

Government of Himachal Pradesh
H.P. State 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 2017-18.

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 03/2017.
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 2017-18.
4. Old outstanding audit paras settled is given at Annexure-“A-I” of this Audit Report.
5. The latest position of all outstanding audit paras from 1981-82 to 2016-17 is given in annexure-“A-II” of this report.
6. Receipt and Payment Account 2017-18 (Main Account, NRI & OTHER Account)
7. Income and Expenditure 2017-18.
8. Trial Balance as on 31.03.2018
9. Balance Sheet as on 31.03.2018.

Audit and Inspection Report for the year 2017-18

Executive Summary

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

| Sr. No. | Designation | Name | Period |
|--------------------|------------------------|---|-------------------------------------|
| 1. | Vice Chancellor | Prof. A.D.N. Bajpai | 01.04.2017 to 24.05.2017 |
| | | Prof.R.S.Chauhan (Additional Charge) | 25.05.2017 to 31.03.2018 |
| 2. | Registrar | Dr. Pankaj Lalit | 01.04.2017 to 19.09.2017 |
| | | Dr. S.S. Narta (Additional Charge) | 19.09.2017(AN) to 21.03.2018 |
| | | Sh. Krishan Kumar Sharma | 22.03.2018 to 31.03.18 |
| 3. | Finance Officer | Sh. Narinder Thakur Controller (F&A) | 01.04.2017 to 31.03.2018 |

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 2016-17.

From the perusal of old outstanding para (s) of previous audit report(s), it is observed that though little efforts have been made by the University Authorities for the settlement of old outstanding para (s) but still large No. of Audit paras including 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.

| Serious irregularities noticed during the audit for the financial year 2017-18 | | | |
|---|---|-----------------|---------------------------------|
| Sr. No. | Particulars | Para No. | Amount in lacs of rupees |
| 1. | Difference in figures of Closing Balance of Consolidated Annual Accounts as submitted by University and those Certified by audit due to non- production of record/final accounts in r/o IIHS, ICDEOL and Dean of study. | 5.3 | 6350.00 |
| 2. | Excess printing of copies of lessons by the ICDEOL, which resulted unfruitful expenditure/ loss | 6 | 23.16 |
| 3. | Loss of income due to idle parking of funds in Saving Bank / Current Accounts to the tune of `2238.79 Lacs by the different Departments of the University | 7 | 55.00 |
| 4. | Bank Accounts having balance in banks, have not accounted-for in the University's books of accounts | 8 | 144.56 |
| 5. | Less Transfer of NRI Funds to Revenue Account and Pension Corpus Fund. | 9 | 72.38 |
| 6. | Regarding short realization of interest on investment made out of the pension fund in the shape of TD/FDR(MIS) | 10 | 1.98 |

| | | | |
|-----|---|-------------|----------------|
| 7. | Regarding short realization of interest on investment made out of budget fund (main) in the shape of TD/FDR | 11 | 6.32 |
| 8. | Non reversal/ refund of bank charges by the different banks | 12 | 0.62 |
| 9. | Non adjustment of Advances | 14 | 2160.17 |
| 10. | Overpayment with regard to printing of Answer sheets | 16 | 3.51 |
| 11. | Short realization from the visitors, who stayed at faculty house. | 17.1 | 0.55 |
| 12. | Unfruitful expenditure on printing of Journals of Social Science and Law by the Regional centre of HPU, at Dharamsala | 18.1 | 0.34 |
| 13. | Short realization of Rent/ penalty by the estate office from the various allottees | 21 | 3.29 |
| 14. | Non-charging/ realisation of GST by the estate office from the allottees | 22 | 2.48 |
| 15. | Loss to the transport wing | 25 | 1339.19 |
| 16. | Loss on providing hostel facilities | 26 | 2521.98 |
| 17. | Regarding dishonored cheque/cheques on account of pension contribution in r/o Sh. Mahavir Prasad, Professor, Deptt of Physics | 27.1 | 10.07 |
| 18. | Loss of revenue to the General Provident Fund due to wrong deduction of TDS by the banks on its Deposits | 30.2 | 6.37 |
| 19. | CPS funds deficit | 31.2 | 77.79 |
| 20. | Irregular payment of Secretariat Pay to the officials of HP University. | 33 | 63.11 |
| 21. | Retrenchments/ recoveries | 34 | 33. 43 |

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

Period 1.04.2017 to 31.03.2018

Part-I

Latest position of old audit para's

There were 932 old audit Para(s) up to 2015-16 plus 43 paras for the financial year 2016-17, hence total 975 paras were outstanding for settlement out of which 95 old Paras including sub para (s) were got settled/updated by the University during finalization of audit report for the year 2017-18. The detail of settled and unsettled audit Para(s) for the period 1981-82 to 2016-17 is exhibited at **Annexure-A(1) & A(2)** respectively. Now there are 880 Nos. of paras outstanding for settlement. 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 2017-18 was conducted by the Resident Auditors headed by Sh. Tara Chand Mahant, Joint Controller (Audit) w.e.f. 01.04.2017 to 28.02.2018 & Shri Rakesh Kalra, Joint Controller (Audit) w.e.f. 01.03.2018 to 31.03.2018 and the results thereof are incorporated in the following paragraphs. The audit report is compiled and presented by Sh. Vijay Kumar Walia, Joint Controller (Audit) and Sh. Anil Kumar Mehra, Assistant Controller (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 H.P. State Audit Department disclaims any responsibility for any misinformation or non- submission of information/records 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 2016-17 and 2017-18 is as under:

| Sr. No. | Particulars | 2016-17 | 2017-18 |
|-----------|--|-----------------|-----------------|
| | | (` in lacs) | (` in lacs) |
| 1. | Opening Balance | | |
| (a) | Main Account | 8627.49 | 10782.49 |
| (b) | NRI Scheme | 2907.23 | 3395.04 |
| (c) | Others | 7700.09 | 7724.15 |
| | Total | 19234.81 | 21901.68 |
| 2. | Grants | | |
| (a) | H.P. Govt. | 9000.00 | 10000.00 |
| (b) | Centre Govt. | 00.00 | 0.00 |
| (c) | UGC | 262.84 | 602.46 |
| (d) | Other Sources | 906.98 | 1991.44 |
| | Total | 10169.82 | 12593.90 |
| 3. | Domestic Income | | |
| (a) | Income from fee | 7341.62 | 6662.44 |
| (b) | NRI/SFS | 1858.41 | 1897.94 |
| (c) | Others Account (Student Fund) | 49.40 | 50.64 |
| (d) | DEBT, DEPOSIT, ADVANCES AND TRANSFERS, INTREST etc. | 753.56 | 1889.03 |
| | Total | 10002.99 | 10500.05 |
| 4. | Grand total of (1+2+3) | 39407.62 | 44995.63 |
| 5. | Payments | | |
| (a) | (1)Main Account | 16096.80 | 16520.89 |
| | (2) Refund of Grant in aid | 13.20 | 10.50 |
| (b) | NRI Account (including transfers) | 1370.59 | 1341.80 |
| (c) | Other Account (including transfers) | 25.35 | 28.97 |
| | Total | 17505.94 | 17902.16 |
| 6. | Transfers | | |
| (a) | Transfer of FDRs from NRI to Pen. Corpus A/C | 00.00 | 00.00 |
| (b) | Transfer of FDRs from Other A/C to Pension Corpus. A/C | 00.00 | 00.00 |

| | | | |
|-----------|---|-----------------|-----------------|
| (c) | Transfer of FDRs from Main A/C to Pension Corpus. A/C | 00.00 | 00.00 |
| | Total | 00.00 | 00.00 |
| 7. | Grand Total (5+6) | 17505.94 | 17902.16 |
| 8. | Closing Balance (4-7) | | |
| (a) | Main Account | 10782.49* | 15396.45* |
| (b) | NRI Account | 3395.04 | 3951.18 |
| (c) | Other Accounts | 7724.15 | 7745.82 |
| | Total | 21901.68 | 27093.45 |

(I) *The certified closing balance of main account for the year 2017-18 is `1539645244.00 whereas closing balance as shown in Annual Account for the year 2017-18 as well as Balance Sheet is `1504645244.00 resulting in a net difference of `35000000.00 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, Para No. 5.3 & Para No. 5.3 of Audit Report 2014-15, 2015-16 & 2016-17 respectively. As 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, UGC, income from fees, NRI/SFS and Student Funds. During the year 2017-18 total grant of `12593.90 Lacs have been received by the institute from Himachal Pradesh Government, Centre Government and UGC etc. and `10500.05 lacs (which includes `1889.03 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 2016-17. 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 financial year 2017-18 an expenditure of `17902.16 Lacs (including transfers other than for deposits in the shape of FDRs and refund of GIA-`10.50 lacs) was incurred by the institution from main account, NRI account and from others account (Student fund) viz-a viz the expenditure `14826.73 Lacs in the year 2015-16 and `17505.94 Lacs in the year 2016-17. The expenditure appears to have increased compared to the previous year i.e. 2016-17 and thereafter, hence there is need to cut on unnecessary expenditure and explore its own sources. 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 is 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.
7. Printing of lessons as per actual requirement i.e. after considering the admission of students in ICDEOL of the H.P.U.

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 2017-18 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.

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 2017-18 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 is not responsible for any error or omission due to non-maintenance of manual accounts/retention of hard copies of computerised accounting record.

5.2 Closing balance as on 31.03.2018 as certified by audit :-

| Sr. No. | Name of Accounts | Closing Balance (₹) |
|----------------|---|----------------------------|
| 1. | Revenue Account | 1539645244.00 |
| 2. | NRI/SFS | 395118190.57 |
| 3. | Other Accounts (except Student Fund of ICDEOL) | 774581330.80 |
| | Total | ₹2709344765.37 |

5.3 Difference in figures of Closing Balance of Consolidated Annual Accounts as submitted by University and those Certified by audit as on 31.03.2018 amounting to ₹350 lacs in main accounts and ₹600098008.89 in other accounts

(i) Revenue Account: The certified closing balance of main/ revenue account for the year 2017-18 is ₹1539645244.00 whereas closing balance as shown in Annual Account for the year 2017-18 as well as Balance Sheet is ₹1504645244.00 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 vide Para 5.4, Para No. 5.3 & Para No. 5.3 of Audit Report for the period 2014-15, 2015-16 & 2016-17 respectively but no action has been taken to reconcile the Accounts.

(ii) NRI/SFS : Nil

(iii) Other Accounts: There is difference to the tune of `600098008.89 (`774581330.84-174483321.95) in closing balance of Other Accounts being certified by audit as above and the balance as per annual accounts since the closing balance of `142919343.87 appearing in the annual accounts of ICDEOL (Student Fund) and the closing balance of `14545079.90 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 well as the annual accounts with certified balances for the year 2017-18 were not made available to audit. (Audit Requisition No. RAS/HPU/**AR-AnnualAcctts-2017-18/10** dated 8th Dec,2020) As regards accounts of Dean of Studies, there were unreconciled differences in the said account as pointed out by audit and the department has indicated several old items of income and expenditure pertaining to the period w.e.f. 2004 to 2014 in its Annual Accounts for the year 2015-16 but vouchers in support thereof i.e. old items were not provided to audit despite repeated requests and, the account, therefore, remains unaudited and uncertified during the post audit for the year 2017-18.

The reconciliation in support of the above difference is as under:-

RECONCILIATION OF DIFFERENCE BETWEEN CLOSING BALANCE OF OTHER ACCOUNTS CERTIFIED BY AUDIT AND CLOSING BALANCE AS PER ANNUAL ACCOUNTS as on 31.03.2018

| Particulars | | Amount in (`) |
|---|-----------------|---------------------|
| Consolidated closing balance of Other Accounts as per Annual Accounts | | 174483321.95 |
| (-) Less Closing balance of ICDEOL | 142919343.87 | |
| (-) less closing balance of Dean of Study office | 14545079.90 | |
| | | 157464423.77 |
| (+) Add Last certified Balance of Dean of Studies (2014-15) | 73,22,184.62 | |
| (+) Add Last certified Balance of ICDEOL (2009-10) | 75,02,40,248.00 | 75,75,62,432.62 |

| | |
|--|--------------|
| Closing Balance as per of Financial Position | 774581330.80 |
|--|--------------|

6 Excess printing of copies of lessons which resulted unfruitful expenditure/ loss of `2316434 during the year 2017-18 and Non-submission of Annual Accounts.

While auditing the Annual Accounts/ post audit of stock registers of lessons on the basis of printing bills of ICDEOL for the year 2017-18 it has been observed that the work pertaining to printing of lessons in Nos. of copies/ books has been got done from the various printers on the requirement of different academic branches for each course/class. Where after these lessons/ course books are further distributed to the students who are enrolled/ got admission in particular academic branches/ courses/classes. Accordingly the **Nos. of copies for each course shall require to be printed as per students enrolled in each subject/ course** plus some complementary copies which are to be kept in Library/ distributed to concerned course teachers. But Contrary to this there was a huge difference between the students enrolled and nos. of copies of lessons printed which resulted into **unfruitful expenditure/ loss to the tune of `2316434.00** worked-out as per record and information supplied to audit and detailed in **Annexure B**. It is also pertinent to mention here that similar irregularities were also pointed out in the previous year(2016-17) Audit Report vide Para No. 6, where-in excess/ unfruitful printing of lessons amounting to `40,07,394/- was noticed and the compliance of the same is still awaited which is a matter of serious concern.

Besides above it has also been observed that the printed lessons as received during the current financial year 2017-18 were entered in stock register and issued on the same date in one go and thus showing stock balance as Nil, which is highly irregular as all the copies may not be issued in one go to the students. Thus possibility of any pilferage/ misappropriation may not be ruled out in the matter. Therefore the whole matter which seemed to be very serious nature, is brought to the notice of the university Authorities for proper enquiry and taking necessary action as warranted under Rules under intimation to audit.

(Audit Requisition No. RAS/HPU/AR-AnnualAccts-2017-18/10 dated 8th Dec, 2020)

7 Loss of interest income to the tune of `55 lacs (approx) due to keeping funds amounting `2238.79 Lacs in Saving Bank / Current Accounts

During the course of audit of the Annual Accounts it has been observed that huge funds amounting to `223879 lakhs of NRI/SFS and other Accounts was as per detail given below kept in saving bank/current accounts by the following departments which is not justified in view of their pace of income and expenditure and thus causing huge loss of interest income to the institution due to non-investment of surplus funds in higher-interest-fetching FDR Even if 70% of these surplus funds were invested in the shape of FDRs @ 7 % to 8%, this would have fetched approximately { `54.85 lacs (i.e. `2238.79 x 0.7) x 3.5 % (i.e.7.00% - 3.5% i.e. the minimum interest receivable under the saving bank account)} additional interest over and above the interest earned on saving bank account :-

| Sr. No. | Name of Department | Closing Balance as on 31.03.2016 (` In Lacs) |
|----------------|---------------------------------|--|
| 1. | IMS | 33.32 |
| 2. | Law | 62.97 |
| 3. | Geography | 13.10 |
| 4. | Physics | 32.61 |
| 5. | English | 2.95 |
| 6. | Yoga | 7.07 |
| 7. | Psychology | 6.37 |
| 8. | HPUSA&CC | 25.12 |
| 9. | PRC | 3.97 |
| 10. | IVS(MTA) | 49.76 |
| 11. | Journalism & Mass Communication | 29.93 |

| | | |
|-----|-----------------------------------|-----------------|
| 12. | Regional Centre, Dharamsala (SFS) | 104.44 |
| 13. | ICDEOL | 803.99 |
| 14. | Computer Science | 286.83 |
| 15. | HPU Centre for evening studies | 7.71 |
| 16. | HRDC | 2.45 |
| 17. | Economics | 9.60 |
| 18. | Chemistry | 34.47 |
| 19. | Bio-Sciences | 40.72 |
| 20. | Phy.Education | 6.00 |
| 21. | Commerce | 4.51 |
| 22. | BBA/BCA | 25.34 |
| 23. | UIIT | 371.44 |
| 24. | UILS | 234.79 |
| 25. | Bio-Tech | 17.37 |
| 26. | HPU Model School | 5.00 |
| 27. | Dean of Study | 16.96 |
| | Total | `2238.79 |

It is also pertinent to mention here that the decision of the Finance Office to get all FDRs transferred from departments to university's main account is also one of the reasons that the department have started retaining huge surplus funds in less-interest-fetching saving bank accounts instead of investing at higher interest rates in FDRs which is resulting in to recurring interest 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 in order to boost the income of the institution.

(Audit Requisition No. RAS/HPU/AR-AnnualAcctts-2017-18/23 dated 25.02.2021)

8 Bank Accounts having balance of `144.56 lacs not accounted for in University's books of accounts

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 the partial compliance in this regard was reported to audit. After considering the compliance it was observed that following bank accounts have been found to be in operation but the transactions contained there in have neither been accounted for in the accounts nor in the final accounts of the University:-

| Sr. No. | Name of Bank with Branch | Bank Account No. | Being operated by | Amount in Cr. as on 31.03.2018 () | Req. no./Date |
|----------------|---------------------------------|---------------------------------|---------------------------------|---|--|
| 1 | SBI, Khaniara | 34952161452 | Regional Centre, Dharamsala | 71379.00 | RAS/HPU/AR-AnnualAcctts-2017-18/22 dated 25.02.2021 |
| 2 | SBI, summerhill | 33457467812 | ICDEOL | 8012567.25 | RAS/HPU/AR-AnnualAcctts-2017-18/28 dated 25.03.2021 |
| 3 | SBI, summerhill | Power jyoti account | ICDEOL | 4860606.00 | RAS/HPU/AR-AnnualAcctts-2017-18/28 dated 25.03.2021 |
| 4 | SBI, summerhill | Current account no. 35271242260 | PRC | 84860.50 | RAS/HPU/AR-AnnualAcctts-2017-18/22 dated 25.02.2021 |
| 5 | SBI, summerhill | 30212934040 | Deptt. of Geography | 867693.00 | RAS/HPU/AR-AnnualAcctts-2017-18/22 dated 25.02.2021 |
| 6 | SBI, summerhill | 3009251144 | Deptt. of Public Administration | 10937.00 | RAS/HPU/AR-AnnualAcctts-2017-18/22 dated 25.02.2021 |
| 7 | SBI, summerhill | 10091435373 | Deptt. of Economics | 590.00 | RAS/HPU/AR-AnnualAcctts- |

| | | | | | |
|---|--------------------|-------------|-----------------------------|---------------------|--|
| | | | | | 2017-18/22 dated 25.02.2021 |
| 8 | SBI, summerhill | 10091435408 | Deptt. of Public Physics | 547414.00 | RAS/HPU/AR- AnnualAcctts- 2017-18/22 dated 25.02.2021 |
| | | | Total | `14456046.75 | |

In view of above irregularities 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 Universities Authorities

9 Less Transfer of NRI Funds to the tune of `72.38 Lacs to Revenue Account and Pension Corpus Fund.

As per HP University Notification No. 1-14/2010/HPU(Bud) dated 06.02.2010, 60% (50% to HPU Revenue Account and 10% to Pension Corpus fund) of the total income generated under NRI/SFS was required to be transferred to the Finance Officer but in the following cases the funds have not been transferred by the university department as per the ibid notification. Hence the short transfer may be justified or else the funds may be got transferred from the concerned department to the extent received less under intimation to the Audit:-

| Sr. No. | Name of the deptt. | Total Amount of fee received (₹) | Amount Transfer to F.O. (₹) | 60% Share required to be transferred (₹) | Amount Less transferred (₹) |
|----------------|---------------------------|---|------------------------------------|---|------------------------------------|
| 1 | Economics | 360000 | 92000 | 216000 | 124000 |
| 2. | BBA/BCA | 9754145 | 3003200 | 5852487 | 2849287 |
| 3. | Yoga | 197500 | 0 | 118500 | 118500 |
| 4 | Mathematics | 125000 | 0 | 75000 | 75000 |
| 5 | Commerce | 460000 | 0 | 276000 | 276000 |
| 6 | Physical education | 250000 | 0 | 150000 | 150000 |
| 7 | MTA | 3563858 | 0 | 2138315 | 2138315 |
| 8 | Physics | 2482200 | 0 | 1489320 | 1489320 |

| | | | | | |
|---|------------------|-----------------|----------------|-----------------|----------------|
| 9 | R.C., Dharamsala | 10210000 | 6108000 | 6126000 | 18000 |
| | Total | 27402703 | 9203200 | 16441622 | 7238422 |

In addition to above the amount due in respect of ICDEOL Student Fund may also be worked out after considering the transfers made previously and compliance reported to audit.

**(Audit Requisition No. RAS/HPU/AR-AnnualAcctts-2017-18/21 dated 25.02.2021)
& RAS/HPU/AR-AnnualAcctts-2017-18/27 dated 10.03.2021)**

10 Short realization of interest amounting to `1.98 lacs on investment made out of the pension fund in TD/FDR(MIS)

During the course of audit of investment accounts, it has been observed that the interest was short realized on month to month to the tune of `197912 as detailed in **ANNEXURE-C**. The matter may now be taken-up with the concerned banks for ensuring its credit, under intimation to audit.

(Audit Requisition No. RAS/HPU/AR-AnnualAcctts-2017-18/19 dated 30.01.2021)

11 Short realization of interest amounting to `6.32 lacs on investment made out of budget fund (main) in TD/FDR

During the course of audit of investment accounts i.e. amount invested in TDs/FDRs, it has been observed that the interest amounting to `631758 was short realized at the time of maturity of FDR's as per detail given at **ANNEXURE-D**. The matter may now be taken-up with the concerned banks for ensuring its credit, under intimation to audit .

(Audit Requisition No. RAS/HPU/AR-AnnualAcctts-2017-18/17 dated 30.01.2021)

12 Non reversal/ refund of bank charges amounting to `0.62 lacs

An amount of `62401.11 was charged by the banks on account of bank charges/pass book/ cheque book issue charges as per detail given below.

| Sr. No. | Name of the Department | Bank account No. | Amount () |
|---------|------------------------|-------------------------|------------------|
| 1. | Computer science | (SBI)10091438158 | 13401.50 |
| 2. | Mathematics | SBI) 10091438498 | 118.00 |
| 3. | UIIT | (SBI) 31712766986 | 8120.00 |
| 4. | UILS | (Indian bank) 907696676 | 1576.00 |
| 5. | PECC | (SBI) 10091438294 | 995.50 |
| 6. | DS office | | 590.00 |
| 7. | HPUCES | (SBI)10835935373 | 107.65 |
| 8. | Construction Div.-II | | 1529.50 |
| 9. | Construction Div.-I | | 1003.00 |
| 10. | ICDEOL | | |
| | 1. SBI | 10091436025 | 15955.96 |
| | 2. PNB ,Chailli | | 124.00 |
| | 3. SBI | 8243 | 18880.00 |
| | | Total | `62401.11 |

The matter regarding refund of such charges may be taken with the concerned banks for ensuring its credit/refund as no such charges are required to be levied by the banks on the bank accounts of HPU.

(Audit requisition No. 26 dated 10.03.2021,11 dated 10.12.2020& 12 dated 10.12.2020)

13 Non-production of Utilization Certificates of `190.03 Lacs.

During the course of audit, it has been observed that an amount of `19002500.00 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 Utilisation Certificates thereof were not shown to audit in absence of which it could not be ascertained as to whether the transferred amount had been fully utilized or not. Therefore, the said 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 (₹) |
|----------------|---------------------------|---------------------|-----------------------|-----------------------------------|
| 1 | UIIT | For Building works | Executive Engineer | 17693600 |
| 2 | UILS | Civil work | Executive Engineer | 953700 |
| 3 | HRDC | Civil work | Executive Engineer | 355200 |
| | | | Total | ₹19002500 |

Further it is also pointed out that though some of the departments had presented Utilisation Certificates in response to Audit Requisitions but the unutilised amount due for refund from the concerned construction Divisions has not been received by the departments and as such the observations stand included here in order to ensure and monitor full compliance.

14 Non adjustment of Advances ₹2160.17 Lacs.

As per figure appeared in the Annual Accounts of HP University, Shimla-5. Advances to the tune of ₹216017400.50, were outstanding for adjustment, as on 31.03.2018. The amount of out standing advances is increasing year after year and it seems that no efforts are being made to settle the outstanding advances.

Non-adjustment of advances is a serious lapse and requires immediate attention and stern action from the side of University authorities. It is added here that the audit has sought information regarding outstanding “Temporary Advances” vide audit requisition No. **(RAS/HPU/Annual Accounts/ 2017-18-24 dated 03.03.2021)** but no information has been provided to audit, so the position of the outstanding temporary advances could not be verified in audit. Therefore the information sought for may now be expedited and got verified in audit.

15 Under-statement of Closing Stock in the Balance Sheet due to non-inclusion of stock lying with various University Departments

Closing Stock worth `12168081.00 only has been shown in the Balance sheet for the financial year 2017-18, which includes stock of printed material/postage lying with Conduct Branch of the University and value of the stock lying with Executive Engineers of divisions but the stock of other university departments should also have to be included in the University Balance Sheet. However it seems that nothing was done to evaluate the stock lying with various university departments. This needs to be justified with cogent reasons while due care may also be taken in this regard for future to depict the correct position of closing stock in annual accounts of the University.

(RAS/HPU/Annual Accounts/ 2017-18-25 dated 03.03.2021)

16 Irregularities and overpayment with regard to printing of Answer sheets to the tune of `3.51 lacs.

During the pre-Audit of contingent bill No. 6305 dated 07.03.2018 amounting to `4958610/= on account of printing of Answer Sheets from the HP State co-op Dev. Federation Printing Press, Shimla, the following irregularities/ overpayment have been observed which may be attended to at the earliest under intimation to Audit.

(Audit requisition No. No. 15 and 25 dated 29.03.2018 and dated 31.03.2018 resp.)

1. The rate for the printing of answer sheet of 32 pages had been approved and required to be paid to the HP State co-op Dev. Federation Printing Press Shimla in proportion of their already approved rate for the printing of answer sheet of 24 pages. Since the approved rate of printing of answer sheet of 24 pages was `4.85 per answer sheet, therefore, the proportionate rate for the printing of the answer sheet of 32 pages should have been `6.47 (i.e. $4.85 \times 32/24$) instead of charged rate of `6.72, thus this irregularity resulted in to excess payment of `125000/= for getting `500000 answer sheets printed $\{500000 \text{ sheets} \times 0.25(\text{`6.72} - \text{`6.47})\}$, which may either be justified or the amount overpaid may now be recovered from the appropriate source and deposited into university exchequer.

2. The rates for the financial year 2017-18 were approved at the already approved rates of financial year 2016-17. Since the rates of previous year were inclusive of VAT @5% for printing of answer sheets therefore due to application of GST @ 12% in

financial year 2017-18 the additional burden of Tax i.e. 7% only (12% - 5%) over the rates of for year financial 2016-17 have been borne by the university instead of whole tax burden of 17% (5%. + 12%). Due to this irregularity the university has to suffer a loss to the tune of `226500. The above two observations have been conveyed to the Finance Officer vide requisition No. 15 to 17 and 25 dated 29.03.2018 and dated 31.03.2018 respectively for its justification & compliance but the reply thereof submitted vide letter No. 7-6/2017-18- HPU (SPS)-Audit dated 17.03.2021, was not found satisfactory being not to the point/specific and complete. Therefore necessary action in the matter may be taken as pointed out in order to save the University for further loss in future also.

17 Audit of Faculty House for the year 2017-18.

Following discrepancies have been observed while conducting the Audit of accounts of faculty house which may be attended to at the earliest and audit may be apprised accordingly:

17.1 Short realization of `0.55 lacs from the visitors, who stayed at faculty house.

The guest/teachers/employees, as per detail given at **Annexure E** have not produced request letter /proof of Identity during halt at Himachal Pradesh University faculty House in absence of which they can not be recognized/treated as university guest/invitees and therefore all such persons are required to be charged at higher rates i.e. `700/- for their stay instead of `100/- as notified vide notification no. 15-2/94/HPU(Genl.) dated 27.05.14 but Himachal Pradesh Faculty House has realized rent of `100 per room per day only without insisting ID instead of `700 which resulted less realization of rent amounting to `55000/- (**as per annexure-E**), and putting the University exchequer into loss to the extent. The irregularity may either be justified or the loss sustained be made good from appropriate source.

17.2 Non submission of the office orders pertaining to the persons provided with free accommodation to audit

Free accommodation have been provided to the persons vide visitor register Sr. No. 1545, 794, 1132, 1133, 1134, 1166 but office orders in support thereof have not been found /put up to Audit which may now be got verified in Audit.

17.3 Receipt Amount deposited less to the tune of `5250

In the following cases, the amount realized from the visitors deposited less in the University to the tune of `5250 which is a serious financial irregularity:-

| Sr.No. | Visito Register P.No. & Sr.No. | RT No. & date | Amount received (₹) | Amount deposited (₹) | Amount less deposited (₹) | Remarks |
|--------|--------------------------------|--------------------|---------------------|----------------------|---------------------------|-----------------------------|
| 1 | P-37 Sr.No.- 372 | 49046 | 1500 | 150 | 1350 | |
| 2 | P-80Sr.No.2 | 67056 dt. 3.4.17 | 1200 | Nil | 1200 | |
| 3 | -- | 78680 dt. 17.10.17 | 8900 | 6200 | 2700 | Total of Receipt under cast |
| | | | 11600 | 6350 | `5250 | |

Therefore, either the irregularity may be justified or the amount may be recovered from the appropriate source and deposited into the University exchequer besides taking appropriate steps to avoid reputation of such irregularities in future.

17.4 Short realization of receipt amount to Rs 900/-

Guest Shilpa Banial accompanied with Surinder Kumar C/o Prof. Arvind Kalia, HP University stayed at HPU Faculty House on dated 26.06.17 to 29.06.17 (3 days) but no relation certificate was found in the record of HPU faculty house or put up to audit. Faculty house realised only `1200 for three days @ `400 per day whereas in absence of relation certificate `2100 was required to be realised as per notification No. 15-2/94/HPU/Genl. Dated 27.05.14. Therefore less realisation of `900 may either be justified or be made good from appropriate source and deposited in the university exchequer.

(Audit Requisition No. RAS/HPU/AR-AnnualAcctts-2017-18/16 dated 30.01.2021)

18 Discrepancies observed during the post audit of accounts of HPU regional centre, Dharamshala

Following discrepancies has been observed during the post audit of the accounts of Regional Center, HPU, Dharamshala, which may be attended to under intimation to the Audit:-

18.1 Unfruitful expenditure on printing of Journals of Social Science and Law amounting to `0.34 lacs.

As per stock register 100 Nos. journal (Journals of Social Science and Law) were got printed from the Imperial Printing Press, Kotwali Bazar, Dharamsala vide Bill No. 1079 dated 16.11.2017 for `34500/=. These were supposed to have been issued to Publication Department/ library of various universities/ institutes for use but no efforts has been made for the circulations of these journal, which defeat the very purpose of printing of these journal and expenditure incurred thereof turnout to be infructuous expenditure. Besides above 700 copies of the same journal got printed in the previous years were also lying in stock unused. Therefore the irregularity may be justified besides ensuring the consumption of the journal for the very purpose, there have been printed.

18.2 Non-disposal of old News paper

A certain amount of expenditure is being done every year on purchase of news papers, but no realization of income on account of sale of old news-paper has been made during the year 2015-16, 2016-17 & 2017-18, During the financial year 2017-18 an amount of `34092/= was spent on account of purchase of newspaper but no income on account of sale of old news paper has been made despite pointing out the irregularity vide para No. 20.5 of the previous year audit report i.e. 2016-17. Therefore either the irregularity may be justified or necessary action may now be ensured in this regard.

18.3 Non-completion of codal formalities/ procedure for execution of electrical work amounting to `0.28 lacs.

The payments of `7875 and `20000 were made to Sh. Soni Kumar for the execution of electrical work. Although the quotations were collected before execution and supply of material but no proper specification/make/model etc. has been mentioned about the electrical goods and how many points are involved meaning thereby that comparisons may not be drawn if one supplier quoted the rates of

“Anchor make/Kona” and other “Havells / Power make” or in absence of any make as well as labour rate per point/ through rate of the whole the work, which itself implies that the quotations were collected merely to show completion of the codal formalities. Thus, it could not be ruled out that the contractor has been extended undue benefited at the cost of university exchequer. Therefore, the matter is brought to the kind notice of the University authorities for taking appointment action as warranted under rules besides ensuring not to report such lapses in further.

- 18.4.** It has also been observed during the course of audit that all the bills other than those pertaining to self financing of school of legal studies have been paid without having been pre-audited either from internal audit section /SAD . This may either be justified duly supported with the provision of rules/instruction /decision of the competent authority otherwise this practice may be stopped forthwith after due consultation with the finance officer.
- 18.5** Library fine has been collected during 2017-18 but no details/proper record have been made available during the course of audit in absence of which the fine collected could not be verified. So proper record may be maintained and updated beside to ensure its production in Audit for verification.

(RAS/HPU/Annual Accounts/ 2017-18/ 27 dated 10.03.2021)

19 (A) Miscellaneous irregularities observed during the course of audit of HPU, Div-II(construction division)

While auditing the Annual Accounts of the division for the year 2017-18, the following discrepancies have been observes, which may either be clarified / justified with cogent reasons or compliance thereof be intimated to Audit.

(A)1 Difference of `18464.00 in the record and annual accounts

The security deducted from the contractor’s bills has been shown `232299.00 in the Annual Accounts of the Division No. II (maintenance) for the year 2017-18, while as per actual record put up to audit it works out to `250763.00. Hence the difference of `18464.00 may be reconciled and the factual position may be incorporated in the Annaul Accounts ;

(A)2 Difference of `4571 in material consumed as per record and annual accounts

The figure of material including electrical consumed in work done have been shown Rs 2674688.00+`61035.00=Total `2735723 while as per actual record put up to Audit it works out to `2669809.00+`61343.00 =Total `2731152.00. Hence there is a difference of `4571.00 Which may be reconciled and factual position may be intimated/verified in audit accordingly.

(A)3 Difference of `47400 in material transfer as per record and annual accounts

The figure of material transfer to Division No.-I, have been shown `6110367.00 while as per schedule/ record it works-out/ shown as `6157767.00. Hence there is a difference of `47400.00, which may be reconciled and factual position may be intimated/verified in audit accordingly.

(A)4 Difference of `18464.00/= in value of work done as per record and annual accounts

The total value of work done in the expenditure side has been shown as `42248047.00 while as per schedule/record, it works-out/ shown as `42266511.00. Hence there is a difference of `18464.00, which may be reconciled and factual position may be intimated/verified in audit besides recorded in the annual accounts accordingly.

(A)5 Short realization of `5500/= on account of sale of tender forms.

It has been observed that a sum of `5550/= as per detail given in **Annexure-F(1)** has been realized short due to selling tender forms at rates lesser than the rates prescribed /notified by government in this regard vide Special Secretary (Public Works) to the Government of Himachal Pradesh letter No. PBW(B)-14(8)/2004 dated 24.02.2012,- copy of which is supplied to audit party by your good office during the course of audit. The amount, thus short realized may either be

justified or got recovered from appropriate source and deposited in university exchequer at the earliest under intimation to audit.

{No. RAS/HPU/AR-AnnualAccttsnts-2017-18/11 Dated: 10.12.2020}

(B) Miscellaneous irregularities noticed during the course of audit of HPU,Div-I(construction division)

While auditing the Annual Accounts of the division for the year 2017-18, the following discrepancies have been observed which may either be clarified / justified with cogent reasons or compliance thereof be intimated to Audit.

(B)1 The Opening Balance of the savings accounts No. 10091438089 has been shown `580725.00 while as per actual record/previous year closing balance it is `580724.81, which may be justified or corrected as per record.

(B)2 Difference of `47400/= in material consumed as per record and annual accounts

The figure of material received as well as material consumed in work done by Division No.-I, have been shown as `6110367.00 while as per schedule/ record it works-out to `6157767.00. Hence there is a difference of `47400.00, which may be reconciled and factual position may be intimated/ corrected and got verified in Audit accordingly.

(B)3 Short realization of `750/= on account of sale of tender forms.

It has been observed that a sum of `750/= as per detail given in **Annexure-F(II)** has been realized short due to selling tender forms at rates lesser than the rates prescribed /notified by government in this regard vide Special Secretary (Public Works) to the Government of Himachal Pradesh letter No. PBW(B)-14(8)/2004 dated 24.02.2012, copy of which is supplied to audit party by your good office during the course of audit. The amount, thus short realized may either be justified or got be recovered from appropriate source and deposited in university exchequer at the earliest under intimation to audit.

{No. RAS/HPU/AR-AnnualAccttsnts-2017-18/12 Dated: 10.12.2020}

20 Non production of record by the Dean of Study

Annual Accounts of the O/o Dean of Studies for the year 2017-18 were not put up to audit despite repeated requests as well as verbal discussions with Finance officer regarding updating of the accounts. The concerned office was requested vide requisition No. **RAS/HPU/AR-AnnualAccttsnts-2017-18/3 Dated: 11.08.2020** to provide all the related vouchers and record but no compliance / communication was received from the said quarter nor any compliance was received from Finance Office in this regard who were also requested to inquire into the matter before the account could be taken up for audit. As such the account remains uncertified while it is also subject to re-audit as 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, para no.26.28 of the audit report 2015-16 and para 25 of 2016-17. The needful in this regards may be expedited and ensure the production of Accounts to the audit for certification.

21 Short realization of Rent/ penalty amounting to `3.29 lacs for the year 2017-18.

During the post audit of the accounts for the year 2017-18, it is noticed that as per agreement the Rent/Penalty of shops/Hostel Canteens, SBI ATM and other properties amounting to `329450/- have not been raised/ recovered from the tenants mentioned below and in the some cases penalty was due but penalty had not been imposed by the estate office of the HPU whereas as per agreement penalty was required to be imposed.

| Sr. No. | Name of tenant and property | Amount of Remarks Rent/penalty | Remarks |
|----------------|--|---------------------------------------|----------------|
| 1. | M/s Vijay Thakur, Kaundal niwas, Vikasnagar Shimla, "cafeteria". | 1,35,250 | |
| 2. | Library Basement, Rajnish | 40,000 | |

| | | | |
|----|--|-------------------------------------|--|
| | Kumar Arora, Shop no. 5. | | |
| 3. | Shop No. 6 H.P. Horticulture and Produce marketing and processing Co-Op. | 38,300 + 45,058 83,358 | Penalty not impose month of Feb, 1000. |
| 4. | SBI ATM Near HPU Main Gate. | 13800 | |
| 5. | Old PG Centre Room The executive Center Co-Op consumer Store LTD. Super Bazar Shimla. | 2592 | Document / Agreement not shown. |
| 6. | Girl Hostel Canteen M/s Nirmla Devi | 4000 | Interest on lat payment have not been calculated properly as per agreement. |
| 7. | Boys hostel canteen m/s Sh. Sandeep Verma | 1650 | Penalty not impose month of December, 2017 `400/- Month of Jan, 2018 penalty imposed `850/- (actual penalty 500/- per day `100 till 15 th days of month thereafter ` 200 per day till deposition of Rent Day) (Rent deposited by the Tenant dated 23.01.2018) 500 <u>+1600</u> 2100 -850 already deposited 1250 <u>+ 400</u> 1650 |

| | | | |
|----|--|--|--|
| 8. | Riksha Stand No. 17 M/s Smt. Paramjit Kaur. | 47800 + <u>1000</u> 48800 | Penalty not impose month of Feb, 2018 `1000/- |
| 9. | Total | `329450 | |

Hence the non-recovery of said amount on account of Rent/penalty may either be justified or got recovered from the defaulters/tenants and be deposited in the university exchequer under intimation to audit.

(RAS/HPU/Annual Accounts/ 2017-18-18 dated 30-01-2021)

22 Non-charging/ realisation of GST amounting to `2.48 lacs from the allottees of HPU properties for the year 2017-18.

During the course of post-audit of the accounts for the year 2017-18, it is noticed that the GST on the rented property has not been charged/ added while making demand or while preparing rent bills. As per GST act, 2017, it is mandatory to charge GST on all bills at the rates prescribed in the respective act w.e.f 01.08.2017. In the following case the GST on rent bills of the allottees was required to be charged @ 18%, but same has not been charged/collected to the tune of `248324/= while the H.P.

University is paying GST on all its rent income regularly:-

| Non collection of GST by the Estate office during the year 2017-18 | | | | | | |
|---|---|---|-----------------------|----------------------------|----------------------------|------------------|
| Sr. No. | Name of the allottee | Period of non- collection of GST | Rent per month | GST @ 18% per month | Total Nos of Months | Total GST |
| 1 | Branch Manager, SBI | 01.07.2017 to 30.11.2017 | 23930 | 4307.40 | 5 | 21537.00 |
| 1(a) | Branch Manager, SBI | 01.12.2017 to 31.03.2018 | 40688 | 7323.84 | 4 | 29295.36 |
| 2 | Sh. Vijay Thakur | 01.07.2017 to 31.03.2018 | 40000 | 7200.00 | 9 | 64800.00 |
| 3 | Sh. Sanjay Sharma | 01.07.2017 to 31.03.2018 | 16500 | 2970.00 | 9 | 26730.00 |
| 4 | Sh. Rajneesh Kumar Arora | 01.07.2017 to 31.03.2018 | 11000 | 1980.00 | 9 | 17820.00 |
| 5 | H.P. Horticulure Produce marketing & processing co-op Society | 01.07.2017 to 31.08.2017 | 11000 | 1980.00 | 2 | 3960.00 |

| | | | | | | |
|-------|---|--------------------------|--------------|---------|---|------------------|
| 5(a) | Do | 01.09.2017.to 31.03.2018 | 12100 | 2178.00 | 7 | 15246.00 |
| 6 | SBI ATM space (main gate) | 01.07.2017 to 31.03.2018 | 13800 | 2484.00 | 9 | 22356.00 |
| 7 | The Shimla centre co-op consumer store Ltd., Shimla | 01.07.2017 to 31.03.2018 | 200 | 36.00 | 9 | 324.00 |
| 8 | HP state co-op bank Ltd | 01.07.2017 to 31.03.2018 | 10830 | 1949.40 | 9 | 17544.60 |
| 9 | Atm SBI | 01.07.2017 to 31.03.2018 | 4056 | 730.08 | 9 | 6570.72 |
| 10 | Sh. Gopal, canteen contractor | 01.07.2017 to 31.09.2017 | 3500 | 630.00 | 3 | 1890.00 |
| 10(a) | Do | 01.10.2017.to 31.03.2018 | 4500 | 810.00 | 6 | 4860.00 |
| 11 | Smt. Nirmala Devi | 01.07.2017 to 31.03.2018 | 2000 | 360.00 | 9 | 3240.00 |
| 12 | Sh. Bhagat Ram NBH canteen | 01.07.2017 to 31.03.2018 | 2000 | 360.00 | 9 | 3240.00 |
| 13 | Sh. Sandeep Verma | 01.07.2017 to 31.03.2018 | 2000 | 360.00 | 9 | 3240.00 |
| 14 | Smt. Pramjeet kaur | 01.07.2017 to 31.03.2018 | 3500 | 630.00 | 9 | 5670.00 |
| | | | Total | | | 248323.68 |

Hence due to Non-collection/charging of GST on rent income from the allottees of Shops/space of bank/canteen/property of the University have been put under loss to the tune of `248324/=, which may either be justified with cogent reasons or the loss may be made good from appropriate source under intimation to audit.

(RAS/HPU/Annual Accounts/ 2017-18-13 dated 10-12-2020)

23 Non-inclusion of value of work done/work in progress amounting to `334.27 lacs in the balance sheet for the year 2017-18.

The value of work done plus material consumed on these works as per the Annual Accounts of Division I and II for the 2017-18 has been shown `69959141 while addition of the fixed Assets under particular assets i.e. Buildings on leasehold land has been shown `13698482.00 in the shape of work in progress, which is less by `56260659.00, So the less addition to the value of assets amounting to `56260659.00 in schedule No. 6 of Balance sheet may either be justified with cogent reasons or the accounts/financial statements be corrected accordingly to show true & fair state of affairs of the University. Besides above the detail of revenue expenditure and capital expenditure on account of work done may be supplied to audit to verify the capital as

well as revenue expenditure. The Property registers of fixed Assets may also be put up to audit to verify the figures of assets shown in the final accounts.

24 Regarding non-production of annual accounts, record related to income on account of Affiliation & Counselling Fees, Consolidated Position on Sale of Prospectus, Stock and Idle Machinery and other information sought by audit

24.1 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 sought regarding Earnest and Security Deposit received / deducted from works bill in the year 2017-18 was also not supplied to audit in absence of which 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 these are being 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. Further the compliance of the observations made by the audit in previous reports vide Para No. 26.6 of 2015-16 and 33.1 of 2016-17 was not put up to audit despite repeated requests. Therefore needful in this regards may now be ensured on priority basis.

24.2 The record related to income on account of Affiliation & Counselling Fees was not provided to audit and, hence, income on this account could not be verified. It is added that the said record is not being supplied to audit for the past several years {2012-13-Para 26, 2013-14-Para-26, 2014-15-Para-8 para 26(6)2 of 2015-16 and para 33.2 of 2016-17 refer} which a matter of great concern and in such a situation possibility of any misappropriation of funds can not be ruled out. Therefore the matter is brought to the notice of the higher Authorities of the **HPU to look into** being serious lapse on the part of **concerned deptt. which** needs to be viewed seriously by the University authorities in order to avoid any financial irregularity.

24.3 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 on 31.03.2018 was neither intimated to audit nor incorporated as income receivable in the annual accounts which should have been shown as such now that the accounts are being maintained on accrual basis. The issue was also pointed out vide Para no. 26.(6)5 of 2015-16 and Para No. 33.3 of 2016-17 but no compliance has been shown in this regards which a matter of great concern. Therefore needful may be done now.

25 Loss of `1339.19 Lacs to the Transport wing

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

| Year | Income (` in Lac) | Expenditure including Salary & other (` in Lacs) | Deficit (` in Lacs) |
|----------------|------------------------------|---|--------------------------------|
| 2010-11 | 4.26 | 128.89 | (-)124.63 |
| 2011-12 | 5.29 | 150.05 | (-)144.76 |
| 2012-13 | 8.62 | 169.26 | (-)160.64 |
| 2013-14 | 12.68 | 168.20 | (-)155.52 |
| 2014-15 | 10.59 | 192.60 | (-)182.01 |
| 2015-16 | 10.26 | 195.76 | (-)185.50 |
| 2016-17 | 11.71 | 202.33 | (-)190.62 |
| 2017-18 | 6.93 | 202.44 | (-)195.51 |
| | 70.34 | 1409.53 | (-)1339.19 |

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 six years the transport wing had suffered accumulated losses 1339.19Lacs 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 and to take immediate necessary steps to

minimize/compassionate the losses which are increasing year by year by bringing the facility on no profit and no loss basis.

26 Loss of `2521.98 Lacs for providing Hostel facilities

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

| Year | Income (Hostel fee, Water and Electricity charges) (` In Lac) | Expenditure (Salary, Water, electricity & other) (` In Lac) | Deficit (` In Lac) |
|--------------|--|--|---------------------------|
| 2011-12 | 26.44 | 308.7 | -282.26 |
| 2012-13 | 38.98 | 307.43 | -268.45 |
| 2013-14 | 38.48 | 343.67 | -305.19 |
| 2014-15 | 38.32 | 434.04 | -395.72 |
| 2015-16 | 46.77 | 441.33 | -394.56 |
| 2016-17 | 46.69 | 446.25 | -399.56 |
| 2017-18 | 44.46 | 520.70 | -476.24 |
| Total | 280.14 | 2802.12 | (-)2521.98 |

The analytical study of figures of income and expenditure as stated above revealed that the HP University during the last seven years received `280.14 Lac as water, electricity charges and hostel rent from the students to whom hostel facilities were provided. But the University incurred expenditure `2802.12 Lac for running and maintenance of hostels and payment of salary for lower staff which resulted a net loss of `2521.98 Lac. The matter is brought to the notice of higher authorities of University to look into and to take immediate necessary steps to minimize/compensate the losses which are increasing year to year basis. 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.

27 Pension Fund:-

Financial Position:-

The financial position of the pension fund for the year 2017-18 is as under

| Sr. No. | Particulars | Amount (₹) |
|---------|---|---------------------|
| 1 | Opening Balance as on 01.04.2017 | 165892317.05 |
| 2. | Receipts from University through redrawls | 100878103.00 |
| | Other Receipts during the year | 1074768.00 |
| | Interest on Saving Bank & FDRs (including by transfer from Corpus) | 98912958.15 |
| | Transfer from CPS | 1682557.00 |
| | Transfer from Main Account (current a/c) | 213131650.00 |
| | Transfer from gratuity fund | 171307.00 |
| | Receipt from leave salary/ pension contribution | 320057.00 |
| | Total receipts during the year | 416171400.15 |
| 3. | Grand Total (1+2) | 582063717.20 |
| 4 | Expenditure during the year | 416966662.00 |
| | Transfer to Gratuity Fund | 600000.00 |
| | Transfer to corpus fund | 59400000.00 |
| | Amt not credited due to insufficient balance & penalty thereof | 1007308.00 |
| | Total(4) | 477973970.00 |
| 5 | Closing Balance as on 31.03.2018 as per Cash Book (3 - 4) (i) In Saving Bank Account `4892879.20 (ii) In FDRS `99196868.00 | 104089747.20 |
| 6 | Total 4+5 | 582063717.20 |
| 7 | Difference | Nil |
| 8 | Closing Balance in Saving Bank Account as on 31.03.2018 as per Bank (i) In Saving Bank Account `5197106.20 (-) cheque issued but not encashed `304227.00 | |

| | | | |
|--|--------------------------|--------------|--|
| | balance as per cash book | ₹4892879.20 | |
| | (ii) In FDRS | ₹99196868.00 | |

The amounts received on account of Leave Salary Contributions have also been included in this fund under Other Receipts which infact should have been credited to University Main Account. The amount received on this account may now be worked out and transferred to University Main Account under intimation to audit.

27.1 Non realisation of dishonoured cheque/cheques amounting to ₹10.07 lacs on account of pension contribution in r/o Sh. Mahavir Prasad, Professor of Deptt of Physics

An amount of ₹1007308.00 has been shown under head “Amt not credited due to insufficient balance & penalty thereof” in the receipt and payment account of Pension Fund in the payment side. While detailed checking of the accounts, it is noticed that the cheque/cheques received from the Baddi University, Baddi on account of pension contribution in respect of Sh. Mahavir Prasad, Professor of Physics, who was on foreign service with the ibid university were presented to the bank but during the month of Nov, 2017 cheques amounting ₹251532 X 4 times plus ₹3815/= Total ₹1009943/= have been dishonored due to insufficient balance in the bank account of cheque issuing authority i.e. Baddi University and an amount of ₹1180/= was also charged on account of penalty of insufficient bank balance.

The detail of the amount pending for recovery on account of pension contribution in r/o Sh. Mahavir Prasad and penalty as charged by the bank may now be made good immediately from the appropriate source under intimation to audit.

(RAS/HPU/Annual Accounts/ 2017-18-29 dated 25-03-2021)

**28 Gratuity Fund:-
Financial Position:-**

The financial position of the Gratuity fund for the year 2017-18 is as under:-

| Sr. No. | Particulars | Amount (₹) |
|---------|----------------------------------|------------|
| 1 | Opening Balance as on 01.04.2017 | 8652134.55 |
| 2. | Receipts during the year | |
| | Interest on Saving Bank & FDRs | 347911.00 |

| | | |
|-----------|--|--------------------|
| | Transfer from main Account | 50748683.00 |
| | Transfer from pension fund | 600000.00 |
| | Total (2) | 51696594.00 |
| 3. | Grand Total (1+2) | 60348728.55 |
| 4 | Expenditure during the year | 50465370.00 |
| | Transfer to Pension Fund (wrong debit by bank) | 600000.00 |
| | Total(4) | 51065370.00 |
| 5 | Closing Balance as on 31.03.2018 as per Cash Book (3 - 4) | 9283358.55 |
| | (i) In Saving Bank Account `4283358.55 | |
| | (ii) In FDRS `5000000.00 | |
| | Grand total 4+5 | 60346028.55 |
| 6 | Closing Balance as on 31.03.2018 as per Bank | 9283358.55 |
| | (i) In Saving Bank Account `4283358.55 | |
| | (ii) In FDRS `5000000.00 | |
| 7. | Difference | Nil |

From the perusal of above it has been observed that there is not sufficient balance to meet out the liability on account of Gratuity as on 31.03.2018. 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.

29 Corpus Funds.

Financial Position: - The financial position of the corpus fund for the year 2017-18 is as under:-

| Sr. No. | Particulars | Amount (₹) |
|----------------|---|----------------------|
| 1 | Opening Balance as on 01.04.2017 | |
| | In Saving Account as per Cash Book | 693.86 |
| | FDRs of Corpus Fund | 1117176000.00 |
| | Total:- | 1117176693.86 |

| | | |
|--------------|---|----------------------|
| 1(II) | FDRs received by transfer from various Departments though not included in the Fund balance by the University | 1273994.12 |
| | Total {1+1(II)} | 1118450687.98 |
| 2 | Receipts during the year | 9145732.00 |
| | Interest on Saving Bank & FDRs (of various departments plus on those made from corpus) | 135298.00 |
| | Transfer from pension fund | 59400000.00 |
| | Amt. Of FDR received from the Deptts. and accounted -for (33729997- 1273994.12) | 32456002.88 |
| | FDRs received by transfer from various Departments though not included in the Fund balance by the University including the FDRs received during 2017-18 referred to above | 39931437.00 |
| | Total (2) | 141068469.88 |
| 3. | Grand Total (1+2) | 1259519157.86 |
| 4 | PAYMENTS | nil |
| 5 | Closing Balance as on 31.03.2018 as per Cash Book including the FDRs received by transfer but not accounted for (3 - 4) | |
| | | |
| 6 | (i) Closing Balance as on 31.03.201 as per Bank in Saving Bank Account | 296.86 |
| 7 | FDRs of Corpus Fund | 1219587424.00 |
| | (ii) FDRs received by transfer from various Departments though not included in the Fund balance by the University including the FDRs received during 2015-16 onward referred to above | 39931437.00 |
| | Total | 1259519157.86 |
| | Difference | Nil |

- 29.1** The difference of Rs 19 pointed out vide para no. 32.1 of the audit report for the year 2015-16 is yet to be rectified which may be reconciled at the earliest under intimation to the Audit.

29.2 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 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 31.03.2018 is `1259519157.86 which appears to be insufficient in view of increasing liability on account of pension and gratuity.

However, in view of increasing liability on account pension and gratuity continuous sincere efforts are required for further strengthening 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.

30 General Provident Fund

Financial Position:-The financial position of the General Provident Fund for the year 2017-18 is as under:-

| Sr. No. | Particulars | Amount (₹) |
|----------------|----------------------------------|---------------------|
| 1 | Opening Balance as on 01.04.2017 | 997373052.66 |
| 2. | Receipts during the year | 197504206.00 |
| | Interest on Saving Bank & FDRs | 68542391.00 |
| | Transfer from CPF | 0 |

| | | |
|-----------|--|----------------------|
| | Transfer from CPS | 2344978.00 |
| | Transfer from main account | 0 |
| | Refund receipts | 467371.00 |
| | Refund of loan | 100000.00 |
| | Total of receipts | 268958946.00 |
| 3. | Grand Total (1+2) | 1266331998.66 |
| 4 | Expenditure during the year | 183473351.00 |
| | Transfer to pension | 74406.00 |
| | Transfer to Main Account | 82027.00 |
| | Transfer to CPF | 80470.00 |
| | Bank charges(deducted by bank | 22.00 |
| | Total(4) | 183710276.00 |
| 5 | Closing Balance as on 31.03.2018as per Cash Book (3- 4) (i) In Saving Bank as per cash book (`11636982.66 plus `64 difference of unreconciled amount) Rs 11637046.66. (ii) FDRs `1070984676.00 | 1082621722.66 |
| | Balance as per Bank Statement Saving bank ` 11000154.66 FDR ` 1070984676.00 | 996736160.66 |
| | Difference in closing balance between saving bank account and cash book (`11636982.66 - `11000154.66=636828.00) TDS deducted by the banks on maturity of FDRs | 636828.00 |
| | Balance as per bank statement of saving bank account `11000154.66 Plus Difference `636828.00 | 11636982.66 |

| | | | |
|--|------------------------------------|----------------------|--|
| | Total | ` 11636982.66 | |
| | (balance as per cash book) | | |

- 30.1.** Difference of Rs 64 as pointed out vide Para No. 18 of Audit Report 2013-14 which was assured to be settled in 2015-16 and further in 2016-17 remains unsettled till date and requires immediate reconciliation under intimation to Audit.

- 30.2. Non Refund/ reversal of `6.37 lacs wrongly deducted by the bank on account of TDS:-**

A sum of `6,36,828 was deducted by the Bank on maturity of the FDRs mentioned in the following Table while as per provision of Income Tax the same should not have been deducted in case of the University.

| Sr. No. | FDR No. | Date of Investment | Principal Amount () | Rate of Interest | Date of Maturity | Amount Due on Maturity () |
|----------------------------------|----------------|---------------------------|---------------------------------|-------------------------|-------------------------|---------------------------------------|
| 1. | 65194121043 | 11.04.2015 | 82,18,188 | 8.75% | 11.04.2016 | 89,61,221 |
| 2. | 65194121087 | 11.04.2015 | 82,18,188 | 8.75% | 11.04.2016 | 89,61,221 |
| 3. | 65194121112 | 11.04.2015 | 82,18,188 | 8.75% | 11.04.2016 | 89,61,221 |
| 4 | 65194121167 | 11.04.2015 | 82,18,188 | 8.75% | 11.04.2016 | 89,61,221 |
| Total Amount due from Bank | | | | | | 3,58,44,884 |
| Credit given by Bank on Maturity | | | | | | 3,52,08,056 |
| TDS by Bank | | | | | | 6,36,828 |

As such the matter may now be taken up with the concerned Bank for refund of the above amount at the earliest and audit be apprised accordingly. It is further advised that due caution may be exercised in this regard for future and the matter for refund of TDS should be taken up as and when it takes place in order to avoid any loss to the fund.

- 30.3 Negotiation with banks/ better financial management to earn more amount of interest:-**

As per GPF viability statement supplied during the post audit. It has been observed that against the Total liability of `954917425 as per ledger accounts of the subscribers, there **exists** the assets of ` 996736160.66 thus, resulting in a surplus Assets of `41818735.66 which is just 4.38% over and above the amount payable to the subscribers but keeping in view the fact that the majority of investments having been made at 6.80% to 7.50% vis-à-vis the interest of 7.35 % awarded to the subscribers during the year 2017-18, it is advised that negotiations should invariably be held with the banks to obtain higher rates of interest to keep the fund viable in the long run.

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

31 Contributory Pension Scheme.

Financial Position: -

The financial position of the Contributory Pension Scheme for the year 2017-18 is as under:-

| Sr. No. | Particulars | Amount (₹) |
|----------------|----------------------------------|---------------------|
| 1 | Opening Balance as on 01.04.2017 | |
| | As per Cash Book in Saving Bank | 9122886.78 |
| | Investments in FDRS | 124109728.00 |
| | Total (1) | 133232614.78 |
| 2. | Receipts during the year | 36969017.00 |
| | Interest on Saving Bank & FDRs | 8375084.00 |
| | Total (2) | 45344101.00 |
| 3. | Grand Total (1+2) | 178576715.78 |
| 4 | Expenditure during the year | 132008.00 |
| | Transfer to GPF | 2344978.00 |
| | Transfer to Pension account | 1608151.00 |
| | Transfer to Main Account | 14708.00 |
| | Transfer to ICDEOL | 32041.00 |
| | Total(4) | 4131886.00 |

| | | |
|----------|---|---------------------|
| 5 | Closing Balance as on 31.03.2018 as per Cash Book (3- 4) | |
| | i) In Saving Bank `9504467.78 | 174444829.78 |
| | ii) FDRs `164940362.00 | |
| | Grand total | 174444829.78 |
| | Closing Balance as on 31.03.2017 as per pass book | |
| | iii) In Saving Bank `9504467.78 | |
| | iv) FDRs `164940362.00.00 | |
| | Difference | Nil |

31.1 Non-Investment of funds to earn more interest:-

It has also been observed during the course of audit that a huge amount was kept in the Saving Bank Account of the CPS Fund instead of investing funds in higher **fetching interest results bearing seculation** which does not appear to be justified particularly when fund has already gone into deficit. It is, therefore, advised that funds must be invested prudently instead of being kept idle/ in saving account.

31.2 CPS funds deficit arrived at `77.79 lacs

As per CPS viability statement supplied by the Section Officer (GPF)H.P. University vide letter No. nil dated nil, there was a liability of `182223532.00 as per ledger accounts of the subscribers, against the assets of `174444829/=, thus, resulting in a **deficit** of `7778703.00. The observations were also raised vide Para No. 40.2 in the previous year audit report i.e. 2016-17, where-in the deficit was `3481808/= and just after a year it has been arrived at `7778703.00, which is more than double the deficit of last year, which itself reflects that the funds are not being managed properly.

So it is once again advised that tough negotiations should invariably be made with the banks to obtain higher rates of interest to keep the fund viable while the interest being awarded to subscribers may also be fixed after taking into consideration the financial position as well as interest earned.

32 Contributory Provident Funds:

Financial Position:-

The financial position of the Contributory Provident Fund for the year 2017-18 is as under:-

| Sr. No. | Particulars | Amount (₹) |
|----------------|---|--------------------|
| 1 | Opening Balance as on 01.04.2017 | 46072078.94 |
| 2. | Receipts during the year | 1092828.00 |
| | Interest on Saving Bank & FDRs | 3520264.00 |
| | Transfer from CPS A/c | 0 |
| | Transfer from GPF A/c | 80470.00 |
| | Total (2) | 4693562.00 |
| 3. | Grand Total (1+2) | 50765640.94 |
| 4 | Expenditure during the year | 194470.00 |
| | Transfer to GPF A/c | 0 |
| | Transfer to pension A/c | 0 |
| | Total(4) | 194470.00 |
| 5 | Closing Balance as on 31.03.2018 as per Cash Book (3-4) (i) In Saving Bank as per cash book = ₹452059.61(in the books it is shown ₹452059.23 difference of ₹00.38) FDRs = ₹50119111.33 | 50571170.94 |
| 6 | Balance as per Bank Statement : i) Saving Bank = ₹452059.23 ii) FDRs = ₹50119111.33 | 50571170.56 |

- 32.1** Difference of Rs 80 as pointed out vide Para No. 20 and 35.1 of Audit Report 2013-14 and 2014-15 respectively, which was assured to be settled in 2015-16 remains unsettled and requires immediate reconciliation. Therefore adjustment entry made to rectify the said difference of `80 may also be shown to audit so that the matter could also be finally settled at the end of audit.
- 32.2** It has been observed that entries recorded in individual ledger accounts are neither being authenticated by the Official / Officer In-charge nor monthly running balances are being indicated in the Ledger Accounts of the subscribers which is a serious lapse and needs immediate corrective action in a time bound manner because in such a situation possibility of any addition and alteration at any stage cannot be ruled out.
- 32.3** The Reconciliation Statement to verify that overall postings of subscription/ withdrawal Amount have been correctly recorded in individual ledger accounts of subscribers is not been shown to audit. In the absence of Reconciliation Statements it cannot be verified that all postings of subscription/~~withdrawal~~ stand correctly recorded and there always remains a chance of lapses .Therefore, Reconciliation Statement may be prepared at the earliest and shown to audit.
- 32.4** Asset and Liability Statement in respect of the Fund was not supplied to the audit which may be shown now besides ensuring its submission along with accounts invariably in future.

33 Irregular payment of Secretariat Pay of `63.11 lacs plus Dearness

Allowance to the tune of `86.47 lacs (approximate)- total `149.58 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 Letter No. Fin.(PR)-B-35/2010-Loose Finance (Pay Revision) Department 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 of post in the university, despite of the fact, the benefit 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 hereby 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 the institution 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 and 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 `63.11 lacs plus Dearness Allowances amounting in all to `149.58 Lacs (approximately as worked out below) were paid to the employees of H.P. University during year 2017-18 in contravention to the Govt. instruction stated above, the detail of which is as under:-

| Sr. No. | Name of the Department | Amount of Secretariat Pay as per information supplied to audit (`lacs) |
|----------------|---|---|
| 1. | ICDEOL | 4.26 |
| 2. | Rest of the University | 58.85 |
| | Total | 86.47 |
| | Approximate Dearness Allowance thereon | |

| | | |
|--|---|---------------|
| | DA rates of 134%,137% & 140% in 2017-18) | |
| | Grand Total | 149.58 |

In addition to above, it is stated 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 was further 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 expenditure.

The irregularity was also pointed out vide Para No. 25, Para 23, Para 36 and Para No. 42 of audit Reports for the year 2013-14, 2014-15, 2015-16 and 2016-17 respectively when overpayment to the extent of `180.73 lacs, `187.39 lacs `142.49 lacs & `146.28 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 drawl of above pay in the regular bills till the same is not finalized/approved in appropriate manner.

In addition to above it has 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 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 this manner i.e. after including Secretariat Pay.

34 Retrenchment / Recoveries `33.43 Lacs

Retrenchment /recoveries to the tune of `33.43 lacs were made during the course of pre-audit for the financial year 2017-18 from various Bills, Payments Vouchers and retiral benefits and leave encashment etc. presented for pre- audit which were though duly passed by the University authorities. Thus this, clearly indicates that no proper/effective check is being exercised at the level of accounts officials / officers posed in Accounts Branches and other University branches. It is also pertinent to add here that the position remains the same 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 reduction in pay fixation cases/pension fixation cases presented for vetting/ pre-audit at the instance of audit resulting in recurring savings of lacs of rupees to the University.

Conclusion:

The above discrepancies and huge figures of retrenchments by audit year after year reflect adverse, 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 embezzlement and 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. The final accounts i.e. (the corrected copy) balance Sheet and income & expenditure accounts of the H.P. University for the year 2017-18 has not been signed by the Chartered Accountant. In addition to above, the non-adjustment huge advances for the last several years and further non-compliance/non-settlement of Old Audit Para(s)-880 in number also indicates lack of seriousness of the University authorities regarding follow up action on the discrepancies pointed out by audit.

Sd/-

**Joint Controller (Audit)
Resident Audit Scheme,
H.P.University, Shimla-171005**

Sd/-

**Director,
Local Audit Department,
H.P.,Shimla-171009(H.P.)**