

# Overview

## Introduction

This report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of the transactions of nine Scientific and Environmental Ministries/Departments of the Government of India. The report contains six chapters. Chapter I, in addition to explaining the objective of preparing this report, defines audit scope and methodology and also provides a synopsis of significant audit findings and observations. Chapters II to VI present detailed findings/observations arising out of the compliance audit of Scientific and Environmental Ministries/Departments and the research centres, institutes and autonomous bodies under them.

Important areas of concern highlighted in the current report fall under the following broad categories:

- **Inefficient project management;**
- **Weaknesses in procurement and contract management;**
- **Financial benefits extended to employees without requisite approvals; and**
- **Deficient internal controls**

An overview of the specific audit findings included in this report is given below:

## Inefficient project management

### Inordinate delay in realisation of SRE-2 mission

The launch of Space Capsule Recovery Experiment - 2 mission of Department of Space, originally scheduled for August 2008 was delayed for more than five years. This resulted in wasteful expenditure of ₹52 lakh due to expiry of parachutes and floats procured for the mission and non-achievement of objectives of the mission as of March 2014 in spite of incurring expenditure of ₹30.66 crore on the mission.

*(Paragraph 4.1)*

### **National Data Buoy Project**

National Institute of Ocean Technology achieved limited success in achieving the objective of indigenising technology for production and deployment of buoys in the ocean even after 12 years of implementation. Low cost meteorological buoys developed indigenously to supplement the buoy project were not being used for intended purpose. Attempts to establish communication through Indian satellite remained at the trial stage as of July 2014. A dedicated vessel procured for deployment of data buoys was barely used for intended purpose.

*(Paragraph 5.1)*

### **Activities of Zoological Survey of India in exploration, identification and monitoring of faunal diversity**

Ministry of Environment and Forests redefined the mandate of Zoological Survey of India (ZSI) to align it with the objectives of the international Convention of Biological Diversity (CBD) to which India is a signatory; and also prepared a comprehensive strategic plan covering the period from 1993 to 2020 for exploration, survey, inventorisation and monitoring of the faunal diversity of the country. As of March 2014, ZSI was lagging behind its targets for fulfilling the country's commitments under CBD in all the planned activities.

Exploration, survey and inventorisation of faunal diversity in the selected states, ecosystems and protected areas were not completed on schedule. There was no standard methodology for carrying out surveys and no system for oversight and assessment of the survey work carried out. Area and species wise monitoring of the faunal species had not commenced and no action plan in this regard had been prepared.

The working strength of Taxonomists was far below its sanctioned number. Scarcity of Taxonomists affected the taxonomic studies as only 34 *per cent* of the species collected were taxonomically identified. Even though Taxonomy was recognised as a highly specialised discipline, ZSI failed to depute its newly recruited scientists for training.

The review of threatened and endemic species was very limited. Of the 10 species targeted for review, status surveys were not initiated for seven species.

*(Paragraph 6.1)*

### **Inordinate delay in setting up of National Botanic Garden**

Ministry of Environment and Forests failed to enter into a Memorandum of Understanding with NOIDA authority for development of National Botanic Garden on land allotted to it by the latter. Consequently, after incurring expenditure of ₹11.54 crore on development of the National Botanic Garden, status of ownership of the land remained unresolved even after 17 years and the envisaged objective of National Botanic Garden remained unachieved as of March 2014.

*(Paragraph 6.2)*

### **Non-establishment of model facilities for management of Municipal Solid Wastes**

Model facilities for disposal of solid wastes in 10 States selected under a scheme implemented by Central Pollution Control Board (CPCB) were not set up even after 10 years of initiation of the projects and after incurring expenditure of ₹24.80 crore. There was inadequate monitoring of projects by CPCB and State Pollution Control Boards leading to incomplete work, foreclosure of projects, wasteful expenditure, idling of facilities created and unspent balances remaining idle under the projects. As a result, primary objective of assisting the States and urban local bodies to follow provisions of Municipal Solid Wastes Rules of the Ministry of Environment and Forests remained unachieved.

*(Paragraph 6.4)*

## **Weaknesses in procurement and contract management**

### **Non-utilisation of equipment**

Directorate of Purchase and Stores, Mumbai did not take effective action to repair equipment that was damaged in transit, which resulted in blocking of funds of ₹5.56 crore spent on its procurement.

*(Paragraph 2.1)*

### **Non-installation of equipment**

Indian Association for the Cultivation of Science, Kolkata failed to identify site in time for installation of equipment, delayed preparation of site and also failed to ensure proper storage of the equipment in the interim period. As a result, equipment procured at a cost of ₹3.40 crore remained uninstalled for more than five years and suffered damage due to improper storage which was repaired at an additional cost of ₹21.17 lakh.

*(Paragraph 3.2)*

### **Avoidable expenditure due to improper contract management**

ISRO Satellite Centre, Bengaluru included price escalation clauses in two fabrication contracts entered with Hindustan Aeronautics Limited, without specifying definite time periods for completing the fabrication works. Further, after three years from the date of signing the contracts, it amended the contracts by increasing the fixed ceiling of man hours without changing the scope of work. The improper contract management resulted in avoidable expenditure of ₹4.35 crore.

*(Paragraph 4.3)*

### **Infructuous expenditure on procurement of components**

ISRO Satellite Centre, Bengaluru failed to properly assess requirement of solid state switches for use in a project. The switches were eventually not used in the project, thereby resulting in infructuous expenditure of ₹1.47 crore incurred on their procurement.

*(Paragraph 4.4)*

## **Financial benefits extended to employees without requisite approvals**

### **Irregular payment of gratuity**

Ministry of Earth Sciences irregularly permitted its autonomous bodies to change the service conditions of their regular employees from those envisaged under the provisions of CCS Pension Rules, 1972 to The Payment of Gratuity Act, 1972. Based on this permission, National Institute of Ocean Technology, Chennai paid gratuity of ₹68.88 lakh to 54 regular employees who had resigned from service, with retrospective effect.

*(Paragraph 5.2)*

## **Deficient internal controls**

### **Fraudulent payment of legal fees**

Indian Association for the Cultivation of Science and Bose Institute paid legal fees of ₹83.55 lakh to an advocate without verifying actual attendance in court. Out of this, payment of ₹54.93 lakh was found to be fraudulent.

*(Paragraph 3.1)*

**Loss in allocation of satellite capacity**

Indian Space Research Organisation, Department of Space provided communication satellite capacity free of cost to the Government of Andhra Pradesh in violation of the decision of the Government of India to charge all users of satellite services, resulting in loss of revenue to the tune of ₹19.16 crore.

*(Paragraph 4.2)*

**Wasteful expenditure on hiring of office accommodation**

Ministry of Environment and Forests failed to utilise 13 out of 17 rooms in hired premises for nearly 29 months, thereby rendering expenditure of ₹91.12 lakh incurred on renovation and rent largely wasteful, besides incurring a liability of ₹4.43 crore towards outstanding dues of rent and interest.

*(Paragraph 6.3)*

