

**Government of Himachal Pradesh  
Local Audit Department  
Block No. 38, SDA Complex  
Kasumpti, Shimla-171009.**



**Audit and Inspection Report  
on the Accounts of  
Himachal Pradesh University  
Shimla-171005.  
For the Year 2015-16.**

## **Table of Contents**

### **PREFACE**

1. This report on the accounts of H.P. University has been prepared for submission to the Govt. of H.P. under the provision contained in Section 29 of H.P. University Act 1970 (Act No. 17 of 1970).
2. Part-I of the report contains the latest position of all outstanding audit paras which were pointed out in Annual Audit Report during the period w.e.f 04/1981 to 03/2015.
3. Part-II of the report deals with the financial position, Grants-in-Aid received from H.P. Govt. & Govt. of India and findings of pre-audit and post audit of University accounts for the Financial Year 2015-16.
4. Old outstanding audit paras settled during 2015-16 is given at Annexure-“A-I” of this Audit Report.
5. The latest position of all outstanding audit paras from 1981-82 to 2014-15 is given in annexure-“A-II” of this report.
6. Receipt and Payment Account 2015-16 (Main Account, NRI & OTHER Account)
7. Income and Expenditure 2015-16.
8. Trial Balance as on 31.03.2016
9. Balance Sheet as on 31.03.2016.

**Audit and Inspection Report for the year 2015-16**  
**Executive Summary**

**The following Statutory Officers have served in the institution  
during the period under report**

<b>Sr. No.</b>	<b>Designation</b>	<b>Name</b>	<b>Period</b>
<b>1.</b>	<b>Vice Chancellor</b>	<b>Prof. A.D.N. Bajpai</b>	<b>01.04.2015 to 31.03.2016</b>
<b>2.</b>	<b>Registrar</b>	<b>Dr. Pankaj Lalit</b>	<b>01.04.2015 to 31.03.2016</b>
<b>3.</b>	<b>Finance Officer</b>	<b>Sh. Diwakar Kamal Controller (F&amp;A)</b>	<b>01.04.2015 to 31.03.2016</b>

### Serious Irregularities detected during audit for the year 2015-16

Sr. No.	Particulars	Para No.	Amount in (₹) lacs
1	Loss of Interest income due to keeping huge funds to the tune of ₹ 1610.66 Lacs in Saving Bank / Current Accounts	5.4	40 to 45
2	Embezzlement out of income on account of sale of prospectus -ICDEOL Revenue Account (in 2015-16 only)	5.5	19.09
3	Bank Accounts balance not accounted for in final Accounts of the University's	5.6	16.26
4	Loss on account of nonrefund of TDS on FDRs ICDEOL Student Fund	5.7	5.90
5	Suspected overpayment to Guest Faculty on account of lectures delivered in Personal Contact Programme (PCPs)- ICDEOL Student Fund	5.8	6.00
6	Short-realisation on account of penalty from allottees of Canteens in the University main campus for depositing rent after due dates-Estate Office	5.9	1.95
7	Less payment of interest on FDRs by Banks and short realization of maturity amount of FDRs due to TDS	5.10	6.24
8	Avoidable loss sustained by the University on account of interest on delayed payments of retirement benefits to Sh. Hira Nand Sharma, AR Retired.	5.11	3.90
9	Less transfer of NRI Funds to Revenue Account of HPU and Pension Corpus Fund	5.14	333.85
10	Non Production of Utilization Certificates to Audit	5.15	51.87
11	Non adjustment of Temporary Advances	6	545.48
12	Non-recoupment of amount paid out of NRI funds for Studentship Grant -Biotechnology (NRI/SFS)	8(1)	6.21
13	Non-recoupment of amount paid out of NRI funds for RUSA grant: Computer Science (NRI/SFS)	8(2)	2.77
14	Non settlement of out dated cheques appearing in Bank Reconciliation Statements for the last 2 to 10 years	9	5.64
15	Avoidable expenditure on advertisement cost of CORRIGENDUMS	11	0.62
16	Loss due to non-reversal of bank charges	16	0.45
17	Loss due to non-recovery of rent from Canteen Contractor in view of repair work carried out by the contractor - Regional Centre, Dharamsala-Student Fund	17	0.42

18	Short realisation on account of sale of tender forms.	20	0.29
19	Wasteful expenditure on printing excess number of Prospectus-Regional Centre, Dharamsala- Student Fund	21	0.15
20	Wasteful expenditure on printing of School Magazines: Model School Amalgamated Fund	22	0.16
21	Loss of the Transport wing.	27	828.43
22	Loss on providing Hostel facilities	28	1646.18
23	Loss on account of running cost of Construction Division	29	1934.17
24	Irregular payment of Secretariat Pay and allowances	36	142.49
25	Retrenchment / Recoveries	37	24.40

**An Overview of Serious Audit Para(s) of Part-I & Part-II of Annual Audit Report  
on the accounts of Himachal Pradesh University, Shimla for the period of 1988-  
89 to 2014-15**

From the perusal of old outstanding para (s) of previous audit report(s), it is observed that no serious efforts have been made by the University Authorities for the settlement of old outstanding para (s) and some of the para (s) related to serious nature remained outstanding since long. Therefore, immediate action is required to be initiated for the settlement of following serious para (s) otherwise the audit observations shall never be complied and the very purpose of audit is defeated.

<b>Sr. No.</b>	<b>Brief Description</b>	<b>Para (Nos. )</b>	<b>Audit Report Year wise</b>
1.	Excess payment made to contractor amounting to Rs. 54562 on account of construction of underground water storage tank	16	1988-89
2.	Non recovery amounting to Rs.28186 on account of hostel rent etc.	25	1994-95
3.	Non recovery amounting to Rs.226182 on account of hostel rent.	20	1995-96
4.	Non reimbursement of Rs.2.95 lac into the University fund on account of expenditure incurred for SC/ST training out of University fund.	31	1995-96
5.	Irregular payment of honorarium amounting to Rs. 0.54 lac by ICDEOL.	8	1996-97
6.	Non recovery amounting to Rs.0.30 lac on account of hostel rent.	24	1996-97
7.	Irregular payment amounting to Rs.0.23 lac on account of providing ISD facilities by violating Govt. instructions.	60	1996-97
8.	Unfruitful expenditure amounting to Rs.30713 on account of purchase of instrument for Health Centre.	21	1997-98
9.	Irregular expenditure amounting to Rs.8.28 lac on account of compensation.	27	1999-2000
10.	Loss of Rs.21.35 lac on account of excess consumption of petrol in University vehicle.	11	2000-01
11.	Embezzlement of amounting to Rs. 8984 by showing excess consumption of petrol.	15	2000-01
12.	Short realization of the fee funds amounting to Rs.11.23 lac.	11	2004-05
13.	Excess payment of Rs.0.42 lac due to ignoring lowest tender rates.	16	2004-05
14.	Payment of decreed amount of Rs.0.50 lac out of	40	2004-05

	University exchequer without initiating departmental enquiry for fixing the responsibility against the persons at faults.		
15.	Short realization of late admission fee amounting to Rs.12.64 lac and fee fund amounting to Rs.12.60 lac.	13& 14	2005-06
16.	Loss of interest of Rs.4.16 lac due to investment for very short term period.	18	2005-06
17.	Loss of interest due to keeping heavy amount of Rs.93.77 lac and Rs. 70.53 lac in saving/current account.	20 &21	2005-06
18.	Loss of interest of Rs.1.27 lac due to clubbing of FDR of ICDEOL which were matured on different dates.	22	2005-06
19.	Loss of interest of Rs. 0.95 lac , Rs.0.79 lac and Rs. 0.71 lac on FDRs.	24,25&26	2005-06
20.	Non recovery of shop rent of Rs. 1.01959	Main(IV)	2006-07
21.	Difference of Rs. 40.25 lac which Is still outstanding for reconciliation in NRI self-financial account of IMS Department.	2	2006-07
22.	Observation/comments on Annual Account Certification for the period 2006-07 (ii, iii, vi & vii) are still not being complied with.	2(e)	2006-07
23.	Needs immediate appropriate action by authorities to minimize the loss on transport & hostel facility.	6&7	2006-07
24.	Loss of interest of Rs. 1,13,637.	16	2006-07
25.	Recovery of Rs. 90,632 on account of re-fixation of pay of Sh. Madan Gopal Sharma & Sh. Ashok Kumar Verma.	19	2006-07
26.	Excess expenditure amounting to Rs. 32,983 on account of postal charges by the Controller of Examination wing.	13	2007-08
27.	Non-recovery of excess payment of Rs. 27,336 on account of wrong fixation of pay.	22	2007-08
28.	Acceptance of rates higher than the market rates beyond 10% permissible limit irregularity thereof.	28	2007-08
29.	In the annual account for the year 2008-09 in respect of ICDEOL Student fund was shown excessively Rs.1.2595370 over the certified closing balance of the previous financial year.	2(e)(l)	2008-09
30.	Recovery of loss of interest of FDRs amounting to Rs.49093 in ICDEOL student fund account.	2(e)(III)	2008-09
31.	Irregular and excess payment of Rs.4.47 lac on account of conveyance allowance and hotel rent out of student fund over and above the rates fixed by H.P. Govt.	15	2008-09
32.	Irregular Expenditure on account of remuneration amounting to Rs.1.28000 to teachers of ICDEOL.	26	2008-09

33.	Irregularities in the Advance bill No. 7675 dated 2.2.2009 amounting to Rs.2500000 on account of printing of answer for the year 2008-09.	23	2008-09
34.	Income tax wrongly deducted at source amounting to ₹416589.000 form the proceeds of FDRs by the Union bank of India.	26	2008-09
35.	Loss of interest of Rs.415638 due to investment for very short period.	27	2008-09.
36.	Non-inclusion of various funds amounting to Rs. 426.69 lac in the annual accounts of the University for the year 2009-10	3 (b)(i)	2009-10
37.	Non credits of valuables to bank account No. 10091435340 (State bank of India) worth Rs.4.58 lac remitted during 02.04.08 to 24.03.09	3 (b) (ii) (7)	2009-10
38.	Short realization of interest of Rs. 7.05 lac on FDRs	3 9b (15), 6(a) (ii), 6 (L) (i), 6 (N)(II), 6(P)(II)	2009-10
39.	Appointment of daily wagers on ad-hoc basis in contravention of Govt. instructions resulting additional financial liability of Rs.34.00 lac p.a. approximately on University exchequer.	12	2009-10
40.	Suspected loss of Stock /Store worth Rs.1.90 lac ( Construction Division)	20	2009-10
41.	Suspected mis-utilization of UGC Grants-in-Aid amounting to Rs.239.59 lac	3.1.4	2010-11
42.	Short-accountal of UGC Grant-in-Aid in Annual Account for Rs.1.55 lac due to non-credit of interest received from saving bank and FDR's made from UGC fund.	3.1.5	2010-11
43.	Domestic Receipt ICDEOL inflated by 102.35 lac	3.1.6	2010-11
44.	Wrong credit of standard License fee Rs. 7.38 lac to the Book Adjustment Account.	3.1.7	2010-11
45.	Short-accountal of Examination fee Rs.173.03 lac received by way of valuables i.e. IPO's and Bank Drafts.	3.1.8	2010-11
46.	Loss of interest Rs. 10.63 Lac due to non-application of Financial prudence.	14(3)	2010-11
47.	Deficit of Rs. 60.21 Lac in the GPF Account	14(5)	2010-11
48.	Suspected misutilisation of UGC Grant-in-Aid amounting to Rs. 115.82 Lac.	3.1.4	2011-12
49.	Irregular transfer of Student funds ICDEOL amounting to Rs. 1432.87 Lac to Main Account of HP University.	16	2011-12
50.	Overpayment of pay and allowances amounting to Rs. 5 Lac to Cooks ( 14 in Number)	20	2011-12
51.	Short realization of fee amounting to Rs. 1.51 Lac from students by Bio-Technology department.	33	2011-12



52.	Non-realization of advertisement charges (share) amounting to Rs.0.60 Lac by the Bio-Technology department.	36	2011-12
53.	Irregular deduction of Tax at source Rs. 1.75 Lac.	12(B)	2012-13
54.	Credit of BD's and IPO's Rs. 0.48 Lac etc. not given by the Bank.	15	2012-13
55.	Infructuous payment of Rs. 3.12 Lac on account of personal accidental insurance scheme.	17	2012-13
56.	Loss of Rs. 0.77 Lac to university exchequer due to purchase of stationery articles on exorbitant rates.	20	2012-13
57.	Irregular transfer of Student Funds Rs. 811.05 Lac from ICDEOL to Main Account of HP University.	25	2012-13
58.	Non production of record relating to affiliation/continuation fees Rs. 175.91 Lac.	26	2012-13
59.	Irregular transfer Rs. 4.25 Lac from NRI fund (department of chemistry) to UGC SAP Project.	27	2012-13
60.	Non-recovery Rs.0.76 Lac on account of share of advertisement charges from Private Colleges.	35	2012-13
61.	Short realization of late fee fine Rs.0.29 Lac (Bio-Technology Department).	37	2012-13
62.	Loss of Rs. 0.53 Lac to the University exchequer due to non-adhering UGC Guidelines regarding refund of fees.	40	2012-13
63.	Less accountal of Income amounting to Rs.112.24 Lac of NRI Fund (Regional Centre and School of Legal Studies Dharamshala).	5.5	2013-14
64.	Less accountal of Expenditure amounting to Rs. 91.98 Lac of NRI Fund (Regional Centre and School of Legal Studies Dharamshala).	5.5	2013-14
65.	Less Credit of FDR interest amounting to Rs. 0.26 Lac.	5.6	2013-14
66.	Difference in closing balance amounting to Rs. 98.33 Lac of FDR's NRI and Student Funds.	5.7	2013-14
67.	Difference of Rs. 58.19 Lac in Other Accounts (Regional Centre and School of Legal Studies Dharamshala).	5.8	2013-14
68.	Non-accountal of Practical Fee amounting to Rs. 10.46 Lac (Law Department PG Centre) in consolidated Annual Accounts.	5.9	2013-14
69.	Non- refund amounting to Rs. 4.28 Lac of TDS.	5.15	2013-14
70.	Short Credit of Valuables Student Fund ICDEOL (2011-12) of Rs. 1.72 Lac.	5.16	2013-14
71.	Non-realization of share of advertisement charges amounting to Rs. 0.66 Lac (Bio-technology Deptt.).	5.17	2013-14
72.	Non Adjustment of Temporary Advances of `869.08	6	2013-14

73.	Recurring loss amounting to `704.56 Lac of the Transport wing	8	2013-14
74.	Loss of amounting to `1361.16 Lac on account of providing Hostel facilities	9	2013-14
75.	Loss of amounting to `349.74 Lac on account of Examination activities.	10	2013-14
76.	Loss of `1137.91 Lac on account of running cost of Construction Division.	11	2013-14
77.	Less accountal of Rs. 23.64 Lac for the works expenditure in annual account.	11.1	2013-14
78.	Late credit of Rs. 6.48 Lac on account of Pension Contribution to the Pension Fund.	12.1	2013-14
79.	Non refund of Rs. 22.00 Lac to Gratuity Fund.	13.1	2013-14
80.	Late credit of Rs. 3.24 Lac on account of Gratuity Contribution.	13.2	2013-14
81.	Irregular payment amounting to Rs.9.77 Lac to M/S Perfect Color Digital Prints Pvt. Ltd. Gurgaon.	20	2013-14
82.	Non forfeiture of earnest money amounting to Rs.1.00 Lac.	21	2013-14
83.	Irregular purchase amounting to Rs. 5.15 Lac of furniture and furnishing items (Education Deptt.).	22	2013-14
84.	Irregular payments of Rs. 180.73 Lac of Secretariat pay including allowances.	25	2013-14
85.	Non-verification/certification of receipt on account of counseling and affiliation fee of Rs. 358.56 Lac for want of relevant record.	26	2013-14
86.	Non-inclusion of Rs. 3.50 crore on account of UGC Grant in Annual Accounts for 2014-15.	5.4	2014-15
87.	Less credit of FDR interest. 0.26	5.5	2014-15
88.	Loss due to non credit of valuables. 1.80	5.6	2014-15
89.	Short realization of Canteen Rent. 0.13	5.9	2014-15
90.	Difference of Rs. 25,34,296 in opening balance of annual accounts 2014-15.	5.11	2014-15
91.	Non refund of TDS. 0.40	5.17	2014-15
92.	Non-accountal of Rs. 2,97,061/- lying in the Saving Bank Account No. 31347944387- Department of Education in University's annual accounts	5.18	2014-15
93.	Non-realization of share of advertisement charges (Bio-technology Deptt.) 0.36	5.19	2014-15
94.	Non realization of Late fee of Msc. Microbiology. 0.54	5.20	2014-15
95.	Short realization of smart shop rent. 0.05	5.21	2014-15
96.	Non-submission of details of Rs. 784.72 lacs transferred by ICDEOL to HP University.	6.1	2014-15
97.	Non-accountal of fee of Rs. 3,89,382 received	6.4	2014-15

	under Power Jyoti Account in annual income for the year 2012-13 ICDEOL		
98.	Short credit of valuables amounting to Rs. 46.50 lacs by PNB Chailly- ICDEOL Student Fund	6.5	2014-15
99.	Non refund of Loan `30.00 Lac given to IIHS from ICDEOL.	6.7	2014-15
100	Difference in expenditure of student fund (ICDEOL) Annual Account for the year 2012-13 `6.40 Lac	6.8	2014-15
101	Less accountal of student fee `0.20 Lac in annual account of student fund of ICDEOL	6.9	2014-15
102	Regarding difference in opening balance amounting to Rs. 8,52,19,411 of ICDEOL Annual Accounts 2014-15.	6.10	2014-15
103	Short fall in receipts of counseling/affiliation and Centre creation fee `254.49 Lac during 2014-15	7	2014-15
104	Non-verification/certification of receipt on account of counseling and affiliation fee of Rs. 151.79 Lac for want of relevant record.	8	2014-15
105	Deviation of Govt. Grants `13.10 Lac on account of purchase of computers, Laptops/UPS and furniture etc.	9	2014-15
106	Loss of Rs. 767.56 Lacs to the Transport Wing	12	2014-15
107	Loss of Rs. 1519.03 Lacs for providing Hostel Facility.	13	2014-15
108	Loss of Rs. 1255.28 Lacs on account of running cost of Construction Division	14	2014-15
109	Non-accountal of outdated cheques of Rs. 10.76 lac in Cash Book GPF	18.1	2014-15
110	Irregular payment on account of House Rent 0.92	22	2014-15
111	Irregular payment of Secretariat Pay including allowances Rs. 187.39 lacs.	23	2014-15

**ANNUAL AUDIT AND INSPECTION REPORT ON THE ACCOUNTS OF  
HIMACHAL PRARDESH UNIVERSITY, SHIMLA-171005.**

**Period 1.04.2015 to 31.03.2016**

**Part-I**

**Latest position of old audit para's**

There are 914 old audit Para(s) outstanding for settlement out of which 10 old Paras and sub para (s) were got settled/updated by the University during finalization of audit report for the year 2015-16. The detail of settled and unsettled audit Para(s) for the period 1981-82 to 2014-15 is exhibited at Annexure-A-I & A-II respectively. Therefore, immediate attention of the authorities is invited to take necessary action for settlement of pending Audit Para(s).

**Part –II**

**1 Preliminary**

The audit and inspection of Accounts of H.P. University, Summer-Hill, Shimla-5 for the period 2015-16 was conducted by the Resident Auditors headed by Sh. D. L. Thakur, Joint Controller (Audit) w.e.f. 01.04.2015 to 31.12.2015, Shri Satpaul Singh, Deputy Controller(Audit) w.e.f. 01.01.2016 to 31.01.2016 and Shri Basant Singh Kanwar, Joint Controller(Audit) w.e.f. 01.02.2016 to 31.03.2016. The results thereof, are incorporated in the following paragraphs. The audit report is compiled and presented by Sh. Rakesh Kalra, Joint Controller (Audit) and Sh. BM Puri, Section Officer (Audit).

The audit report is confined to the month selected for the detailed check in the post audit and has been prepared on the basis of information furnished and made available by the Controlling Officer(s) of the institution. The Local Audit Department disclaims any responsibility for any misinformation or non-submission of information on the part of auditee. Responsibility of the Audit is confined to the month selected for the detailed check in the post audit.

**2 Analysis of Financial Position**

The comparative financial position of the consolidated Annual Accounts of H.P. University, Shimla-5 for the period 2014-15 and 2015-16 is as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>2014-15 (`in lacs)</b>	<b>2015-16 (`in lacs)</b>
<b>1.</b>	<b>Opening Balance</b>		
(a)	Main Account	7072.88	6225.98
(b)	NRI Scheme	3182.36	2373.74
(c)	Others	7802.82	7675.00
	<b>Total</b>	<b>18058.06</b>	<b>16274.72</b>
<b>2.</b>	<b>Grants</b>		
(a)	<b>H.P. Govt.</b>	7600.00	7900.00
(b)	<b>Centre Govt.</b>	561.55	00.00
(c)	<b>UGC</b>	1500.87	247.31
(d)	<b>Other Sources</b>	290.84	1569.31
	<b>Total</b>	<b>9953.26</b>	<b>9716.62</b>
<b>3.</b>	<b>Domestic Income</b>		
(a)	Income from fee	5480.57	5835.27
(b)	NRI/SFS	1576.21	1730.49
(c)	Others Account (Student Fund)	55.69	51.98
(d)	DEBT, DEPOSIT, ADVANCES AND TRANSFERS,INTREST etc.	60.69	550.37
	<b>Total</b>	<b>7173.16</b>	<b>8168.11</b>
<b>4.</b>	<b>Grand total of (1+2+3)</b>	<b>35184.48</b>	<b>34159.45</b>
<b>5.</b>	<b>Expenditure</b>		
(a)	(1 )Main Account	16341.42	13605.38
	(2) Refund of Grant in aid	0.00	1.46
(b)	NRI Account (including transfers)	1098.35	1193.00
(c)	Other Account (including transfers)	40.75	26.89
	<b>Total</b>	<b>17480.52</b>	<b>14826.73</b>
<b>6.</b>	<b>Transfers</b>		
(a)	Transfer of FDRs from NRI to Pen. Corpus A/C	1286.48	4.00
(b)	Transfer of FDRs from Other A/C to Pension Corpus. A/C	142.76	0.00
(c)	Transfer of FDRs from Main A/C to Pension Corpus. A/C	0.00	93.90
	<b>Total</b>	<b>1429.24</b>	<b>97.9</b>
<b>7.</b>	<b>Grand Total (5+6)</b>	<b>18909.76</b>	<b>14924.63</b>
<b>8.</b>	<b>Closing Balance (4-7)</b>		
(a)	Main Account	*6225.98	8627.49*
(b)	NRI Account	2373.74	2907.23

(c)	Other Accounts	7675.00	7700.09#
	<b>Total</b>	<b>16274.72</b>	<b>19234.81</b>

(I) \*The certified closing balance of main account for the year 2015-16 is `86,27,49,746.97 whereas closing balance as shown in Annual Account for the year 2015-16 as well as Balance Sheet is `82,77,49,746.97 resulting in a net difference of `3,50,00,000 which is due to non-inclusion/ non-adjustment of amount of UGC Grant pertaining to Centre with potential of excellence in particular area (CPEPA) on Himalayan Study. The matter was brought to the notice of University Authority Para 5.4 of Audit Report 2014-15 and the reply furnished in response thereto by the University authorities has been considered and not found satisfactory and as such grant remains included in balance as above certified by Audit. Further the matter was also discussed with Pro Vice Chancellor of the University and it was learnt that the Institute of Himalayan Studies is an integral part of the University and as such the grant of `3,50,00,000 should have been accounted for in the university books of accounts.

(II) The accounts of ICDEOL (Student Fund) and Dean of Studies have not been certified by audit and as such the figures of Other Accounts indicated above do not include the figures of these two accounts.

## 2.1 Income

The income of the institute mainly comprises of grant-in-aid from H.P. Government, Central Government, UGC, income from fees, NRI/SFS and Student Funds. During the year 2015-16 total grant of `9,716.62 Lac have been received by the institute from Himachal Pradesh Government, Centre Government and UGC etc. and `8168.11 lacs (which includes Rs. 550.37 lacs on account of debt, deposit and advances) were generated from domestic resources i.e. fee from students, NRI/SFS, student funds. The domestic income of the institute during the year under report has registered only a nominal increase over the income of the previous 2014-15. The institute still remains dependent on Government grant-in-aid. It is high time for the authority to mobilize its resources commensurate with its ever growing expenditure so as to make the institute self-dependent.

## 2.2 Expenditure

During the year under report an expenditure of `14,826.73 Lacs (including transfers other than in the shape of FDRs and refund of GIA-`1.46 lacs) was incurred by the institution from main account, NRI account and from others

account (Student fund) vis-a vis the expenditure `12,696.10 Lacs in the year 2013-14 and `17,480.52 Lacs in the year 2014-15. The expenditure appears to have come down compared to the previous year i.e. 2014-15 but the factual position is otherwise as is evident from Receipt and Payment account pertaining to the year 2014-15 when huge adjustments pertaining to previous years were carried out resulting in significant jump of 37.68% in the expenditure of 2014-15 (Para 2(II) read with para 2.2 of Audit Report of 2014-15 refers). The income and expenditure of the institute is under the purview of pre/post audit as per H.P. Govt. notification No. Fin(LA)H(2)C(15)XIV-106/87 dated 31.07.2004 and 11.08.2004 and the same was admitted after careful examination but some expenditure which was not found admissible had to be admitted under observations due to the reasons of committed liabilities on account of contracts or the decisions of the Executive Council. Some decisions of the Executive Council were not found in accordance with the provisions of rules and acts framed by superior legislation/Govt. instructions. It would be in fitness of things that all issues to be presented in the Executive Council may be examined thoroughly by the administration keeping in view the government instructions relating to the issues. The economy instructions issued by the State government are not being observed in letter and spirit e.g. Air Travel and use of Taxi including personal car are being allowed frequently. The conveyance allowance and reimbursement of hotel Rent while on tour besides payment of secretariate. Pay to the employees are being paid over and above the rates approved/allowed by the Govt. for its employees and purchases are also not found effected strictly as per rules. Therefore, the following steps are suggested for consideration of the University management in order to revamp the financial position of the institution and to avoid irregular and wasteful expenditure:-

1. Mobilization of resources to strengthen domestic income.
2. Observance of economy instructions particularly with reference to personal claims like TA where actual claims are being allowed instead of regulating the same as per State Govt. rules duly adopted by the University.
3. To provide transport/hostel facilities on no profit no loss basis.
4. Judicious utilization of existing man power.
5. Out sourcing of Allied Services.
6. Better Management of NRI/SFS and Student Funds where huge balance are being kept in saving bank/current accounts.

### **3 Maintenance of Accounts.**

The accounts of the University are being maintained under the supervision and control of the Finance Officer. Himachal Pradesh University has prepared balance sheet as per provision of section 29 of H.P. University Act 1970 from cash

based accounting system to accrual based accounting system on double entry system approved vide Executive Council agenda item No. 11 dated 30.7.2014. The annual accounts for the period 2015-16 were prepared on tally solution software by outsourcing the compilation work. Manual preparation of Cash Book and other supporting record was discontinued. The source of funds of the University mainly comprises of Govt. grants i.e. H.P. State, UGC and Centre Govt. and domestic receipts. The application of funds is on salary of the employees and other contingent expenditure. The expenditure out of University exchequer was regulated under the provision of Rules governed in the State Govt. duly adopted by the executive council, Statutes, Ordinance and Accounts Manual of the University. As a result of checking in the pre-audit as well as in post audit it was revealed that finances of the University were not managed properly which resulted in irregular expenditure and mis-utilization of Grant-in-aid.

#### **4 Audit Fees**

The Audit fee for the audit of H.P. University account has been exempted therefore, audit fee is not chargeable.

#### **5 Irregularities in the Annual Accounts.**

**5.1** The Annual Accounts for the year 2015-16 have been checked and figures of receipts and payment as depicted in balance sheet have been verified on the basis of computerized record maintained without Cash Book and ledger Account as Such University Authorities are required to ensure that hard copy of computerized record is preserved for permanent record. Audit disclaims any responsibility for any error or omission on the part of University due to non-maintenance of manual accounts/retention of hard copies of computerised accounting record.

#### **5.2 Closing balance as on 31.03.2016 as certified by audit :-**

<b>Sr. No.</b>	<b>Name of Accounts</b>	<b>Closing Balance</b>	<b>FDR Transferred to Pension Corpus Account</b>	<b>Net Closing balance certified by audit</b>
		<b>(`)</b>	<b>(`)</b>	<b>(`)</b>
1.	Revenue Account	872139354.97	9389608	862749746.97
2.	NRI/SFS	291122888.99	400000	290722888.99
3.	Other Accounts (except that of Student Fund, ICDEOL & Dean of Studies)	770009102.58	-----	770009102.58
		<b>1933271346.54</b>	<b>9789608</b>	<b>1923481738.54</b>



**5.3 Difference in Closing Balance of Consolidated Annual Accounts as shown by University and that Certified by audit as on 31.03.2016**

**While auditing the final Accounts of University for the year 2015-16 put up to Audit. It has been observed as under :-**

**(i) Revenue Account:** The certified closing balance of main/ revenue account for the year 2015-16 is `86,27,49,746.97 whereas closing balance as shown in Annual Account for the year 2015-16 as well as Balance Sheet is `82,77,49,746.97 resulting in a net difference of `3,50,00,000 which is due to non-inclusion/ non-adjustment of amount of UGC Grant pertaining to Centre with potential of excellence in particular area (CPEPA) on Himalayan Study. The matter was brought to the notice of University Authority Para 5.4 of Audit Report 2014-15 and the reply furnished in response thereto by the University authorities has been considered and found not satisfactory and as such grant remains included in the closing balance certified by the Audit as above.

**(ii) NRI/SFS : Nil**

**(iii) Other Accounts:** There is difference to the tune of `64,81,48,571.18 (`77,00,09,102.58 - 12,18,60,531.40) in closing balance of Other Accounts being certified by audit as above and the balance as per annual accounts since the closing balance of `10,29,66,868.82 appearing in the annual accounts of ICDEOL (Student Fund) and that of `64,46,992.62 of Dean of Studies have not been certified by audit. The figures of last certified closing balances being `75,02,40,248 as on 31.03.2010 in respect of ICDEOL-Student Fund and `73,22,184.62 as on 31.03.2015 of Dean of Studies have, however, been included in the above certified balances. The accounts of ICDEOL(Student Fund) are not being certified by audit for the reasons that the Cash Book has not been written/ re-written by ICDEOL despite repeated observation of audit since 2010-11. As regards accounts of Dean of Studies there were unreconciled differences in the said account as pointed out by audit as the department has shown several old transactions of income and expenditure pertaining to the past period w.e.f. 2004 to 2014 in its Annual Accounts for the year 2015-16 but vouchers in support of those transactions have not been provided to audit despite repeated requests and, the account, therefore, remains unaudited and uncertified.

The Summary of reconciliation of above difference is detailed as under:

**RECONCILIATION OF DIFFERENCE BETWEEN CLOSING BALANCE OF OTHER ACCOUNTS CERTIFIED BY AUDIT AND CLOSING BALANCE AS PER ANNUAL ACCOUNTS as on 31.03.2016**

Particulars	Amount ( ` )
Consolidated closing balance of Other Accounts as per Annual Accounts	12,18,60,531.40
<b>(-) Less</b> Closing balance of ICDEOL	10,29,66,868.82
<b>(-) Less</b> Closing Balance of Dean of Studies	64,46,992.62
	(-)109413861.44
	<b>1,24,46,669.96</b>
<b>(+) Add</b> Last certified Balance of Dean of Studies (2014-15)	73,22,184.62
<b>(+) Add</b> Last certified Balance of ICDEOL (2009-10)	75,02,40,248.00
	(+)75,75,62,432.62
<b>Closing Balance as per of Financial Position</b>	<b>77,00,09,102.58</b>

#### 5.4 Loss of Interest income to the tune of `40 to 45 lacs due to keeping surplus funds amounting to `1610.66 Lacs in Saving Bank / Current Accounts

During audit of NRI/SFS and other Annual Accounts for the year 2015-16, it has been observed that following departments have kept huge balances in their saving bank/current accounts which is not justified in view of their office requirement as is evident from the income and expenditure and thus causing huge loss of interest income to the institution due to non-investment of surplus funds in FDRs fetching -interest- at higher rates than saving Accounts. Even if 60% of these funds would have been invested in the shape of FDRs @ 8% to 9% this would have fetched approximately `40 to 45 lacs {`966.40 Lac (i.e. 1610.66 x 0.6) x 4.5% (i.e.8% - 3.5% i.e. the minimum interest receivable under the saving bank account)}additional interest income to the institute over and above the saving bank account interest:-

Sr. No.	Name of Department	Closing Balance as on 31.03.2016	Audit Requisition No./dated
		( ` In Lacs)	
1.	UIIT	147.39	As per annual accounts
2.	Law	51.70	2 dated 24.07.2018
3.	Geography	10.36	6 dated 30.07.2018
4.	Physics	12.58	
5.	English	3.42	
6.	Yoga	4.56	

7.	Psychology (after deduction of RUSA grant wrongly taken in NRI A/c)	6.92	8 dated 31.07.2018
8.	HPUSA&CC	17.00	11 dated 03.08.2018
9.	PRC	2.51	15 dated 06.08.2018
10.	IVS(MTA)	11.00	25 dated 27.08.2018
11.	Journalism & Mass Communication	23.00	27 dated 27.08.2018
12.	Regional Centre, Dharamsala (SFS)	34.00	30 dated 18.09.2018
13.	Regional Centre, Dharamsala (Student fund)	128.00	
14.	Model School		
15.	(i) Main Account	18.60	31 dated 20.09.2018
16.	(ii) Amalgmated Fund	4.80	
17.	UILS	151.98	32 dated 26.09.2018
18.	ICDEOL	714.78	33 dated 05.10.2018
19.	Computer Science	268.06	37 dated 06.10.2018
	<b>Total</b>	<b>1610.66</b>	

It is also pertinent to add here that decision of Finance Office to get all FDRs transferred from departments to university main account is also one of the reason that the department have started retaining huge surplus funds in less-interest-fetching saving bank accounts instead of investing these in FDRs which is resulting into recurring interest Income loss to the University. Some of the departments have also stated that they retained the huge balances in saving accounts in the absence of any guidelines of University in this regard. The issue needs urgent attention of higher authorities of the university to ensure immediate effective steps in this regards in order to boost the interest income of the institution.

## 5.5 Embezzlement of `19.09 lacs out of income on account of sale of prospectus ICDEOL Revenue Account (in 2015-16 only)

As per information supplied to audit by Director, ICDEOL, Shimla-5 vide his office letter No.ICDEOL/23-LAR/2018-19-Vol-1/591 dated 14.12.2018 annexed as **Annexure-B (which itself is incomplete and incorrect)** in response to this office letter No. {RAS/HPU/AR AnnualAcctts2015-16/2018-19-53 12.12.2018} vide which audit had sought information regarding income on account of Sale of Prospectus from all the departments through Finance Office from the point of sales in numbers in order to reconcile the income figures stated in Annual accounts, it has been

intimated that there was misappropriation of amount received on A/C of sale of Prospectus to the tune of `19.09 lacs as per detail given hereunder:-

No. of prospectus printed during 2015-16	No. of Students enrolled during the year 2015-16	Rate per prospectus	Sale in numbers	Total sale proceeds due (Rs.)
10,000 (UG/PG)	8572	`400 on counter, `500 by post	8604 (Bifurcated detail not supplied)	`34,41,600 (taking all sale on counter @ `400) though sale figure has been indicated as `31,15,200 which is not possible in view of indicated rates)
500 (B.Ed./ MA (Education))	306	`650 on counter, `700 by post	428 (Bifurcated detail not supplied)	`2,78,650 (as per this only 9 prospectus sold by post)
<b>Total</b>				<b>37,20,250*</b>
<b>Income indicated in accounts (Revenue Account)</b>				<b>18,11,161</b>
<b>Misappropriated amount (this figure subject to change on actual verification from record)</b>				<b>19,09,089</b>

Since the misappropriation of amount on A/C of Prospectus sale was pointed out by AG and the matter is under investigation therefore, the record to verify the above figures was not made available to audit despite several requests and personal visit by auditors. It is, however, pertinent to add here that LAD vide Audit Requisition No. RAS/HPU/2015-16 Account /2018/19-36 dated 06.10.2018 had sought the reconciled position regarding sale of prospectus but Director, ICDEOL vide his reply vide letter No. 445 dated 18.10.2018/ 20.10.2018 stated as under which was found not at all satisfactory:

**“The amount of the sale of prospectus is entered in the day book register w.e.f. 01.04.2015 to 31.03.2016 as per cash vouchers received from the bank counter for the financial year 2015-16 whereas the detail of the Prospectus entered in the SALE OF PROSPECTUS REGISTER (ADMN)’ has been made from June 2015 to June 2016. Due to this reason the difference is being made in the total sale of prospectus income”**

Before the LAD could proceed further in the matter, AG audit exposed the scam and it has been learnt that the sale was being under-reported to Cash Section but being over-reported to Store by tampering with the figure/amount shown in the copy of Challans submitted to Store/ Admin Section and there

being no internal check/ internal control in place to reconcile the figures reported to Cash Section and Store Section besides the same person handling the seat since long, the said misappropriation was going on for the last several years. Therefore it is advised that the exact amount embezzled may, be worked by the University at their own level, besides taking suitable action against those involved including ensuring recovery of the embezzled amount to date. It is also expected that internal controls and internal checks will be put in place to avoid recurrence of anything like this again through regular reconciliation.

As the issue stands already taken up by AG and is presently under investigation at the level of University and further due to non-availability of record for audit, LAD has not been able to exercise check further in this matter.

#### **5.6 Bank Accounts having balance of `16.26 lacs not accounted for in accounts of the University and other related issues**

While auditing the final Accounts of the Departments as well as of the University for the year 2015-16 put up to Audit, the following irregularities have been observed which may be attended to:-

(1) University Authorities were specifically requested by audit to certify that all the bank accounts operating in various University Departments stand incorporated in the annual accounts of the University but no compliance in this regard was reported to audit. However, during the course of audit it was found that 4 No. of bank accounts as detailed in the following table have been found to be in operation but not accounted for in the books of accounts as well as in the Final Accounts for the year 2015-16.

<b>Sr. No</b>	<b>Name of Bank with Branch</b>	<b>Bank Account No.</b>	<b>Being operated by</b>	<b>Amount lying therein as on 31.03.2016</b>
1	SBI, Summer hill	31347944387	Department of Education	2,97,061 (as on 31.03.2015 as per para 5.18 Audit Report of 2014-15)
2	SBI, Khaniara	34952161452	Regional Centre, Dharamsala	64,923
3	SBI, Khaniara	34952131879		564
4	SBI, Summer hill	10091437392	Department of Sociology	12,63,930.89
			<b>Total</b>	<b>16,26,478.89</b>

This irregularity in respect of Department of Education at Sr. No. 1 above was also pointed out by the audit vide para 5.18 of Audit Report for the year 2014-

15 but the balance of amount lying in account is still not incorporated in university's accounts and justification given therefor in reply to the above para has not been found satisfactory. In such a scenario the annual accounts of the University do not reflect true picture of the state of its affairs to the extent and require immediate corrective action at the end of University authorities.

**{RAS/HPU/AR AnnualAcctts2015-16 /2018-19-38 09.10.2018}**

(2) Negative opening balance of Rs. (-)3,68,691 in bank Account No. 10091435736 (UGC) indicates that cheques are being issued without reference to actual balance as per books of accounts which needs to be taken care of in order to avoid any penalty or other legal consequences in future.

(3) The amount on account of Un-Reconciled Bank transactions pertaining to Bank Account no 10091435340 in SBI Summerhill has increased from `5,21,680 to `19,28,900 (both credit balances) with the addition of `14,07,220 (10,00,000 +74,200+59,420+ 2,73,600) during the year which reveals that Bank reconciliation is not being done properly. However, at the instance of audit the wrong credit of `74,200 has been traced to ICEDOL revenue account pertaining to Bank Account No.10091435511 in SBI Summer hill while the reconciliation remaining of amount is still pending and requires immediate attention of University Authorities for corrective measures.

(4) Amount of `20,000 on account of Cheques Receivable has been included in Bank Balances both in the opening as well as closing balance which is irregular thereby inflating the bank balance as per Cash Book by the said amount and this requires to be corrected to show true position in the accounts.

#### **5.7 Loss of `5.90 Lac (`579953+10279) on account of non refund of TDS on FDRs and other discrepancies in the annual accounts of the ICDEOL Student Fund**

During the course of Audit, the following irregularities have been observed which may be attended to:-

(1) Loss of `5,90,232 indicated as TDS on FDRs in annual Accounts put up to Audit may be recovered from Bank and if needed Banking Ombudsman, Reserve Bank of

India, Chandigarh may be approached in this regard for early resolution under intimation to Audit.

**(2)** As per Bank Reconciliation Statement of SBI Bank Account No. 10091436025 a sum of `23,160 (11660 on 27.12.2013, `1500 on 13.05.2015 and `10,000 on 29.06.2015) have been shown debited by bank during the year 2015-16 while there is also un-reconciled debit of `2,34,100 pertaining to the year 2013-14 made by the bank but not recorded in the Cash Book. These transactions are required to be fully inquired into and made clear to audit with supporting record before reflecting in books of accounts as items of expenditure.

**(3)** As per Bank Reconciliation Statement of PNB Chailly, a sum of `4630 (2300 on 24.11.2014+`10 on 21.02.2014 and `2320 on 03.11.2015) have been shown deposited into bank but not credited by bank while there is also excess credit by bank of `500 (date not indicated). These transactions are required to be reconciled and made clear to audit with supporting record.

**(4)** `8,67,586 stated as Recoverable from Pension Section (Corpus Fund) in the annual accounts due to wrong credit of this amount by bank in the account of Pension Corpus (and finally recovered on 09.05.2016) instead of students fund A/C of ICDEOL. In fact this amount should have been reflected in the Bank Reconciliation Statement for effective monitoring in future rather showing as recoverable in the annual Accounts.

**(5)** Miscellaneous Receipt of `3.27 lacs and Miscellaneous Expenditure of `5.50 lacs have been shown in the Annual Accounts of Student Fund but the relevant record/detail in support thereof were not made available to audit for certification of the amount.

- (6) Cash Book prepared on tally is found being not got regularly certified from the Officer In charge.
- (7) The bill No. 616 Dated 17.03.2016 amounting to `3,89,448 on account of 90% advance payment to the Managing Director, HP State Electronic Development Corporation, Shimla for purchase of computer & accessories was passed by Internal Audit on 01.04.2016. This has, however, been indicated in the Cash Book of Student Fund on dated 30.03.2016 and accordingly included in the expenditure of the Student Fund in the annual accounts of the year 2015-16 while this payment has been actually released vide RTGS No. 62 on April 6, 2016. Thus accounting of expenditure of the year 2016-17 in the year 2015-16 is against the principles of accounting and reveals that the accounts are still being poorly managed and monitored in the institute. The department in its reply vide letter No.1-81/HPU/ICDEOL/Audit Rep/2018 dated 11.10.2018 has, however, assured correction in this regard in the accounts of the year 2016-17.
- (8) The payment of `33,870 was passed vide Bill No. 607 dated 05.03.2016 and accordingly the matching amount drawn from Bank though in 2016-17 (refer to BRS) but against this transaction `33,950 has been booked in the Cash Book which is excess by `80 and thus needs to be reconciled/corrected in books of accounts accordingly.
- (9) There seems to be deliberate attempt to mix the transaction in accounts as income of student fund and revenue account have been mixed up just to deceive the checking /controlling authorities and also perhaps to hide the wrong doings. As per annual accounts put up to Audit huge amount of income of `5,01,26,147 pertaining to revenue account has been deposited in bank account of Student Fund while income of `40,38,685 pertaining to Student Fund is stated to have been deposited in revenue bank accounts, which needs proper justification and correction in books of Accounts under intimation to Audit.
- (10) No action regarding re-writing of Cash Book since 2009-10 {when the balance in account was last certified by audit} as suggested by audit vide para No. 6.10 of Audit Report 2014-15 has been taken by the ICDEOL and as such the opening



balance remains uncertified since 2010-11 and, consequently account this year again cannot be certified.

It is evident from the above audit observations that accounting is being taken very casually by the authorities of ICDEOL and this is what has resulted into misappropriation of amount received on sale of prospectus presently under investigation while further losses also cannot be ruled out. The situation could have been avoided & kept under control had the various discrepancies in accounts repeated by highlighted by audit for the past several years been acted upon timely and effective internal check and internal control put in place which may at least be done now besides taking remedial measures to correct the discrepancies pointed out as above.

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-18 dated 21.08.2018)**

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-20 & 33 dt. 24.08.2018 & 05.10.2018)**

**5.8 Suspected overpayment to the tune of `6 Lacs to Guest Faculty on account of lectures delivered in Personal Contact Programme (PCPs)- ICDEOL Student Fund**

As per ICDEOL office letter No. 18-21/2002/HPU/ICDEOL/Adm/ dated 23.04.2004 Guest Lecturers (External) were required to be paid @ `500 (including conveyance allowance) per lecture of **1½ hrs** duration. But on examination of vouchers related to Personal Contact Programmes (PCPs) of PGDCA 1<sup>st</sup> semester on test check basis it has been observed that the guest faculty have been paid @ `500 (including conveyance allowance) per lecture **of 1 hour** duration as was evident from Time Tables of PCPs of PGDCA 1<sup>st</sup> Semester held w.e.f. 28.09.2015 to 07.10.2015 (Group-I), 08.10.2015 to 17.10.2015 (Group-II) and 29.10.2015 to 07.11.2015 (Group-III) brought out by Dr. Aman Kumar Sharma, Coordinator vide his letter dated 23.11.2015 in which `90,000 was demanded and accordingly paid. Thus, overpayment to the extent of  $\frac{1}{3}$  ~~rd~~ of `90000 appears to have been made and it is apprehended that similar practice might have been observed in your institute in case of rest of the PCPs and, thus, overpayment in excess of `6 lacs (being  $\frac{1}{3}$  ~~of~~ total expenditure of `18,44,870 stated to have been incurred on account of PCPs in 2015-16 as per annual accounts of Student Fund) cannot be ruled out. The departmental reply in this regard as conveyed vide office letter No. 75-2017/Audit/ICDEOL/HPU/SF dated 01.09.2018 was not found tenable. The matter may, therefore, be examined in detail

and the payments thus made be either justified duly supported with relevant orders/ instructions of the competent authority or the process as per applicable rules for recovery of overpaid amount from appropriate source be initiated under intimation to audit.

**{Audit Requisition No. RAS/HPU/2015-16 Account /2018/19-19 dated 23.08.2018}**  
**{RAS/HPU/AnnualAcctts - ARReply 2015-16/2018-19- dated 06.09.2018}**

#### **5.9 Short-realization of `1.95 Lac on account of penalty from allottees of Canteens**

##### **in the University main campus for depositing rent after due dates-Estate Office**

1. The agreements entered into with the allottees of University Hostel Canteens provide for penalty of `100 per day in case of non-payment of rent upto 15<sup>th</sup> of the month and `200 per day thereafter to discourage delayed payment of rent by the allottees. During audit it was found that the rents were mostly deposited late and as such the penalty to the tune of `1,93,700 as per detail given at **Annexure-C** was due from the defaulting tenants during the year 2015-16 but has not been realised from them till date. Thus the non-recovery of said penalty amount may either be justified or This amount may now be recovered from the defaulters and deposited into the university exchequer under intimation to audit.

2. Further a penalty amount of `1000 as per agreement which provided for penalty of `1000 per month, was also due from Shri Gopal Singh, Village Khartal, Tehsil Karsog, District Mandi – the allottee of Admn. Employees Canteen who deposited the rent for the month of October, 2015 on 19.10.2015 i.e. after due date of 10.10.2015, but the same has not been recovered. Thus the recovery of this amount may now be ensured from the defaulter under intimation to audit.

**{No. RAS/HPU/AR AnnualAcctts2015-16 /2018-19-24 25.08.2018}**

#### **5.10 Less payment of interest on FDRs by Banks and short realization of maturity amount of FDRs due to TDS – `6.24 Lac**

##### **(1) Less payment of interest of `5,89,800 by banks on FDRs made out of Pension Corpus**

On checking the Pension Corpus FDRs it was found that a sum of `5,89,800 on A/c of interest. On FDRs as per detail enclosed in **Annexure-D** has been paid less by bank. The matter may be taken up with the concerned Bank for ensuring the recovery of interest on FDRs paid less and compliance reported to audit.

**{Audit Requisition/2015-16-6**

**Dated: 09.05.2018}**

**(2) Less Credit of interest of `13597.49 by bank on maturity of FDR- UIIT**

During the course of audit of investments of UIIT for the year 2015-16 it is observed that an amount of `86,14,029 was invested on 21.01.2014 @ 9% p.a. for a period of 555 days vide FDR No. 65105425739 with State Bank of Patiala, Kasumpti, Shimla-9 with maturity value of `98,81,248 on 30.07.2015. but on maturity the actual amount realized was just `98,67,650.51 which stands further reinvested on 19.11.2015 by making two FDRs of `96,91,902.51 and `1,75,748 = `98,67,650.51. Thus, the institute incurred a loss of `13,597.49 { i.e. `98,81,248 minus `98,67,650.51} on account of less credit of interest given by the bank on the maturity of FDRs while there was further loss due to 3 M 19 days delayed re-investment of maturity proceeds on 19.11.2015. The department has informed that the matter has been taken up with concerned bank but whether credit for the above amount has been received or not was not intimated to audit which may be done now.

**{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-1 dated: 23.07.2018}**

**(3) Less Credit of interest of `9,867 by bank on maturity of Main Account FDRs**

On checking the main account FDRs it was found that a sum of `9,867 on A/C of interest due on maturity of FDR, as per detail enclosed in **Annexure-E** has been less credited by bank. The matter may now be taken up with the concerned Bank for recovering the less interest paid and compliance reported to audit.

**(4) Short realization of interest `10433 due to TDS- Department of Physical Education.**

SBI, Summerhill had deducted tax amounting to `10433 at source on the interest earned on the maturity of the FDR of the Department of Physical Education **as per** detail given hereunder: -

FDR No.	Date of	Principal	Maturity	Maturity	Difference
---------	---------	-----------	----------	----------	------------

	<b>investment/ Maturity</b>	<b>amount</b>	<b>amount due</b>	<b>Amount received</b>	<b>due to TDS</b>
32928739790	08.04.2014 08.04.2015	1090413	1191912	1181479	10433

Since the income of the University is exempted from income tax under income tax Act, there fore the refund of TDS of may be ensured by taking up the matter with bank authorities and compliance shown to audit.

**{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-22                      dated: 24.08.2018}**

**5.11 Avoidable loss of `3.90 Lac sustained by the University on account of interest on delayed payments of retirement benefits to Sh. Hira Nand Sharma, AR Retired.**

The huge amount of `3,90,479 has been paid in favour of Sh. Hira Nand Sharma, Assistant Registrar who retired on 30.11.2009 on account of interest on delayed payment of Retirement Gratuity, Commutation of Pension and Earned Leave encashment vide bill No. 3403, 3404 and 809 dated 25.06.2015 amounting to `2,02,847, `67,207 and `1,20,425 respectively. From the perusal of the record put up to audit it has been observed that the retirement Gratuity of `6,72,656/-, Commutation of Pension of `6,05,689/- and Leave Encashment of `4,07,670/-, due on 01.12.2009 were sanctioned vide office order No. 8-130/76-HPU (Estt.) dated on 22.02.2013 and the said payments were further delayed till 08.04.2013, 06.03.2014 and 13.03.2013 respectively for the reasons best known to the concerned authorities. Consequently, the university exchequer had to suffer loss of `3,90,479 on account of delayed payment of misc. retirement benefits that too at a higher rate of interest @ 9% p.a. as ordered by the Hon'ble High Court of HP in the case i.e. CWP NO. 7743/2013 decided on 12.05.2015. The said loss could have been avoided had

the payment of Retirement benefits been released in time as per provisions of relevant rules. Therefore, either the delay in payment of retirement dues may be fully justified under Rules or necessary action in the matter to set right the avoidable loss of `3,90,479 may kindly be taken as per provisions of sub Rule (4) of Rule 68 of CCS (Pension) Rule 1972 under intimation to audit.

**(Audit Requisition No. 11-13**

**dated: 29.06.2015)**

**5.12 Regarding non-credit of `0.74 Lac by bank in ICDEOL Revenue Account (Bank Account No. 10091435511 SBI, Summerhill) and other discrepancies in the annual accounts of the said account**

(1) As per Page 20 of daily fee collection register for the year 2015-16 a sum of `95,920 (`74200 plus `21720) was collected as receipt on 07.08.2015 but as per bank statement a sum of `21,720 and `1,81,810 have been shown as deposited in bank there against in **Bank Account No. 10091435511 of SBI, Summerhill**. On inquiring from the department in this regard, it has been intimated vide letter No. 445 dated 18.10.2018/ 20.10.2018 that `74,200 was inadvertently credited by the bank in University main account No. 10091435340 instead of ICDEOL above said bank A/C and Finance Officer shall be requested for the refund. As regards `1,81,810 it is stated to be wrong credit by bank on 07.08.2015 which was reversed on 30.03.2016 i.e. within the same Financial Year. The record in support of the stated contention was, however, not shown to audit which may be shown now including the compliance of recoupment of `74,200 from University main account.

Further on enquiring from Finance Office in this regard it is found that this amount has been booked as un-reconciled difference under the Un-Reconciled Bank Entries Account pertaining to Bank Account no. 10091435340 in SBI Summerhill)

of University main account and assured that the same will be reversed shortly besides correcting the accounts accordingly.

(2) Bank Reconciliation Statement (BRS) of the above said bank A/C No.. 10091435511 has also not been found to be proper as neither the above transaction of `74,200 is appearing therein nor detail of various items like wrong debit by bank of `1,46,080 and excess credit of `1,47,039 appearing there in have been provided to audit in absence of which the position stated in the Bank Reconciliation statement could not be fully verified in Audit. The BRS may, therefore, be reviewed and compliance reported to audit duly supported with relevant record.

(3) `100 stated to have been credited by bank on 11.10.2018 in response to audit observation regarding credit of `40,890 instead of `40990 deposited on 06.08.2015 (Page 18 of Daily Collection Register refers) may also be got verified from audit.

(4) Miscellaneous Receipt amounting to `17,070 stated to be transferred from University main account to ICDEOL Revenue A/C may be got clarified further from Finance Office and accordingly reflected in books of accounts besides getting it verified from the Audit as it could also be some wrong credit by bank.

(5) Bank charges charged by the banks may be got reversed as also pointed out by audit as a whole for the University.

(6) Reconciled position regarding fees on the basis of student strength was not supplied to audit which may be expedited to complete the conduct of audit of accounts.

The above discrepancies also reflect the casual approach of the accounting personnel and are also typical instances of how Cash Book is being written on the basis of Bank Statements. The matter is, therefore, brought to the notice of University higher authorities being a serious issue requiring immediate corrective

measures as it is suspected to have been resorted to in order to cover up/ camouflage the wrong doings.

**{No. RAS/HPU/AR-Annual Accounts 2015-16/2018-19-36 dated 06.10.2018}**

**5.13 Regarding provisional Electricity Bills of Learning Resource Center, Noida, UP and clarification about arrears indicated therein- ICDEOL Student Fund**

A sum of `5,31,489.88 was found shown as outstanding on account of arrears as per Electricity Bill No. 840621474304 dated 02.02.2016 for the month of February, 2016 issued by Executive Engineer, EUDD-I 33/11 KV Sub Station, Sector -25 Noida in respect of Learning Resource Center, Noida, UP. Further it has also been found that electricity charges amounting to `2,50,000 for the month of February, 2016 and March, 2016 have been paid on the basis of provisional bills No. Nil (Sc. No. 8406263000/PVLP2095 dated nil) which was required to be adjusted in subsequent regular bills but no record regarding the adjustment of the said amount was shown to audit. The reply submitted by the department vide letter No. ICDEOL/19-17/2006/Admn/Vol.II dated 06.09.2018 that the payment was passed by Internal Audit Section and after due verification by Incharge, Learning Resource Center, Noida, UP is not tenable and as such the factual position could not be verified in audit. The matter may, therefore, be looked into and audit be apprised of factual position with relevant record along with complete detail of arrear of amount of `531490 in order to rule out any chances of overpayment.

**{ No. RAS/HPU/AR-Annual Accounts 2015-16/2018-19-20 dated 25.08.2018}**

**5.14 Less Transfer of NRI Funds `333.85 Lac to Revenue Account of HPU and Pension Corpus Fund.**

While auditing NRI Accounts of the following departments for the year 2015-16 it has been observed that in accordance with HP University Notification No. 1-14/2010/HPU(Budget) dated 6-02-2010, 60% (50% to HPU Revenue Account and 10% to Pension Corpus Fund) of the total income generated under NRI/SFS scheme is to be transferred but in compliance of these instructions an amount of `333.85 Lac was transferred less to HPU Revenue account and Pension Corpus Fund during the year 2015-16 as per detail given below :

<b>Sr. No.</b>	<b>Name of Department</b>	<b>Amount Less transferred to Revenue Account (₹)</b>	<b>Amount Less transferred to Pension Corpus (₹)</b>	<b>Audit Requisition No./dated</b>
<b>(1)</b>	UIIT	22932952	4586590	01 dated 23.07.2018
<b>(2)</b>	UCBS	1986175	397235	03 dated 24.07.2018
<b>(3)</b>	Yoga	0	6750	06 dated 30.07.2018
<b>(4)</b>	Physical Education	280000	56000	22 dated 24.08.2018
<b>(5)</b>	Regional Centre, Dharamsala (SFS)	516300	33010	30 dated 18.09.2018
<b>(6)</b>	UILS (after adjustment of refund of fees)	237500	47500	32 dated 26.09.2018 after considering the transfers of ₹6428400 and ₹1285680 on 26.05.16 & 17.09.16 respectively
<b>(7)</b>	Computer Science	2025097	85147	37 dated 06.10.2018
<b>(8)</b>	Chemistry	187500	7500	42 dated 13.10.2018
	<b>Total</b>	<b>2,81,65,524(a)</b>	<b>52,19,732(b)</b>	<b>3,33,85,256 (a+b)</b>

In addition to above, the amount due in respect of ICDEOL Student Fund may also be worked out after considering the transfers made previously to Revenue A/C of HPU & Pension corpus fund and compliance reported to audit.

Some departments of HPU have stated that since they have already transferred their FDRs to the Pension Corpus Fund, the amount due from them should be adjusted there against e.g, consolidated amount of ₹3,46,422 was due from Commerce while they have requested for adjustment against FDR of ₹4 Lacs transferred by them to Corpus Fund Account. As such the final decision in this regard may be taken by the University authorities before effecting transfers as above and compliance reported to audit.

#### **5.15 Non-production of Utilization Certificates of ₹51.87 Lacs to Audit.**



During the course of audit, it has been observe that an amount of `51.57 Lacs was transferred by the following departments to the Executive Engineers, Construction Division/ Maintenance Divisions, HPU Shimla-5 for execution of various works/ repair work but the Utilization Certificates against the amount to transferred were not shown to audit in absence of which it could not be ascertained whether the transferred amount were fully utilized for the intended purpose or not. Therefore, necessary certificates may now be obtained from the concerned authority along with unutilised amount, if any and compliance shown to audit: -

Sr. No.	Name of Department	Name of work	Transferred to	Amount transferred (Rs.)	Audit Requisition Reference
1	Bio Science	“Water proofing treatment of Drains and Ducts from first to Third floor, Open terraces at Top Floor for Bio-Sciences Department in Netaji Subhash Chander Bose Building in HPU, Shimla-5.”	Executive Engineer (Construction)	5,24,400	<b>RAS/HPU/AR AnnualAcctts2015-16 /2018-19-21 dt 24.08.2018</b>
		Painting and white washing	Executive Engineer (Maintenance)	1,94,600	
2	HPU CES	Painting and white washing	Executive Engineer (Maintenance)	37,500	<b>26 dated 27.08.2018</b>
4	UILS	For laying inter-locking tiles	Executive Engineer	9,16,200	<b>32 dated 26.09.2018</b>
		providing road-side railing	Executive Engineer	4,65,620	
5	ICDEOL Student Fund	For works	Executive Engineer	13,61,928	<b>33 dated 05.10.2018</b>
6	Computer Science	For white wash of Neta ji Subhash Chander Bose Bhawan	Executive Engineer	4,00,000	<b>37 dated 06.10.2018</b>
		For providing counter for Acquaguard	Executive Engineer	66,350	
7	Bio-technology	For works	Executive Engineer	2,00,000	<b>41 dated 10.10.2018</b>
8.	Chemistry	For white washing	Executive Engineer	2,82,900	<b>42 dated 13.10.2018</b>
9.	UIIT	For works	Executive Engineer	5,09,200	<b>1 dated 23.07.2018</b>
10.	Regional	Construction of Stores	HIMUDA	1,04,500	

	Centre, Dharamsala	below Staircase			
11.	Regional Centre, Dharamsala	Power Availability Certificate	HPSEB Ltd	1,24,450	<b>30 dated 18.09.2018</b>
			<b>Total</b>	<b>51,87,648</b>	

Some of the departments had presented Utilization Certificates in response to Audit Requisitions but the amount due for refund from the Divisions was not refunded to the concerned departments and as such the observations have been included here in order to ensure and monitor full compliance at the end of audit.

## **6 Non adjustment of Temporary Advances of `545.48 Lac.**

As per information supplied by Deputy Registrar (Accounts), HP University, Shimla-5 vide his letter No. 6-2/90-HPU(A/C-II) Audit dated 29.01.2019, temporary Advances to the tune of `545.48 lacs out of Total advances of `2135.31 lacs granted upto 31.03.2016 were outstanding for adjustment as on 30.11.2018 The above figure includes advances pending since 1978-79 which are summarised decade-wise as under:

<b>Advances granted between</b>	<b>Amount (Rs.)</b>	<b>Period of pendency ranging from – to --- upto 30.11.2018</b>
01.04-1978 to 31.03.1980	31,400	38 to 40 years
01.04.1980 to 31.03.1990	4,15,550	28 to 38 years
01.04.1990 to 31.03.2000	17,48,000	18 to 28 years
01.04.2000 to 31.03.2010	59,56,000	8 to 18 years
01.04.2010 to 31.03.2016	4,63,97,086	2 to 8 years
<b>Total</b>	<b>5,45,48,036</b>	

Non-adjustment of advances for such a long period is a serious lapse and requires immediate attention and stern action as warranted under relevant Rules to be immediately initiated at the level of University authorities, so that maximum temporary Advances could be adjusted It is added here that advances stated to be pending include only the advances of the o/o Controller of Examination though it has not been clarified/ certified by the Finance Office that no other advances are/ is outstanding for adjustment which position may now be clarified to Audit.

**7 Under-statement of amount of Closing Stock in the Balance Sheet of the University by non-inclusion the amount of stock lying with various University Departments**

Closing Stock worth `47,61,317 only has been shown in the Balance sheet which includes stock of printed material lying with Conduct Branch of the University only while the value of the stock lying with various other university departments including the offices of Executive Engineers of divisions who had stock tentatively worth `22,80,011 (**`20,91,113 civil & public health plus `1,88,898 – electrical material**) should also have been included in the University Balance Sheet. This fact was duly brought to the notice of Finance Office vide Audit Requisition No. **RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-16 Dated: 06.08.18** but still nothing was done to evaluate the stock lying with various university departments and show the rectified position in the final accounts of the HPU accordingly. This irregularity needs to be justified with cogent reasons while due care may also be taken in this regard for future to depict the correct position in final accounts of the University.

**{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-16 dated: 06.08.2018}**

**8 Non-recoupment of funds spent out of NRI Funds:**

**(1) Non-recoupment of `6.21 Lac paid out of NRI funds for Studentship Grant -Biotechnology (NRI/SFS)**

As per information supplied by the department a sum of `6,21,000 out of NRI funds transferred Temporarily to DBT Account for payment of studentship to students due to non-receipt of grant therefore, from the funding agency which remains un-recouped to date. This amount may now be recouped at the earliest and deposited in the NRI Account under intimation to audit.

**{ No. RAS/HPU/2015-16 Account /2018-19-41 dated 10.10.2018}**

**(2) Non-recoupment of `2.77 Lac paid out of NRI funds for RUSA grant: Computer Science (NRI/SFS)**

As per annual account for the year 2015-16, payments to the tune of `2,76,906 plus income tax from NRI funds were shown made to Shri Navneet

Sood, Consultant Programmer due to non-receipt of RUSA grant from state government. Actual expenditure incurred on this account from NRI funds may be ascertained and the said amount may now be recouped from RUSA grant besides ensuring its deposit into NRI A/c under intimation to audit.

**{No. RAS/HPU/2015-16 Account /2018-19-37 dated 06.10.2018}**

**9 Non-settlement of outdated cheques amounting to `5.64 Lac appearing in Bank Reconciliation Statements for the last 2 to 10 years.**

During certification of annual accounts it was found that the accounts were reconciled with outdated cheques amounting to `5,64,432 which are pending for payments for the last 2 to 10 years, detailed as under:-

<b>Name of Account</b>	<b>Bank Account No.</b>	<b>Outdated Cheques/ RTGS authority etc. (Rs)</b>	<b>Period of pendency/ non- presentation</b>
University Main	10091435736	5,986	3 to 4+ years
Account	10091435306	4,584	2 + yeas
	10091435340	5,20,743	3 to 5 years
ICDEOL Student Fund	10091436025	33,119	2+ to 10+ years
		<b>5,64,432</b>	

As per RBI instructions issued under Negotiable Instrument Act, 1881, the validity of issued instrument has been fixed for 3 months. Therefore, the reasons for non-reversal entries of these cheques in books of accounts may either be justified or after getting the non-payment certificate from the banks, reverse entries of these cheques in books of accounts may be done and compliance shown to audit.

**{No. RAS/HPU/2015-16 Account /2018-19-33 dated 05.10.2018 r/w Para 6.6 of Audit Report 2014-15 pertaining to ICDEOL read with Bank Reconciliation Statement of Main Account}**

**10 Non Settlement of continued un-reconciled differences in accounts**

**(1) Un-reconciled difference of `580799 (`565472 plus `15,327 added this year) in Cash Book and Pass Book & other discrepancies in the annual accounts of the University Institute of Legal Studies**

(i) It has been observed that Cash Book was not maintained properly as per provisions contained in the Accounts Manual Neither the closing balance of cash books was worked out on daily basis nor proper bank reconciliation was drawn at the end of each month. The Cash Book is showing the balancing figure of the Annual Accounts as closing Balance. There is not much improvement despite this irregularities being pointed out vide Para No. 5.27 of Audit Report 2014-15 also.

(ii) The difference of `5,65,472 between Cash Book and Pass Book (balance in Pass Book being lesser as pointed out vide para No. 5.12 of Audit Report 2014-15) has further increased by `15,327 due to the fact that the cheques of this amount issued in 2014-15 for payment were presented for in 2015-16 as per Bank Reconciliation Statement. Therefore Efforts must be made to reconcile the difference of `580799 being less in Pass Books to rule out any loss of income without any further delay.

**{No. RAS/HPU/2015-16 Account /2018-19-32 dated 26.09.2018}**

**(2). Un-reconciled difference of `1,89,854 plus `8,170 added this year in Cash Book and Pass Book & other discrepancies in the annual accounts of the HP University Centre of Evening Studies**

(i) The Cash Book is still showing the balancing figure of the Annual Accounts as closing Balance. There is not much improvement in maintenance of Cash Book despite this irregularity being pointed out vide Para No. 5.23 of Audit Report 2013-14 and thereafter also.

(ii) The difference of `1,89,854 between Cash Book and Pass Book (balance in Pass Book being lesser as pointed out vide para No. 5.15 of Audit Report 2014-15 which may be read with para No. 5.19 of Audit Report 2013-14 when a difference of `2,08,944 was pointed out) still remain unreconciled till the date of report.

Moreover the said difference has increased further by `8,170 in the current year

2015-16. The annotated reply submitted by the department through Assistant Registrar (Finance) vide letter No. 4-2/HPU/Fin/Comp/18-19/430 dated 17.09.2018 in this regard was not found satisfactory as it did not include the complete particulars about the causes of differences. Therefore efforts must be made to reconcile the total difference `198024 being less in pass book to rule out any loss of income without any further delay.

**{No. RAS/HPU/2015-16 Account /2018-19-26 dated 27.08.2018}**

**11 Avoidable expenditure to the tune of `0.62 Lac on advertisement cost of  
CORRIGENDUMS**

**(1) Bill No. 2426 & 2427 dated 17.08.2015 for `37486. & `430 (TDS) =  
`37916**

From the perusal of record attached with the contingent bill no. 2426 & 2427 dated 17.08.2015 for `37916 , it has been observed that department of Chemistry vide its letter dated 14.05.2015 intimated the authority that there is zero seats available for direct admission to Ph.D. programme. But later on vide letter No. 1-110/10-HPU(Chemistry)-Ph.D.ENT file dated 17.06.2015 intimated to the authority that there are 5 seats available for direct admission to Ph.D. programme. Resultantly H.P. University had to unnecessarily bear the additional burden of `37,916 to insert corrigendum for advertisement relating to admission notice for Ph.D. programme. A bare look on this whole episode shows that officers/officials of Chemistry department earlier supplied wrong date/information for inserting advertisement in newspapers without doing proper home work which lead to avoidable loss of `37916 to the University exchequer. Therefore, the matter is brought to the kind notice of the university authorities for fixing liability for making good the loss sustain by the University exchequer.

**{Audit Requisition No. 39-41**

**Dated: 16.10.2015}**

**(2) Bill No. 1440 and 1441 dated 01.07.2015 amounting to `21935 and  
`251(TDS) = `22186**

On perusal of above referred contingent bills and others allied record put up to audit. It has been observed that the Director, UILS, Shimla-04 vide email 09.04.2015 (3.52 pm) sent draft of admission notice 2015-16 to the Public Relation Officer H.P. University to be got published in Newspapers but the PRO wrongly supplied the draft of admission notice 2014-15 instead of 2015-16 to the advertising agency and accordingly wrong information was got published on dated 11.04.2015. Resultantly for rectification, a corrigendum was got published on dated 12.04.2015 at the cost of `22,186 which could have been avoided had the admission notice correctly published in the first instance. Therefore, audit is of the view that the Loss of `22,186/-suffered by the University on publishing corrigendum may be made good from the official at fault under intimation to audit.

**{Audit Requisition No. 50-53**

**Dated: 10.11.2015}**

**12 Irregular appointment on adhoc basis in regular Pay Scales under Self Financing Scheme.**

The following officials who were initially appointed under Self Financing Scheme on daily wage basis/ contract basis were further appointed on adhoc basis in regular pay scale as per detail given in the following table in violation of the provisions of government norms for regularization of contractual staff and the provisions of self-Financing Scheme as well. A perusal of rules regulating the funds under Self Financing Scheme i.e. point 2(ii) (a) of Scheme reveals that appointment should be made only on contract basis in Self Financing Scheme without creating any charge on university and not on Adhoc basis in regular Pay Scales as has been done in the above cases. The undue benefit has been given to these officials by grant of regular pay scale which may be fully justified and got regularized with sanction of the competent authority:-

Sr. No.	Name of Department	Name & Designation of the appointed officials	Office Order reference vide which appointments were made on adhoc basis in regular pay scale	Initially appointed on ---- since	Audit Requisition No.
1.	HPU Business School	Sh. Avinash Bhardwaj, Computer Lab Technician/Attendant and Sh. Ravi Kumar,	1-12/04-HPU (IMS) dated 12.03.2015	On contract basis since 11.04.2011 and 23.11.2010	Audit Requisition No. 3-4 dated 16.04.2015

		Peon			
2.	MTA (Institute of Vocational Studies)	Ms. Chhaya Thakur, Clerk and Sh. Chaman Lal, Peon	HPU/MTA/15/2083- 2089 and HPU/MTA/15/2090 both dated 04.03.2015	Both on daily wages basis since 01.10.2010	Audit Requisition No. 7-10 dated 06.05.2015
3.	University College of Business Studies,	Sh. Rajat Dhiman, Ms. Pooja Sharma and Ms. Shalini Sood as Clerk	No. 11/96- HPUC(BBA)-2759- 2769, dated 06.04.2015	On daily wages basis since 3.3.2010, other two since 27.11.2010	Audit Requisition No. 14-17 dated 01.07.2015

### **13 Overpayment of pay & allowances to Shri Khime Ram, Chowkidar under ACPS**

While Pre-auditing the pay fixation cases of different class –IV employees on account of ACPS. It has been observed that Sh. Khime Ram, was appointed as Chowkidar on adhoc basis w.e.f. 30.01.1993 and subsequently regularised w.e.f. 01.10.1994. He was placed in next higher scale under ACPS w.e.f. 31.01.2001 after 8 years by counting adhoc period which is irregular as he was entitled for the same w.e.f. 1.10.2002 i.e. 8 years after the date of regularisation as per prevailing instructions/ clarification of Govt. Hence, the pay fixation under ACPS may be revised and the recovery of pay & allowances involved may please be ensured and compliance intimated to audit.

**{Audit Requisition No. 5-6**

**Dated 24.04.2015}**

### **14 Payments of irregular T.A. Claim for Rs. 7,353 – (Department of Music) and liberal Sanction of TA claims on actual basis**

While pre-auditing T.A. Claim Bill No. 418 dated 22.05.2015 for `7353 in respect of Dr. Poonam Joshi, External Examiner. It has been observed that she was called for conducting M.A. Music practical to be held on 21.05.2015 & 22.05.2015. As per claim, she had started her inward journey by train on dated 04.05.2015 at 6:15 p.m. from Udaipur and reached Delhi at 7:00 p.m. on the same day. However, she claimed her journey by own car from Delhi to Shimla on dated 17.05.2015 at 8.30 a.m. which was 4 days prior to conducting of the Music practical and reached Shimla at 10:00 p.m. on the same day. A perusal of Car Registration No. i.e. HP-03D-2493, reveals that the said vehicle is registered with Registering & Licensing Authority, Shimla in the name of Sh. Dheeraj Shandil S/o Sh. Ram Swaroop Shandil Teachers Colony, HP University, Shimla-05 instead of Dr. Poonam Joshi. It



is pertinent to mention here that Sh. Ram Swaroop Shandil is the Chairman of the Music Department of HP University at the time of claim of bill and as such the claim appears to be suspicious in order to gain the undue benefit of road mileage of vague ownership of said vehicle or else. Moreover, no supporting vouchers i.e. toll tax receipts were found attached with the claim beyond Chandigarh to Delhi.

In view of irregularities observed/noticed, the above referred T.A. claim was returned to University Authorities for taking further necessary action in the matter but no reply in this regard has been received. Being a serious matter it calls for suitable action as warranted under rule from higher competent authorities of the University to discourage repetition of such irregularities in future.

It has also been noticed that the T.A. claims in many cases are being approved by the authorities on actual basis at higher rates, which is patently wrong for a financially stressed university, dependent almost entirely on Govt. Grants. It is, therefore, suggested that the authorities may examine the genuineness of such claims in accordance with the provisions of rules and avoid allowing TA Claims on actual basis as a routine liberally except in special circumstances in order to avoid additional financial burden on University exchequer against T.A. claims in future.

**Audit Requisition No. 21-23**

**Dated: 26.08.2015**

**15 Irregularities observed during the audit of accounts of University Faculty House**

**(1) Short realisation of `10,400 on account of stay charges/ extra bed charges from visitors of Faculty House**

During test check of income of Faculty House of the University for the year 2015-16 it was found that a sum of `10400 {`9000/-on account of stay charges and `1400 on account of extra bed charges as per detail given in **Annexure F (i) & (ii) respectively**} has been realised less from visitors of the Faculty House which may now be recovered from the appropriate source and got deposited into the University exchequer under intimation to audit.

**{No.RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19- 53(A) dated: 21.12.2018}**

**(2) Less deposit of `3200 out of income of Faculty House into University Account**

As per detail given in **Annexure G**, a sum of `3,200 out of income of Faculty House for the year 2015-16 has been deposited less into University account due to wrong casting / totaling of actual receipt which may now be recovered from the official at fault and deposited into University Bank Account under intimation to audit.

{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-53(A) dated: 21.12.2018}

**(3) Suspected short realization of `29,400 on account of stay charges from visitors of Faculty House and other issues related to stays without proper supporting record / authorisations**

(i) It is suspected that there has been under collection to the tune of `29,400/- from visitor/guests of Faculty House in the month of March, 2016 as per detail given at **Annexure-H** as their stay has been indicated as 'official' and charges recovered @ `100 per day while no documents/application were shown to audit to verify the official stay of the incumbents and as such in the circumstance short realisation cannot be ruled out. The matter may, therefore, be looked into and audit be apprised of the factual position with supporting record failing which the suitable recovery of charges due as per Rules be effected from quarters concerned at fault under intimation to Audit.

(ii) As per letter No. 1-2/88-HPU(J) dated 26.03.2016 from Chairman, Department of Journalism and Mass Communication, HPU, Shimla-5 free accommodation was to be provided to Shri Chandrakant Naidu, Visiting Fellow for one month w.e.f. 27.03.2016. But on examination of the Visitor Register Sr. No. 1493 it has been observed that the Visiting Fellow stayed in the Faculty House w.e.f. 30.03.2016 to 30.05.2016 i.e. for two months, instead of one month. Therefore the overstay of one month may, either be got regularised with the sanction of competent authority after ascertaining the factual position from the

concerned department or stay charges at presubscribed rates for one month may be recovered from appropriate source under intimation to audit.

(iii) As per Visitors Register reference No. 821, 822, 824, 826, 827, 830,835,837,862,863,868,869,870,873, 875,884,889,890,891 of September, 2015 and 1285 to 1287, 1296, 1298 to 1301, 1304,1306 to 1310 of January, 2016, the Selection Committee members are stated to have been provided free accommodation but no supporting orders indicating the names and addresses of the visiting Selection Committee members were shown to audit in absence of which the recorded position could not be verified in Audit. The orders related thereto may, therefore, be obtained from concerned quarter and shown to audit while for future the same may invariably be kept in Faculty House record for verification on the spot.

{No RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-53(A) dated: 21.12.2018}

#### **16 Loss of `0.45 Lac due to Non reversal of Bank Charges**

Bank Charges to the tune of `45358 (shown as Finance Cost in accounts) indicate that University authorities are either not negotiating hard with bank or requests for reversal are not being made while banks have otherwise been obliged with investments of crores of rupees. Also huge amounts have been kept in saving bank accounts and in the circumstances the bank charges are not at all justified. All the departments of the university may, therefore, be asked to approach banks for reversal of charges debited to their respective bank accounts and compliance shown to audit. It is also added that this figure has doubled compared to previous year when only a sum of `21,378 was incurred on account of bank charges.

#### **17 Loss of `0.42 Lac due to non-recovery of rent from Canteen Contractor in view of repair work carried out by the contractor Regional Centre, Dharamsala-Student Fund**

A sum of `42,000 (@ `21000 per month) due on account of rent for two months was not recovered from Sh. Manuj Awasthi, Village Tillu, PO Khaniyara, District Kangra who was awarded the contract for canteen vide letter No. 4-

17/2002-HPU(RC)-1024 dated 16.03.2015 in view of the value of repair work amounting to `46,859 (`40519+6340) stated to have been carried out by the Contractor vide Bill No. 128 dated Nil for `40519 of M/s Ankur Mahindru Steel Fabrication, PP Dhagwar, Tehsil Dharamsala, District Kangra and further vide Bill No. 026 dated 12.07.2015 for `6,340 of M/s Ved Prakash Electrical & Elcectronics, Village Darnu, Tehsil Dharamsala, District Kangra. The above stated expenditure could not be adjusted against the rent due the Contractor as the Terms and Conditions of the agreement neither permitted the contractor to carry out the said repair nor it could be adjusted against rent due. Thus, a loss of `42000 has been caused to the University exchequer due to non recovery of rent for two months which may either be justified fully or amount may be made good by recovery from the quarter concerned at fault under intimation to Audit. Further it has also been observed that in the subsequent allotment of canteen, the rent has been fixed at lower side of `15,631 per month which also needs to be justified particularly when there was value addition to the extent indicated as above.

{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-30                      dated: 18.09.2018}

**18      Reconciled position regarding Fees was not supplied to Audit by the departments**

Income on account of fees has not been reconciled from the point of view of student strength in case of the following departments. Audit had specially sought the reconciled position in this regard but either the information was not supplied to the audit or the information supplied to audit did not meet the requirement . In absence of desired information/record, fees indicated in accounts could not be cross-checked in audit from the point of view of student strength. There fore expected exercise may be got completed at the level of the University and result there of be reported to audit as chances of loss of income due to misappropriation/ misplacing of valuables/ DDs etc. cannot be ruled out. It is also advised that this exercise may also be made a routine for future in order to strengthen internal check and internal control and to plug the chances of revenue leakages if any at initial stage:-

Sr No	Name of Department	Fee as per Accounts in Rs.	Audit Requisition Reference No.
1	UIIT	4,58,65,904.00	01 dated 23.07.2018
2	Commerce	9,10,000.00 (Refund. 2,20,000)	04 dated 24.07.2018
3	Regional Centre Dharamshala	73,70,956.00	30 dated 18.09.2018
4	Model School	6,47,625.00	31 dated 20.09.2018
5	ICDEOL Student Fund	2,83,02,765.00	33 dated 05.10.2018
6	Computer Science **	8,66,050.00 (Entrance Fee)	37 dated 06.10.2018

**\*\*Note:** The department of Computer Science may, however, also clarify about concession to the Wards of University Employees granted in Admission Fee which was not shown during the course of audit.

#### **19 Difference of `0.39 Lac between Cash Book and Pass Book as per Bank Reconciliation Statement-MTA**

A sum of `39,191 appears as difference of Previous Year in this year Bank Reconciliation Statement of the department of MTA. On being asked to clarify this the department has responded that a sum of `42,200 deposited on account of entrance fees on 30.05.2014 but credited by the bank on 24.05.2016 after about 2 years period and net difference, therefore works out to `3,009 which will be reconciled shortly. There fore the record in respect of the above credit of `42,200 may be shown to audit while efforts may also be made to reconcile the remaining difference. Further, it is also advised to take up the matter with the concerned bank for payment of interest for delayed credit of `42,200 after a gap of 2 years. Besides this with regards to poor maintenance of Cash Book as pointed out vide para No. 5.27 of Audit Report 2014-15 not much has been done to improve the state of affairs which is a matter of deep-concern and thus needs to be addressed immediately.

{No.RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-7      dated: 31.07.2018}  
{No.RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-25      dated: 27.08.2018}

#### **20 Short realisation of `0.29 Lac on account of sale of tender forms.**

A sum of `28,950 (`11500 in Division -1 and `17450 in Division-2) as per detail given in **Annexure-I (i & ii)** has been realised short on accounts of sale of tender forms during the year 2015-16 as the tender forms were sold below the rates notified vide letter No. PBW(B)-14(8)/2004 dated 24.02.2012 of Special Secretary (Public Works) to the Government of Himachal Pradesh (copy of which was provided to audit by the Division Officials) and as is also applicable in case of University. There fore the amounts realised short may either be justified or be recovered from appropriate source and deposited into university exchequer under intimation to audit.

{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-12 & 13 Dated: 04.08.2018}

**21 Wasteful expenditure to the tune of `0.16 Lac by printing excess number of Prospectus-Regional Centre, Dharamsala- Student Fund**

As per Stock Register, it was found that 2000 No. of prospectus were got printed in one go in the year 2015-16 and 602 No. of prospectus valuing `15,652 were lying in stock unsold at the end of admissions which does not appear to be justified particularly when there was no increase in number of seats and consumption in the previous years i.e. in 2013-14 and 2014-15 was between 1460 to 1490 and only 1500 No. prospectus were got printed then. Thus the decision of Printing 2000 No. prospectus in one go/leads to wasteful expenditure of `1562 which may, therefore, be justified with cogent reasons. Further it is also advised that for future prospectus may be got printed for the minimum foreseeable quantity in one go taking into account the previous trend and the supplier be specifically asked to arrange for subsequent re-prints at short notice in order to avoid any wasteful expenditure.

{RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-30 dated: 18.09.2018}

**22 Wasteful expenditure of `0.15 Lac on printing of School Magazines in excess: Model School Amalgamated Fund**

As per Stock Register it was found that 500 No. of school magazine titled “Nayi Kiran” were got printed @ `119.20 per copy from M/s DGT Graphics, Shimla in

the year 2015-16 out of which only 366 copies of magazines were sold to students and rest of the copies were lying in stock unused. Thus, publication of magazines in excess of actual demand has resulted in wasteful expenditure of `15000. The departmental justification in this regard as submitted vide letter No. HPUMS/2018-4408 dated 03.11.2018 was not found satisfactory. It is, therefore, advised that for future magazines may be got printed after ascertaining the demand beforehand in order to avoid any wasteful expenditure.

**{Audit Requisition No. RAS/HPU/2015-16 Account /2018/19-31 dated 20.09.2018}**

**23 Irregular payment of `0.14 Lac on account of Taxi Charges- Regional Centre, Dharamsala-Student Fund**

A sum of `14100 was paid to M/S ABHAY Tour & Travels, Tapovan Road, Sidhbari, Tehsil Dharamshala Distt. Kangra H.P. vide duty slip No. 722 dated 14.09.2015 on account of journey by Taxi for travel of 6 no. participants from Dharamshala to Govt. College, Pangi for inter-college competition between 08.09.2015 to 13.09.2015, which involved payment for 840 kms @ 15 per kms + 6 Night Halts @ `250 per night. On examination of the said voucher it was found that there was no mention of Taxi No., capacity in the said duty slip nor a proper bill was obtained for the purpose despite the above vouchers being duty slip. Moreover, charges paid are much above the rate approved by department of Transport HP vide its notification No. Tpt(F)53/2013 dated 22.09.2011 which may also be justified or this irregularity may be got regularized with the sanction of competent authority.

**{RAS/HPU/AR-AnnualAcctsnts-2015-16/2018-19-30 dated: 18.09.2018}**

**24 Overpayment of `0.10 Lac on account of remuneration to Teachers –UIIT**

A sum of `10,100 was overpaid to Teachers on account of remuneration as per detail given below. This amount is stated to have been recovered by the department but the original record in respect of recovery made was not shown to audit. Which may be shown now:-

Sr. No.	Name of the teacher	Bill No. /date	Amount due (Rs.)	Amount paid (Rs.)	Over payment (Rs.)
I.	Ms. Meenakshi Bhardwaj	536/ 11.05.2015	27,890	27990	100
II.	Ms. Bhawana	2059/ 27.07.2015	29,250	39250	10000
		Total	57140	67240	10100

{RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-1                      dated: 23.07.2018}

## 25 Short realization of fees `0.03 Lac in the Department of Economics

A student named Mr. Kanwar Singh who took direct admission in MA(Economics) 2<sup>nd</sup> semester in March, 2014 and finally enrolled for Ist Semester in August, 2015 was undercharged by `2,500 by wrongly applying the fee rate of 2014-15 i.e. Rs. 12,500 per semester instead of `15000 per semester applicable for the year 2015-16. Thus, `2500 were short realized from the student which may either be justified or be recovered now from appropriate source and compliance reported to audit.

{RAS/ HPU/AR-AnnualAccttsnts-2015-16/2018-19-5                      dated: 25.07.2018}

### 25.1 Overpayment of `0.02 Lac on account of Consumed and Breakage charges

A sum of `1,707 as per detail given in **Annexure-J** has been found overpaid and above the rates notified by the University vide its Notification No. 3-7/97-HPU(Eval) dated 20.05.2009 on account of Consumed and Breakage Charges for various practical examination(s) conducted in the month of January, 2016. Out of the above said amount `426 has been paid in excess to Government College, Barsar, Hamirpur while `1281 has been overpaid to Government College, Bhoranj, Hamirpur. Therefore the overpaid amounts may either be justified or be recovered from the appropriate source and compliance reported to audit.



**25.2 Less accountal of receipt pertaining to Student Fund Regional Centre & School of Legal Studies, Dharamsala in the main account by `1000**

As per annual accounts of Student Fund of Regional Centre & School of Legal Studies, Dharamsala a sum of `21,92,500 on account of examination fees was transferred to University Main Account during the year 2015-16 but as per main account record only `21,91,500(474000+1717500 as per two ledger accounts maintained in this regard) was shown received and accounted for. Thus, there is a difference of `1000 which may now be reconciled & accounted for in accounts accordingly and compliance reported to audit.

**25.3 Short realization of `200 on account of amalgamated fund - UCBS (Other Account)**

During the course of Audit it has been observed that on re-admission of one student named Ms. Uma Devi, Roll No 1806 student of BBA-III year, Amalgamated Fund at the old rate of `800 per annum instead of `1000 per annum due at the time of re-admission was recovered from her. The departmental justification in this regard was not found tenable and the loss of `200 suffered may, therefore, be made good by effecting recovery from the concerned at fault under intimation to audit.

{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-9

dated: 03.08.2018}

**25.4 Non reversal of wrong Debit amount of `563 by bank: Model School**

A sum of `41,838 on 02.11.2015 and further `50 on 09.06.2015 amounting in all to `41,888 was wrongly debited by bank in the school's Saving bank account but. out of this only `41,325 was reversed by bank on 30.06.2016. Thus, `563 {(41,838+50) – 41,325} still remains unrecovered from the bank which may be recovered now by way of credit in saving A/C and compliance shown to audit..

{Audit Requisition No. RAS/HPU/2015-16 Account /2018/19-31 dated 20.09.2018}

**25.5 Unexplained reversal of credit by bank for `228 – Department of Commerce**

Reversal of excess credit of Rs. 228 by bank indicated on the payment side of the annual account of the Commerce Department remains unexplained to audit and may, therefore, be looked into and justified with suitable explanation or credit be sought from bank therefore under intimation to audit .

**{RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-4                      dated: 24.07.2018}**

**26 Non production of record – Regional Centre, Dharamsala :**

The following records/information were not made available to audit which may be ensured to be put to audit now for verification:-

- (1) Vouchers for `1,50,000 stated to have been paid to BCI, New Delhi
- (2) As per Stock Register, 600 Journals of Social Science and Law were got printed from M/s Imperial Printing Press, Kotwali Bazar, Dharamsala vide Bill No. 015683 dated 25.09.2015 for `63000 and shown issued to Publication Department in lumpsum but no detailed consumption thereof was found recorded in the Stock Register which may be done now.
- (3) Physical verification report of stock was also not supplied to audit despite it being specifically asked for vide audit memo No. RAS/HPU/2018-19 dated 27.08.2018.

**{RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-30                      dated: 18.09.2018}**

**26.1 Payments without pre-audit from LAD / Internal Audit - Regional Centre, Dharamsala, Student Fund**

During the course of audit, it was found that all the bills other than those pertaining to Self-Financing Scheme of School of Legal Studies have been paid without having been pre-audited either from Internal Audit Section / LAD. This may be justified duly supported with the provision of rules/ instructions /decision of the competent authority otherwise this practice may be stopped forthwith after due consultation with the Finance Office.

**{No. RAS/HPU/AR-AnnualAccttsnts-2015-16/2018-19-30                      dated: 18.09.2018}**

**26.2 Discrepancies in maintenance of Cash Book by Regional Centre, Dharamsala-Student Fund**

During the course of audit it has been noticed that Cash Book is not being written properly. The cheques issued are being recorded in Cash Book on the actual

date of clearing from bank instead of on the dates these are issued as is evident from perusal of Cheque Register read with Cash Book/Pass Book e.g. cheques issued in the month of 02.2015 were entered in Cash Book in the month of 04/2015 when these were finally cleared by bank. It is only because of this practice that all balance in Cash Book tally with bank balance and there were no reconciliations. This practice is in violation of provision of rules and needs to be stopped forthwith and in such a scenario the Cash Book does not reveal the correct state of affairs while chances of misappropriations / missing valuables etc. also cannot be ruled out.

{No RAS/HPU/AR-Annual Accts-2015-16/2018-19-30           dated: 18.09.2018}

**26.3 Discrepancies in Bank Reconciliation Statement: Biotechnology**

There was difference of `8,18,473 in the closing balance of Cash Book and Pass Book as on 31.3.16 as per annual accounts but the Bank Reconciliation Statement presented to audit does not clearly indicate the complete detail of amount alongwith dates of instruments / transactions in Cash Book and Pass Book as have caused the above said difference in closing balance. The statement may, therefore, be reviewed at your end detailing the cause of difference and then submitted to audit alongwith supporting record for verification after being duly authenticated by the competent authority.

{No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-41 dated 10.10.2018}

**26.4 Detail of “Cancelled Cheques of Previous Year” valuing `4,353 not provided: Biotechnology**

During the course of Audit, the detail of Cancelled Cheques of Previous Year valuing `4,353 indicated on the receipt side of the annual accounts were not shown to audit which may be done now.

{ No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-41 dated 10.10.2018}

**26.5 Mixing up of transactions other than those related to NRI accounts with NRI Account – Department of Chemistry**

During the course of audit of annual accounts of the Department of Chemistry, it has been observed that some transactions not related to NRI accounts have been mixed up & accounted for in NRI Account which resulted into not depiction of true state of affairs of NRI Accounts. Therefore the net effect, of such

mixed up transaction may be worked out and adjusted accordingly by the transfer from to this account under intimation to audit duly supported with record.

{No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-42 dated 13.10.2018}

**26.6 Non-production of annual accounts, record related to income of Centre Creation Fees and Affiliation & Counselling Fees, Consolidated Position on Sale of Prospectus, Stock and Idle Machinery and other information sought by audit**

(1) The Annual Accounts of Construction Division, Maintenance Division and Electrical Division were not submitted to audit by the concerned departments despite repeated requests while information regarding Earnest and Security Deposit received / deducted from works bills during the year 2015-16 sought was also not supplied to audit. As a result the position regarding **works completed** as well **Works-in -progress** could not be known and certified.

Besides annual accounts of IIHS were neither presented to audit nor accounted for in the University's books of accounts. Thus, the annual accounts do not present the complete picture of state of affairs of the University. Besides annual accounts of IIHS were neither presented to audit nor these are being accounted for in the University's books of accounts. Moreover, as per discussion with the Pro Vice Chancellor it was learnt that the IIHS is an integral part of the University, and hence, it's accounts should have been duly included/ consolidated with the University Accounts like the accounts of other department which is an endorsement of the position taken by audit but is contrary to the position taken by University in response to Para No. 5.4 of Audit Report 2014-15. On the other hand audit had also sought clarification from Finance Office in this regard including about the amount due from IIHS & others departments whose establishment and other expenses are being met from University's Main Account vide Audit Requisition No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-57 dated 31.01.2019 but the said Audit requisition remained un-replied.

{ No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-52 dated 11.12.2018}

{ No. RAS/HPU/AR-Annual Accts-2015-16/2018-19-57 dated 31.01.2019}

(2) The record related to income on account of Centre Creation Fees and Affiliation & Counselling Fees was not provided to audit in absence of which income on this account could not be verified in audit. It is added that this record is not being

supplied to audit for the past several years {2012-13-Para 26, 2013-14-Para-26 & 2014-15-Para-8 refer} which is a matter of great concern and needs to be viewed seriously by the University authorities because in such a situation possibility of misappropriation of income can not be ruled out.

**{No. RAS/HPU/2015-16 Account /2018/19- 34 dated 05.10.2018}**

**{ No. RAS/HPU/2015-16 Account /2018/19-35 dated 05.10.2018}**

(3) Consolidated position for the University as a whole regarding income on account of sale of prospectus from the angle of sale in numbers (category-wise) and proceeds realised there against has not been supplied to audit despite repeated requests. Further some of the University Departments have also not indicated this income under the head ‘Sale of prospectus’ in their annual accounts but instead mixed it up and shown under the head fees etc. As a result, the income of `82,02,171 depicted in the final accounts on this account could not be cross-checked/certified from the angle of amount actually due and collected/deposited. Further there is also a significant fall in income on this account as compared to previous year when a sum of `2,15,36,720 was recorded as sale of prospectus which also needs to be looked into and justified particularly, when embezzlement of `19.09 lacs has been found in ICDEOL. It is, therefore, advised that the exercise may be completed for the year 2015-16 by the University on its own to rule out further misappropriations and results intimated to audit besides making it a routine for future.

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-48 dated 28.11.2018)**

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-53 dated 11.12.2018)**

(4) The information regarding stock taking and idle machinery was also not supplied in respect of all the departments of the University. This exercise may be completed at the University end besides invariably ensuring it for future.

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-45 dated 20.11.2018)**

**(No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-46 dated 20.11.2018)**

(5) Leave Salary Contributions received from various borrowing departments in respect of services of University employees serving outside the University are being deposited in Pension Fund instead of the main account. Total amount due on account of Leave Salary Contributions and Pension Contributions as 31.03.2016

was neither intimated to audit nor incorporated as income receivable in the annual accounts which should have been shown so due to the fact that the accounts of the University are now being maintained on accrual basis.

**{No. RAS/HPU/2018-19-30 dated 12.04.2018}**

Non-supply of record and information sought by audit that also year after defeats the very purpose of audit besides reflecting the kind of control university administration has over its subordinate units .

## **26.7 Non-production of information regarding Lessons/ Books printed in -ICDEOL Student Fund**

The information regarding Printing of Lesson/Books for the year 2015-16 and its further distribution semester-wise, student-wise was not supplied to audit despite repeated requests in this regard and hence, this aspect could not be looked into during the course of audit. Non-submission of the above information to audit is a matter of serious concern and needs to be looked into besides ensuring the submission of desired information to audit immediately.

**{Audit Requisition No. 04 dated 04.05.2018, Audit Memo dated 25.06.2018}**

**{No. RAS/HPU/Audit Requisition/ 2018-19- 636-37 dated 20.11.2018}**

## **26.8 Non production of record - Dean of Studies**

Annual Accounts of O/o Dean of Studies for the year 2015-16 contained the following items on income and expenditure side stated to be old pertaining to the year 2004-14 which were neither found entered in Cash Book nor supported with vouchers/ record/ remarks.

<b>Items of Income</b>	<b>Amount (Rs.)</b>	<b>Items of Expenditure</b>	<b>Amount (Rs.)</b>
Interest on old FDR from 2004-2014	4,32,425	FDR transferred to FA account (old)	22,48,374
Interest on FDR (old)	28,74,901	<b><i>Purchase of Sports Material (old)</i></b>	<b><i>1,05,76,010</i></b>
Interest on saving (old)	57,867		
Transfer from FA Account (old)	59,40,665		
Old miscellaneous receipt	19,59,186		
Opening Balance difference as per Cash Book	25,34,296		

Accordingly audit party vide its memo dated 16.05.2018 had asked the said office to provide all the related vouchers and record but compliance / communication was neither received from the quarter concerned nor from Finance Office who were requested to inquire into the matter well before the account in

question could be taken up for audit. As such the account remains uncertified. Further it has been learnt through discussion with the officials of the Finance Office that accounts are being got recast for the past several years in view of irregularities / un-reconciled differences etc. pointed out by audit vide Para No. 5.11 of Audit Report 2014-15 and hence will be subject to re-Audit.

**{No. RAS/HPU/2015-16 Account /2018/19 290-91 dated 13.07.2018}**

**{No. No. RAS/HPU/AR-Annual Accounts-2015-16/2018-19-28 dated 10.09.2018}**

## **26.9 Non-production of complete record related to Shop No. 6 allotted to HPMC – Estate Office**

Initially Shop No. 6 on campus was allotted to HPMC under agreement for the period of 3 years w.e.f. 20.10.2012 to 19.10.2015 @ `5000 per month with annual increase of 10% and subsequently fresh agreement was signed for another 3 years w.e.f. 01.09.2016 to 31.08.2019 allotting the shop @ `11,000 per month with annual increase of 10% but no record/ order regarding the extension of the previous contract for the intervening period between the two agreements was shown to audit. However on examination of the Rent Ledger it has been observed that a sum of `1,57,708 shown as recoverable from the HPMC for the period w.e.f. 20.10.2015 to 31.12.2016 @ `11000 per month (which includes the intervening period of the two agreements) was finally recovered from the institution in 7 installments @ `22530 per month commencing from April, 2017 without any penalty but the orders of competent authority approving the above said extension of agreement period and subsequent recovery of rent in installment was not shown to audit. It is further added here that the delayed recovery of rent without penalty including for the period covered by agreement effective from 01.09.2016 that too when the agreement specifically provided for penalty @ `1000 per month for delayed payment of rent does not appear to be in order and therefore, needs to be either justified with cogent reasons or regularised with the sanction of the competent authority under intimation to audit.

**{No. RAS/HPU/AR AnnualAcctts2015-16 /2018-19-24 25.08.2018}**

## **27 Loss of `828.43 Lac to the Transport wing.**

The position of Income and Expenditure relating to transport wing in H.P. University, for the last five years was as under:-

Year	Income	Expenditure	Deficit
------	--------	-------------	---------

	(Rs. in Lac)	including Salary & other (Rs. in Lacs)	(Rs. in Lacs)
<b>2011-12</b>	5.29	150.05	(-)144.76
<b>2012-13</b>	8.62	169.26	(-)160.64
<b>2013-14</b>	12.68	168.20	(-)155.52
<b>2014-15</b>	10.59	192.60	(-)182.01
<b>2015-16</b>	10.26	195.76	(-)185.50
<b>Total</b>	47.44	875.87	(-)828.43

The Transport wing of HP University having a fleet of 6 buses which are providing transport services to the students and employees of H.P. University from various destinations of Shimla City to University Campus and vice-versa at subsidized fare in shape of monthly passes and daily passenger fare. It is evident from the above table that during last five years the transport wing had suffered accumulated losses `828.43 Lac due to the reasons of charging bus fare much below the rates fixed by the H.R.T.C. No serious efforts were made by the authority to overcome the huge loss sustained by providing subsidized transport facility. Therefore, the matter is brought to the notice of university authority to look into the matter and take immediate necessary steps to minimize/compensate the losses which are increasing year by year with the adoption of policy to provide the facility on no profit and no loss basis.

## **28 Loss of `1646.18 Lacs for providing Hostel facilities**

The position of Income and Expenditure relating to Hostel facilities provided to the students during last five years was as under:-

<b>Year</b>	<b>Income (Hostel fee, Water and Electricity charges) (Rs. In Lac)</b>	<b>Expenditure (Salary, Water, electricity &amp; other) (Rs. In Lac)</b>	<b>Deficit (Rs. In Lac)</b>
<b>2011-12</b>	26.44	308.70	(-)282.26
<b>2012-13</b>	38.98	307.43	(-)268.45
<b>2013-14</b>	38.48	343.67	(-)305.19
<b>2014-15</b>	38.32	434.04	(-)395.72
<b>2015-16</b>	46.77	441.33	(-)394.56
<b>Total</b>	188.99	1835.17	(-)1646.18

The analytical study of figures of income and expenditure as stated above revealed that the HP University during the last five years received `188.99 Lac as



water, electricity charges and hostel rent from the students to whom hostel facilities were provided. But the University incurred an expenditure `1835.17 Lac for running and maintenance of hostels and payment of salary for lower staff which resulted a net loss of `1646.18 Lac. The matter is brought to the notice of higher authorities of the University to look into and take immediate necessary steps to minimize/compensate the losses which are increasing year by year. The University authorities are also advised to take an appropriate policy decision to raise the water and electricity charges and hostel rent so as to bring the hostel facilities on no profit and no loss basis with a view to avoid heavy recurring losses to University exchequer and to bridge the unending gap between income and expenditure.

**29 Loss of `1934.17 Lacs on account of running cost of Construction Division.**

The comparative position of works executed by the Construction Division during last four years i.e. for 2012-13 to 2015-16 and establishment charges incurred for executing the works for the relevant years is detailed in the following table:-

					(Figures in ` Lac)
Sr. No.	year	Value of work done	Establishment charges	Departmental charges @ 17 % payable had the works been executed through other Agency i.e. HIMUDA etc.	Saving in establishment charges
1.	2012-13	561.72	453.45	95.49	357.96
2.	2013-14	331.99	414.63	56.44	358.19
3.	2014-15	449.61	615.56	76.43	539.13
4.	2015-16	422.49	750.71	71.82	678.89
	<b>Total</b>	<b>1765.81</b>	<b>2234.35</b>	<b>300.18</b>	<b>1934.17</b>

It is evident from the above table that during last four years there was a huge gap between the establishment charges of the Construction Division and total value of work done. Had these works been got executed from the outside agency by paying departmental charges @ 17% of total work done, it would have

resulted into saving of `1934.17 Lac to the university exchequer during last four years on account of establishment charges. Therefore, the audit is of considered view that university authority should explore the possibility of switching over to the system of execution of works as deposit work rather than incurring huge expenditure on the establishment of construction Division for executing small value of work done over a period of time. This position had also been highlighted in the previous reports but no sincere efforts were made to implement suggestive measures. It is therefore, reiterated that if serious thought is given on the suggestion, this would surely help in curtailing the unproductive expenditure on the running cost of construction wing besides judicious utilization of ministerial staff in other wings of the university.

### 30 Pension Fund:-

#### Financial Position:-

The financial position of the Pension Fund for the year 2015-16 is as under :-

Sr. No.	Particulars	Amount (Rs.)
1	Opening Balance as on 01.04.2015	16,54,96,919.38
2.	Receipts from University through redrawls	10,18,59,335.00
	Other Receipts during the year	9,94,766.00
	Interest on Saving Bank & FDRs (including by transfer from Corpus )	22,15,48,524.00
	Transfer from CPS Fund	16,35,734.00
	Transfer from Main Account	6,75,00,000.00
	Total receipts during the year	39,35,35,359.00
3.	<b>Grand Total (1+2)</b>	<b>55,90,35,278.38</b>
4	Expenditure during the year	33,70,57,677.50
	Transfer to Gratuity Fund	1,30,00,000.00
	Transfer to Main Account	11,97,311.00
	<b>Total(4)</b>	<b>35,12,54,988.50</b>
5	<b>Closing Balance as on 31.03.2016 as per Cash Book (3 - 4)</b> (i) In Saving Bank Account Rs. 4,91,83,421.88 (ii) In FDRS Rs. 15,85,96,868.00	<b>20,77,80,289.88</b>

<b>6</b>	<b>Closing Balance in Saving Bank FDR Account as on 31.03.2016 as per Bank</b> (i) In Saving Bank Account Rs. 5,03,02,488.88 (ii) In FDRS Rs. 15,85,96,868.00	<b>20,88,99,356.88</b>
<b>7.</b>	<b>Difference in closing Balance on account of outstanding cheques &amp; non debit etc not cleared by bank till 31.3.16 {6 -5(i)}</b>	<b>11,19,607.00</b>

As per information provided to audit the above difference of `1119607 includes old cheques worth `1,44,439 as detailed in Para 12.2 of Audit Report for the year 2013-14 which are stated to have finally been reversed in the month of February, 2017 at the instance of audit. Remaining amount of `9,74,628 was instead debited by bank to Gratuity Fund account instead of Pension Fund Account and corrected in the month of April, 2016. Besides above the following audit observations may also be accounted for :-

(1) `1,30,00,000 transferred to Gratuity Fund has been received back in the month of February, 2017 as intimated to audit.

(2) During the course of Audit it has been observed that the amounts received on account of Leave Salary Contributions have also been included in this fund under head other Receipts which as a matter of accounting principle should have been credited to University Main Account. The amount received on this account may now be worked out at the level of University and then transferred to University Main Account under intimation to audit.

**(Audit Requisition /2015-16/14 dated 15.06.2018.)**

### **31 Gratuity Fund:-**

#### **Financial Position:-**

The financial position of the Gratuity fund for the year 2015-16 is as under:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>1</b>	Opening Balance as on 01.04.2015	(-)25,08,667.45
<b>2.</b>	Receipts during the year	6,76,26,988.00
	Interest on Saving Bank & FDRs	51,250.00
	Transfer from Pension Account	1,30,00,000.00
	Total (2)	8,06,78,238.00
<b>3.</b>	<b>Grand Total (1+2)</b>	<b>7,81,69,570.55</b>
<b>4</b>	Expenditure during the year	7,55,37,456.00
	Transfer to Pension Fund (wrong debit by bank)	9,74,628.00
	<b>Total(4)</b>	<b>7,65,12,084.00</b>
<b>5</b>	<b>Closing Balance as on 31.03.2016 as per Cash</b>	<b>16,57,486.55</b>

	<b>Book (3 - 4)</b>	
<b>6</b>	<b>Closing Balance as on 31.03.2016 as per Bank</b>	<b>20,58,318.55</b>
<b>7.</b>	<b>Difference in closing balance on account of outstanding cheques &amp; wrong debit etc. but not cleared by bank till 31.3.16 (6 -5)</b>	<b>4,00,832.00</b>

This calls for the following audit observations which may be attended to:-

(1) As per information supplied to audit, `9,74,628 was wrongly debited by bank to this fund account instead of Pension Fund Account and stands corrected in the month April, 2016. But taking the said debit as expenditure in the Cash Book as per entry by bank without necessary inquiry/verification in this regard is yet another instance of Cash Book being written on the basis of Bank Pass Book and this practice needs to be stopped forthwith. Infact amount of wrong debit should have been reflected in the Bank Reconciliation Statement as such like the Bank Reconciliation Statement of Pension Fund to which this expenditure actually belong but was not reversed from the account of this fund till 31.3.16.

**(Audit Requisition /2015-16/14 dated 15.06.2018.)**

(2) As per information supplied to audit, outdated cheques worth `44,937 were cancelled and payment made through RTGS on 09.09.2016 and rest outstanding cheques valuing `3,55,895 were added on receipt side of Cash Book in the month of February, 2017.

(3) `1,30,00,000 received from Pension Fund stands refunded in the month of February, 2017 as intimated to audit.

(4) From the perusal of above it has been noticed that there is not sufficient balance to meet out the liability on account of Gratuity as on 31.03.2016. Therefore, it is advised that sufficient balance may be ensured to meet out the liability on this account by exercising proper financial prudence in future.

### **32 Corpus Fund.**

**Financial Position: - The financial position of Corpus fund for the year 2015-16 is as under :-**

<b>Sr. No.</b>	<b>Particulars</b>	<b>amount (Rs.)</b>
<b>1</b>	<b>Opening Balance as on 01.04.2015</b>	
	In Saving Account as per Cash Book	1,42,72,217.38
	FDRs of Corpus Fund	5,96,38,133.00
	FDRs received by transfer from various Departments though not included in the Fund balance by the University	1,01,26,38,902.00
		<b>1,08,65,49,252.38</b>

2	Receipts during the year	1,06,99,511.00
	FDRs received by transfer during the year 2015-16 but not accounted for in the <b>Corpus Fund Account</b>	97,89,608.00
	Main Account: Rs 93,89,608.00	
	Commerce : Rs 4,00,000.00	
	Interest on Saving Bank & FDRs (of various departments plus on those made from corpus)	1,17,40,207.00
	Interest of FDR wrongly credited by PNB, Chailly	8,67,586.00
	Total (2)	3,30,96,912.00
3.	<b>Grand Total (1+2)</b>	<b>1,11,96,46,164.38</b>
4	Expenditure during the year	1,06,93,607.00
	<b>Total(4)</b>	<b>1,06,93,607.00</b>
5	<b>Closing Balance as on 31.03.2016 as per Cash Book including the FDRs received by transfer but not accounted for (3 - 4)</b>	<b>1,10,89,52,557.38</b>
6	<b>Closing Balance as on 31.03.16</b>	
	(i) as per Bank in Saving Bank Account	86,40,736.26
	(ii) FDRs of Corpus Fund	1,05,67,18,000.00
	(iii) FDRs received by transfer from various Departments though not included in the Fund balance by the University including the FDRs received during 2015-16 referred to above	4,35,93,821.12
	<b>Total</b>	<b>1,10,89,52,557.38</b>

This calls for the following audit observations which may be attended to :-

- 32.1** As per the statement supplied to audit by the quarter concerned the FDRs transferred to the corpus fund during the year 2015-16 are of `97,89,589 which is less by `19 vis-à-vis the figure of Rs. 97,89,608. Shown in the financial position of the fund The factual position in this regard could not be ascertained due to non-availability of related record which may be shown to audit now with reconciliation of the said difference of `19
- 32.2** The information regarding Asset and Liability of the fund were not supplied to audit as such amount due or payable from the fund as on 31.03.2016 is not

known. Therefore the desired information may now be made available to audit besides ensuring its submission along with final accounts invariably in future.

### **32.3 Source and Application of Fund:**

The corpus fund was created in the university from the financial year 2008-09 vide notification No. 3-2/98 dated 16.07.2007 in view of executive council resolution No. 19 of the meeting dated 20.06.2007. The main source of corpus fund was contribution/transfer of funds from NRI/SFS @ 10% of total income and interest from saving bank and FDR made from the fund. The application of the fund was to meet out liability on account of Pension and Gratuity. The closing balance of the fund as on 31.03.2016 is **`1,10,89,52,557.38** which appears to be insufficient in view of increasing liability on account of pension and gratuity. H.P. University vide its notification No. 3-8/2007-HPU(Pen)Vol-III Dated: 19.08.2014 vide Item No. 7 duly approved by Executive Council has notified its approval to strengthen the Pension Corpus Fund by transferring savings in the form of FDR's in banks of various department/Institutions running under SFS/Non-subsidized courses including the FDRs of International Centre for Distance Education & Open Learning (ICDEOL) as well as amount accumulated & forfeited deposits by the Construction Division to the Pension Corpus fund as Seed Money. Pursuant to the above notification total FDRs amounting to **Rs.1,01,26,38,902.00** from various departments has been transferred to Pension Corpus Fund as per directions contained in the above notification of H.P. University with further transfers to the tune of **Rs. 97,89,608.00** during the year 2015-16. At present, the FDRs in excess of the above said value are lying in the fund which as per spirit of the above referred decision FDRs will be kept as seed money in the Pension Corpus Fund and interest earned on these FDRs alone may be transferred to the pension fund to be utilized for payment of pension and retirement benefits.

However, in view of increasing liability on account pension and gratuity continuous sincere efforts are required to further strengthen the above fund in future also. **University needs to negotiate hard with banks to gain greater rates of Interest on its investments. It is further suggested that funds should be invested keeping in view the anticipated Fund Flow Statement after considering the retirements due in the next Financial years and investments should be made accordingly for various durations instead of making FDRs for one year as a routine. This will help to boost the income of the fund.**

### **32.4** Cash Book of the fund is also being written on the basis of Bank Pass Book / Bank Statement as is evident from the fact the wrong credit of Rs. 8,67,586 by PNB, Chailly indicated in the Financial Position above has been accounted for in the Cash Book and reversed after reversal by Bank in April, 2016 as per information

supplied to audit where as corresponding entry in ICDEOL bank account is of dated 09.05.2016. Similarly, wrong credits by bank of `5,82,102 in March, 2015 and `16,274 on A/C of two FDRs of UIIT transferred in October, 2015 which were supposed to be credited in Pension Fund Account were included in the Cash Book/ annual account of this fund. Subsequent adjustments were, however, made by transfers of `5,82,102 in April, 2015 and `16,274 in November,2015 to pension fund A/C. Therefore taking the said wrong credits by bank as income in the Cash Book as per entry of bank Pass Book without necessary inquiry / verification in this regard is fundamentally against the principles of accounting and this practice needs to be stopped forthwith. Infact these amounts should have been reflected in the BRS of the corpus fund account and cleared there from **consument** upon correction of wrong credit by the bank.

**(Audit Requisition /2015-16/14 dated 15.06.2018.)**

### **33 General Provident Fund**

**Financial Position:-**The financial position of the General Provident Fund for the year 2015-16 is as under:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>1</b>	Opening Balance as on 01.04.2015	926932406.66
<b>2.</b>	Receipts during the year	186028101.00
	Interest on Saving Bank & FDRs	86494216.00
	Transfer from CPF	1998732.00
	Total (2)	274521049.00
<b>3.</b>	<b>Grand Total (1+2)</b>	<b>1201453455.66</b>
<b>4</b>	Expenditure during the year	257557064.00
	Transfer to GPF	0
	Transfer to Pension account	0
	Transfer to CPF	500000.00
	Transfer to Main Account	194773.00
	<b>Total(4)</b>	<b>258251837.00</b>
<b>5</b>	Closing Balance as on 31.03.2016 as per Cash Book (3- 4)	
	i) In Saving Bank as per cash book	7586435.66
	ii) FDRs	935615183.00
	<b>GPF</b>	<b>943201618.66</b>
<b>6</b>	Detail of Closing Balance as on 31.3.16 as per bank	
	(i)Amount of Saving Bank	8862050.66
	(ii) FDRs	935615183.00

Total	944477238.66
<b>7 Difference in closing Balance of saving A/C</b>	<b>1275620</b>
<b>Bank Reconciliation Statement as on 13.3.16</b>	
Balance as per Bank Statement	8662055.66
(-) Un-cashed cheques as on 31.3.16 as per detail given in para 18.1 of audit Report for the year 2014-15	1075684.00
Balance in saving A/C as per Cash Book	7586371.66
Unreconciled Difference `(7586435.66 - 7586371.66)	64.00
continuing since previous year i.e. 2014-15.	

**Note:** Closing balance as on 31.03.2015 as per cash book was inadvertently taken as `926932406.65 instead of actual `926932406.66 now corrected in the Opening Balance.

**33.1** As per BRS, there was a Difference of `64 as pointed out vide Para No. 18 of Audit Report 201-15 which was assured to be settled in 2015-16 but despite assurance remains unsettled and thus requires immediate reconciliation now under intimation to audit.

**33.2** Asset and Liability Statement in respect of the Fund was not supplied to the audit which may be submitted now besides ensuring its submission along with final accounts invariably in future.

#### **34 Contributory Pension Scheme fund.**

##### **Financial Position: -**

The financial position of the Contributory Pension Scheme fund for the year 2015-16 is as under:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>1</b>	Opening Balance as on 01.04.2015	
	As per Cash Book in Saving Bank	1280.78*
	Investments in FDRS	77656347.00
	<b>Total (1)</b>	<b>77657627.78</b>
<b>2.</b>	Receipts during the year	21242716.00
	Interest on Saving Bank & FDRs	8362471.00
	Transfer from CPF	100000.00



	Total (2)	29705187.00
<b>3.</b>	<b>Grand Total (1+2)</b>	<b>107362814.78</b>
<b>4</b>	Expenditure during the year	190756.00
	Transfer to GPF	1998732.00
	Transfer to Pension account	1635734.00
	Transfer to CPF	125650.00
	Transfer to Main Account	18893.00
	<b>Total(4)</b>	<b>3969765.00</b>
<b>5</b>	<b>Closing Balance as on 31.03.2016 as per Cash Book (3- 4)</b>	

iii) In Saving Bank 6131761.78

iv) FDRs 97261288.00 103393049.78

Closing Balance as on 31.03.2016 as per bank

(i) Saving A/C 6131761.78

(ii) FDRs 97261288.00 103393049.78

Difference in closing Balance Nil

**Note1:** Closing balance as on 31.03.2015 of the fund was inadvertently taken as `77657627 instead of actual `77657627.78 now corrected in the Opening Balance.

**34.1** Asset and Liability Statement in respect of the Fund was not supplied to the audit which may be submitted now besides ensuring its submission along with final accounts invariably in future.

**34.2** Short realization of interest `4,795 due to TDS- on FDR made out of CPS

State Bank of Patiala, The Mall, Shimla had deducted tax amounting to `4,795 at source out of interest earned on the maturity of the FDR made out of Contributory Pension Scheme as per detail given hereunder: -

FDR No.	Date of investment/ Maturity	Principal amount	Maturity amount due	Maturity Amount received	Difference due to TDS
		Rs.	Rs.	Rs.	Rs.
519196/65226950667	05.03.2015 05.03.2016	35,00,000	38,16,446	38,11,651	4,795

As informed during the course of Audit, the matter for refund of TDS was taken up by the University with the bank authorities but no refund has been received till date. It is, therefore, advised that the matter may also be taken up through Banking Ombudsman, Reserve Bank of India, Chandigarh for an early resolution of the matter under intimation to audit.

**35 Contributory Provident Funds:****Financial Position:-**

The financial position of the Contributory Provident Fund for the year 2015-16 is as under:-

Sr. No.	Particulars	Amount (Rs.)
1	Opening Balance as on 01.04.2015	3,92,28,745.23
2.	Receipts during the year	14,39,560.00
	Interest on Saving Bank & FDRs	33,19,228.00
	Transfer from CPS A/c	1,25,650.00
	Transfer from GPF A/c	5,00,000.00
	Total (2)	<b>53,84,358.00</b>
3.	<b>Grand Total (1+2)</b>	<b>4,46,13,183.23</b>
4	Expenditure during the year	22,38,494.00
	Transfer to CPS A/c	1,00,000.00
	<b>Total(4)</b>	<b>23,38,494.00</b>
5	<b>Closing Balance as on 31.03.2016 as per Cash Book (3- 4)</b>	
	(i) In Saving Bank as per cash book	`255906.23
	(ii) FDRs	`42018783.00
6	<b>Balance as per Bank Statement/FDRs as on 31.3.16 :</b>	
	(i) Saving Bank	`255986.23
	(ii) FDRs	`42018783.00
7	<b>Difference un-reconciled : ` (42274689.23 - 42274769.23)</b>	<b>(-)80.00</b>

**Note1:** Closing balance as on 31.03.2015 of the fund was inadvertently taken as `3,92,28,745 instead of actual Rs.3,92,28,745.23 now corrected in the Opening Balance.

**35.1 As per BRS, there was a difference of `80 as pointed out vide Para No. 20 of Audit Report 2014-15 which was assured to be settled in 2015-16 but despite assurance remains unsettled and thus requires immediate reconciliation now under intimation to audit.**

**35.2 Asset and Liability Statement in respect of the Fund was not supplied to the audit which may be submitted now besides ensuring its submission along with final accounts invariably in future.**

**36 Irregular payment of Secretariat Pay amounting to `65.07 lacs plus Dearness Allowance to the tune of `77.42 lacs (approximate)= total `142.49 lacs**

The Secretariat pay was allowed to the certain categories of Non-teaching employees of Himachal Pradesh University on the analogy of certain categories/posts of employees in H.P. Secretariat and its equivalent offices vide Finance Department Letter No. Fin(DR) B(7)-35/2010 dated 23.04.2012 by adopting, the same vide university Notification No. 9-11/09-HPU(Genl.) Vol-11 dated 08.06.2012, whereas the guidelines conveyed vide Pr. Secretary Finance to the Govt. of Himachal Pradesh vide Finance (Pay Revision) Department Letter No. Fin.(PR)-B-35/2010-Loose Dated 03.07.2012 provide that secretariat Pay on Punjab Pattern has been granted only to certain specific categories of Post in r/o office of H.P. Secretariat, Governor's office Secretariat, H.P. Public Service Commission, H.P. High Court, H.P. Vidhan Sabha, and Lokayukta and the same was not granted to any category or post in the university. Despite this, the benefit of secretariat pay has irregularly been released in favour of various categories of University employee's w.e.f. July, 2012. No doubt, Secretariat allowance was being received by the University employees in the past on the analogy of the staff of Himachal Pradesh Secretariat, but the Secretariat pay is definitely not an allowance but will be treated as part of basic pay for calculation of various types of allowances and pensionary benefits. It is re-iterated that instruction contained in Special Secretary (Finance)-cum Director LAD office letter No. Fin(L.A.)H(2)-C(15)(14)212/2001-Vol-4-8825 dated 26-12-2012 addressed to the Registrar H.P. University provides that Secretariat Pay should not be allowed to University employees. It is pertinent to mention here that the financial position of the University is not healthy at present and is almost dependent on Government grants to clear the pending liabilities, salary and pensionary benefits etc. Obviously, the adoption of aforesaid order will further involve financial stress on the Institution and State Government as well as such prior approval/clarification should have been sought by the University Authorities from the Government before releasing this benefit in favour of certain categories/posts of employees in H.P. University. The Secretariat Pay amounting to `65.07 lacs plus Dearness Allowances amounting in all to `142.49 Lacs (approximately as worked out below) were paid to the employees of H.P. University during year 2015-16 in contravention to the Govt. instruction stated above the detail of which is as under.

<b>Sr. No.</b>	<b>Name of the Department</b>	<b>Amount of Secretariat Pay as per information supplied to audit (Rs. lacs)</b>
1.	ICDEOL	5.16
2.	Rest of the University	59.91
	<b>Total</b>	<b>65.07</b>
	<b>Approximate Dearness Allowance thereon (worked out @ 119 % being weighted average of</b>	<b>77.42</b>

	<b>DA rates of 113%,119% &amp; 125% in 2015-16)</b>	
	<b>Grand Total</b>	<b>142.49</b>

In addition to above, it is pointed out that vide UO No. 363/13-Fin-E Dated 27.05.2013 of Special Secretary (Exp. Control) Finance Department Govt. of H.P. addressed to the Secretary Education duly approved by the Hon'ble Chief Minister and copy forwarded to Director, Local Audit Department, the Finance Department has observed that HP University had made the following deviation.

(1) The H.P. University had released Secretariat Pay to its staff on the analogy of H.P. Secretariat, whereas, the Govt. of H.P. has not released the Secretariat Pay to the University;

(2) The H.P. University had released the special Pay to the Stenographic Cadre on the analogy of H.P. Secretariat, whereas the same is not applicable to them;

(3) The H.P. University had released higher pay Scale to Laboratory and Technical Staff on the pattern of Punjab University, whereas the same had not been issued by the Govt. of H.P.

It has further been observed that many financial matters like indicated above were directly placed before the Executive Council of the University for approval and implemented without putting such matters before the Finance Committee of the University. Thus, the university had increased its expenditure by deviating from norms and then asking the state Govt. to provide more grants to meet out such additional expenditure.

The irregularity was also pointed out vide Para No. 25 & Para 23 of audit Report for the year 2013-14 & 2014-15 respectively when overpayment to the extent of `180.73 lacs & `187.39 lacs were objected but despite that no action to settle the irregularity has been taken till date which is a matter of serious concern. However, subject to above observations the salary bills of the university which includes Secretariat pay and special pay to Stenographic cadre are being admitted in audit as the same were released at the level of University before these were put up for pre-audit. Further it is reiterated that University authorities should review the above three orders as advised by the Government and place the same first before the Finance Committee for consideration. It is also advised that in future all financial matters pertaining to pay revision, allowances and up gradation of posts must be first placed before the Finance Committee and only then it should be brought before the Executive Council, prior to its implementation besides discontinuation of draw of above pay in the regular bills till the same is not finalized/approved in appropriate manner.

**36.1** In addition to above it has also been noticed during the course of audit that element of Secretariat Pay is also being considered for working out the element of employer's share in case of employees covered under Contributory Provident Fund

and Contributory Pension Scheme which is irregular though Secretariat Pay is not being considered by audit for grant of pensionary benefit to other regular employees governed under CCS (Pension) Rules 1972 in line with Government instructions referred to above. Thus, this discrepancy in case of employees covered under Contributory Provident Fund and Contributory Pension Scheme may result in over payment on account of retirement benefits which needs to be addressed immediately by the University. Further provisioning being done by the University @ 20% for Pension, 10% for Gratuity and 10 % for CPF and 10% for CPS is also being done after taking into account the Secretariat Pay which is irregular when the retirement benefits are not being admitted in audit on this manner i.e. after including Secretariat Pay.

### **37      Retrenchment / Recoveries of `24.40 Lacs**

Retrenchment /recoveries to the tune of `24.40 lacs were made during the course of pre-audit in the period under report from various Bills, Payments Vouchers, retirement benefits and leave encashment etc. presented for pre- audit which were though duly passed by the University authorities & thus, clearly indicates that no proper/effective check is being exercised at the level of accounts officials / officers posted in Accounts Branches and other University branches. It is also pertinent to add here that the position remains unchanged till date. Suitable directions are, therefore, required to be issued to all the dealing officials and officers to exercise the require adequate checks while processing the Bills/Claims especially in the concerned Branches so as to avoid irregular/excess payment in future.

In addition to above, there were also several cases of wrong pay fixations presented for vetting/ pre-audit and corrected at the instance of audit resulting in to recurring savings of lacs of rupees to the University exchequer .

**38      During the course of Audit** other observations as raised vide Audit Requisitions No. RAS/HPU/AR Annual Accts/2015-16 /2018-19-**14** dated 04.08.2018 and Audit Requisitions No. RAS/HPU/AR Annual Accts/2015-16 /2018-19-**54 & 55** dated 10.01.2019} & remains outstanding for settlement may also be attended to and compliance reported to audit.

**39      Conclusion:**

The above discrepancies including misappropriation in ICDEOL on account of sale of prospectus, huge figures of retrenchments by audit year after year reflect poorly on the working of the University. No reconciliations are being done to match the receipts being generated in the University from the angle of amount due on that particular account vis-à-vis its actual realization. This coupled with non-writing of Cash Book, writing Cash Books on the basis of Bank Pass Books / Statements, non-balancing of Cash Books have created a mess in the accounts leaving a huge scope for manipulations and consequent misappropriations. There is also absence of internal control and internal check in the system which is essentially required to control the financial affairs of the University and requires immediate attention of the University authorities. As a result, even the Chartered Accountants of the University were initially reluctant to sign the final accounts of the University compiled by them (though accounts of 2014-15 still remain unsigned by them) which were though signed by them only after insistence by audit in this regard vide Audit Requisition No. **RAS/HPU/ARAnnualAccts2015-16/2018-19-56 dated 14.01.2019**. In addition to above, the non-adjustment of huge advances for the last several years and further non-compliance/non-settlement of 904 Old Audit Para(s)- also indicates lack of seriousness on the part of the University authorities to take follow up action on the discrepancies pointed out by audit. Therefore, the attention of the authorities is invited for taking appropriate action in this regard in a time bound manner.

Sd/-  
**Section Officer (Audit),  
Resident Audit Scheme,  
Himachal Pradesh, Shimla-5.**

Sd/-  
**Joint Controller (Audit) ,  
Resident Audit Scheme,  
Himachal Pradesh, Shimla-5**

Sd/-  
**Director,  
Local Audit Department,  
HP University, Shimla-9.**