

Part II Audit findings

The audit findings have been inserted in the succeeding paragraphs

PART II-A Significant findings

-Nil-

PART II-B Other incidental findings

⊗ PARA 1: Purchase without following the provisions of HPFR resulting in undue advantage to suppliers amounting to Rs. 18.37 lakh

Rule 91 of Himachal Pradesh Financial Rules, 2009 stipulates that every authorized officer delegated with the financial powers of procuring goods in public interest shall be responsible and accountable to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

Rule 93 of Himachal Pradesh Financial Rules, 2009 provides that the single user Department shall be delegated full powers to make their own arrangements for procurement of goods. In case a Department does not have the required expertise, it may project its indent to the Controller of Stores or any other Procurement Entity with the approval of the Government.

Rule 94 of Himachal Pradesh Financial Rules, 2009 states that the Controller of Stores shall contract rate contracts with the registered suppliers, for goods and items of standard specifications which are identified as common user items and are needed on recurring basis by various State Government Procurement Entity(s). The Controller of Stores shall formulate and update all the relevant details of the rate contracts in its website and all Procurement Entity (s) shall follow those rate contracts.

Rule 95 of Himachal Pradesh Financial Rules, 2009 stipulates that with a view to establish reliable sources for procurement of goods commonly required for Government use, the Controller of Stores shall prepare and maintain item-wise lists of eligible and capable suppliers which shall be termed as "Registered Suppliers" on the deposit of requisite registration fee fixed by the Controller of Stores subject to conditions as may be specified by the State Government. All Procurement Entity (s) shall utilize these lists as and when required. Such

registered suppliers shall be prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry.

Audit noticed that during 2015-17 Vallabh Government College, Mandi purchased inventories worth Rs. 18.39 lakh from different suppliers without adherence to the provisions of the HPFR such as invitation of quotations, tender calling from the prospective suppliers, rate contracts, etc., which had resulted in the undue favour to single firm thus restricting the competition and compromising economy in purchase. The detail of the purchase is detailed as under:

| Sr. No. | Bill No. & Date | Invoice No. & Date | Description of inventories | Suppliers | SOE | Amount (Rs.) |
|---------|-----------------------|--|----------------------------|--|-----|------------------|
| 1. | 252 dt. 21.03.2016 | I-99 dt. 19.03.2016 | Gymnasium Inventories | M/s Bhaseen Sports Pvt. Ltd. Jallandar | M&E | 2,98,180 |
| 2. | 251 dt. 12.01.2017 | 190,191 dt. 29.09.16 & 192 dt. 30.09.16 | Desk Single Seater | Jai Bharat Furnishers Industry, Hamirpur | M&S | 2,19,240 |
| | | 30341 dt. 06.12.2016 | Lecture Theatre Desk | Himachal Khadi & Village Industries, Mandi | | 7,42,500 |
| 3. | 312 dt. 27.03.17 | | Solar Water Heating System | Re-Energy Solutions Sundernagar | M&E | 5,78,700 |
| | | | | | | 18,38,620 |

In reply to audit memo No.06 dated 18.03.2020 while confirming the facts and figures, the office of the Principal, VGC Mandi stated that the purchases are done by the Directorate and not by Principal VGC Mandi. The reply is not tenable as relevant record should have been kept/ obtained by the office of the Principal, VGC Mandi to justify the efficiency, economy and transparency in purchases made.

The matter may be taken up with the Director, Higher Education under intimation to audit.

| | | | | | | |
|--------------|------|--------|----------------|------|-------|---------------|
| August 18 | 1.60 | 4373.1 | 6997.0 | 9072 | 28800 | 19728.0 |
| September 18 | 1.60 | 3145.0 | 5032 | 9072 | 28800 | 19728.0 |
| October 18 | 1.60 | 2556.0 | 4089.6 | 9072 | 28800 | 19728.0 |
| November 18 | 1.60 | 3238.0 | 5180.8 | 9072 | 28800 | 19728.0 |
| | | | 82694.1 | | | 177552 |

Thus subscription to higher ineligible tariff plan violation of the applicable Tariff Plans for the college not only resulted in excess payment amounting to Rs.7.19 lakh but also additional liability on account of future bills.

In reply to audit memo No.14 dated 24.07.2020 while confirming the facts and figures, the office of the Principal, VGC, Mandi stated that when the college building was in the possession of IIT Mandi, they took the connection temporary. The college did not know that this connection was temporary. The college administration was not aware of the unreasonable tariff being charged by HPSEB. The reply is unacceptable as this shows lackadaisical attitude of the college administration leading into loss though excess payment of electricity bill.

PARA 3: Non-Deposit of College Canteen rent amounting to Rs.5.32 lakh in Government Account

Rule 3 of Himachal Pradesh Financial Rules, 2009 stipulates that all moneys received by or on behalf of the Government either as dues of the Government or otherwise for deposit, remittance and withdrawal there from, shall be brought into Government Account immediately, in accordance with such general or special rules as may be issued under the Constitution and under any other rules and instructions of the Government, issued from time to time.

Audit noticed that Vallabh Government College, Mandi auctions the college canteen to private contractor/service providers every year to be used as Tuck Shop for the service/refreshment of students and teachers. The contract is given on annual basis and rent for the canteen is to be collected on monthly basis. During the period 2013-20 the rent collected from the various service providers amounting to Rs. 5,31,768 got deposited in the "Amalgamated Fund" maintained by the college

Deposit to Govt. Account
Related to funds:-
Canteen committee:

administration instead of depositing in Government Account. The detail of canteen rent for the period is as under:

| Year | Name of the Contractor | Rate of Rent/ per month (Rs.) | Duration of Contract | Total Rent (Rs.) |
|--------------|------------------------|-------------------------------|----------------------|------------------|
| 2013-14 | Mr. Tanuj Kumar | 3003 | 12 | 36036 |
| 2014-15 | Sh. Bhag Singh | 5555 | 12 | 66660 |
| 2015-16 | -do- | 5700 | 12 | 68400 |
| 2016-17 | -do- | 6000 | 12 | 72000 |
| 2017-18 | Sh. Somesh | 6451 | 12 | 77412 |
| 2018-19 | Tanuj Kumar | 11505 | 12 | 138060 |
| 2019-20 | Somesh Upadhya | 6100 | 12 | 73200 |
| Total | Total | | | 531768 |

Depositing of rent/earnings collected from the buildings constructed out of Government funds into local funds instead of depositing in Government Account is in contravention of the Financial Rules hence irregular. Canteen rent for the period prior to 2013-14 may also be worked out and should be deposited in Government Account.

In reply to audit memo No.10 dated 29.03.2020 while confirming the facts and figures, the office of the Principal, VGC, Mandi stated that amount was not deposited in govt treasury as there was no instructions from competent authority. The reply is not acceptable as it is in contravention to the norms of HPFR.

(X) **PARA 4:**

Hiring of Part Time Water Carriers (PTWC) in contravention of the rules resulted in overpayment of wages amounting to Rs. 0.89 lakh

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P.G. School
Government of Himachal Pradesh, Department of Elementary Education notified recruitment scheme for appointment of Part-Time Water Carriers (PTWC) in July, 2011. Para 13 of the notification stipulates that the PTWC will be paid an honorarium for 10 months in an academic year by the respective employer

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|--------------|-------------|------------|--------------|---------|------------|--------------|-------------|
| 2013-14 | 840 | 147 | 17.50 | 2014-15 | 28 | 19.05 | 3.33 |
| 2014-15 | 998 | 115 | 11.52 | 2015-16 | 30 | 26.09 | 3.01 |
| 2015-16 | 1259 | 88 | 6.99 | 2016-17 | 16 | 18.18 | 1.27 |
| 2016-17 | 1367 | 211 | 15.44 | 2017-18 | 24 | 11.37 | 1.76 |
| 2017-18 | 1361 | 89 | 6.54 | 2018-19 | 24 | 26.97 | 1.76 |
| Total | 5825 | 650 | 11.16 | | 122 | 18.77 | 2.09 |

The number of applications as compared to the total number of students' ranged from 7 to 18 percent during the period 2013-19 is indicative of the fact that very less number of students are applying for the scholarship. Since it is the responsibility of the college to make sure that maximum students availed the benefits of scholarship, the college administration appeared to be not being able to do so effectively.

The renewal cases as compared to the respective preceding years ranges from 11 percent to 27 percent during the period 2013-19 is indicative of the fact that re-occurrence of the applications as compared to the fresh cases had been abysmal. Hence college administration was not able to bring all the eligible candidates for benefit of the scheme which itself had defeated the purpose of the scheme. If we compare the renewal case with total eligible students, only 1.27 to 3.33 percent eligible students are actually reapplying for scholarship.

In reply to audit memo No.09 dated 19.03.2020 while confirming the facts and figures, the office of the Principal, VGC Mandi stated that students who have compartment in any subject are not eligible to apply and some students left the college. The reply is unacceptable as overall only 18.77% students applied for scholarship which is very low and there are no documents supporting the claim that only 18.77% SC students passed without compartment. Further, if the result of students passing without compartment is so low, college should reconsider its teaching methodology.

Photo of Prasad
PARA 11: Monitoring Mechanism at the institute level for ensuring the scholarship benefits reached to eligible students

Various schemes of scholarship to eligible students are being run by Department of Higher Education through online portal e-Pass and National Scholarship Portal (NSP). The applications after scrutiny from institute and Deputy