and imparting training to principals and lecturers of 900 colleges in the State. The university was expected to start functioning from June 2009. However, the Commissioner initiated action only at the fag end of the financial year i.e. on 30 March 2009 by paying ₹10 lakh to the National Law University (NLU), Gandhinagar for preparation of a Vision Plan of the proposed university. The Vision Plan prepared by NLU was finalized in April 2010. Delay in initiating action for setting up of the university coupled with delay in submission of the Vision Plan by NLU led to non-commencement of activities of the university, non-achievement of the target of imparting training to principals and lecturers of 900 colleges in the State besides lapse of budget grant of ₹90 lakh during 2008-09. The Commissioner stated (August 2010) that the university would become functional by the end of 2010-11 after appointment of a Vice Chancellor and allotment of land. To avoid lapse of the grant for the year 2009-10, the Commissioner drew ₹6.95 crore without immediate requirement and deposited (March 2010) it in the bank account of Children University (Bal Gokulam) in contravention of the provisions of the para 102 of Budget Manual. During the exit meeting, department stated (August 2010) that these funds were given to the outfit more as initial seed capital and necessary instructions were being issued to surrender the unutilized amounts by the end of the financial year.

### 3.1.7.2 Non-achievement of objectives of setting up of a Knowledge Consortium and a Knowledge Corporation

To bridge the gap between the requirement of an education system and the demand from the industrial sector, to generate and provide ideas and paradigms for achieving excellence in education as well as enhancement of the knowledge base, the Government set up a Knowledge Corporation (Corporation) in June 2007 in the technical side and a Knowledge Consortium (Consortium) in December 2008 in the higher education side. The Corporation and the Consortium were registered in September 2007 and March 2009 respectively as societies under the Societies Registration Act, 1860.

**An amount of ₹35.98 crore sanctioned for a Knowledge Consortium and a Knowledge Corporation remained idle for over two years.**

Government released a total grant of ₹39.67 crore<sup>9</sup> by March 2010 for establishment of the centres and construction activities which were at the planning stage. The Corporation and the Consortium spent ₹3.69<sup>10</sup> crore and the balance of ₹35.98<sup>11</sup> crore remained idle in their respective accounts as of March 2010. Further, as against the target of imparting technical/vocational competency training to 50,000 persons annually, the Corporation could impart training to only 32,685 persons during 2008-10, leaving a shortfall of 67,315 (67 per cent) as against the target. To that extent, the purpose of bridging the gap between demand and availability of skilled manpower remained unachieved. The Knowledge Consortium had spent ₹ nine lakh on establishment and the remaining amount was not spent on the envisaged activities. The Commissioner stated (August 2010) that the vision and objectives of the Consortium had since been outlined and funds would be utilized shortly.

During the exit meeting, the department stated (August 2010) that these funds had been given to the outfit more as initial seed capital and necessary instructions were being issued to surrender the unutilized amounts by the end of the financial year.

### 3.1.7.3 Non-obtaining of accreditation by colleges and other institutions

To make quality a defining element of higher/technical education through external quality evaluation, UGC established the National Assessment and Accreditation Council (NAAC) and AICTE established the National Board of Accreditation (NBA). All institutions under the umbrella of the Commissioner/Director were required to obtain accreditation from NAAC/NBA in order to provide globally acceptable quality education.

<sup>9</sup> Corporation ₹ 2.50 crore in 2007-08 for capital expenditure and ₹ 26 crore in 2008-09 for recurring expenditure, and Consortium: ₹ 8.50 crore (2008-09) for infrastructure and ₹ 2.67 crore for recurring expenditure (2009-10).

<sup>10</sup> Corporation ₹1.13 crore on establishment and ₹2.47 crore on educational courses; Consortium ₹ Nine lakh on establishment.

<sup>11</sup> Corporation ₹ 24.90 crore , Consortium ₹11.08 crore.

**Average 60 per cent institutions in higher (554) and technical (176) education had not obtained accreditation from NAAC/NBA.**

Scrutiny of records revealed that out of 10 universities and 899 institutions in the higher education sector, only five universities and 345 institutions had obtained accreditation from NAAC as of May 2010. The balance five universities<sup>12</sup> and 554 institutions had not even applied for accreditation from NAAC. Similarly, out of 293 technical institutions, only 117 had obtained accreditation from NBA for three to five years and 43 institutions failed to renew the same after expiry. The balance 176 institutions had not approached NBA for getting accreditation. The main reasons for non-accreditation were non-creation of adequate infrastructure and non-deployment of staff as per the norms.

As per the target fixed by the Government, 25 courses of eligible Government technical institutions were to obtain accreditation from NBA during 2008-09. However, none of the technical institutions could get accreditation for want of required infrastructure and staff. Further, as per the regulations notified, approval of AICTE was required to be obtained for increasing intake capacity of existing courses as well as introducing new courses. During the academic year 2009-10, the Director increased intake capacity from 60 to 120 each in three<sup>13</sup> courses and also introduced four<sup>14</sup> new courses with intake capacity of 60 each at Government Engineering College, Rajkot. Scrutiny of records revealed that Principal had submitted (October 2008) a proposal for increasing the intake capacity as well as introduction of four new courses for which approval of AICTE was awaited (August 2010). The Director admitted (2009-10) students against the increased intake capacity as well as the new courses without approval of AICTE.

Thus, in the absence of adequate monitoring, the eligibility of the colleges for accreditation was not ensured and efforts to bridge the gap between available and required infrastructure were inadequate. The Director stated (August 2010) that accreditation was given for courses for NBA and out of 392 courses, 45 were accredited. It was further stated that all the institutes had been instructed to get accreditation for their respective courses. During the exit conference the department mentioned (August 2010) that the rate of accreditation in Gujarat was very high in terms of the number of educational institutions that had obtained accreditation from NAAC/NBA and that continuous efforts were on to encourage and expedite accreditation of balance educational institutions in the State.

#### **3.1.7.4 Training courses for teachers**

**Purpose of providing training to teaching staff remained unachieved.**

To impart training involving tele-teaching, project work and modern educational techniques, the department was required to develop infrastructure for the training. However, no such infrastructure existed under the Commissionerate and arrangements for imparting training to the teaching staff were made through the Sardar Patel Institute of Public Administration (SPIPA), a Government-run institution. The Commissioner assessed (March 2007) the requirement of

<sup>12</sup> KSKV Kachchh University, Baba Saheb Ambedkar University, Somnath Sanskrit University, Veer Narmad South Gujarat University, Surat and M.S. University, Vadodara.

<sup>13</sup> Computer Engineering, Electronics and Communication Engineering, Instrumentation and Control Engineering.

<sup>14</sup> Civil Engineering, Mechanical Engineering, Metallurgy Engineering, Automobile Engineering.

imparting training to 13,000 lecturers of colleges<sup>15</sup> for improving the quality of education and entrusted (March 2009) this work to SPIPA without defining any course module, curricula, techniques, experience profile of faculty, etc. The expenditure for imparting training for three days to 5000 lecturers in the first phase was estimated to be ₹75 lakh @ ₹500<sup>16</sup> per lecturer per day. The Commissioner placed (March 2009) funds of ₹65 lakh at the disposal of SPIPA as an advance for the purpose. The period during which the training was to be conducted by SPIPA was not on record. However, as against the target of 5000 lecturers to be trained, only 562 (11 *per cent*) lecturers of various colleges were nominated for training up to June 2009. No further training was organized by SPIPA after June 2009 as of June 2010. Details regarding the number of participants actually trained and adjustment of outstanding advances were neither demanded by the Commissioner nor provided by SPIPA. Based on funds of ₹75 lakh estimated for three days' training of 5000 trainees, the pro-rata expenditure for 562 trainees should have been ₹8.43 lakh, leaving an unspent balance with SPIPA to the tune of ₹56.57 lakh. During the exit meeting, the department stated (August 2010) that instructions had been issued to obtain accounts of the expenditure that had been incurred from the grants issued by the department.

Director, Technical Education was responsible for nominating teachers of various technical colleges under his control for training at the Regional Training Centre, Bhopal. Scrutiny of records revealed that during 2008-09, he nominated 18 teachers for three courses. The same teachers were nominated for three other courses, the training periods of which were overlapping with those of the first three courses. There was no feedback from the teachers/colleges regarding actual participation in training courses. Thus, due to the nomination of teachers for two courses being held at the same time, there was underutilisation of training infrastructure created by AICTE at the Training Centre, Bhopal. Further, as per the smart goal target fixed (2008-09) by the Government, training in technical subjects through IIT extension centre, Chandkheda was to be imparted to 2000 faculty members. However, the Director failed to conduct any training resulting in non-achievement of smart goal prescribed by the Government.

### ***3.1.7.5 Acute shortage of teaching staff***

As per UGC norms, the teacher/students ratio for non-technical courses should be 1:30 for undergraduate courses and 1:10 for post-graduate courses. It was however, observed that even after adopting the ratio of 1:30 for all the courses, the deployment of teachers was less in the non-technical courses as detailed in Table-2.

<sup>15</sup> including grant-in-aid and self financed colleges.

<sup>16</sup> Food charges, stationery and administrative charges.

**Table - 2: Details showing shortage of staff**

Year	Total number of students.	Number of teachers required as per UGC norm of 1:30	Teachers-in-position	Shortfall with reference to UGC norm of 1:30	Actual Teacher/ Student ratio
2005-06	5,21,000	17,367	8,102	9,265	1:64
2006-07	4,09,000	13,633	8,263	5,370	1:50
2007-08	4,78,000	15,933	9,082	6,851	1:53
2008-09	5,23,000	17,433	9,103	8,330	1:57

(Source: Socio Economic Review)

**Teacher/student ratio was as high as 1:57.**

Though the teacher/students ratio was as high as 1:57 in Government and grant-in-aid colleges, the Commissioner did not evolve any mechanism to bridge the gap through recruitment. Persistent shortages would have adverse implications on the quality of teaching. It was also observed that the ratio was on a decreasing trend as it was 1:50 for 2006-07 and had reduced to 1:57 in the year 2008-09. The Commissioner stated (August 2010) that efforts were on to recruit additional teaching staff.

### **3.1.7.6 Diversion of computers to grant-in-aid colleges**

In order to introduce courses in computer science viz. call centre management, management and marketing, C++, food processing, Internet technology, web technology etc., the Commissioner purchased (March 2007) 752 computers, seven laptops, 133 laser printers and other gadgets from Gujarat Informatics Ltd. at a cost of ₹2.81 crore for installation in Government colleges. Scrutiny of records revealed that contrary to the sanction order of the Government, the Commissioner allotted 300 computers along with 24 laser printers costing ₹74.36 lakh to 12<sup>17</sup> grant-in-aid colleges without obtaining approval from the Government though the beneficiary grant-in-aid colleges had not made any demands for the same. Thus, diversion of computers to the grant-in-aid colleges was made contrary to Government sanction.

### **3.1.8 System of providing support services**

For effective rendering of the function of imparting higher and technical education support services and facilities such as infrastructure, library facilities, IT infrastructure have to be provided. Deficiencies noticed in respect of the above as well as in students' welfare activities and inventory management are discussed in the following paragraphs.

#### **3.1.8.1 Infrastructure created for Digital English Language Laboratory (DELL) remained unutilized**

National Policy on Education emphasizes study of English to keep pace with the tremendous growth of knowledge in science and technology at the world level. Visualizing this modern time requirement, the department launched (March 2007) a Digital English Language Laboratory Project (DELL) to impart

<sup>17</sup> (1) H.K. Arts College, Ahmedabad, (2) Uma Arts & Nathiba Commerce College, Gandhinagar, (3) Umiya Arts and Commerce College for Girls, Ahmedabad, (4) A.K. Doshi Mahila College, Jamnagar, (5) S.D. Arts and B.R. Commerce College, Gandhinagar, (6) Idar Anjana Patidar H.K.M Arts & P.N. Patel Comm. College, Idar, (7) Smt. G.D. Jobaliya Roffel & Commerce College, Vapi, (8) K.N.S.B.L Arts & Commerce College, Mehsana, (9) V.P. Godhania Arts & Commerce College, Porbandar, (10) Kamani Arts College, Amreli (11) Arts & Commerce College, Vadnagar, Mehsana and (12) Shri R.P Arts & K.B. Commerce & B.C.J Science College, Khambhat.

qualitative education in English. The project aimed to effectively use information and communication technology by establishing state-of-art local area network (LAN) based DELLS in all Government/grant-in-aid colleges across the State to impart teaching in English to students on functional basis (method and curriculum). The DELLS were to organize three English teaching courses<sup>18</sup> for the students. Infrastructure for the DELLS including hardware, software and operative system, training to the trainers etc. was to be set up out of Government grants and recurring expenditure for the laboratories was to be borne by the respective colleges out of fees collected from the students

**Infrastructure of ₹18.12 crore created for Digital English Language Laboratory remained unutilized.**

The Commissioner assigned (April 2007) the work of implementation of the project to Dr. Babasaheb Ambedkar Open University (BAOU) and released funds of ₹12.69 crore between June 2007 and January 2009. In all, 217 DELLS were established between July 2007 and March 2009 and equipped with 25 personal computers linked with the Bhaskaracharya Institute of Space Application and Geo-informatics (BISAG), Gandhinagar, which was to provide telecast facilities. For creating infrastructure like network facilities, dust-proof atmosphere etc. at all the centres, an additional expenditure of ₹5.43 crore was also incurred (2008-09). Scrutiny of records of BAOU revealed that the infrastructure created remained grossly underutilised. Though it was intended to impart training to students for undertaking examinations at the Levels I to III, even after three years, no student had taken up Level II or Level III examinations. As against the capacity of the 217 centres created for imparting learning to 20832 students<sup>19</sup>, only 829 students appeared for the Level I examination in 19 centres during 2007-08 and 1201 appeared at 37 centres in 2009-10, indicating gross underutilization of capacity to the extent of about 94 per cent.

Thus, the infrastructure created at a cost of ₹18.12 crore failed to achieve the intended objective of imparting qualitative English education to the students.

The Commissioner stated (August 2010) that despite frequent suggestions and instructions, BAOU was not taking effective steps for the functioning and monitoring of DELLS. Hence, it was proposed to shift the entire responsibility to another organization viz. the Society for Creation of Opportunity through Professing in English (SCOPE) for which necessary approval process was under process.

### ***3.1.8.2 Non-computerisation of libraries leading to deprivation of e-learning facilities***

For computerisation of libraries in universities and colleges, the state-of-art library management software 'Software for Universities Libraries (SOUL)' was designed and developed by INFLIBNET based on the requirements of colleges, universities and other academic libraries. The first version of SOUL was released in the year 2000 and the latest version (SOUL 2.0) was released in January 2009. Out of 48 Government colleges in the Higher Education wing,

<sup>18</sup> Foundation course (Level-I) for SSC passed students (duration Three months), Certificate course (level-II) for HSC (duration Six months) and Diploma course (level -III) for graduates (duration One year).

<sup>19</sup> 217 centres x 4 batch annually x 24 students per batch =20832 students.

only two<sup>20</sup> Government colleges had purchased SOUL between January and June 2007 for ₹35000 and only one<sup>21</sup> had installed the same. The L.D. College of Engineering, Ahmedabad, nominated as nodal agency for centralized purchase, purchased (November 2008) SOUL at a cost of ₹6.60 lakh for computerisation of the libraries of 11 Government engineering colleges and 22 Government polytechnics. Despite purchase of software for all the technical colleges, the library management software remained unutilized in all the colleges. This was attributed to the posts of librarians being vacant in these colleges. Consequently, the students and faculty were deprived of the benefits of the state-of-art e-library facility.

The Commissioner, while admitting the facts, stated (August 2010), that the process to install the software in all the Government colleges had now been undertaken. However, there was no mention regarding the filling up the post of librarians.

**Computerisation of library was not done due to non-purchase and non-utilisation of SOUL.**

The Indian National Digital Library in Engineering Sciences and Technology (INDEST) was established in 2003 for e-learning by students in technical education. Ministry of Human Resource Development provides funds for access to electronic resources to core members through a consortium set up at the Indian Institute Technology, Delhi. The benefits of consortia-based subscription to electronic resources were extended to Government/ Government aided engineering colleges with financial support from AICTE.

Scrutiny of records revealed that only two<sup>22</sup> out of 35 colleges registered with INDEST were Government colleges. Thus, students enrolled with 41 Government technical colleges were deprived of e-learning resources provided free by the Central Government. Despite availability of funds, the project did not succeed due to non-availability of library staff in the engineering colleges and polytechnics and non-initiation of steps to computerize the libraries to ensure utilization of these facilities.

### **3.1.8.3 Utilization of EDUSAT facility**

**As against more than 10 lakh students registered with the university, only 2000 students/ academicians attended the centre during 2005-10.**

To utilize the latest satellite communication technology by using multimedia at the classroom end and to meet the growing demand for interactive satellite based distance education system through the audio-video medium, GOI launched (2004) EDUSAT. Through this, one subject expert could teach hundreds of students across a vast geographical area. The Consortium for Educational Communication (CEC), an Inter-university centre was the nodal agency. Gujarat University was selected (February 2005) by UGC/CEC for EDUSAT connectivity and utilization. Through CEC, UGC supplied a 'Satellite Interactive Terminal' in May 2005 as a one time assistance to the university. Scrutiny of records revealed that as against more than 10 lakh students registered with the university, only 2000 students/academicians attended the centre during 2005-10. The university attributed the poor response to the problem of interaction due to English language, lengthy sessions, unorganized schedule and unsuitable

<sup>20</sup> Dharmendrasinhji Arts College Rajkot, H&HB Kotak Science College, Rajkot.

<sup>21</sup> Dharmendrasinhji Arts College, Rajkot.

<sup>22</sup> Faculty of Technology and Engineering M S University, Vadodra, L D College of Engineering, Ahmedabad.

timings of the telecast. However, no action was initiated to resolve these problems, defeating the very purpose of launching EDUSAT and depriving the students of expert teaching available free of cost.

#### 3.1.8.4 Non-utilization of e-library resources

The Director, Technical Education provided computers to engineering colleges and polytechnics for starting electronic libraries for students. During scrutiny of records of L.D. Engineering College, it was found that out of 130 computers provided (March 2006 and July 2007) to the college for an e-library, 90 were transferred to other departments. Only five computers of the e-library had the link to e-subscriptions. During audit, these were also found to be out of use, as students had changed passwords, which resulted in non-utilization of these computers. Similarly, 20 computers provided (2005-06) to the Government Girls Polytechnic were also transferred to other departments due to lack of space in the library. The Principal, L.D. Engineering College replied (August 2010) that these computers had been shifted for use by students during practicals. The reply is not acceptable as these computers were meant for starting the e-library and transfer of these resulted in non-commencement of e-library facilities for the students.

#### 3.1.8.5 Telecasting of the educational lectures

The Bhaskaracharya Institute of Space Application and Geo-informatics (BISAG), Gandhinagar was the nodal agency in the State to promote the use of satellite communication (SATCOM) network for distant interactive training and education and to facilitate the use of spatial and geo-technologies for planning and developmental activities in the fields of agriculture, land and water resources management, disaster management, infrastructure and education etc. As per norms fixed (August 2004) by the Director of Technical Education, five programmes of one hour's duration each were to be telecast in a week. The position of programmes required to be telecast *vis-a-vis* the actual telecasts during 2005-10 was as given in Table-3.

**Table-3: Table showing details of programme telecast**

Year	Number of programmes to be telecast	Number of programmes actually telecast	Shortfall/ (per cent)
2005-06	260	05	255 (98)
2006-07	260	30	230 (88)
2007-08	260	46	214 (82)
2008-09	260	45	215 (83)
2009-10	260	29	231 (89)
Total	1300	155	

(Source: Targets fixed by the Director and details furnished by BISAG)

**The shortfall in programmes ranged between 82 and 98 per cent during 2005-10 in degree colleges and 100 per cent in polytechnics.**

To educate students through the SATCOM network in all Government engineering colleges and polytechnics, infrastructural facilities such as LCD projectors and SATCOM network were created by BISAG in 2001. Scrutiny of records revealed that while 155 lectures were delivered through SATCOM for Government engineering college students, no lectures were delivered for polytechnic students during 2005-10. The shortfall in programmes ranged between 82 and 98 per cent during 2005-10 in degree colleges and 100 per

cent in polytechnics. Thus, the infrastructure created remained under-utilized, depriving Government diploma students from the intended benefits of distance learning. During the exit meeting, the department stated (August 2010) that instructions had been issued to the Director of Technical Education for ensuring prompt and proper utilization of the infrastructure that has been created, on the lines on which, the Commissioner of Higher Education had taken action for utilization.

### **3.1.8.6 Non-disbursement/delays in payment of scholarship**

For enabling students belonging to SC/ST and Developing Castes, to complete post-matric education, GOI launched (April 2003) a scheme of granting scholarships. The amount of scholarship payable ranged from ₹235 to ₹740 per month to students living in hostels and ₹140 to ₹330 per month to day students, according to the type of course undertaken. The scholarship was to be distributed to the beneficiaries within 10 days of receipt of funds by the colleges. Records of eight<sup>23</sup> colleges test-checked revealed that payment of scholarships amounting to of ₹1.47 crore was made with delays ranging from seven to 341 days. The Principals, while attributing (March-April 2010) the delay in disbursement of scholarships to students coming late for collection of cheques agreed to avoid delays in future. Delay in payment of assistance would have led to temporary financial burden for needy students defeating the very purpose of extending the assistance.

**Payment of scholarships to students was made with delays ranging from seven to 341 days.**

The Commissioner stated (August 2010) that the Principals had been instructed to speed up the process. Further, during the exit meeting, the department stated (August 2010) that the modalities of disbursement of scholarships would be examined to ensure prompt payment of scholarships to the students.

Scrutiny of records at the Government Girls Polytechnic, Ahmedabad revealed that a scholarship amount of ₹ 3 lakh pertaining to 151 students for the period 2005-08 remained undisbursed. Undisbursed scholarships of ₹1.07 lakh pertaining to the period before 2005-06 was kept in cash by the Principal, Government Polytechnic, Ahmedabad. No reason was provided by the principals of these institutes for non-disbursement of scholarships. Non-disbursement of scholarships deprived the poor students of the financial aid provided to them by the Government.

### **3.1.9 Internal control**

Internal control is an integral component of an organization's management process and is established in order to provide reasonable assurance that the operations of the organization are carried out effectively and efficiently, Scrutiny of records revealed deficiencies such as delay in submission of expenditure

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<sup>23</sup> Government Commerce College, Gandhinagar (₹3.08 lakh); Bahauddin Science College, Junagadh (₹8.83 lakh); M. N. College, Visnagar (₹50.92 lakh); M. P. Shah Arts and Science College, Surendranagar (₹20.38 lakh); Government Arts and Commerce College, Netrang (₹18.17 lakh); Government Law College, Maninagar (₹1.65 lakh); R. R. Lalan College, Bhuj (₹6.16 lakh) and Bahauddin Arts College, Junagadh, (₹37.72 lakh).

statements, improper maintenance of cash book, delay in credit of receipt to Government account, delay in finalization of retirement benefits, non-settlement of final payment of General Provident Fund, etc. While accepting the audit observations, the department stated (August 2010) in the exit meeting, that a two-fold mechanism was being established for better monitoring of all the three categories of higher education institutions in the State viz. Government, grant-in-aid and self-financed colleges. As a first step, a post of Director (Monitoring) was being established with a view to ensure better monitoring over all higher education institutions in the State. As a second step, the mechanism of academic and administrative audit was being instituted by the department for obtaining effective control over educational institutions in the State.

### **3.1.9.1 Control mechanism for monitoring expenditure**

Para 3.3 of the Gujarat Budget Manual provided that HODs should submit Budget Estimates (BEs) for the subsequent year by 30 September to the administrative departments. Scrutiny of records of the Commissioner revealed that no control register was maintained to monitor adherence to the due dates. The BEs of various schemes for 2007-08 to 2009-10 were submitted by the Commissioner with delays ranging between 20 and 95 days, and by the Director with delays ranging from 13 to 116 days. Delay in submission of BEs had direct bearing in release of funds as was evident from the huge savings as well as the diversion of grants for other purposes, resulting in non-implementation of envisaged programmes

**Submission of monthly expenditure statements were delayed from five to 137 days.**

The Commissioner/Director was responsible for watching the progress of expenditure incurred by disbursing officers through monthly expenditure statements. The Gujarat Budget Manual stipulated submission of statement of progress of expenditure by the 10<sup>th</sup> of the following month by the disbursing officers. Scrutiny revealed that submission of expenditure statements by the Principals of the test-checked colleges<sup>24</sup> was delayed for periods ranging from five to 137 days during 2005-10. This indicated failure in monitoring of the expenditure by the Commissioner/ Director and laxity in control. Agreeing with the audit observation, the Commissioner /Director stated that dates would be adhered to in future. The Commissioner stated (August 2010) that to introduce control mechanism effectively, new initiatives had been taken by appointing one Director, one statistical officer and one IT expert that would take care of monitoring aspects.

### **3.1.9.2 Improper maintenance of Cash Books**

Rule 28 of the Gujarat Treasury Rules, 2000 provides that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the Head of Office in token of having been verified. The Head of the Office should verify the totals of the Cash Book or get them verified by some responsible subordinate officer other than the writer of the Cash Book

<sup>24</sup> Government Commerce College, Gandhinagar (Five to 79 days ), Bahauddin Science College, Junagadh (Five to 39 days) Bahauddin Arts College, Junagadh, (Five to 29 days), M.N. College, Visnagar (Five to 67 days), Government Law College, Ahmedabad (12 to 111 days), Government Arts and Commerce College, Netrang (Five to 67 days) and R.R. Lalan College, Bhuj (Six to 137 days).

and certify them accordingly. Rule 28 (VI) *ibid* further provides that there should be no overwriting in the Cash Book and in case of any corrections, the entries should be attested by the competent authority. Scrutiny of Cash Books maintained in various offices revealed the following omissions:

- No periodical surprise checks were conducted during 2005-2010 by the competent authority in six<sup>25</sup> out of 23 test-checked colleges.
- Corrections made in the Cash Books were not attested during 2005-2010 by the competent authorities in nine<sup>26</sup> out of 23 test-checked colleges.
- Fifteen<sup>27</sup> Drawing and Disbursing Officers did not certify the cash balances appearing at the end of the month for the period from April 2005 to October 2009.

When pointed out, the principals agreed to observe the codal provisions in future. The Commissioner stated (August 2010) that instructions had been passed on to colleges to follow the codal provisions scrupulously.

### ***3.1.9.3 Delay in credit of receipts to Government account***

Rule 25 of the Gujarat Treasury Rules provides that all moneys received by or tendered to the Government should be paid in full within the next two working days into the Government account. A scrutiny of records revealed that cash amounting to ₹1.53 crore received by colleges / the Director<sup>28</sup> were remitted into the Government account with the State Bank of India with delays ranging from eight to 405 days. The non-remittance of Government moneys within the stipulated time indicated inadequate financial control. The principal of the Commerce College Gandhinagar admitted negligence by the staff.

The Commissioner, while accepting the delay stated (August 2010) that instructions had been passed on to colleges to follow the codal provisions scrupulously. Further, during the exit meeting, it was stated (August 2010) that show cause notices would be issued for delays in crediting of Government dues and remittance to the Government account.

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<sup>25</sup> (1) Government Commerce College, Gandhinagar, (2) M.N. College, Visnagar, (3) Bahauddin Arts College, Junagadh, (4) Government Engineering College, Bhavnagar, (5) Government Engineering College, Surat and (6) Government Girls Polytechnic, Surat.

<sup>26</sup> (1) Commissioner Higher Education, (2) M.P.Shah Arts and Science College, Surendranagar, (3) Bahauddin Arts College, Junagadh, (4) Government Engineering College, Bhavnagar, (5) Government Science College, Chikhali, (6) Government Science College, Gandhinagar, (7) Government Engineering College, Modasa, (8) Government Engineering College, Surat and (9) Government Polytechnic, Gandhinagar.

<sup>27</sup> (1) Commissioner Higher Education, (2) M.P.Shah Arts and Science College, Surendranagar, (3) Bahauddin Arts College, Junagadh, (4) Govt. Commerce College Gandhinagar, (5) M. N. College Visnagar, (6) Bahauddin Arts College, Junagadh, (7) S. S. Engineering College, Bhavnagar, (8) Government Engineering College, Bhavnagar, (9) Government Science College, Chikhali, (10) Government Science College, Gandhinagar, (11) Government Engineering College, Rajkot, (12) Government Engineering College, Modasa, (13) Government Engineering College, Surat, (14) Government Polytechnic, Rajkot and (15) Government Polytechnic, Gandhinagar.

<sup>28</sup> Government Commerce College, Gandhinagar - ₹9.70 lakh delay between nine and 168 days; LD Engineering College, Ahmedabad - ₹1.25 crore between eight and 77 days; SS Engineering College, Bhavnagar - ₹18.64 lakh between 75 and 219 days, Directorate office between eight and 22 days and Government Science College, Chikhli - ₹0.08 lakh between 42 and 405 days.

### 3.1.9.4 Non-formation of Expert Committee

In terms of the general conditions of AICTE, Director was required to carry out random inspections round the year for verifying the status of the institutions to ensure maintenance of norms and standards through an Expert Committee constituted for the purpose and also to conduct inspections with or without notifying the dates to verify specific complaints of misappropriation, violation of norms and standards, mal-practices, etc. Scrutiny of records revealed that no such Expert Committee was constituted by the Director and no inspection was conducted to verify complaints.

### 3.1.9.5 Delay in finalization of retirement benefits

**There were delays of one to 162 months in finalization of pension cases.**

Rule 128 of the Gujarat Civil Services (Pension) Rules, 2002 prescribes a time schedule<sup>29</sup> for payment of pension and death-cum-retirement gratuity. Scrutiny of control registers maintained by the Commissioner in respect of eight<sup>30</sup> districts covering 943 pension cases during 2005-10, revealed delays in 507 cases ranging from one to 123 months<sup>31</sup> at various stages from preparation of papers to finalization of cases. Similar delays of one month to 162 months<sup>32</sup> were noticed in the finalization of 25 cases. The Commissioner/Director attributed (May 2010) the delays to receipt of incomplete pension papers from the Principals of the colleges. This is not acceptable as the Government had already prescribed a time schedule for completion of the pension papers. Abnormal delays in finalization of pension and gratuity cases would lead to unwarranted financial hardship to pensioners and bereaved families of deceased employees.

Persistent delays were indicative of deficiencies in the system and fraught with the risk of avoidable payment of interest consequent as per the orders of the court.

### 3.1.9.6 Non-settlement of final payment of General Provident Fund

**Final payment of GPF in respect of 204 employees remained unsettled for seven years.**

As per Government instructions (August 1988) read with the General Provident Fund Rules, the amount standing at the credit of an employee immediately before his quitting service on account of retirement or other reasons was payable within three months from the date of retirement or the date of quitting service. Final payments to the employees of grant-in-aid colleges were subject to audit by the Local Fund Examiner. The records of the Commissioner maintaining General Provident Fund (GPF) accounts of the employees of grant-in-aid colleges revealed that relevant accounting records *viz.* broadsheet, ledger, cash book, etc. for the period 1999-2002 were misplaced. Consequently, the audit of GPF records was not conducted by Local Fund Examiner. As a result, final payment of GPF in respect of 204 employees who had retired between

<sup>29</sup> Principal: within 24 months of retirement, Commissioner/Director: within 12 months of retirement and Director of Pension and Provident Funds: within six months of actual date of retirement. In death case, papers were required to be completed within two months from the dates of death.

<sup>30</sup> Ahmedabad, Gandhinagar, Kachchh, Mehsana, Patan, Sabarkantha, Surendranagar and Vadodara.

<sup>31</sup> Upto 33 months - 496 cases, 33 to 60 months - seven cases and 60 to 123 months - four cases.

<sup>32</sup> Upto 28 months - 19 cases, 28 to 60 months - two cases, 60 to 120 months - one case and 120 to 162 months - three cases.

June 2003 and June 2009 remained unsettled as of March 2010. The Commissioner stated (August 2010) that payment of the balance 10 *per cent* would be released after verification by Local Fund Examiner, which was in progress.

### ***3.1.9.7 Non-credit of interest in Personal Ledger Accounts of GPF of the employees of grant-in -aid technical institutions***

GPF accounts of employees of grant-in-aid technical institutions were maintained by the Director. The Government was required to release grant equal to the interest accrued on the balances in individual ledger accounts of employees at the end of the financial year, which were creditable to Personal Ledger Accounts (PLA) operated for the purpose by drawing 'nil' bills. Scrutiny of the records revealed that interest of ₹4.37 crore was short-credited to PLA till March 2010 as on two occasions the Director failed to draw 'nil' bills on release of interest grants of ₹2.93 crore<sup>33</sup> by Government and on four occasions, the Government did not release the full amount of interest due. Further, interest grant of ₹1.50 crore released (2008-09) by the Government was adjusted against shortfalls for the years 2002-03 and 2007-08 although the total shortfall of ₹2.85 crore<sup>34</sup> for the previous years 1999-2000 to 2002-03 was still to be made good. The Director stated (May 2010) that the matter would be pursued with the Government.

### ***3.1.9.8 Non-submission of Accounts***

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) (DPC) Act, 1971, the Government/ Head of the Department is required to furnish to Audit every year, detailed information about the financial assistance provided to various institutions, the purpose for which assistance is provided and the total expenditure of the institutions.

Annual accounts of seven<sup>35</sup> universities which were due for periods ranging from three years to 15 years were not received as of August 2010 by the Accountant General (Civil Audit). Non-preparation of financial statements and their consequent rendering to Audit in a timely manner reflected adversely on the system of financial management including monitoring.

### ***3.1.9.9 Maintenance of stock registers***

Rule 95 of the Bombay Contingent Expenditure Rules, 1958 inherited by the Gujarat State on its formation (May 1960) provides that a register should be maintained in Form-8 (prescribed under the rules) for recording purchase of furniture, fixtures and other dead stock articles. Rule 98 *ibid* further provides that the head of office would be responsible for verification of ground stock of the articles annually with reference to the register and would record a certificate to that effect.

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<sup>33</sup> 2002-03 ₹ 70 lakh, 2003-04 ₹ 223 lakh.

<sup>34</sup> 1999-2000-₹.18,33,682, 2000-2001-₹.57,16,471, 2001-02 -₹.1,10,62,705, 2002-03-₹.99,71,248.

<sup>35</sup> (1) BAOU (since its establishment in 1994), (2) Gujarat University (since 1999-2000), (3) Hemchandra University (since 2002-03), (4) KSKV Kachchh University, Bhuj (since its establishment in 2004), (5) Somnath Sanskrit University (since its establishment in 2005), (6) Veer Narmad South Gujarat University Surat (since 2006-07), and (7) Bhavnagar university Bhavnagar (since 2007-08).

The following omissions in the maintenance of dead stock registers were noticed:

- The registers were not maintained with due care. The authority for purchases, the dates of purchases and value of items purchased were not recorded in the registers of five<sup>36</sup> out of 12 colleges test checked.
- Annual physical verification of the articles was not carried out in seven<sup>37</sup> colleges.
- Physical verification of library books was not carried out for more than five years in eight<sup>38</sup> colleges. Due to non-conducting of the physical verification, the possibility of loss/theft of valuable books could not be ruled out.

When pointed out in audit, the Principals stated (May 2010) that due to shortage of staff, the registers had remained incomplete.

The Commissioner stated (August 2010) that instructions had been passed on to colleges to follow the codal provisions scrupulously and physical verification of libraries would be conducted in future.

### **3.1.9.10 Internal Audit wing**

**No Internal Audit wing was operational in Directorate.**

There was no Internal Audit wing under the Director of Technical Education to conduct internal audit of Government as well as grant-in-aid colleges under his control. In the absence of internal audit, compliance with the rules and procedures by the various colleges could not be ensured.

The Commissioner, Higher Education had one Internal Audit Section under the control of an Accounts Officer-Grade I assisted by three Head Clerks and one Senior Clerk (against three required). The Internal Audit section was required to conduct the audit of 48 Government Colleges and 356 grant-in-aid colleges. As against the sanctioned strength of three parties, two parties comprising three members each were in operation during the period 2005-10. Reasons for non-operation of one party were not furnished by the Commissioner.

### **3.1.9.11 Arrears in audit**

**1424 accounts of 356 GIA colleges remained unaudited.**

Neither the Government nor the Commissioner/Director had fixed norms for periodicity of conducting audit. Audit of 30<sup>39</sup> Government colleges for the period from 2002-03 to 2008-09 was completed (November 2009) with the

<sup>36</sup> (1) Government Commerce College, Gandhinagar, (2) M.P.Shah Arts and Science College, Surendranagar, (3) Government Law College, Ahmedabad, (4) R.R.Lalan College, Bhuj and (5) Government Arts and Commerce College, Naswadi.

<sup>37</sup> (1) Government Commerce College, Gandhinagar, (2) Government Polytechnic, Jamnagar, (3) Government Arts and Commerce College, Naswadi, (4) Government Science College, Gandhinagar, (5) Government Engineering College, Rajkot, (6) Government Engineering College, Surat and (7) Government Polytechnic College, Rajkot.

<sup>38</sup> (1) M.P.Shah Arts and Science College, Surendranagar, (2) Government Law College, Ahmedabad, (3) Bahaud-din Arts College, Junagadh, (4) Government Polytechnic, Jamnagar, (5) Government Arts and Commerce College, Naswadi, (6) L.D. Engineering College, Ahmedabad, (7) Government Engineering College, Rajkot and (8) Government Polytechnic College, Rajkot.

<sup>39</sup> Audit of 18 Government colleges was in arrears as no audit was done since inception.

help of teaching staff in colleges not familiar with audit rules and regulations. Each grant-in-aid college was to render accounts on annual basis, but audit of 1424 accounts of 356 grant-in-aid colleges was in arrears from 2005-06 to 2008-09 as of March 2010. Due to delays in completion of audit, the effectiveness of audit was lost.

#### ***3.1.9.12 Delay in issue of Inspection Reports***

No specific time limit was fixed for issue of Inspection Reports (IRs) on completion of audit. IRs in respect of 30 Government colleges inspected upto November 2009 were not issued as of March 2010. Delays of more than one month in issue of all IRs was also noticed in respect of 356 grant-in-aid colleges, audit of which was conducted during the period 2002-2005. IRs had not been issued in respect of six grant-in-aid colleges, audit of which for the period 2000-2005 was completed in September 2008. Such delays in issue of IRs would diminish the effectiveness of internal audit, since action on the deficiencies pointed out would be correspondingly delayed.

#### ***3.1.10 Conclusion***

Delays in implementation of projects resulted in cost overrun as well as loss of Central assistance. A Teachers' Training University was not established despite availability of funds. The teacher/student ratio was as high as 1:57 in higher education as against 1:30 and 1:10 prescribed for undergraduate and post-graduate courses respectively. Computers purchased for Government colleges were diverted to grant-in-aid colleges without Government approval. Infrastructure created for Digital English Language Laboratories at a cost of ₹18.12 crore remained unutilized. Facilities created for e-learning and infrastructure for telecasting of educational lectures were underutilized. There were delays in disbursement of scholarships. Deficiencies were noticed in the internal control mechanism leading to inadequate monitoring of expenditure, improper maintenance of Cash Books and delayed credit of receipts to Government accounts. Delays in finalisation of retirement benefits and non-settlement of provident fund amounts were also noticed. Seven out of 10 universities had not submitted their accounts for periods ranging from three to 15 years.

#### ***3.1.11 Recommendations***

- Detailed planning before sanction and drawal of funds for any scheme must be ensured for effective utilization of funds and avoiding lapse of grants.
- Prompt steps should be taken up for effective utilisation of infrastructure created for e-learning/distance learning.
- Infrastructure created for teaching of English language through DELL should be optimally utilised.

- Training courses for teachers' education should be developed after defining modules, curricula and techniques to be used and profile of the faculty.
- In order to ensure an adequate and effective internal control mechanism, expeditious steps should be taken by the department to monitor financial management and other activities of the higher and technical education institutions in the State.

**Rajkot  
The**

**(DHIREN MATHUR)  
Accountant General (Civil Audit) Gujarat**

**Countersigned**

**New Delhi  
The**

**(VINOD RAI)  
Comptroller and Auditor General of India**

