

**THE DIRECTOR GENERAL OF AUDIT
CENTRAL EXPENDITURE, NEW DELHI-110002**

Inspection Report on the Transaction Audit and Grants-in-aid released by the Ministry of Social Justice and Empowerment for the year 2011-12

Part – I (A)

(I) Introductory

The audit of the accounts of the Ministry of Social Justice & Empowerment, Shastri Bhawan, New Delhi for the year 2011-12 was conducted by a local audit party comprising Shri M. P. Joshi, Sr. Audit Officer, Shri Manish Bhatia, Assistant Audit Officer (02.04.2012 to 07.05.2012), Shri Naveen Kumar Singh, Assistant Audit Officer (from 08.05.2012 to 13.06.2012) and Smt Rubi Kumari, Senior Auditor of the Office of the Director General of Audit, Central Expenditure, New Delhi from 02.04.2012 to 13.06.2012. The last transaction audit and Grants-in-aid audit of the Ministry was conducted from 05.04.2011 to 01.07.2011 (60 working days).

(II) Mandate and Activities of the Ministry

The Ministry of Social Justice & Empowerment (Ministry) is responsible for policies and programmes for the empowerment/welfare of the disadvantaged and marginalized sections of the society such as

- Scheduled Castes (SCs) and Other Backward Classes (OBCs)
- Persons with Disabilities (PWDs),
- Senior Citizens, and
- Victims of Substance (alcohol and drug abuse)

The Ministry carries out the above mandate through:-

- Educational, economic and social development and empowerment of SCs, OBCs and PWDs, and
- Provision of necessary support and services for senior citizens and victims of substance abuse

Activities of the Ministry

Welfare Schemes for development of persons belonging to socially disadvantaged groups such as Scheduled Castes, Other Backward Classes, Persons with Disabilities (PwD), Senior Citizens and Victims of Substance Abuse are implemented through State Governments/UT Administrations, Autonomous Bodies, Institutes and Voluntary Organizations. Educational development of SCs, OBCs, and PwDs is achieved through schemes of providing scholarships, hostels, coaching and fellowship to students of these target groups. Similarly, four National Finance and Development Corporations of the Ministry meant for SCs, Safai Karamcharis, OBCs and PwDs, respectively, provide concessional credit for various income-generating activities towards economic self-reliance. The Ministry releases grants-in-aid to these implementing agencies in order to implement various schemes in operation.

Implementation of these schemes is being done through the four major divisions/bureau in the Ministry viz. Scheduled Caste Development Bureau, Backward Classes Division, Social Defence Division and Disability Divisions. Each Division is headed by a Joint Secretary.

(III) Officers holding the charge of different posts:

The following officers/officials have held charges of the respective posts indicated below for the period 2010-11:

S No.	Post held	Name and Designation
1	Head of the Department	Shri R.S.Meena, Director (Admin)
2	Head of office	Shri Uttam Prakash, Under Secretary
3	Drawing and Disbursing Officer	Shri S.K.Sharma, Section Officer
4	Cashier	Shri M. S. Hameed, Assistant

(IV) Funding Pattern

The Ministry of Social Justice & Empowerment, New Delhi releases funds as grant-in-aid to different organizations / states under different schemes and its secretariat under Detailed Demand for Grant, Demand No-89 under Plan and Non Plan. The Budget Provision and Actual Expenditure during last three years are given below:

Secretariat

(Rs in lakh)

Year/Head	Budget Provision (Year-wise and Head-wise)		Actual Expenditure (Year-wise and Head-wise)	
	Plan	Non-Plan	Plan	Non-Plan
2009-10	100.00	1984.00	93.00	2020.26
2010-11	100.00	2125.00	90.32	2080.44
2011-12	100.00	2298.00	101.00	2285.04
Total	300.00	6407.00	284.32	6385.74

Grant-in-Aid

(Rs in crore)

Year/Head	Budget Provision (Year-wise and Head-wise)		Actual Expenditure (Year-wise and Head-wise)	
	Plan	Non-Plan	Plan	Non-Plan
2009-10	2360.00	46.71	2315.89	43.94
2010-11	4268.00	39.75	3939.54	38.65
2011-12	5120.00	39.85	4709.38	46.51
Total	11748.00	126.31	10964.81	129.10

(V) Internal audit

The last internal audit of the Ministry was conducted in July 2002 for the year April 1999 to March 2002 by the Office of the Chief Controller of Accounts, Ministry of Human Resource Development.

Part – I (B)

Status of old outstanding objections

At the commencement of current audit 8 Inspection Reports with 39 paragraphs of DDO audit and 10 Inspection Reports with 68 paragraphs of Grant-in-Aid audit were pending for settlement.

It was noticed that the Ministry has not replied to audit objections since long. Keeping in view the huge pendency, several requests were made for settlement of old observations and finally the matter was brought to the notice of the Joint Secretary, Ministry of Social Justice & Empowerment. No replies of the outstanding paragraphs were received. Hence all the paragraphs pertaining to Transaction audit and grant-in-aid audit were remained outstanding.

(I) Result of review of old outstanding objections (DDO)

At the commencement of the current audit, 8 Inspection Reports with 39 paragraphs were pending for settlement. During audit, one para has been taken afresh. Thus, at the close of audit 8 Inspection Reports with 38 paragraphs remained pending for settlement. The details of paragraphs settled and outstanding are mentioned below:

List of paragraphs settled (DDO)

S. No.	Year of IR	Para No.	Particulars	Remarks
1	2010-11	19	Non adjustment of advances amounting to Rs.26.88 lakh	Taken afresh

List of paragraphs outstanding (DDO)

S. No.	Year of IR	Para No.	Particulars	Remarks
1	1999-02	9	Irregular purchase of photocopier amounting to Rs. 9.52 lakh	Reply not furnished
2	1999-02	10	Irregular expenditure of Rs. 7.29 lakh	Reply not furnished
3	1999-02	11	10 line UPS if 500 VA worth Rs. 54410 not received by the Ministry	Reply not furnished
4	2002-04	1	Irregular payment for repairing work	Reply not furnished
5	2002-04	4	Excessive expenditure on furnishing of MoS residential office	Reply not furnished
6	2004-06	2	Excess consumption of 469 litres of petrol	Reply not furnished
7	2004-06	4	Excess payment of Rs. 74110 made due to non-payment of speed post bills due date	Reply not furnished
8	2004-06	5	Recovery of Rs. 9415 on a/c of excess telephone calls	Reply not furnished
		5.1	Delay in payment of telephone bills led to surcharge of Rs. 3950	
9	2004-06	9	Mortgage bond and flats not insured against HBA advance	Reply not furnished
10	2004-06	10	Irregular conveyance bills	Reply not furnished
11	2004-06	11	Non-production of records	Reply not furnished
12	2006-07	1	Delegation of financial powers	Reply not furnished
13	2006-07	2	Non-adjustment of advances	Reply not furnished

S. No.	Year of IR	Para No.	Particulars	Remarks
14	2006-07	3	Violation of codal provisions in purchases	Reply not furnished
15	2006-07	5	Outstanding credit bills of staff canteen for Rs. 3.20 lakh	Reply not furnished
16	2006-07	6	Excess payment of Rs. 27,348 made due to non-payment of speed post bills by due date	Reply not furnished
17	2007-08	1	Short recovery of income tax from salaries of Govt. Officers who have been allowed deduction of interest on Borrowed Capital for computation of Income from House Property	Reply not furnished
18	2007-08	2	Irregularities in hiring of vehicles for official use in the Ministry resulting in over payment of Rs.76,347 due to incorrect and inflated rates of hiring.	Reply not furnished
19	2007-08	3	Purchase of compactors-excess expenditure of Rs.5,86,080/-	Reply not furnished
20	2007-08	4	Purchase of furniture-suspected bogus payment of Rs.32,063/-	Reply not furnished
21	2007-08	6	Non-adjustment of abstract contingent advances	Reply not furnished
22	2007-08	7	Non-adjustment of TA advance	Reply not furnished
23	2007-08	8	Computers lying unutilized	Reply not furnished
24	2008-09	1	Splitting of purchase of stationery items	Reply not furnished
22	2008-09	2	Extra ordinary expenditure on repair and maintenance of vehicle Rs 1,16,059	Reply not furnished
26	2008-09	4	Wrong fixation of pay Rs 69,938	Reply not furnished
27	2009-10	1	Non-observance of fiscal instructions	Reply not furnished
28	2009-10	2	Irregular purchase of laptop bags amounting to Rs 1,77,188	Reply not furnished
29	2009-10	3	Irregular payment of Honorarium of Rs 74,100/-	Reply not furnished
30	2009-10	4	Avoidable payment of Rs 18,000/-	Reply not furnished
31	2009-10	5	Non adjustment of advances	Reply not furnished
32	2009-10	6	Outstanding credit bills of staff canteen for Rs 2.41 lakh	Reply not furnished
33	2010-11	6	Short recovery of income tax of Rs. 3.05 lakh	Reply not furnished
34	2010-11	8	Un-justified Expenditure of Rs.40.72 lakh	Reply not furnished
35	2010-11	13	Irregularities in outsourcing of event management for National Award Function	Reply not furnished
36	2010-11	15	Irregularities in procurement of UPS	Reply not furnished
37	2010-11	16	Non deduction of income tax source amounting to Rs.42,754/-	Reply not furnished
38	2010-11	17	Irregularities in hiring of private vehicle	Reply not furnished

(II) Result of review of old outstanding objections (Grant-in-Aid)

At the commencement of the current audit, 10 Inspection Reports with 68 paragraphs were pending for settlement. During current audit, replies/ compliances for outstanding

paragraphs were not furnished. Therefore no para could be settled. The details of paragraphs outstanding are mentioned below:

List of paragraphs outstanding (Grant-in-Aid)

S.No.	Year of IR	Para No.	Particulars	Remarks
1.	98-2001	1	Irregular release of grant to Defence foundation	Reply not furnished.
2.	98-2001	2	Excess release of grants amounting to Rs. 91000	Reply not furnished.
3.	98-2001	3	Grants released to help age India	Reply not furnished.
4.	2001-02	1	Blocking of funds amounting to Rs. 54 lakh	Reply not furnished.
5.	2001-02	3	Irregularities in release of grants to Arun Jyoti Sanskrit Samiti, Gwalior	Reply not furnished.
6.	2001-02	5	Irregularities in release of fund to J P Narain Samark, Balia	Reply not furnished.
7.	2001-02	6	Shortcomings and irregularities in implementation of scheme coaching for weaker sections	Reply not furnished.
8.	2001-02	7	Shortcomings in implementation of scheme-old age home	Reply not furnished.
9.	2002-03	4	Irregular release of GIA without observing the norms under the scheme assistance to disabled persons for purchase/fitting of ADIP scheme	Reply not furnished.
10.	2002-03	5	Unfruitful expenditure and non-monitoring of GIA given for construction of old age home	Reply not furnished.
11.	2002-03	8	Doubtful utilisation of grants for establishing computer training	Reply not furnished.
12.	2002-03	11	Shortcoming in implementation of the scheme- An integrated programme for street children	Reply not furnished.
13.	2002-03	12	Irregularities in implementing the scheme working for SCs	Reply not furnished.
14.	2003-04	5	Irregular payment of Rs. 2.17 lakh	Reply not furnished.
15.	2003-04	10	Irregularities in production of film on RCI	Reply not furnished.
16.	2003-04	11	Irregular payment of grant to NGOs to Rs. 168000	Reply not furnished.
17.	2003-04	15	Discrepancies in implementation of the scheme for prevention of Alcoholism and substance (drugs) abuse	Reply not furnished.
18.	2004-05	2	Non accountal of central assistance to tune of Rs. 12.61 crore	Reply not furnished.
19.	2004-05	3	Blocking of funds amounting to Rs. 57.48 lakh under the scheme of OBC boys and girls	Reply not furnished.
20.	2004-05	4	Blocking of funds amounting to Rs. 670 lakh due to non-utilisation of funds under pre-matric scholarship scheme	Reply not furnished.
21.	2004-05	7	Irregularities in implementation of CSS of coaching and allied assistance for weaker section	Reply not furnished.
22.	2004-05	9	Outstanding recovery of Rs. 11.22 lakh from the blacklisted NGOs	Reply not furnished.
23.	2004-05	1	Irregularities in construction of Hostels for SC students	Reply not furnished.
24.	2005-06	1	Shortcoming in implementation of the scheme for prevention of Alcoholism and substance (drugs) Abuse	Reply not furnished.

S.No.	Year of IR	Para No.	Particulars	Remarks
25.	2005-06	2	Irregularities in release of grants-in-aid under Deen Dayal Disabled Rehabilitation scheme	Reply not furnished.
26.	2005-06	3	Irregular expenditure on account of interviews	Reply not furnished.
27.	2005-06	4	Irregularities in releasing of GIA to ISIC	Reply not furnished.
28.	2005-06	5	Irregularities in construction of OBC students' hostels	Reply not furnished.
29.	2005-06	7	Outstanding recovery of Rs. 209 lakh from blacklisted voluntary organisations/NGOs	Reply not furnished.
30.	2005-06	8	Non-conducting of performance review	Reply not furnished.
31.	2005-06	9	Improper maintenance of GIA register	Reply not furnished.
32.	2005-06	10	Records of assets	Reply not furnished.
33.	2005-06	11	Non production of certificate of loss	Reply not furnished.
34.	2006-07	1 of Part-IIA	National Backward Class Finance Development corporation (NBCFDC)	Reply not furnished.
35.	2006-07	2 of Part-IIA	Indian Spinal Injury Centre (ISIC)	Reply not furnished.
36.	2006-07	3 of Part-IIA	Post Matric Scholarship Scheme	Reply not furnished.
37.	2006-07	4 of Part-IIA	Post Matric Scholarship Scheme (PMS) for OBCs	Reply not furnished.
38.	2006-07	5 of Part-IIA	Pre-Matric Scholarship Scheme (PMS) for OBCs	Reply not furnished.
39.	2006-07	6 of Part-IIA	Construction of hostels for scheduled castes	Reply not furnished.
40.	2006-07	1 of Part-II-B	Pre-Matric Scholarship Scheme (PMS) for SCs	Reply not furnished.
41.	2006-07	2	Rajiv Gandhi National Fellowship (RGNF) scheme	Reply not furnished.
42.	2006-07	4	GIA for providing lift in the Secretariat in the States/UTs under the scheme of implementation of PWD Act	Reply not furnished.
43.	2007-08	1	Post Matric Scholarship Scheme (PMS) for SCs	Reply not furnished.
44.	2007-08	2	Delay in construction of hostels for SCs	Reply not furnished.
45.	2007-08	3	Pre-matric Scholarship Scheme (PMS) for Other Backward Classes (OBCs)	Reply not furnished.
46.	2007-08	4	Delay in payment of scholarship to Pre-matric and Post matric to OBC students	Reply not furnished.
47.	2007-08	7	Register of grants	Reply not furnished.
48.	2008-10	1	Unfruitful grant of Rs 39.47 crore due to delay in construction of hostels	Reply not furnished.
49.	2008-10	2	Unfruitful assistance of Rs 77.51 crore due to delay in construction of hostels and parking of funds of Rs 4.00 crore under Babu Jagjivan Ram Chhatrawas Yojana	Reply not furnished.
50.	2008-10	3	Non-recovery of grants of Rs 68.80 lakh released to blacklisted NGOs	Reply not furnished.
51.	2008-10	4	Non-recovery of Rs 20.86 lakh from the blacklisted NGOs	Reply not furnished.
52.	2008-10	5	Irregular sanction of grant of Rs 21.08 lakh	Reply not furnished.
53.	2008-10	6	Non-laying of Annual Report of Commission for National Safai Karamcharis in the Parliament	Reply not furnished.
54.	2008-10	7	Scholarship scheme of Top Class Education for	Reply not furnished.

S.No.	Year of IR	Para No.	Particulars	Remarks
			SC students	
55.	2008-10	8	Outstanding Utilisation Certificates amounting to Rs 1061.49 crore	Reply not furnished.
56.	2008-10	9	Pre-matric & Post-matric scholarship scheme for OBCs	Reply not furnished.
57.	2010-11	1 of Part-IIA	Comments on the Scheme Babu Jagjivan Ram Chhatrawas Yojana	Reply not furnished
58.	2010-11	2 of Part-IIA	Comments on National Overseas Scheme for Scheduled Caste	Reply not furnished
59.	2010-11	3 of Part-IIA	Scheme of Pre-Matric Scholarship to the Other Backward Classes	Reply not furnished
60.	2010-11	4 of Part-IIB	Poor Monitoring on the working of National Safai Karamcharis Finance and Development Corporation(NSKFDC)	Reply not furnished
61.	2010-11	5	Outstanding share certificates from state schedule castes development corporation Rs.93.57 crore	Reply not furnished
62.	2010-11	7	Non-review of grants released under National scheduled caste finance and Development Corporation	Reply not furnished
63.	2010-11	9	Non- adherence to conditions and irregular release of grants under the scheme”Special central assistance to special component plan”	Reply not furnished
64.	2010-11	10	Comments on the grants released to National Institute of Social Defence	Reply not furnished
65.	2010-11	11	Non inclusion of accrued interest over Government grant amounting Rs.2.19 crore	Reply not furnished
66.	2010-11	12	Comments on the scholarship scheme of Top Class Education for SC Students	Reply not furnished
67.	2010-11	14	Short achievement of targets under various scheme	Reply not furnished
68.	2010-11	18	Outstanding utilisation certificates for Rs. 1064.51 crore	Reply not furnished

Part-I (C)
Persistent Irregularities

- Non-conduction of physical verification of stores and stock and improper maintenance of Stock Registers.
- Outstanding Utilization Certificates

CURRENT AUDIT

Part-II (A)

Para- 1	Irregularities in implementing the Scheme of Assistance of Disabled persons for purchase/fitting of Aids/Appliances (ADIP)
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Scheme of Assistance to Disabled Persons for Purchase/Fitting of Aids Appliances (ADIP) aims at helping the disabled persons by bringing suitable, durable, scientifically, manufactured, modern, standard aids and appliances within their reach. Non-Government Organisations (NGOs) possessing professional/technical expertise in the form of professionally qualified staff (from recognized college) for the identification, prescription of the required artificial aids/appliances fitment and post fitment care of beneficiaries as well as aid and appliances and infrastructure in the form of machinery equipment for the fabrication, fitment and maintenance of artificial aid appliances are eligible to receive grant in aid for implementation of the scheme.

The guidelines of the scheme framed by the Ministry and terms and conditions of the grant inter alia stipulated that:

- (i) The organisation will provide reservation to SC/ST/OBC and disabled persons in accordance with instructions issued by Govt. Of India from time to time if it employs more than 20 persons on a regular basis.
- (ii) The implementing Agencies will be sanctioned grant-in aid in a particular financial year after the recommendation from State Government/UT or agencies authorized by the agencies. The subsequent financial assistance would be sanctioned after the receipt of audited accounts and list of beneficiaries with their permanent addresses in the prescribed Performa for the previous year's grant shall be furnished before the end of second quarter of each year positively.
- (iii) List of beneficiaries assisted by the agencies implementing the Scheme is to be provided to the Ministry as prescribed in Annexure IV of the Scheme. The recommending authority should create the field agencies who shall strive to conduct sample checking of beneficiaries regarding utilization of grant in aid by NGOs and distribution of aids and appliances by the Implementing Agency. The sample checking would cover at least 5 to 10 percent of the beneficiaries which are covered under the scheme in the previous year.

- (iv) The Grant-in-aid would normally be released in two installments after processing of audited accounts and list of beneficiaries furnished by the Implementing agency.
- (v) The implementing agency would not incur any liability under the scheme unless the funds have been sanctioned to them for the purpose.
- (vi) The grantee shall not divert the grant and entrust execution of the Scheme or work concerned to another institution or organization and shall abide by the terms and conditions of the grant. If the grantee fails to utilize the grant for the purpose for which the same has been sanctioned, the grantee will be required to refund the entire amount with interest thereon @ 10% per annum.

During the text check of records relating to the Scheme, the following irregularities were noticed in implementing the Scheme by the Ministry.

(a) Misappropriation of grant of Rs. 71.50 lakh interest of Rs. 15.49 lakh thereon and irregular release of further grant of Rs. 68.25 lakh.

On the basis of recommendation of U.P. Government Grant in aid amounting to Rs. 71.50 lakh was sanctioned to Dr. Zakir Hussain Memorial Trust Delhi (March 2010) as non-recurring grant during the financial year 2009-10 for distribution of aid and appliances under the above mentioned scheme. The Scheme was to be implemented in the 17 districts of Uttar Pradesh.

As per the guidelines of the scheme, the camps were to be held for distribution of aid and appliances. Test check of at least 5 to 10 per cent of the beneficiaries to whom aids and appliances to be given were to be conducted by the field agency created by recommending authority and forwarded to the Ministry. Further, photographs of the Camp/ function for distribution of aids and appliances undertaken with the grant in aid assistance and also press clippings, posters, pamphlets etc. regarding organization of camp(s) for undertaking distribution work are to be submitted to the Ministry with the proposal for subsequent release of grant under ADIP scheme.

Records relating to utilization of grant i.e., holding of camps, conducting of inspection and purchase of aids and appliances in the State of UP revealed that the following were the dates of events/transactions:

Name of district	Date of Camp	Date of Inspection	Date of purchase of aid and appliances	
			From M/s.SPR	From M/s Ear Help India
Bareilly	15.01.10	24.03.11	17.07.10	22.7.10
Rampur	26.04.10	24.03.11	15.7.10	21.7.10
Moradabad	24.04.10	24.03.11	19.7.10	23.7.10
Sant Ravidas Nagar	17.04.10	04.06.10	19.7.10	23.7.10
Siddhartah Nagar	25.01.10	Not given	19.7.10	22.7.10
Gautam Budha Nagar	15.05.10	Not given	17.7.10	21.7.10
Kannauj	25.05.10	22.03.11	15.7.10	21.7.10
Mainpuri	27.05.11	23.03.11	13.7.10	17.7.10
Kashiram Nagar	03.05.10	22.03.11	14.7.10	20.7.10
Etah	05.05.10	22.03.11	14.7.10	17.7.10
Farrukhabad	29.05.10	23.03.11	14.7.10	17.7.10
Allahabad	05.06.10	23.03.11	15.7.10	21.7.10
Etawah	07.05.10	24.03.11	13.7.10	17.7.10
Shahjahanpur	15.02.10	22.03.11	17.7.10	22.7.10
Bulandsheher	02.04.10	23.03.11	16.7.10	22/21.7.10
Meerut	Not available		16.7.10	21.7.10
Aligarh	Not available		14.07.10	17.7.10

Test check of records revealed the following irregularities:

- (i) In the test check reports relating to Bareilly, Siddhartha Nagar and Shahjahapur, dates of camp were stated to be 15.01.10, 25.01.10 and 15.02.10 respectively. However, Trust vide letters dated: 01.04.10 addressed to the District Magistrate of these districts intimated that the Trust intended to hold camp for grant sanctioned by the ministry for the year 2009-10. It indicates that camps were not held before April, 2010 in these three districts. Thus, wrong information was furnished by the Trust to the Ministry.
- (ii) Ministry requested (November 2011) the Special Secretary, Department of Disabled Welfare, U.P. to confirm the veracity of the test check reports submitted by the Trust for the grants released during 2009-10. Referring to this letter, Chief Development Officer, Allahabad on 16-09-11 and District Magistrate, Allahabad on 07-10-11 confirmed that no camp was organized by the Trust till then. Thus, out of 17 districts, no camps were held in Allahabad, Bareilly, Siddhartha Nagar and Shahjahapur.

(iii) In remaining of the districts, the Camps were organized during the period January-March 2010. However, the aid and appliances were purchased in July, 2010 as indicated in the table above. In case of Sant Ravidas Nagar, it was noticed that inspection was got conducted on 04.06.2010, but the aid and appliances were dispatched by supplier on 19.07.10.

(iv) Instead of recovering the grants along with interest of Rs. 15.49 lakh (@ 10% per annual from April 2010 to May, 2012, the Ministry released grant of Rs. 68.25 lakh (March 2011) for the financial year 2010-11 for implementing the scheme in the same 17 districts of U.P. for which grant of Rs. 71.50 lakh was released during 2009-10. As per terms and conditions of the sanctions, a utilization certificate was to be furnished within six months of the close of the financial year i.e. 30.9.11. However, no UC was received till the date of audit.

From the above, it can be concluded that the on one hand entire grant of Rs. 71.50 lakh was not utilized by the Trust for the purpose for which it was sanctioned and on other the wrong report regarding organisation of the camp was given by the Trust.

It is pertinent that annual accounts of the Dr. Zakir Hussein Memorial Trust for the years 2005-06 to 2010-11 were sent to this office which were found attracting audit (except 2006-07) under Section 14 the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Accordingly, an audit team deputed for audit w. e. f. 2nd March 2012, visited official address at 4, Gulmohar Avenue, Jamia Nagar, New Delhi for audit. However, audit could not be taken up as no one was available at the address. Thereafter, Audit team was deputed again twice on 19th March and 2nd April 2012 after communiqué to the Trust. However, audit team found no body present at the address; hence audit could not be completed. Moreover, no response from the Trust was received in respect to our communication.

From this finding in the Ministry and chain of events relating to audit of the Trust indicates suspected fraud in the accounts of the Trust. On this issue Ministry stated that The Trust is not under the aegis of this Ministry.

The reply of the Ministry is factually incorrect as the grants have been released by the Ministry of Social justice & Empowerment to Trust and as per the provisions of the sanction order accounts of the Trust would be open for audit by CAG of India. Hence, control with respect to getting the audit of Trust conducted by the CAG of India rest with the Ministry of Social Justice & Empowerment and in event of non compliance of conditions of the sanction order Ministry may take actions against the Trust.

In response to audit observation Ministry in its reply stated (11.06.12) that due to paucity of time, the test check reports for 2009-10 directly submitted by the NGO were accepted subject to the condition that the same would be got confirmed separately. Regarding the holding of Camps during January, 2010 to March, 2010 and procurement of aid and appliances in July, 2010, it was stated that it would be got clarified from the NGO.

The reply is not tenable as the guidelines stipulate that test check reports must come through the State Government and the Ministry failed to properly scrutinize the information furnished by the Trust relating to holding of camps for distribution of aids and appliances

In the light of the above it is suggested that grant of Rs. 71.50 lakh may be recovered from the trust along with up to date interest on it.