

Annex - C
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**DIRECTORATE OF AUDIT
LOCAL FUND ACCOUNTS
(GOVERNMENT OF DELHI)**

4th floor, C-Wing,
Delhi Sachivalaya, I.P. Estate,
New Delhi.

No. F.18 (43)/LFA/2007-08/ 866-67
To,

Dated: 16.3.2010

✓ The Director,
Directorate of Health Services,
Govt. of NCT of Delhi,
F-17, Karkarduma,
Delhi-110032.

9000
8/4/10

**Sub: LFA audit report for the year 2006-07 & 2007-08 & 2008-09 in respect
of Maulana Azad Institute of Dental Sciences, New Delhi**

I am to forward herewith LFA audit report on the accounts of the above-mentioned institution for the year 2006-07 and 2007-08 & 2008-09 containing 18 paras. You are requested to advise the institution to adhere to the laid down Govt. rules/ instructions in true spirit. The institution may also be advised to submit the satisfactory replies to audit paras raised in this report duly vetted by Administrative Department.

Please acknowledge the receipt.

CMD (GIA)
29/4

Yours faithfully,


16/3/10
For Director of Audit

No. F.18 (43)/LFA/2007-08/

Dated:

Copy forwarded for information and necessary action to :-

1. The Dy. Secretary, Finance (Exp), Delhi Sectt., I.P. Estate, New Delhi-2.
3. The Director Cum Principal, Maulana Azad Institute of Dental Sciences, MAMC complex, Bahadur Shah Zafar Marg, ND-110002 to reply to the audit observations duly vetted by the Administrative Department.


For Director of Audit

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**DIRECTORATE OF AUDIT
LOCAL FUND ACCOUNTS
GOVT. OF N.C.T. OF DELHI**

Audit report on the accounts of Maulana Azad Institute of Dental Sciences,(MAIDS), Bahadur Shah Zafar Marg, LNJP Complex, New Delhi, for the financial years 2006-07, 2007-08 and 2008-09.

Introduction

Maulana Azad Institute of Dental Sciences was earlier a wing of Maulana Azad Medical College (MAMC). It came into existence w.e.f. 26.09.2003 as a full fledged Dental; Institution and Center for the Dental needs of Delhi and adjoining areas. This is the eminent Dental Institution in the city conducting BDS & MDS courses. BDS course is having 40 students per year and MDS course having 8 students per year and is affiliated to Delhi University. BDS course is a four year graduate full time course besides one year internship after graduation. Whereas MDS course is a 3 years post Graduate course. This institution is headed by a Director-Principal with 11-specialty department. As per Gazette Notification of Government of Delhi dated 01.07.2005 the existing Maulana Azad Dental College and Hospital, New Delhi has registered as " The Society" with the Registrar of Societies under societies Registration Act,1860 vide Registration No. S.52390 dated 06.04.2005 to be known as "Maulana Azad Institute of Dental Sciences" New Delhi (MAIDS)." With immediate effect i.e. 1st October 2006. MAIDS started functioning as autonomous body on lines of IHBAS and IL&Bs as per the instructions given in the aforesaid Gazette Notification.

Part-I Old Outstanding Paras

First audit of the Institute ■

Part-II Financial Statement

The accounts of the above institution were reviewed purely on test check basis. M/s P.S. Kohli & Co., Chartered Accountants, 5/70, W.E.A. Ajmal Khan Road, Karol Bagh, New Delhi-110005, audited the accounts for the year 2006-07 2007-08 and 2008-09. The inspection report has been prepared on the basis of information furnished and made available by the Institute. Office of the Directorate of Audit, Local Fund Account, Delhi disclaims any responsibility for any mis-information and/or non-information on the part of the Auditee. According to receipts and payments accounts appended with the balance sheet, the financial position for the years 2006-07, 2007-08 and 2008-09 are worked out as under: - •

Income (Recurring)	2006-07	2007-08	2008-09
Unspent Balance	Nil (First Audit)	Nil (First Audit)	Nil (First Audit)
GIA from Dte. of Health Services	65,800,000	106,000,000	100,000,000
Misc. Income	Nil	48,990	9,050
Bank/FD Interest	71,102	19,37,013	2949,109
Admission Fees	Nil	2,45,600	87,360
Tuition Income	--	--	166,625
Value of Assets W/FF	--	--	100,467
Sale of Publication	--	--	5,850
Admission Fees forfeited	--	--	4,800
Sale of scrap	--	--	20,213
Course fees (SSLS)	--	--	38,000
Stock of publications	--	--	6,150
Internship Fees	--	14,00,000	1,250,000
Late Fees	--	--	6,340
Interest on Saving A/c	48,028	3,74,314	345,106
Recruitment fee from candidates	--	--	91,300
Sale of Tender forms	--	--	27,500
Rental Income	15,000	27,500	34,000
Examination Fees	102,900	4,17,750	--
Patient Receipts	541,902	11,75,698	1,160,055
Interest Recd. on LC A/c	--	--	28,818
Total	6,65,78,932	11,16,26,865	106,330,743
Total Income			284,536,540

Expenditure

Head of Expenditure	2006-07	2007-08	2008-09
Establishment Exp.	17,872,810	51,389,755	70,943,059
Misc. Expenses	Nil	256,079	--
Electricity expenses	1,700,448	4,210,111	4,592,142
Telephone expenses	125,894	341,607	368,712
Newspaper charges	24,949	26,649	--
News paper Re-imburement	Nil	Nil	89,122
Uniforms Expenses	32,291	193,223	--
Advertisement Charges	1,101,122	Nil	2,233,815
Security Charges	676,698	1,472,459	1,153,075
Postage Stamps	5,089	24,911	30,000
Printing & Stationery Charges	227,900	403,983	573,426
Fixed Assets WIOFF during the period	--	--	80,567
Honorarium Expenses	Nil	83,733	50,000.00
Interest paid on loan	--	--	22,120
Conveyance Charges	266,837	Nil	--
OPD Card Expenses	Nil	115,060	107,099
Office Exp.	730,874	822,185	590,637
Bank Charges	1,305	9,897	40,905
Courier Exp	nil	15,310	6,500
Vehicles repair & Maintenance	249,285	289,225	384,426
LPG Gas Expenses	7,369	Nil	--
Professional Fees	22,828	818,630	556,652
General Repairs & Maintenance	Nil	452,691	--
Computer Repairs & Maintenance	Nil	370,435	36,879
Refund of Security	Nil	2000	41,246
Employees Contribution Towards NPS	--	349,183	238,368
Course fee charges (SSLS)	--	--	72,000
Signage plates exp.	--	--	885,108
Scholarship paid	Nil	11,700	4,500
Meeting & Conference Expenses	43,500	109,730	76,300
Misc. Expenses	--	--	61,998
Handling Charges	--	--	20,000
Commission Charges	--	--	76,999
Repair & Maintenance	8,568	Nil	381,968
Training Expenses	Nil	250,000	142,840
Sanitation Charges	373,828	1,428,324	2,031,150
Supply & Material (Consumable)	3,625,529	7,610,666	9,740,331
Hospital Function	283,652	232,200	523,423

Total (A)	273,80,776	712,89,746	9,61,55,367
Capital Expenditure			
Land & Building	Nil	Nil	
Book & Periodicals	2,719,888	3,543,489	4,057,510
Digital Camera	67,122	51,048	
Floor Cleaning Machine	736,847	Nil	
Fax Machine	Nil	24,145	
Lamination Machine	9,169	Nil	
Digital Duplicator	430,540	Nil	
DLP Projector	802,286	Nil	
Digital Photocopier	111,260	Nil	
Dental Equipments	7,072,520	17,492,419	6,310,385
Cellular Phone	20,000	20,000	
Surgical Equipment	Nil	325,035	
Automatic X-ray Machine	Nil	249,600	
Computer repairs & Maintenance	126,066	Nil	
Computer Accounts	1,188,480	194,937	311,028
Total (B)	132,84,178	219,00,673	106,78,923
Grand Total (A + B)	406,64,954	931,90,419	10,68,34,290
Total Expenditure			240689663

Unspent Balance

Total Income	284,536,540
Total Expenditure	240689663
Unspent Balance	4,38,46,877

Part-III Current Audit Report

Para-1 Performance & Achievement

1 Turn out of patient's alongwith average expenditure on patients is tabulated as under:

Year	No. of Patient	No. of Doctors	Patients Per Doctor per day	Exp. Recurring	Per patient Recuring exp.	Capital expenditure	Total expenditure per parent including capital expr
2006-07 (6 Months) (188 days)	118717	63	10	27506842	232	13158112	343
2007-2008	241759	63	13	73441624	304	21900673	395
2008-09	234981	63	13	96155068	409	10678923	454

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From the above tabulation it has been noticed that per patient expenditure is increasing on year to year basis whereas as patients are decreasing. Efforts should be made to decrease the expenditure or internal resources should be increased for obtaining self sufficient as per GFR.

2 As per students strength provided to audit as on 31.03.2009, there were 299 students enrolled with the institute against the faculty strength of 30. Average 1 faculty member on 10 students which seems to very higher side as compared to norms adopted by the DU/UGS i.e. 15-20 student per teacher depending upon the nature of the course. Norms fixed by the DU/UGS for BDS/MDS course were also not provided by the institute to audit. The institute may obtain the teacher-pupil ratio from the concerned authorities and produce the same to audit.

3 The sanctioned and enrolled strength of BDS course run by the institute are as under:

Year	Sanctioned	Enrolled	Shortfall %
2007	40	38	5 %
2008	40	30	25 %
2009	40	31	23 %

Efforts should be made to utilize the full sanctioned strength being a prestigious Dental Institute in Delhi.

Para-2 Article of Association/Memorandum of Association

While reviewing the article of association/memorandum of association, it has been observed that:

- 1 As per item no 29 of article of association, the facility of institute shall be available round the clock but the institute is providing only OPD facilities during day time only.
- 2 As per item No. 18 of the article of association, the finance committee will consider the details the BE/RE, consider and approve proposals for incurring expenditure etc but no such proposals were put up to finance committee and all the powers assigned to finance committee were enjoyed by governing council directly without approval of the finance committee.
- 3 As per item No.19 of the article of association, the scientific advisory committee to facilitate clinical and basis research work shall be constituted to advice on policy, to monitor progress and facilitate in depth exchange of views in specific field. No such scientific advisory committee was formulated by the institute.

- 4 As per item No. 21(iii) of the article of association, a proportion of the patients would be seen free but no such record was maintained by the institute that how many patients were seen free of cost. Even no policy on the subject was formulated by the institute.

Para-3 Procurement of Non consumable –MDS course
F.6/17/01/MAIDS/Pir/MDS

During the year 2007-08 a sum of Rs. 1.75 crores was incurred for procurement of Medicine & equipments. While scrutinizing one the procurement file of MDS course, it has been noticed that:-

1. Two bid system NIT were issued for non consumable item for MDS course during 2007-08. Technical Evaluation Committee approved the technical bid of 14 firms and accordingly price bid was opened on 29.8.2007. The comparative statement was prepared on the basis of price bid.
2. While awarding the contract, the contract was awarded to L2 or L3 bidder due to some reasons. The details are as under.

Item No	Nomenclature	L-1	Contract given	Reasons
53	Flamables Burner	20000+Vat	23000+ vat	Sample heavier
63	Drill Machine	35500+Vat	36000+ vat	Poor Quality
76	PK Thomas wax modeling set	650+Vat	800+Vat	Poor quality
79	Electronically controlled centrifugal casting unit	126000+Vat	165000+Vat	Additional electronic feature
94	Miniglaze	95000+Vat	173800+Vat	Not as per sample
93	Magnifying working lamp	4950+Vat	5500+Vat	Small and light base
58	Manual Model cutting saw	2000+Vat	3100+Vat	Poor quality
45	Intra oral sand blaster	22500+Vat	33950+Vat	Not as per sample

Similarly stationery was also purchased from higher bidder by rejecting the L-1 bidder on technical grounds despite technical bid was accepted by the committee. The details are as under-

items	LI Rate Qty.	L2(Contract given)	Reason
Fevicol Tubel	106.90x350=37415	117x350=40950	Poor quality
Stick Flag Paper	11.70x60=702	13x60=780	Not as per sample
White Board Cum	864x4=3456	910x4=3640	-do-
White Board Cum	6x25=150	9x25=225	SNP

As per GFR when technical bid was opened and approved, items should have been purchased from L-1 bidder only. Rejection should have been made on the basis of technical bid and samples given. Rejecting the L-1 bidder after qualifying in the technical bill leads to undue advantage to the contractor and needs detailed justification.

Para-4 Providing of floor cleaning machine worth Rs. 7,36,847/- to contractor

1 During the year 2007-08 and 2008-09 a sum of Rs. 34.59 lakhs was incurred on the sanitation work in the institute. The details are as under-

Year	Amount (Rs.)
2007-08	14,28,324
2008-09	20,31,150

While reviewing the tender document, it has been noticed that equipment were to be provided by the contractor whereas the contractor is using floor cleaning Machine worth of Rs. 7,36,847/- purchased during 2007. As per Clause envisaged in chapter 27 of CPWD Manual 2007, any tools or machinery provided to contractor for execution of contract, rent should be charged from the contractor. Providing machine worth Rs. 7.36 lakhs to contractor free of cost is not in order. The institute may calculate the charges as per CPWD manual and recover the same from contractor.

2. As per clause (V) of Additional Secretary (Home) Govt. of NCT of Delhi order Nos.F/PA/.DC/3/03-04/HP-II 7641 dated 25/5/2004, character and antecedents verification of all employees of private agencies deployed in hospital should be get done through police department. No such verification found in the file.

Para-5 Expenditure during last month of financial year

While scrutinizing the expenditure statements for the year 2007-2008 and 2008-2009, it has been observed that institute is incurring huge expenditure in the last month of Financial year. The said practice is against the provisions contained in GFR 56(3) as well as economy instructions issued by the government from time to time. The details are as under:-

2007-08

Head of Account	Total Expenditure	Expenditure in March 08	Percentage
Supply and Material	63,06,328	34,25,296	54%

Advertisement	21,51,878	10,35,208	48%
Printing	2,94,170	1,95,031	66%
Professional fee	8,18,630	4,62,630	57%
2008-08			
Supply and Material	63,65,284	28,22,394	44%
Office Expenses	29,50,959	10,61,685	36%
Printing	4,58,033	1,43,700	31%

The above tabulation indicates that expenditure incurred during the last month of FY merely to utilize the grant. It is stressed that such type of huge expenditure be avoided in future.

Para-6 Non adjustment of advances worth Rs. 3.69 crores

1. While reviewing the advances register of the institute it has been observed that advances worth Rs.3.69 crores were outstanding. The institute is booking the advance amount as final expenditure in the relevant head of account at the time of giving advance without reflecting the same in their financial statements of accounts i.e. Balance sheet as "Advances to Contractors/dealers" despite the institute is maintaining commercial accounting. The institute authorities may rectify the same in their forthcoming financial statements.

2. Rule 118 of receipt and payment rules envisages that an advance should be adjusted within one month of its drawal. Test check of records revealed that advances drawn from Jan 2005 have not so far been adjusted by the institute. Information furnished by the Institute revealed that following advances drawn up-to March 2009 were still outstanding

Details of pending advance up to 2007-08 are as under-

S.No.	Firms	Date of Advance	Amount
1	Tpt Deptt. Delhi	6/1/2005	14,722
2	Total solutions	19/3/2005	908,060
3	NICSI	31/3/2005	908,715
		31/3/2005	266,360
4	Bala India	26/9/2005	2052
5	Cefla SCRL	25/3/2006	1,69,00,000
6	Planning Deptt M/s Dafex ohmed	30/3/2007	1,24,1546
7	Planning Deptt	25/6/2007	181,3,185
8	Nicsi	12/7/2007	75,326
9	I.T. solution	9/2/2008	20,59,522
10	Plg.(MAIDS) LC Sysmeakre)	19/3/2008	18,85,995
11	Plg.(MAIDS) kasla store genm	28/3/2008	2002,817

12	Nicsi	24/4/2008	11,83,986
13	Total I.T. Solution	9/6/2008	12,04,212
14	Ms Mridula Goswami	2/6/2008	6,000
15	Nicsi	27/8/2008	2,71,126
16	LC	6/3/2009	165,000
17	Total I.T. Solution	18/3/2009	2,70,532
18	Naresh Kumar Lab Att	27/3/2009	3825
19	NICSI	31/3/2009	95550
	Total Upto March 2008 -A		3,12,78,531

Details of pending advances for the Financial Year 2008-09 are as under-

S.no.	Date	To whom paid	Purpose	Amount
1	22/04/08	M/S NICSI	Planning for purchase of computer	Rs.1183988/-
2	09/06/08	M/S Total IT Solutions Pvt. Ltd.	Advance for security gate in the Library	Rs.1204212/-
3	02/06/08	Dr. Mridula Goswami, Assoc. Professor	Conference Registration fee	Rs.6000/-
4	27/08/08	M/S. NICSI	Planning Department for purchase of Computer	Rs.23711238
5	06/03/09	Manager, Syndicate Bank	Balance 20% payment against L/C purchase Branch, MAIDS	Rs.165000/-
6	18/03/09	M/S Total I.T. Solution Pvt. Ltd.	Library	Rs.2705321/-
7	27/03/09	Naresh Kumar, Lab Attendant	L.T.C Advance to visit Bihar	Rs.3825
8	31/03/09	M/S NICSI	Planning	Rs.95550/-
		Total B		RS.5635024
		Total advances outstanding as on 31,03,09 A+B		3,69,13,555

From the above, it could be seen that above advances worth Rs. 3.69 crores were pending for adjustment although a period ranging from 6 to 17 months.

Immediate efforts need to be made for early adjustment under intimation to audit.

Para-7**Fixed Deposit out of Grant**

As per financial statements for the year 2006-07, 2007-08 and 2008-09, it has been observed that the institute has made fixed deposit from the GIA given by the Government. The details are as under-

Financial year	Amount
2006-07	200,000,000
2007-08	405,000,000
2008-08	4,35,000

Placing the un-spent amount of GIA into the Fixed Deposit is against the terms and conditions of the grant i.e. "grant is to be utilized for the purpose it was released" Grant sanctioning authority may review the release of GIA so that Government money can be utilized for the purpose it was sanctioned instead of converting GIA into fixed deposit.

Para-8**Overdraft from Bank**

While reviewing the balance sheet for the year 2007-08, it has been observed that the institute has made overdraft of Rs.14,49,567/- from Syndicate bank to incur an expenditure over and above the sanctioned grant. Creating liability on the government without prior permission from the grant sanctioning authority is not in order. Grant sanctioned authority may review the pattern of assistance to incorporate the same in pattern or instruct the grantee institution to be careful in future. This OD may also be got regularized from General Body of the Institute.

Para-9**Excess payment of Transport Allowance of Rs.75,645/-**

While reviewing the PBR and leave record of the employees, it has been observed that the institute is paying transport allowance when the officials were on leave/conference/tour and they had not attended the office on a single day in a calendar month. The details are as under:-

S.No.	Name	designation	Period of absend/Leave	Total Calander months	Rate of Tpt. Allowance allowed	Excess amount paid(Rs.)
1	Dr. Priyanka Chopra	Senior Resident	1/03/2009 to 30/06/2009	4	3712 3904x3	Rs.15424
2	Dr. Komal G.Lodha	Senior Resident	1/06/2008 to 30/10/2008	5	800x4 3200	Rs.6400
3	Dr. Saraka Choudhary	SR/AP	1/11/2008 to 28/02/2009	4	3712x4	Rs.14848

4	Smt. Nirmala Dass	Staff Nurse	01/08/2008 to 30/11/2008	4	1856x3 1856	Rs.6656
5	Smt. Vengulain	Staff Nurse	01/01/09 to 30/06/2009	6	1856x3 1952x3	Rs.11424 -5715 Rs.5709
6	Dr. Priya Kumar	Demonstrator	01/03/09 to 30/06/09	4	3712 3904x3	Rs.7808
7	Dr. Deepmala Maurya	Demonstrator	August,09 and Septemebr,09	2	3904x2	Rs.7808
8	Sh. Gyan	Lab Astt.	May ,2008	1	100	Rs.100
9	Smt. Meenu	Peon	01/01/09 to 30/05/2009	5	696x3 732x2	Rs.3552 -1776 Rs.1776
					Total	Rs.75645/-

Immediate necessary step may be taken to recover the transport allowance of Rs. 75,645/- under intimation to Audit. Action taken to avoid recurrence of such incidence may be apprised to Audit.

Para-10 Transfer of Assest worths Rs. 5.46 crores

During the year 2007-08 assets worth Rs. 5,46,91, 325/- has been added in Balance Sheet as assets transferred from MAMC. The details are as under:-

Nature of Assets	Amount (Rs.)
Equipment	4,97,33,249
Instrument	17,17,544
Furniture	2,69,025
Vehicles	29,71,507

All the above assets were transferred on the basis of original purchase price without considering the depreciate value, life time of the assets transferred. Most of the equipments complete there life cycle or became Nil after considering depreciate value hence creating assets on the part of the institute is not in order. Even out of furniture of Rs. 2,69,025/- transferred during 2007-08, a sum of Rs. 1,00,467/- has been declared condemn during 2008-09.

The institute authorities may reconsider the value of assets transferred after considering life cycle of the instrument or depreciate value of the equipment from the date of purchase.

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Para-11 Lease Deed

As per Gazette Notification published on 1-7-2005 the Land measuring 5.06 acres in Maulana Azad Medical College Complex along with building of Maulana Azad Medical College and Hospital should be transferred to the Society i.e. MAIDS by the Govt. on nominal lease rent through lease deed.

No such lease deed has been preferred by the Institute after elapse of 4 years. The Institute authorities may take sincere effort to prepare the lease deed.

Para-12 Depreciation Reserve Fund.

While reviewing the financial Statement for the year 2008-09, it has been observed that institute had booked an expenditure of Rs.80,567/- as "fixed assets written off " whereas no such expenditure was incurred by them. Institute Authority may charge the deprecation as per norms adopted by ICA and create Deprecation Reserve Fund. Any assets purchased in future may be met out from the Deprecation Reserve Fund.

Para-13 Insurance of Assets/Property

While reviewing the balance sheet of the institute, it has been observed that institute had created assets worth Rs.10,22,53,321-- from the Non Recurring grant in the shape of lab equipment/furniture/computers etc from the date of its inception.

Being an autonomous body of government and 100% grantee institution, the assets should be insured from the nationalized insurance companies to prevent the loss to the government in un-foreseen conditions. The institute authorities may get the assets/property insured.

Para-14 Security Contract

During the year 2007-08 security contract was awarded to M/s Gorkha Security Services w.e.f. 1.12.07. The said agreement was again extended for further one year up to 31.11.09. While scrutinizing the tender file, it has been noticed that-

- 1 As per clause 15 of the tender document, the contractor shall deploy at least 75% of the staff amongst ex servicemen/ex para military but no supporting documents to ascertain the same was found in the file.
- 2 As per clause 19 of the tender document, the agency shall also be responsible to provide all the benefits like PF/ESI/Gratuity etc to eligible

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security staff engaged by the contractor. Since the institute is paying PF/ESI in addition to the minimum wages, it is mandatory to obtain supporting documents i.e. ESI card/PF statements from the contractor to ascertain whether the contractor is depositing the same to the concerned government authorities.

- 3 As per clause 27 of the tender document and OM issued by AS (Home) dated 25.05.04, the antecedents of the staff deployed will be got verified by the Delhi Police but no such verification was found in the file.

Para-15 Electricity charges

While reviewing the electricity bills paid by the institute, it has been observed that institute is paying electricity charges on commercial rates instead of domestic rates as notified by Government of Delhi.

The institute authorities may approach the concerned electricity authorities to convert the connection from commercial to domestic from the beginning and overpayment made in previous years may be adjusted in future bills.

Para-16 Non deduction of contribution of funds from the Employee of MAIDS staff

It was informed to the Governing Council of MAIDS that the Employees who have been newly recruited/absorbed in MAIDS would now be contributing towards CPF schemes. For successful operation of the scheme it is imperative that the investment of CPF contribution should be done meticulously and accordingly an investment committee was also proposed in the agenda items for the 4th meeting of Governing Council held on 04/04/2007. The Governing council gone through the detailed note of Agenda item and observed that the proposal appears to be in line with the orders contained in Govt. of India instruction on the subject and thus accepted it. The constitution of investment Committee has also been approved as under:-

- | | | |
|----|-----------------------------------|----------|
| 1. | Director-Principal, MAIDS | Chairman |
| 2. | Controller of Accounts, GNCTD | Member |
| 3. | Assistant Accounts Officer, MAIDS | Member |

In the 6th Meeting of Governing Council of MAIDS held on 06/11/2007, it was again emphasized that staff recruited by MAIDS should contribute their CPF through

Employees Provident Funds as it is being done in case of other autonomous institutions of Government of NCT of Delhi.

Scrutiny of annual accounts of MAIDS and Pay bill register of the Employees recruited by MAIDS revealed that no deduction on account of funds (CPF) is being made from the Employees till date of Audit. On query, it was informed that the matter is under correspondence with the Finance Department of NCT of Delhi. The Matter may be given Top Priority and deduction on account CPF may be started at the earliest under intimation to Audit.

(b) Pension and leave contribution of the staff who are on deputation to MAIDS are not being deposited in Government Account.

Similarly the matter regarding pension and leave contribution of the employees who are on deputation to MAIDS has also not been settled. Accordingly, no contrition on this account is being reflected in the annual account of the MAIDS. This may be settled on priority basis under intimation to audit.

Para-17 Commission of Advertisement on DAVP Rates

During the audit period the Institute had incurred expenditure of Rs. 55,96,815/- on the advertisement issued by the Institute to various advertising Agencies. The details are as under:-

1.	2006-07	110,122
2.	2007-08	215,878
3.	2008-09	22,33,815

		55,96,815

The advertisement was given on the rates approved by the DAVP. As per T&C of the given in the approved rates, the agency/Newspaper should allow 15% commission on advertisement.

In view of the above Institution authorities may negotiate with the advertisement agencies to allow discount to the maximum possible in place of 15% commission. Other autonomous bodies such as Sanskrit Academy etc are also obtaining reasonable discount in place of DAVP Commission.


Para18 Time barred cheques amounting Rs. 89714/-

During scrutiny of records it was noticed that cheques amounting to Rs. 89714 were issued by the MAIDS during the period 3/2008 to 3/2009 these have become time barred due to no presentation to the respective banks by the

concerned parties. The details are as under:-

S.No.	Months and Year	Cheque No.	Amount (Rs.)
1	March, 2008	316709	1692
2	July 2008	317053	26057
3	Septemeber2008	317318	900
		317399	6724
		270626	2000
4	March2009	270927	22921
		271014	20000
		271038	9420
		Total	89714

Necessary steps may be taken to cancel these cheques and amount credited into accounts under intimation to audit.


For Director of Audit 16/2/10

**DIRECTORATE OF AUDIT
LOCAL FUND ACCOUNTS
GOVT. OF NCT OF DELHI**

The Examiner Local Fund Accounts test audit report on the accounts of Maulana Azad Institute of Dental Sciences. (MAIDS). Bahadur Shah Zafar Marg, LNJP Complex, New Delhi for the financial year 2009-10, 2010-11 & 2011-12 was conducted by Sh.R.K Sharma, IAO & Ms. Manorama Rawat AAO (upto 01/06/2012) during the period from 17-05-2012 to 06-06-2012.

Introduction

Maulana Azad Institute of Dental Sciences was earlier a dental wing of Maulana Azad Medical College (MAMC). It came into existence w.e.f. 26.09.2003 as full fledged Dental Institution and Center for the dental needs of Delhi and adjoining areas. This is the eminent Dental Institution in the city conducting BDS & MDS Course. The Institute is having five year undergraduate BDS Course with an intake of 40 students per year and postgraduate MDS courses in eight dental specialties with an intake of two students per subject and is affiliated to Delhi University. This Institution is headed by a Director-Principal who is also Chief Executive Officer of the Institution. The day to day functioning of MAIDS is controlled by a Governing Council. The Institute is catering to approximately 1000-1200 patients daily besides providing quality education to the students.

In order to provide specialized preventive, curative and rehabilitative dental services and to develop as a 'Centre of Excellence' in Dental education, the Govt. of NCT of Delhi granted autonomous status to the Institution as 'Maulana Azad Institute of Dental Sciences' with 100% grant from Delhi Government from 01st November 2006. As per Gazette Notification of Government of Delhi dated 01.07.2005 the existing Maulana Azad Dental College and Hospital, New Delhi has registered as "The Society" with the Registrar of Societies under societies registration Act, 1860 vide Registration No.S.52390 dated 06.04.2005 to be known as "Maulana Azad Institute of Dental Sciences", New Delhi (MAIDS).

Part - I		Old Outstanding Paras	
YEAR	PARA NO.	BRIEF	Status
2006-07 to 2008-09	1	Performance & Achievement.	Outstanding
	2	Article of Association/Memorandum of Association.	Settled on the basis of reply
	3	Procurement of Non-Consumable – MDS Course.	Outstanding
	4	Providing a Floor Cleaning Machine worth Rs 7,36,847/- to contractor.	Outstanding
	5	Expenditure during last month of Financial year.	Settled on the basis of reply
	6	Non adjustment of advances worth Rs 3.69 cores	Outstanding
	7	Fixed Deposit out of Grant	Settled on the basis of reply
-	8	Overdraft from Bank.	Settled on the basis of reply
	9	Excess payment of Transport Allowance of Rs. 75,645/-.	Outstanding
	10	Transfer of Assets worth Rs.5.46 cores.	Outstanding
	11	Lease Deed.	Settled on the basis of reply
	12	Depreciation Reserve Fund.	Outstanding
	13	Insurance of Assets/Property	Outstanding
	14	Security Contract.	Outstanding
	15	Electricity Charges	Adjusted Rs 24 lakhs from the bills hence settled

	16 (A) & (B)	Non deduction of contribution of funds from the Employee of MAIDS Staff.	Outstanding
	17	Commission of advertisement of DAVP Rates.	Outstanding
	18	Time barred cheques amounting Rs.89,714/-	Outstanding

Note - 6 Paras have been settled during the course of audit as mentioned above

Part – II
Financial Statement

The accounts of the above Institution were reviewed purely on test check basis. M/s Gupta Naveen Associates, Chartered Accounts, 1505, Kucha Seth, Dariba Kalan Delhi – 110006, audited the accounts for the year 2009-10, 2010-11 & 2011-12. The inspection report has been prepared on the basis of information furnished and made available by the Institute. Office of the Directorate of Audit, Local Fund Account, Delhi disclaims any responsibility for any misinformation and/or non-information on the part of the Auditee. According to receipts and payments accounts appended with the balance sheet, the financial position for the years 2009-10, 2010-11 & 2011-12 are worked out as under:-

Grant in aid received during the year 2009-10	
No.F.400(121)/2006-H&FW/Plg./dshfw/1211-1220 dt.12/05/2009	27500000
No.F.400(121)/2006-H&FW/Plg./dshfw/2648-2657 dt.16/09/2009	27500000
No.F.400(121)/2006-H&FW/Plg./dshfw/141-150 dt.19/01/2010	27500000
No.F.400(121)/2006-H&FW/Plg./dshfw/682-691 dt.08/03/2010	20000000
No.F.400(121)/2006-H&FW/Plg./dshfw/1120-1128 dt.31/03/2010	20000000
Total grant-in-aid of 2009-2010	15,00,00,000
Grant in aid received during the year 2010-11	
No.F.400(121)/2006-H&FW/Plg./dshfw/1646-54 dt.14/06/2010	38800000
No.F.400(121)/2006-H&FW/Plg./dshfw/3051-59 dt.11/10/2010	71284926
No.F.400(121)/2006-H&FW/Plg./dshfw/529-537 dt.18/02/2011	38700000
No.F.400(121)/2006-H&FW/Plg./dshfw/1001-1010 dt.31/03/2011	15000000
Total grant-in-aid of 2010-2011	16,37,84,926
Grant in aid received during the year 2011-12	
No.F.400(121)/2006-H&FW/Plg./dshfw/1389-97 dt.05/05/2011	45000000
No.F.400(121)/2006-H&FW/Plg./dshfw/766-774 dt.04/10/2011	90000000
No.F.400(121)/2006-H&FW/Plg./dshfw/375-383 dt.10/02/2012	55000,000
Total grant-in-aid of 2011-2012	19,00,00,000

Income (Recurring)	2009-10	2010-11	2011-12
Add Unspent Balance of 2008-09	43846877.00	-----	-----
GIA from Dte. of Health Services	15,00,00,000.00	163,784,926.00	190,000,000.00
Misc. Income	38,641.00	137,673.00	40,873.00
Interest on ICICIBank FDR		166,575.00	2505.04
Admission Fees(BDS)	74,620.00	100,100.00	107,380.00
Tution Income	1,86,405.00	160,880.00	119,085.00
Clinical Assistantship Fees	-	1300000.00	3175000.00
Interest on L/C FDR	195356.17	-	---
Interest received on L/C saving a/c	-	2193.08	---
OPD charges	111130.00	458220.00	481540.00
Sale of vehicle	-		52345.00
Sale of Publications	4,500.00	---	---
Internship Fees	10,00,000.00	100,000.00	350,000.00
Other Income(L/C refund)	-	333289.96	790429.34
Interest on saving A/c	7,12,469.99	1,158,782.17	2,121,890.91
Recruitment fee from candidates	8,08,050.00	411,500.00	500,000.00
Sale of students receipts(Record)	-	2,100.00	3450.00
Rental Income	92,000.00	92,000.00	278,000.00
RTI Fees	---	----	480.00
Patient Receipts	18,32,855.00	4,059,559.00	3,998,785.00
Interest Recd. On L/CFDR	1,473.06	215,393.48	199,959.77
Total Income	19,89,04,377.22	17,24,83,191.69	20,22,21,723.06

Expenditure

Head of Expenditure	2009-10	2010-11	2011-12
Establishment Exp.	10,85,17,483.00	112,547,032.00	130,767,704.00
Misc. Expenses	1,61,011.00	218,410.00	231,666.00
Electricity Expenses	30,83,066.00	6,461,402.00	8,173,902.00
Telephone Expenses	5,72,601.00	625,237.00	-
Newspaper Charges	29,058.00	87,320.00	96,111.00
Uniforms Expenses	15,357.00		
Advertisement Charges	14,11,201.00	1,566,804.00	2,443,035.00
Security Charges	17,44,627.00	1,967,571.00	1,868,502.00
Postage Stamps	40,000.00	46,182.00	51,357.00
Printing & Stationary Charges	17,09,724.00	1,475,937.55	1,396,102.47
Honorarium expenses	65,800.00	-	
OPD Card Expenses	1,56,198.00	411,329.00	
Office Exp.	4,27,233.00	1,301,555.00	1,074,557.00
Bank Charges	21,598.50	7,512.00	8,483.18
Couriers Exp.	2,235.00	-	
Vehicles Repair & Maintenance	2,13,021.00	204,385.00	360,282.00
Fuel Expenses	1,58,325.00	193,777.00	244,980.00
Professional Fees	9,25,797.00	2,067,530.00	2,970,904.00
Repairs & Maintenance(Furniture)	---	---	194,890.00
Computer Repairs & Maintenance	---	167,905.00	478,290.00
Audit fees	77,210.00	25,000.00	37,600.00
Employees Contribution Towards NPS	3,57,062.000		
Telephone & cellular phone expenses	--	79,475.00	757,484.00
Meeting & Conference Expenses	1,17,589.00	176,050.00	86,500.00
Manpower & Supply	---	18,08,369.00	37,74,293.00
Repair & Maintenance	6,34,694.00	252,198.00	893,792.00
Training expenses	-		
Sanitation Charges	23,08,125.00	2,647,422.00	3,867,249.00
Supply & Material (Consumable)	97,96,405.00	11,077,518.48	16,825,402.61
Hospital Function	3,41,881.00	180,720.00	68,742.00
Total expenditure(A)	13,28,87,301.50	14,55,96,641.03	17,66,71,828.26

Capital Expenditure			
Computer purchased	1081358.00	----	----
Book & Periodicals	16230.00	5169984.90	3653640.00
Vehicle purchased	----	33999.00	1231606.00
Furniture	----	---	40777.00
Surgical equipment & instrument	---	----	8592682.00
Dental Equipments	17161516.08	10148789.00	----
Cellular Phone	---	----	46270.00
Tally software purchased	13500.00	---	---
L.C deposited with bank for advance against materials/equipment	7384000.00	---	----
Computer Repair & Maintenance	37,273.00	167,905.00	478,290.00
Total (B)	2,56,56,604.08	1,55,20,677.90	1,40,43,265.00
Grand Total (A+B)	15,85,43,905.58	16,11,17,318.93	19,07,15,093.26
Total Expenditure			

Unspent Balance

	2009-10	2010-11	2011-12
Unspent balance of previous year	4,38,46,877.00	4,03,60,471.64	5,17,26,344.40
Total Income	15,50,57,500.22	17,24,83,191.69	20,22,21,723.06
Total income including unspent balance	19,89,04,377.22	21,28,43,663.33	25,39,48,067.40
Total Expenditure	15,85,43,905.58	16,11,17,318.93	19,07,15,093.26
Unspent Balance	4,03,60,471.64	5,17,26,344.40	6,32,32,974.14

PART-III
Current Audit Report

Para no.1: - Irregular purchase of new staff car after condemnation of old staff car.

The MAIDS has purchased a new ambassador staff car for the Director amounting to Rs.536267/- on the DS&D rate contract from M/5 Hindustan Motors on 3/8/2011 after condemning the old staff car with the approval of Principal Secretary (Health).

As per Delegation of enhanced Financial Powers dated 10/01/2007 no power has been delegated to HOD's/Principal Secretary of administrative department for purchase of motor vehicle, therefore the expenditure incurred on the purchase of new staff car is irregular and ex-post facto sanction of the competent authority i.e. Principal Secretary (Finance) may be taken for getting the above mentioned expenditure regularized.

Further it has also been noticed that an amount of Rs.78350/- have also been spent on account of purchase & fitting of car accessories & upholstery of staff car. The institute while incurring the expenditure has not gone through the guidelines issued by the Finance Department, GNCT of Delhi from time to time for all the departments/autonomous bodies/institutes etc under GNCT of Delhi, according to which strict economy in government expenditure should be enforced while incurring expenditure and where it is unavoidable to incur higher level of expenditure for justified reasons specific concurrence in this regard should be obtained from the Finance department. The institute is advised to adhere to the guidelines/instructions issued by the Finance department in future while incurring expenditure.

Para no.2:- Hiring of vehicle for non-entitled officer without the approval of the Finance Department.

As per Delegation of Financial Power Rules and instructions issued by GNCT of Delhi vide Finance (Budget) Department's order No.F. 14(19)/99-Fin(B) dt.May'5,2000 prescribes following parameters which would be required to be fulfilled before incurring expenditure towards hiring of vehicles for office use:-

1. The vehicles shall be hired only for entitled officers(i.e.the officers who are working in PB-4:Rs.37400-67000+Grade Pay-Rs.10000/- & above) in case government vehicles/staff cars are not available with the department.
2. In case the department wants to hire vehicles for non-entitled officers in view of functional requirements, the department shall seek the prior approval of Finance Department.

On the scrutiny of file related to hiring of vehicle by MAIDS it was noticed that the institute has hired one vehicle for consultant (looking after the work of registrar) drawing consolidated salary amounting to Rs.40000/- p.m. (non-entitled officer) without following the instructions/guidelines as mentioned above. Therefore, the expenditure incurred on hiring of vehicle is irregular and the institute is advised to take ex-post sanction from Finance department for getting the expenditure regularized. Henceforth prior approval of Finance department should be obtained before hiring of vehicles.

Para No.3:-Abnormal increase in expenditure on medicines under Material & Supply head during the financial year 2009-10,2010-11 & 2011-12 against total OPD patients.

(I) As per the information provided to the audit regarding total OPD patients(old&new) during the financial year 2009-10,2010-11 & 2011-12 and expenditure incurred on them under M&S head following analysis has been made:-

S.No	Financial year	Total no. of OPD patients (including old & new)	Increase in OPD cases (in percent)	Expenditure incurred under M&S head	Increase in expenditure(in percent) [Difference of col.3 & col.5] (6)
(1)	(2)	(3)	(4)	(5)	(6)
1	2009-10	248379	---	97,96,405/-	--
2	2010-11	256822	3%	1,10,77,518/-	13%
3	2011-12	273098	6%	1,68,25,402/-	52%

The above table shows that during the year 2011-12 there is a substantive increase in expenditure on medicines under the head M&S. In the year 2011-12 percentage of OPD patients increased only by 6%, whereas the expenditure on them increased by 51.88% which seems a very abnormal increase in the expenditure. The competent/hospital authority may look into the matter for this abnormal increase in expenditure in Material & Supply head and justification for not adhering to GFR Rule-137 " which says that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matters relating to public procurement and that care should be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs" may be given to audit

(II)

S.No	Financial year	Total no. of OPD patients (including old & new)	Increase in OPD cases (in percent)	Patient receipt in Rupees.	Increase/ (Decrease**) in percent
(1)	(2)	(3)	(4)		
1	2009-10	248379	---	1832855	---
2	2010-11	256822	3%	4059559	221%
3	2011-12	273098	6%	3998785	(1.5%**))

As per the detail shown in the table (I) during 2011-12 there is a nominal increase in OPD cases by 6% but an abnormal increase in expenditure by 52% whereas as per table (II) against an increase in OPD cases the financial account of the Institute shows an abnormal picture of decrease in income/patient receipt by 1.5% which needs clarification. The competent authority may look through the matter and clarify the abnormality shown above to the audit.

Para no 4:-Irregularities in awarding of sanitation work to the contractor without the approval of the competent authority.

- (A) While going through the sanitation file for the financial year 2009-10, 2010- 11 & 2011-12 following points have been observed by the audit:-

Initially the contract for sanitation work was awarded to M/s Forbes Facilities Services Pvt. Ltd. w.e.f October 2007 to September 2008 for a period of one year @Rs.184650/- per month for 18 Nos. of Janitor and one supervisor. However the same was extended on expiry w.e.f. Oct'2008 to September 2009 on the same rates. On the expiry of the extended period the institute with the approval of Director/Principal(MAIDS) again extended the contract with the same contractor at a enhanced rate of 10% above the billing amount w.e.f. October 2009 to July 2010 (Rs. 184650/- +10% = 203115) which was again revised to Rs.203115/-+32262 = 235377 w.e.f. 8th August 2010 to December 2010 due to increase of three Janitors.

Following complaints against the contractor are available in the file:-

(i) On the perusal of the sanitation file it was seen that during 21/12/2009 a note was put up mentioning that the Director/Principal was not satisfied with the sanitation services provided by the agency i.e. M/S Forbes Facilities Services Pvt. Ltd.

(ii) On 22/3/2010 a complaint was made against the agency regarding ignoring of Bio Medical Waste while disposing of the waste of the hospital which was a severe violation of BMW norms. However no action was taken against the agency mentioning that this was the first time.

(iii) A written complaint was made by the Supervisor (Bio Medical Waste) on 21/12/2010 against the agency regarding deficiencies in the sanitation work related to garbage etc.

As per the terms and conditions of the agreement it is clearly mentions that the clearance of garbage till a designated place and clearance of Biomedical waste as per the prescribed norms is the responsibility of the contractor and if complaint is received consecutively second times in a month from any of the HODs a fixed amount of Rs.3000/- will be deducted from the monthly bill of the contractor. However, if this state of affairs continues to occur repeatedly, the contractor will be warned for the default and two months notice will be given to wind up the contract.

On the basis of the above it is seen that the even though the complaints were received against the contractor still extension was granted to him by enhancing the rates as per his requirement. In March 2011 fresh tender for sanitation work was invited/ published for which Rs. 1,41,524/- was spent on advertisement through M/s New Field Advertising Pvt. Ltd. In the response of the above only two Sanitation firms duly qualified in e-Tender were floated the bids as under:-

- | | |
|---|------------------------------|
| 1. M/s Green Housekeeping | L-1 @Rs. 2,13,915 per month |
| 2. M/s Forbes Facilities Services Pvt. Ltd. | L-2 @ Rs. 3,58,274 per month |

The above mentioned tender was rescinded /scrapped by the Institute on the basis that M/s Green Housekeeping did not have the requisite paraphernalia to exhibit their performance and M/s Forbes Facilities Services Pvt. Ltd has quoted rates on higher side. The committee after rejecting the tender of M/s Green Housekeeping (L-1) on technical grounds called the representatives of M/S/ Forbes Facilities Services Pvt. Ltd. (L-2) and persuaded them to accept the contract as per the rate contract of **G.P. Pant Hospital obtained unofficially by the institute** {as mentioned in note sheet at N/1 in the file (copy attached)}. As per CVC Guideline no negotiation can be done even with L-1 and awarding of tender to old contractor i.e. M/S. Forbes Facilities Services Pvt. Ltd on higher rate than L-1 is not in order. In such case the Institute should have given the sanitation work to L-1 or should have rejected the tender process as recommended by the committee. It seems that **an undue advantage to M/s Forbes Facilities Pvt. Ltd was given by awarding the tender to the firm.**

(B) Total expenditure incurred on Sanitation till date

Sl.No.	Period	Months	Rates	Total
1.	Oct 2007 to Sep 2009	24	1,84,650	44,31,060
2.	Oct 2009 to July 2010	10	2,03,115	20,31,150
3.	Aug 2010 to Dec 2010	05	2,35,377	11,76,885
4.	Jan 2011 to March 2011	03	2,55,000	7,65,000
5.	April 2011 to May 2011	02	3,05,000	6,01,000
6.	June 2011 to March 2012	10	3,10,652	3,16,520
Total				1,21,21,155/-

On the basis of the above following observations are being made by the audit:-

1. No approval from Pr. Secretary/Secretary of administrative department taken for awarding of sanitation work. As per Delegation of Financial powers for engagement of security & sanitation services approval of Principal Secretary/Secretary of administrative department is required to be taken. Therefore, the expenditure incurred by the Institute during the financial year 2009-10,2010-11 &2011-12 is irregular and same may be got regularized with ex-post facto sanction from the competent authority.
2. No detail is being provided by the contractor on the bill i.e. no. of Manpower / Area in sq. mtr in the absence of the above bills can not be restricted.
3. Institute is not recovering Work Contract Tax @2% as state tax, same may be recovered on the entire amount i.e. Rs.1,21,21,155/- paid by the institute from 2007 to 2012.
4. The services provided by the contractor, comes under service tax rules but it is not clear from the bills that contractor is depositing the service tax in the government account or not. Institute is advised to ask for a copy of Challan to verify whether the contractor has deposited the service tax in government account or not.

Clarification on the above be provided to audit and necessary recoveries be made from the contractor under intimation to audit.

Para no.5:-Recovery of Transport allowance

As per the information provided to the audit regarding officers/officials/doctors being on leave for more than one calendar month, it has been found that following officers/officials/doctors have availed leave for more than one calendar month but on checking the PBR it was noticed that transport allowance was paid to them for that leave period:-

Sr. No	Name of officials	Period of leave	Transport allowance paid in Rs.	Amount to be recovered
1.	Veena Bhatia, Sister	01/02/2012 to 29/02/2012	Paid Rs. 5056/- for Feb'2012	5056/-
2.	Dr. Seema Yadav, Professor	01/02/12 to 29/02/12	Paid Rs. 5056/- for Feb 2012	5056/-
3.	Lily Grace, S.A.	01/08/10 to 31/10/10	Paid Rs. 2320/- for August, September & October'2010	6960/-
4.	Dr. Vandana, S.R.	01/10/10 to 28/02/11	Paid Rs. 4640/- for October, November & December' 2010 Paid Rs. 4832/- for January & February'2011	23584/-
6.	Dr. Shruti Tandon, Asstt. Professor	01/08/10 to 30/09/10	Paid Rs 4320/- for August & September'2010	8640/-
7.	Madhu Gupta, Dental Hygienist	01/07/10 to 31/07/10	Paid Rs. 2160/- for July'2010	2320/-
8.	Vangulien, Staff Nurse	01/08/11 to 29/02/12	Paid Rs 2320/- for August to December'2012 Paid Rs. 2528/- for January & February'2012	16656/-
9.	M.P. Bansal, CLC	01/06/11 to 30/06/11	Paid Rs. 2416/- for June'2011	2416/-
10.	Krishan Kanta, Staff Nurse	01/06/11 to 30/06/11	Paid Rs. 2416/- for June'2011	2416/-
11.	Dr. Rekha Gupta, Associate Professor	01/03/10 to 31/03/10	Paid Rs. 4064/- for March'2010	4064/-
12.	Dr. Priya Kumar, Asstt. Professor	01/03/09 to 31/07/09	Paid Rs. 3904/- for March to June'2009 Paid Rs. 4064/- for July'2009	19680/-
13.	K.S. Sarda, Dental mechanic	01/07/09 to 31/07/09	Paid Rs. 2032/- for July'2009	2032/-
14.	Sarika Chaudhary, Asstt. Professor	01/03/09 to 31/03/09	Paid Rs. 3904/- for March'2009	3904/-
			Total recovery	1,02,784/-

(Facts & figures may be verified at the level of HOO/DDO before enforcing recoveries)

As per GOI instruction no transport allowance is admissible to employees, absent from duty for a full calendar month due to leave/training/tour etc. Therefore, recovery amounting Rs. 1,02,784/- from the above mentioned officers/doctors/officials may be made under intimation to the audit.

Para no 6:-Irregularities in LTC availed by the officials during the financial year 2010-11.

While going through the LTC adjustment bills in r/o officials who have taken LTC facilities following irregularities have been noticed by the audit -

- (I) Dr.Sujata Mohanty,Professor had taken LTC advance to visit Cuttack. But the LTC adjustment bill no 316 dt. 14/08/10 submitted by her shows the following irregularities:-
 1. The official visited Cuttack via Bhubneshwar by Indian airlines and from Bhubneshwar used private taxi to visit Cuttack. As per LTC rule LTC claim is not admissible if approved destination is not touched by the official through public transport. Hence the entire amount of Rs. 43098/- be recovered from the official.
 2. The official has submitted air tickets of Rs. 25972/- for three family members. How the office approved & paid the claim for Rs.43098/-to the official? The competent authority may set up an enquiry in this matter under intimation to the audit.
- (II) An LTC claim was passed vide bill no.708 dt.29/03/2011 in favour of Sh.M.B.Vij, Registrar for Rs.4920/-to visit Aramgarh, U.P. near Muradabad. The official visited the place through private taxi whereas as per LTC rule (12) the LTC facility shall be admissible only in r/o journeys performed in vehicles operated by the govt. or any Corporation in the public sector run by the central or state govt. or a local body. The approved destination was not touched by the official by approved mode of transport, hence the entire amount of Rs.4920/- be recovered from the official as Rs.6600/- paid for private taxi by the officer & restricted by the office to Rs.4000/- is not admissible expenditure under LTC rule. Therefore, the recovery of Rs.4920/-may be made from the officer under intimation to the audit.
- (III) Dr. Mridula Goswami, Professor was paid vide bill no 707 dt.29/03/2011 for Rs.30068/-. These tickets were purchased by the officer from a private travel agent i.e. M/S Abipra Tours & Travel which is not in order. According to GOI's order dt.15/07/2010 & 16/09/2010 states that the LTC-80 ticket of Air India only be purchased directly from Airlines Booking Counters or Website of Airlines or through authorized travel agents viz. M/S Balmer Lourie and Company, M/S Ashok Travel and Tours. Hence the amount of Rs.30068/- paid to the officer is a violation of the guidelines issued by the Ministry of Finance, GOI and same may be recovered under intimation to the audit

Para no:-7 Outsourcing of services in MAIDS without the approval of the competent authority.

(I) Providing of Manpower Services in MAIDS

On the scrutiny of the file related to providing of Manpower Services in MAIDS, it has been observed that the services of Nursing Orderlies are being outsourced by the institute without obtaining the approval of the competent authority i.e. Pr. Secretary (Finance). As per Delegation of enhanced financial powers to Pr. Secretaries/Secretaries of GNCT of Delhi dt.23/09/2011 for engagement of Class-IV staff and Nursing Orderlies on outsourced basis through private agencies and extension of contract thereof prior approval of FD i.e. Pr. Secretary(Finance) should be obtained in r/o number of persons to be engaged on outsourced basis. Therefore, the expenditure incurred on the engagement of nursing orderlies is irregular and ex-post facto sanction of the competent authority i.e. Pr.Secretary, (Finance) may be taken for getting the expenditure regularized.

Further as per the contract the contractor i.e. M/S Bedi & Bedi Associates was required to furnish Acquaintance Roll for previous month for which payment has been released by MAIDS while submitting fresh bills with details of amounts deposited in EPF and ESI for the staff deployed in MAIDS each month. But on checking of the bills it was noticed that the same was not being provided by the contractor with current bills. The institute may, therefore instruct/advise the contractor to submit the bills with the detail of staff, deduction of ESI & EPF detail so that adherence to payment of wages on time, ESI & PF deductions and remittance to this to the concerned government agencies could be ensured.

(II) Outsourcing of Reception services at MAIDS.

The institute has engaged eight receptionists through outsourcing from Yasikan Enterprises Pvt Ltd with the approval of Secretary(H&FW) indicating a financial implication of Rs.60000/- per month. No approval of Pr. Secretary (Finance) taken for engagement of receptionist through outsourcing. Further it has also been noticed that the institute has taken the approval for incurring an expenditure of Rs.60000/-per month, but the expenditure incurred on engagement of receptionist is more than Rs.60000/- per month. No staff detail is being provided by the contractor with their EPF & ESI deductions with the current bill, therefore it cannot be ensured that the contractor is deducting proper EPF and ESI of the staff and remitting the same in government agency. The HOO may ask the contractor to provide the details of the staff with every bill before releasing payment as mentioned in the contract of the contractor. Further ex-post facto sanction of the Pr.Secretary(Finance) may also be taken for getting the expenditure regularized.

Para no.8:- Issuance of medicines from stock after their date of expiry.

During the test check of medicine stock registers maintained by the Institute/hospital, the following shortcomings have been noticed for the audit period 2009-12:-

1. As per the stock register sixty no's of Injection Sod.Thiopantone were purchased on 16/09/2009 with date of expiry May 2011. Out of 60 injections only 10 were issued in time. Further purchase of 50 injections was made on 07/3/2011 in addition to the previous stock. The store keeper issued all the 100 no's of injection on 12/01/2012 to the concerned department without noticing the expiry date of the injection. This issuance of medicines/injections after its date of expiry is a serious lapse on the part of the store keeper. The hospital authorities may instruct the store keeper to trace out the expired injections from the concerned department immediately and direct him to be more watchful in future while issuing medicines so that such type of mistakes does not occur in future. Action taken in this regard may be intimated to the audit.
2. It has also been noticed that bulk purchases are being made by the institute without checking the stock of medicines in hand and either the same are issued in bulk to show the balance as NIL or some medicines are being transferred to LNJP hospital due to non consumption. Detail of some medicines are given below:-

S.No.	Name of the medicines	Total stock with date	Date	Stock issued	Date
1.	Dextrose 5% CCS system(500ml)	100	01/04/11	100	18/01/12
2.	Dextrose 5%NA(OL	950	01/04/11	950	18/01/12
3.	Dextrose 5% No-mal Saline	522 700	01/04/11 19/04/11	(i)332 (ii)890	(i)w.e.f.14/07/11 to 09/02/12 (ii)17/03/12
4.	Tab Diclofenac 50mgm	10000 2500	28/11/11 13/01/12	--- ---	---
5.	Cap Dexycillin 100 mgm	6280	01/04/11	6000	06/04/11(Issued to LNJP hospital)
6.	Water for injection(5ml) sterile	3600	18/04/11	(i)235 (ii)3000	(i)w.e.f.30/05/11 to 23/09/11 (ii)24/09/11 (Issued to LNJP hospital)
7.	Inj Phenarmine Maleate 22.75	223	01/04/11	(i)48 (ii)100	(i)w.e.f 17/04/11 to 31/10/11 (ii)14/03/12(Issued to LNJP hospital)
8.	Inj Promethazine HCL 25 mg/ml	578	01/04/11	(i)13 (ii)500	(i)w.e.f.17/04/11 to 16/09/11 (ii)14/03/12(Issued to LNJP hospital)

As per the above information it seems that medicines are purchased in an un-planned manner. A purchase committee should be constituted to see the actual requirement of medicines/injections before placing order for new stock so that this practice of buying the medicines and keeping them for a long time in stock and issuing the same in bulk to the departments without knowing their requirement just to show NIL balance in the stock register or transferring the same to LNJP hospital. The cost of medicine transferred to LNJP Hospital may also be recovered under intimation to Audit.

Para-09:- Honorarium paid to contractual doctors and staff members without obtaining the approval of the competent authority.

On the scrutiny of the PBR and ledger for the financial year 2009-10 it has been seen that the doctors and other officials of the Institute/hospital have been paid honorarium amounting to Rs.65800/- without the approval of Pr. Secretary(Finance). As per the Delegation of Financial Rules prior approval of the competent authority i.e Principal Secretary (Finance) is to be taken for making payment on account of honorarium to contractual doctors and staff members. Therefore, the payment made to the above mentioned doctors/officials is irregular and it is advised that either the Institute/hospital take ex-post facto sanction of the competent authority for regularization of the expenditure incurred or the recover the amount from the concerned doctors/officers/officials under intimation to the audit.

Para no 10:- Improper maintenance of Stock Register of Non-consumables.

According to Rule 190 (1) of GFRs the Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances. The rule 190 (2) (i) speaks about keeping separate accounts of Fixed Assets such as plant, machinery, equipment, furniture and fixtures etc. in the Form GFR-40.

During the test check of stock register of non consumables maintained by the institute/hospital the audit has observed that the register is not maintained as per GFR-40 causing thereby one at any point of time will not be in a position to know the location of the assets being kept in the college. Hence the hospital authorities are requested to maintain the fixed asset register of such items in GFR form 40 as per the provisions of Rule 190[2][i] of the GFR since its inception and the compliance in this regard may please be shown to next audit.

Para no: 11:- Shortcomings in contract of Security

During scrutiny of the file for security contract awarded to M/s Gorkha Security Services following irregularities has been observed:

1. A fidelity Bond was submitted by M/s Gorkha Security Services for 23 personnels. This Policy was purchased from M/s National Insurance Co Ltd. for a value of Rs. 25,00,000/-. This policy was expired on 07/01/2009. As the contract of security was continued upto September 2011, Fidelity Bond was also required to be renewed, but the same was not renewed which is a violation of the terms & conditions of the contract. All payments made without submitting the Fidelity Bond are irregular. Clarification on the issue be provided to audit.
2. A performance Guarantee/Security was kept by the Institute from M/s Gorkha Security Services in the form of FD for Rs. 1,50,000/- vide no SBF 809873 dt.15/12/2009 issued by Syndicate Bank with maturity date of 15/06/2011. But even after passing the date 15/06/2011 the Instrument was not renewed. This instrument was issued in the name of contractor and the same was not endorsed in the name of the Institute without proper endorsement FD having no worth Institute. Proper action may be taken by the Institute in the issue under intimation to the Audit.

Para.12 : Advance Treated as Expenditure

1 While reviewing the financial statements along with registers of advances, it has been observed that advances given to various parties are treated as a final expenditure instead of reflecting the advances on the assets side of balance sheet. The expenditure should have been booked when the material/supplies received along with proper bills. As on 31.03.2012 advances worth Rs.3.66 crores are pending from 2005-06 to 2011-12 as under:

S.no	Name of the Firm/official	Year	Amount in Rupees
1	Syndicate Bank	2005-06	16900000
2	Syndicate Bank	2007-08	1813185
3	Sysmex Asia Pacific PTE Ltd.	2007-08	1885995
4	Syndicate bank for opening of LC in favour of M/s Karl Store GAMBH & Co. Germany	2007-08	2002817
5	NICSI	2008-09	1183988
6	Total IT Solution Pvt.Ltd	2008-09	1204212
7	NICSI	2008-09	271128
8	Manager, Syndicate Bsnk	2008-09	165000
9	M/s HCL Info Systems Ltd.	2009-2010	8757
10	Chief controller of A/c Ministry of Commerce, Department of Suppliers, New Delhi	2009-10	1058611
11	M/s HCL Info Systems Ltd	2009-10	129361
12	Chief controller of A/c Min. of Commerce, Deptt. Of Supplier, New Delhi	2009-10	23051
13	Syndicate Bank, MAMC for opening of L/C	2009-10	5590112
14	M/s Snio Bio Midica India (P) Ltd.	2009-10	59452
15	M/s Empire Instrumentation	2009-10	44984
16	M/s NICSI (Planning)	2009-10	470880
17	M/s Hero Honda Motors limited	2010-11	33,999
18	Quality Council. of India	2010-11	25,000
19	Advance drawl for payment to national productivity council through Sh. Umesh Khandpal	2010-11	38,000
20	NISCI(Planning)	2011-12	98096
21	Total IT Solutions (P) Ltd	2011-12	3413494
22	The Accounts Officer, National Informatic Centre, New Delhi	2011-12	3024
23	M/s IBM India (P) Ltd.	2011-12	38496
24	M/s Empire Instrumentation	2011-12	92837
25	Admn.Branch, MAIDS	2011-12	10000
	TOTAL		36564479

- 2 As per provisions contained in GFR-159 advances should be adjusted within one month of drawl of advance but institute authorities are not

taking this matter seriously which results blockage of Govt. funds to the tune of Rs.3.66 crores. If necessary advances should be given after obtaining Bank Guranttee for adequate safe guard of Govt. money.

Similarly during 2011-12 L/C worth Rs. 74.80 Lakhs were opened in Public Sector Banks in connection with procurement of Equipments from abroad. The said L/C of Rs. 74.80 Lakhs was also booked as final expenditure and included in assets side.

In view of the above Institute authorities may take sincere efforts to settle the outstanding advances worth Rs.3.66 crores and also obtain Bank Guranttee before making advance payment to Private parties.

Para 13: Expenditure over and above Delegation of Financial Powers

While reviewing the Financial Statements, it has been observed that Institute authorities are incurring the expenditure over & above the delegation of financial powers without approval of the government. The details are as under:

Head of A/c	2009-10	2010-11	2011-12	Delegation of financial Powers	% incurr ed
Printing& Stationery	1709724	1475937	1396102	5lakhs PA for printing& 5lakhs PA for Stationery	53%
Contingent Expenditure/O E	588244	1519965	1306223	2lakha PA for Reccuring&1l akh for non-recurring	280%
Computer	1081358	-	-	2*5Lakhs PA 2.50 Lakh	333%

Clarification /justification may be given to incur the expenditure over & ABOVE THE Delegation of financial powers.

Para 14: Purchase against economy instructions: Banned items

As per delegation of financial powers, the economy instruction issued by the govt. on the subject, the following items should have been purchased with the prior approval of FD. But institute violated the delegation of financial power and purchased the following banned items:

Banned items procured	2009-10	2011-12
Car/vehicle 2 nos		Rs.1231606
Computer	Rs.1081358	
Furniture		Rs.40777

Institute authorities may get the irregular expenditure regularized from competent authority.


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PART-IV
Test Audit Note

Tan 01:-Safe custody and monitoring of EMD's, performance securities and other instruments.

On the scrutiny of the tender/quotation files it has been noticed that a lot of tenders are being placed by the Institute for purchase of equipments/medicines, outsourcing of services etc and EMD's are being received from the contractors for bidding. No EMD register has been made by the office to record the EMD's received from the bidders so that the same may be refunded to unsuccessful tenderers in time. As per Para 7.3 & 7.8 of Manual on Policies and procedures for purchase of goods stipulates that suitable mechanism for safe custody and monitoring of EMD's and performance securities and other instruments should be evolved and implemented by each department and institutional arrangements should be made on time for extension or encashment or refund of EMD's and Performance securities as the case may be. Monitoring should also include a monthly review of all bank guarantees and other instruments expiring after 3 months. In case of EMD's the EMD's of all unsuccessful tenderers should be returned without any interest whatsoever, at the earliest after expiry of the final tender validity period but not later than 30 days after conclusion of the contract.

It is, therefore advised that a proper record of EMD's & performance guarantee should be maintained at office level for its proper monitoring, refund, extension or encashment in time.


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