

No.- Fin(LA)H(2)C(15)(14)99/85-Vol-22-5648-5652
Government of Himachal Pradesh
Local Audit Department.

From,

The Director,
Local Audit Department,
Himachal Pradesh, Shimla-9

To,

The Comptroller,
Dr. Y.S. Parmar, University of Horticulture and Forestry,
Nauni, Solan (H.P.)

Dated, Shimla-171009, the 28th October 2016.

Subject: *Audit & Inspection Report on the accounts of Dr. Y.S. Parmar, University of Horticulture and Forestry, Nauni, Solan (H.P.) for the year 2014-15.*

Sir,

I am directed to forward herewith the audit report on the accounts of Dr. Y.S. Parmar, University of Horticulture & Forestry, Nauni Solan for the year 2014-15 for taking further necessary action at your end. The annotated replies to the paras may be submitted to Deputy Controller (Audit) Resident Audit Scheme of your University under intimation to this Department.

Yours faithfully,

Encl:-As above.

Sd/-

Additional Director,
Local Audit Department
Himachal Pradesh Shimla-171009

Endst. No. As Above,.....dated, the 28th October 2016. Shimla-171009

Copy alongwith Audit Report is forwarded for information and necessary action to :

1. Additional Chief Secretary (Horticulture) to the Government of Himachal Pradesh.
2. Additional Chief Secretary (Agriculture) to the Government of Himachal Pradesh.
3. Additional Chief Secretary (Forest) to the Government of Himachal Pradesh.
4. Deputy Controller(Audit), Resident Audit Scheme, Dr. Y.S. Parmar, University of Horticulture & Forestry, Nauni, Solan,(H.P.)

Sd/-

Additional Director,
Local Audit Department
Himachal Pradesh Shimla-171009

**GOVERNMENT OF HIMACHAL PRADESH
LOCAL AUDIT DEPARTMENT
BLOCK NO. 38, SDA COMPLEX
KASUMPATI, SHIMLA-9**



**AUDIT AND INSPECTION REPORT
ON THE ACCOUNTS OF
DR. Y. S. PARMAR UNIVERSITY OF
HORTICULTURE AND FORESTRY,
NAUNI-SOLAN, HP
FOR THE PERIOD
01.04.2014 TO 31.03.2015**

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Preface

- 1. This report has been prepared for submission to the Government of Himachal Pradesh in line with the provision contained in Section 45(3) of Himachal Pradesh Universities of Agriculture, Horticulture & Forestry Act, 1986.**
- 2. This report contains commentary on the Financial Position of the University which also incorporates Grants-in Aid received from Government of Himachal Pradesh and the Government of India besides findings of pre-audit and post audit of the University accounts for the year 2014-15.**
- 3. Appendix- 'I' of the Report contains the latest position of all outstanding Audit Paras, which have been pointed out in Annual Audit Reports during the period w.e.f. 1988-89 to 2013-14.**
- 4. The latest position of all outstanding Audit Requisitions from 1994-95 to 2014-15 has also been given in Appendix-'II' of this report.**

Executive Summary

The following statutory officers have served in this University during the period under report.

- | | |
|--------------------|-------------------------|
| 1. Vice Chancellor | Dr. Vijay Singh Thakur |
| 2. Registrar | Ms. Rupali Thakur |
| 3. Comptroller | Sh. Prithi Chand Sharma |

Major Audit Observations for the year 2014-15

Sr. No.	Brief Description	Rs. {in lacs}	Para No.	Page No.
1.	Non-adjustment of outstanding advances as on 31.03.2015 {Rs. 3,788.47 lacs (LAD) +539.49 lacs (Internal Audit)}	4327.96	4	11
2.	Retrenchments made during the course of pre-audit	12.24	5	11
3.	Improper management of Pension Corpus Fund - meagre balance of just Rs 0.16 crore as on 31-03-2015	---	6 (A)	12
4.	Improper management of Gratuity corpus resulting in huge payments from state grants	478.32	6(B)	12-13
5.	Award of work without calling fresh tender	56.53	7	13-14
6.	Expenditure in excess of grant (Rs. 802.86 lac +Rs. 506.87 lac)	1309.73	37 A	27-28
7.	Excess expenditure in anticipation of receipt	2497.00	37 B	28
8.	Accounts depicting negative balances	11.88	37C	29
9.	Interest loss due to less realization of interest on FDRs	3.54	37D	29
10.	Outstanding paras as on 31.08.2016 i.e. the date of completion of the present Audit Report	762 No.	Part-1 (A)	5

ANNUAL AUDIT AND INSPECTION REPORT ON THE ACCOUNTS OF Dr. Y.S. PARMAR UNIVERSITY OF HORTICULTURE AND FORESTRY NAUNI – SOLAN

Period 01.04.2014 to 31.03.2015

Part – 1

(A) Outstanding Audit Paras

The previous audit report for the period 01.04.2013 to 31.03.2014 was issued by this department vide letter No. Fin(LA) H(2) C (15)(14)99/85-Vol.21-195 dated 12th January 2016 and annotated replies thereon were to be submitted by the university departments. Barring a few departments majority of university departments are yet to take action on the audit paras pointed out in the said report as well as audit reports of previous years. This is highly objectionable and defeats the very purpose of audit and the matter is, therefore, brought to the notice of higher authorities.

There are 762 outstanding audit paras as on 31.08.2016, (i.e. the date of completion of the present Audit Report) as per the **Appendix-I** of this audit report. Some of them also involve serious cases of misappropriation of public money and other major irregularities. It has been noticed that the University authorities tend to make afford to get audit paras containing minor irregularities in order to reduce the number of paras, while the serious ones remain unaddressed. Therefore, some mechanism needs to be devised whereby settlement of all audit paras is pursued vigorously by the university departments.

(B) Outstanding Audit Requisitions

Detail of audit requisitions outstanding as on 31.08.2016 (i.e. the date of completion of the present Audit Report) containing audit observations of routine nature is appended as per **Appendix-II** of this report, which may be attended to by the concerned departments of the University.

Part - II

Present audit

1 Preliminary

The present audit of accounts of the University of Horticulture and Forestry, Nauni (Solan) for the period 01.04.2014 to 31.03.2015 was conducted by the then Deputy Controller (Audit) Sh. Baldev Raj Sharma and the audit staff posted in the audit branch. This audit report has been compiled by Sh. Amar Dutt & Sh. B. M. Puri, both Section Officers and presented by Sh. Sat Paul Singh, Deputy Controller.

The Audit Report has been prepared on the basis of information furnished and the record made available by the controlling officer 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 Audit is confined to the months selected for the detailed check in the post audit and the day to day pre-audit process carried out by the audit branch.

2 Financial Position

The financial position of the University during the year 2014-15 was as under:-

Opening Balance as on 01.04.2014: *****	21,65,39,406.78
Receipt from grant:	93,12,86,359.00
Receipt from own sources:	15,26,98,938.24
Receipt of security, earnest money, deposits etc.:-	3,28,34,612.00
Other Receipts (This includes Rs.10 Crore Loan from SBOP, GLIS receipt & Rs. 3 lac on a/c of Foundation Fund).	10,33,16,007.00
Total:	1,43,66,75,323.02
Expenditure:	1,18,83,20,762.30
Closing balance:	24,83,54,560.72

*****Note:- As per the previous year's Audit Report i.e. 2013-14 the closing balance was Rs. 21,22,79,901.78. However, this year i.e. 2014-15 the opening balance has been taken by the University in the annual accounts as Rs. 21,65,39,406.78 and thus, there is a difference of Rs. 42,59,505.00. This was/is due to non inclusion of the closing balance of Rs. 42,59,505.00 in the previous year's Annual Accounts by the University, pertaining to Self Financing Scheme Account of COH & F, Neri, Hamirpur being operated under Saving Bank A/C No. 14395 in IDBI, Hamirpur, and hence, now accordingly included in the opening balance as above.

The financial position calls for following further remarks:

2.1 Income

The perusal of financial position reveals that the institution is fully dependent on the grants. The income from own sources is almost negligible i.e. just Rs. 15.27 crore. This is also not a real income of the University as the majority of this income has been received in lieu of services extended by the university to its employees on concessional rates i.e. bus facilities, standard licence fees besides electricity bills etc. The real income can only be ascertained if university prepares its Income and Expenditure Account alongwith Receipt and Payment Account. The details of actual income have not been depicted separately in spite of specific provisions of rules and instructions issued by the government in this behalf and further suggested by Audit from time to time. University has a lot of potential to become self sufficient in view of huge land bank available with the university as per information supplied by the Estate Officer of the university vide his letter No. UHF/EO/Misc./HA/06/-649 dated 14.06.2016, but it appears that no serious efforts are being made in this direction are approximately 365 hectare of University land is uncultivated as per location wise detail given hereunder. As the University is already facing the problem of financial crunch, the authority may make efforts to utilize the more and more of unutilized land to generate income besides exploring other measures to make the institution self-sustainable.

Sr. No.	Name of the department/ KVK etc.	Area in hectares		
		Total	Cultivated	Non- Cultivated
1	Main University Campus, Nauni	545.00	279.00	266.00
2	RHFRS Bhota	25.54	5.02	20.52
3	RHR & TS, Sharbo	10.20	8.34	1.86
4	RHRSS, Tabo	3.56	1.77	1.79
5	KVK, Chamba	19.91	9.31	10.60
6	RHR & TS, Bajaura	32.61	7.40	25.21
7	KVK, Shimla at Rohru	2.66	2.19	0.47
8	RHR & TS, Jachh	28.54	8.54	20.00
9	HRRR&TS Dhaulakuaan	34.81	23.72	11.09
10	RHR & TS, Mashobra	19.51.99	18.10	1.41.99
11	THRS, Kotkhai	12.35	12.28	0.07
12	HRS/KVK, Kandaghat	11.95	6.60	5.35
	TOTAL	746.64.99	382.27.00	364.37.99

2.2 Expenditure

The total expenditure of the university during the year under report was **Rs. 1,18,83,20,762.30**

	Head wise breakup	Amount (Rs.)
1	Salary	80,28,24,414.00
2.	Payment of gratuity out of state scheme	4,78,31,835.00
3.	T.A	35,36,654.00
4.	Contingency	17,08,47,162.30

5.	Works	1,84,74,932.00
6.	Security & Deposits	6,80,53,243.00
7.	Others*	7,67,52,522.00
8.	Total:	1,18,83,20,762.30

* The other payments include various transfers viz Rs. 7,26,41,054 to the pension corpus, Rs. 4,98,520 to the Dean College of Forestry and Rs. 1,10,000 to the Estate Office, besides Rs. 35,02,948/- on account of GLIS {this amount includes the amount of Rs. 4,86,941/- which remained undisbursed as on 31.03.2014)

The following are the major observations with regard to expenditure of the University:

2.2.1 Salary

Above figures reveal that major chunk i.e. about **71.5%** of the total expenditure has been incurred on establishment i.e. salary and gratuity payment. Owing to inadequate financial resources, curtailment in expenditure on account of pay and allowances and re-structuring of organizational set up is the need of the hour. Therefore, staffing pattern requires review by the highest university authorities. At the same time the possibility of amalgamation of identical departments into single department may be explored. The continuance of two construction divisions and one architect wing was not justifiable commensurate with the execution of works involving an expenditure of just **Rs. 1.85 crores** during the year under report. Either some surplus technical staff be sent on secondment basis to some other Departments/ Boards/ Corporations or the university may make efforts to fetch some construction work from other departments in order to utilize the services of the surplus staff which will help to increase the university income in the shape of departmental charges. These suggestions are being repeatedly incorporated in the audit reports but no sincere efforts have so far been initiated on the above lines, which needs special attention of the university authorities.

2.2.2 Contingency- maintenance of large fleet of vehicles

As already pointed out in the previous reports, the university has a large fleet of vehicles which cost huge amount to the exchequer. The ratio of vehicles in this university is very large in comparison to other Universities of the state. The necessity of vehicles in public interest can very well be gauged from the fact that majority of the vehicles are running between 10 to 20 Kms. per day on an average. This sorry state of affairs is once again

brought to the notice of Board of Management and Government authorities to direct the university authorities to take concrete steps to get rid of this infructuous expenditure by bringing some vehicles under common pool.

2.2.3 Expenditure Control- Restructuring and rationalization of manpower

The main focus of the university is teaching, Research and extension. University is also concentrating on some projects to generate and improve the domestic income. The detail of the entire staff is given as under:

Sr. No.	Nomenclature of the post	Sanctioned strength	Actual strength	Vacant
1.	Statutory officers	10	09	01
2.	Teaching/Scientific/Research Staff 1.Teaching 2.Research 3.Extension	366	222	144
		Break-up was, however, not provided to audit till the finalization of this report.		
3.	Administrative Ministerial and personal staff	285	198	87
4.	Laboratory and field staff	332	161	171
5.	Library staff	27	14	13
6.	University Health Centre	06	05	01
7.	Drivers and Conductors	65	44	21
8.	Other miscellaneous staff	19	16	03
9.	Engineering / workshop staff	61	31	30
10.	Cooks / Security Gaurds	20	17	03
111.	Category 'D' staff	786	646	140
	Grand Total	1977	1363	614

During the Financial Year 2014-15, the teaching and non teaching staff were not posted as per the standard procedure fixed by the ICAR. It is evident from the detail given at the **Annexure A (I) to (V) read with summarised detail given in the following Table,** that 204 Numbers of teaching and non-teaching staff were working in different schemes/departments but the salary of these staff was being drawn from the other scheme/department of the University, which require proper justification.

Sr. No.	Description	No. of cases
1)	Teaching/Scientific staff	18
2)	Administrative/Ministerial staff	45

3)	Technical and Field staff	51
4)	Drivers and Miscellaneous staff	9
5)	Category 'D' staff.	81
	Total:-	204

Therefore, the rationalization of entire teaching and non-teaching staff as per the standards/procedure fixed by the ICAR is required to be followed meticulously.

2.2.4 Observance of economy and judicious utilization of funds

Economy instructions have not been strictly enforced as expenditure on hosting lunch and dinner etc. are being incurred regularly. Air travels and use of taxis including personal cars are being allowed frequently contrary to the instructions of the government. Purchases are persistently being made from open market instead of approved rate contract on the slightest pretext of specifications and quality thereby throwing all norms to the winds. The plea that economy instructions are not applicable to the expenditure met out of projects is not tenable as no such exemption has been granted under economy measures. As such, economy instructions should be followed in letter and spirit irrespective of the source of funds so that the project money can be judiciously utilized for necessity instead of spending on luxurious items such as costly furniture, refrigerators, floor mats, ovens and costly hot and cold weather arrangements including purchase of vehicle and air-conditioners.

As already emphasized in the previous reports following necessary steps are required to be taken immediately to revamp the financial position of the University.

- (i) Special measures to raise domestic income.
- (ii) Reduction on establishment expenditure by amalgamation of identical departments as this expenditure accounts for 71.5% (including gratuity payments) of total expenditure.
- (iii) Reduction in existing number of fleet of vehicles and stoppage of their misuse.
- (iv) Observance of economy instructions and to avoid expenditure on the purchase of luxurious items.
- (v) Adherence to competitiveness and economy in purchases and transparency in consumption and utilization.
- (vi) Ensuring proper utilization of idle machinery and curb on incurring expenditure on unfruitful items out of projects.
- (vii) **Necessity of immediate follow up action on serious outstanding audit paras:-** Non-Compliance of audit paras for the last over 15 years not only defeats the very purpose of Audit but also reflects badly on the working of the institution and those at the helm of affairs. Meanwhile, losses on account of non-recovery have been accumulating while early realization of University dues/recovery

of overpayments could help improve financial health of the institution to some extent.

3 Grants

The details of grants received by the university during the year under report are given at **Annexure-“B”** attached to this report.

4 Position of Temporary Advances Huge amount of temporary advances pending for adjustment

Non-adjustment of advances by the various departments for the last number of years is also a matter of serious concern. The total amount of advance drawn up to 31.03.2015 which still remains un-adjusted upto 30.04.2016 have touched a whopping figure of Rs. 37,88,46,922 which includes Rs. 36,64,03,487 on account of deposit works and Rs.1,24,43,435 on account of other advances as detailed in **Annexure –C (i)** attached to this report.

Similarly, an amount of Rs. 5,39,48,654/- also remains unadjusted as on 15.07.2016 out of advances drawn up to 31.03.2015 through **Internal inspection cell of the university** as reported by Comptroller, vide his office letter No.UHF/5-5/VOL.(25)/-3188 dated 15.07.2016. The list of these advances is detailed in **Annexure–C (ii)** attached to this report.

The defaulting/earring departments may be directed to expedite the adjustment of advances besides being asked to explain reasons for the unnecessary delays in the submission of account to audit. Non adjustment of pending advances is a serious lapse which needs special attention of the university management.

5 Retrenchment

During the course of pre-audit of various bills presented by the various departments of the university, it was found that the payments were rather passed irregularly or without proper examination in a number of cases by the university thereafter thorough examination of the cases / bills by audit, the excess payments to the tune of Rs. 12,24,433 was reduced. Therefore, DDOs and staff under their control are required to be instructed to present the bills to audit only after proper scrutiny. In addition to the direct retrenchments, several cases pertaining to pay fixation and leave encashment etc. were also found to be ill-examined / ill-prepared and were objected/ corrected downwards at the instance of audit resulting in saving to the university excheques.

6 Management of Pension and Gratuity Corpus Fund

The pension scheme was introduced in the university vide Notification No.Bud.FC36 k/neet/96-97-13001-50 dated 25/2/97 retrospectively w.e.f. 1/4/96. The scheme was established by creating a

corpus fund transferring therein the CPF contribution made by the university alongwith interest accrued in respect of those employees who opted for the pension scheme. Further, the left out regular employees of the University were allowed to opt for the pension scheme vide Notification No. Bud. FC/68K/pension/ 2008-3648-98 dated 18/7/08. But poor management of this corpus over the years has made it completely unviable as University is not in a position to meet pension liability from the Pension Corpus as is evident from the following Table. As a result of which a large sums on this account are being spent from state grants. Compared to Rs. 1.71 crore spent from state grants in the year 2013-14, this figure has touched a whopping Rs. 7.26 crore in the year under report i.e. 2014-15. These figures reveals the poor management of funds over the years has effected the financial position of the University adversely and this position is only going to worsen further, if no policy measures are taken to address this problem.

(A) Pension Corpus Fund: (Rs. in crores)

year	Opening balance	Receipt/income			Total	Expenditure /payment	Closing balance
		Subscription	Interest	From Govt.			
2005-06	20.83	3.27	0.19	0	24.29	3.12	21.17
2006-07	21.17	2.22	3.37	0	26.76	4.11	22.65
2007-08	22.65	2.25	1.63	0	26.53	4.75	21.78
2008-09	21.78	7.85*	1.47	0	31.10	5.41	25.69
2009-10	25.69	3.51	1.72	0	30.92	6.87	24.05
2010-11	24.05	4.02	4.33	0	32.40	7.92	24.48
2011-12	24.48	6.60	2.41	0	33.49	13.52	19.97
2012-13	19.97	1.95	1.73	0	23.65	13.45	10.20
2013-14	10.20	7.08	0.67	1.71	19.66	15.83	3.83
2014-15	3.83	6.86	0.06	7.26	18.01	17.85	0.16

(*Note:-The receipts of subscription for the year 2008-09 for Rs. 7.85 crores includes Rs.4.93 crores on account of transfer from CPF corpus fund, the actual subscription for this year was Rs. 2.92 crores only.)

(B) Gratuity corpus

University had created the Gratuity Corpus vide Notification No.UHF/Compt/Pen/5-5/1993/-13702-4 dated 31.3.2005 and contributions @ 1/4th of the Basic Pay (now Pay + Grade Pay) were being charged to the concerned scheme from where the salaries of employees are being drawn twice in a year i.e. once in the month of September and then in the month of February each year and these amounts were transferred to this corpus. But this too has been stopped from the year 2013-14 onwards and the corpus as such has become inoperative which needs to be justified. Otherwise also the funds being generated for the above corpus were grossly inadequate vis-a vis liability on this account. As a result, the payments in excess of Rs. 300

lacs per year have been made from state schemes in the years 2010-11 to 2013-14 while in the year i.e. 2014-15 the payments of Rs. 478 lacs have been made from the state schemes. This, thus reveals that with each passing year things are going out control and urgent measures are required to be taken to bring things under control so that there is minimum burden on the state schemes on this account.

(Rs. in Lacs)

Year	Opening Balance	Receipt sub.	Interest	Total	Exp./ payment	Closing balance	Payments from State Schemes
2005-06	0.71	14.13	0.11	14.95	0.71	14.24	77.75
2006-07	14.24	0.19	0.41	14.84	-----	14.84	110.09
2007-08	14.84	0.60	0.54	15.98	-----	15.98	146.53
2008-09	15.98	0.08	0.80	16.86	-----	16.86	96.20
2009-10	16.86	0.47	1.76	19.09	-----	19.09	21.16
2010-11	19.09	0.26	0.39	19.74	-----	19.74	352.23
2011-12	19.74	0.10	2.31	22.15	-----	22.15	302.23
2012-13	22.15	0.23	3.94	26.32	-----	26.32	342.05
2013-14	26.32	0.00	1.31	27.63	-----	27.63	322.47
2014-15	27.63	0.00	2.70	30.33	-----	30.33	478.32

IRREGULARITIES DETECTED IN PRE AUDIT DURING THE YEAR 2014-15

7

Award of work of Construction of Girls Hostel–V Sub Head-Additional Accommodation for ST Girls Student in Second Floor and Attic of above Hostel (Technically Sanctioned for Rs. 56,53,000) without calling fresh tender/ comparative rates.

While checking the 1st Running Bill for Rs. 15,44,968 related to the above work it was noticed that the said work was awarded to Shri Arun Kumar, Contractor on the same rates, terms and condition as stipulated in the original work, which was awarded in his favour vide letter No. UHF/Const.1/2013-14/4344-51 dated 05.02.2014 for Rs. 1,18,36,472. Thus no fresh tenders were floated for above work.

On being objected by audit, it was stated that work in question was awarded after the approval of University Infrastructure Management Committee due to urgency of work and in the overall interest of university to save time and money. But no supporting provision of rules / the delegation of financial powers under which the said committee was empowered to award the work without calling of fresh tenders were shown to audit. Audit is, therefore, of the view that the routine procedure of calling fresh tenders has been bypassed in this case and as such chances of undue favour to the contractor and consequent loss to the university cannot be ruled out. It is, therefore, suggested that above irregularity may be got regularized from authority who is vested with the powers to do so under the rules

(AR-52-dated 17/03/2015)

8 Distribution of plants worth Rs. 6,09,240/- without furnishing the detail of recipient farmers

Vide Contingent Bill No. 377 dated 31/03/2015, the Department of Silviculture and Agro Forestry purchased different types of fruit plants for Rs. 6,09,240/- under the scheme FCR-002-20 (TSP Grant) for distribution among farmers in the tribal areas of the state but the detailed list of farmers among whom the plants have been distributed was not shown to the audit. In the absence of the distribution list, it cannot be ensured that the bonafide recipients have received the plants and, hence, the same may be procured and shown to Audit.

(AR-77 dated 31/03/2015)

9 Purchase of non-proprietary items worth Rs. 3,97,489/- by various University departments without calling competitive rates

Non-proprietary items like Computers, UPS and Printers, Batteries and Power Tiller as per detail given hereunder valuing in total Rs 3,97,489/- were purchased by the following university departments on single quotation basis in violation of provision contained in Para 28.1 of the University Accounts Manual which permit purchases in this manner only in case of proprietary items:

Sr. No.	Name of the Department	Items purchased	Purchased from	Amount (Rs.)	Pointed out by Audit Requisition No. & date
1.	IBES, Neri	Computer, UPS & Printer	Microcom Computers, Gandhi Chowk, Hamirpur	144169/-	AR-13 dt.27/08/14
2.	Dean, College of Forestry, Nauni	Batteries	Base Corporation Ltd. Nagali, Oachghat	65520/-	AR-66 dt.31/03/15
3.	Dean College of Horticulture & Forestry, Neri	Printer	M/S Geego Byte, The Mall, Solan	24000/-	AR-74 dt.31/03/15
4.	Programme Coordinator, KVK, Kandaghat	Power Tiller	M/s Awasthi Enterprises Tehsil Joginder Nagar, District Mandi	1,63,800/-	AR-76 dt.31/03/15
			Total	3,97,489/-	

Thus, the advantage of competitive rates has not been availed of by the procuring departments of the university referred to above and the loss occurred to the university in this behalf cannot be ruled out. Hence, the reasons to ignore the

laid down provisions mentioned in the University Accounts Manual in this regard needs to be justified and explained with the support of rules.

10

Grant of Incremental benefits to Section Officers under FR 22 (1)

(a) (i) on promotion to the post of Assistant Registrar while the pay bands of both the posts were identical

Consequent upon the grant of revised grade pay/ pay band of Rs.15600-39100+5400(GP) to the Section Officer and Assistant Registrar w.e.f. 01/10/2012 under the H.P.Civil Services (Category/ post wise revised pay) Rules, 2012, the Pay Bands & Grade Pays of these categories have become identical. Therefore, the date from which the Pay Bands & Grade Pays of these posts has become identical i.e. 1/10/2012, the benefit of F.R-22(1)(a)(i) at the time of pay fixation shall not be extended to the Section Officers on their promotion to the post of Assistant Registrar, but contrary to the rules, the university allowed the benefit of FR-22(1)(a)(i) at the time of pay fixation to the Section Officers on their promotion to the post of Assistant Registrar. Therefore, audit desired that the matter may be got clarified from the Government though the audit has admitted the submitted pay fixation cases provisionally. Now, the clarification from the Government in the above matter has been received by the university and the point of view of audit has prevailed and a sum of Rs. 2,44,229 has become recoverable from the officers mentioned in the following Table. Out of this sum the recoveries to the tune of Rs. 73,227 have been effected from Sr. No. 1 to 3 from officers and so far put up to audit. Rest of the similar provisionally admitted cases may also be reviewed and recovery due be effected under intimation to audit.

Sr. No	Name of Assistant Registrar	Total Amount Recoverable	Amount Recovered	Bill No. /Date	Remarks/ recovered from
		Rs.	Rs.		
1	Sh. S. S. Rana	6431	6431	24 of 05/16	Arrear of leave encashment
2	Sh. Khazana Ram	63184	53965 9219	104 of 06/16 392 of 07/16	Gratuity Leave encashment
3	Sh. K S Chauhan	45487	3612	-----	Partly recovered against due arrears of DA
4	Sh. I. D. Sharma	15065	0	-----	Yet to be recovered
5	Sh. Amar Singh	65	0	-----	
6	Sh. Rakesh Vats	20768	0	-----	
7	Sh. S C Jaryal	53682	0	-----	
8	Mrs. Savita Thakur	39547	0	-----	
	Total	2,44,229	73,227		

(AR-09 dated 18/07/2014)

11 Purchase of items on quotations / rate contract basis whereas the same were available on DGSD rate contract at lesser price, resulting in overpayment of Rs. 1,40,521

It was observed that the following items were purchased by the different university departments on quotation / university's own rate contract basis ignoring the availability of the same on rate contract of Director General Supplies and Disposal (DGSD) in which their items were available at much cheaper rates. The comparison drawn in the following Table shows that an avoidable loss of Rs.1,40,521/- occurred to the university exchequer which could have been avoided had the procuring departments exercised an effective vigilance before the purchases were made.

Sr. No	Name of the Deptt.	Items Purchased	Purchased from	Qty	Rate	DGSD Rate	Overpayment	AR No. & date
					(Rs.)	(Rs.)	(Rs.)	
1	Deptt of MPP	Godrej Stool	M/s. Indu Furniture, Solan	30	1143.56	341.25	24069/-	AR- 49 dated 7/03/15
2	Dean, COH&F, Neri	Storewell (Almirahs)	M/s. Indu Furniture, Solan	12	14423/-	5500/-	107080/-	AR -53 dated 20/03/15
3	SWO	Heat Pillars 1500 watt	M/s Mathura Electronics , Solan	12	3000/-	2219/-	9372/-	AR- 57 25/03/15
						Total	140521/-	

In this regard, it is suggested that in future before the finalization of any own rate contract with the prospective rate contract firms, it may be ensured that the rate of the similar item does not exceed the rate mentioned in the rate contract of the firms/ companies entered into the rate contract with the Director General Supplies and Disposal (DGSD).

12 Diversion of funds to the tune of Rs. 25, 84, 000/- from ICA-070-36 (Tribal Sub Plan (TSP) for purchase of DG sets installed in the university main campus instead of at Trainees Hostels at Kalpa and RHRSS Tabo

Six number of DG sets Kirloskar make were purchased by the university through Estate Office for Rs. 31,93,051.78 (Agreement No. 19 of 2014-15 refers), the sanction of which was accorded by the Hon'ble Vice-Chancellor, and conveyed by Comptroller vide letter No. Bud.ICA-70-36 /15228-30 dated

31/03/2014. The expenditure on this account was proposed to be met to the extent of Rs. 9,48,000/- from ICA-009-32 (Stg. of library) and Rs. 25,84,000/- from ICA-070-36 (TSP) and these DG sets were to be installed at Trainees Hostel at Kalpa, RHRSS Tabo, and three other places at university campus. But contrary to the conditions of TSP all the DG sets were in fact installed at various locations in the university campus only and none of these were installed in the above stated stations of the university in the Tribal area. This, thus, amounts to diversion of funds to the extent of Rs. 25, 84, 000/- and this expenditure needs to be regularised as per rules.

It is further pointed out that there existed no specific provision for this expenditure under either of the schemes and the approval of the funding agency is therefore required in this regard.

(AR-48 dated 7/03/2015)

13 Irregular expenditure of Rs. 14,05,000 for maintenance of University Guest House out of grant meant for “Renovation of Lab Block in College of Horticulture at Main Campus Nauni ”

Vide ICAR Education Division letter No. Edu. 3(15)/2013-EPD, dated 4/10/2013, the University received a grant of Rs. 121.64 lacs, out of which Rs. 51.05 lacs were allocated for the renovation of various Students Hostels and Rs. 70.59 lacs for renovation of 9 Lab Blocks of College of Horticulture. On scrutiny, it was found that a sum of Rs. 14,05,000/-{as per technical sanction accorded therefor} was proposed to be incurred for the maintenance of University Guest House. On being objected at the time of presentation of 1st Running Bill for Rs. 8,18,586/-, it was replied that the expenditure was incurred after obtaining the requisite approval of the Hon'ble Vice Chancellor in this regard. Audit is of the view that this is clear cut case of diversion of grant for purpose other than for which it was sanctioned and the expenditure is, therefore, irregular and needs to be regularised as per rules.

(AR-21-dated 30/09/2014)

14 Awarding of contracts of outsourcing to previous year's contractors/ firms with increased rates without inviting fresh tenders/ quotations

Contract for outsourcing of Sweeping Work of the University for the year 2014-15 was awarded to the previous year's contractor, M/s. Eagle Services, Lower Kaithu, Shimla-09 on an increase of 8% over the last year rates without floating the fresh tenders/quotations. Similarly, the contract for Outsourcing of Unskilled Labour was also extended for the year 2014-15 in favour of M/s. Shimla Cleanways, Shimla with 1% increase in service charges from the last year's 1.41% to 2.41% while the minimum wages of labour were also raised from Rs.150/ to 170/- per day on the analogy of H.P.Govt, without calling fresh tenders / quotation.

Audit is of the view that in the absence of such clause or the term & condition for such enhancement provided in the previous agreement, no new/ fresh

agreement can be entered into on such terms & conditions and the work cannot be awarded to the previous contractor without calling the fresh tenders/ quotations. Therefore, the floating of fresh tender was invariably required in the instant case.

Therefore, the action of the university may be justified and the lapse in the matter be got regularised with the approval/sanction of the competent authority vested with the power under the delegation of administrative/financial powers under intimation to audit.

(AR-6 Dated 6/6/2014 & AR-15 dated 8/09/2014)

15 Contractual engagement of Ms. Bindu Kanwar to the post of Computer Operator/Data Logger on the basis of “One Year Certificate Programme in Computer Application” from Lok Mitra Kendra

The vacancy to fill up the post of Computer Operator / Data Logger under the project “Diversification and Development of Mountain Agriculture - A Case Study of H.P. (HGI-172-18)” in the Department of Social Science was published in the advertisement No. 08/2013 dated 14/01/2013. The essential computer related qualification for the post was prescribed to be PGDCA /One Year Diploma In Computer Application from Govt. Recognised organisation / institute.

In response, Ms. Bindu Kanwar having the “One year Certificate Programme in Computer Application” from Bharat Computer Centre run by Lok Mitra Kendra, Nauni was appointed against the post vide appointment letter No.UHF/DR/XI-10/Rectt./10-9100-05 dated 24/12/2013.

In this regards, Audit is of the view that the Certificate Course based on which the above appointment was made cannot be treated as equivalent of the above stated prescribed qualification and had, therefore, sought the matter to be clarified from the competent authority. The case was, however, admitted in audit for vetting subject to the above clarification which was not shown to audit until the writing of this report. The matter may be pursued at the earliest and audit be apprised of accordingly.

(AR-03 dated 24/04/2014/ AR-62B dated 25/03/2014-2013-14)

16 Attempt to process payment of Rs. 6,257/- on Photocopy of Original Invoice already passed for payment by recording false certification regarding misplacement of original bill and its previous non-payments

The office of HRS, Dhaulakuan put up a contingent voucher No. 345 of 02/2014 amounting to Rs. 6257/- for pre-audit containing the duplicate photocopy of bill No. 3495 dated 01/02/2014 {and this duplicate bill was subsequently marked as 3495-A on re-presenting } of M/s. Shimla Cleanways on account of outsourced labour charges. Since it was a duplicate photocopy of the original bill so audit raised an observation dated 24/02/2014 asking for the original bill but instead the same bill was presented to audit after recording certificate on the bill under the signature of the DDO that the payment of the presented duplicate

bill was not made earlier and further would not be presented for payment in future if the original bill is found / traced later on.

On scrutiny, it was ascertained that the payment on this account was already pre-audited and passed for payment in audit when it was presented under contingent bills No. 341 & 342 dated 24/02/2014 and thus, it is clear that the concerned DDO recorded the above certificate on the bill without verifying the facts.

Since it is a clear-cut case of misrepresentation of facts with the intention to draw university funds in an unscrupulous manner, therefore, the matter was referred to the Comptroller for an appropriate action but it seems that no action in the matter has been initiated till date by the quarter concerned. However, the Audit refused to admit the payment on the ground mentioned in the para.

(AR-4 dated 29/04/2014)

17 Non-imposition of penalty/compensation under Clause 2 of agreement for delayed execution of work

The construction work of Field Lab-cum-Chowkidar Hut, Sadhora at RHRS, Mashobra (SH: Building Portion) was awarded to Shri Yoginder Mohan Sharma, Contractor vide award letter No.UHF/Const./1/2012-13/-924-28, dated 12/06/2012 for Rs.16,03,366/-, the 'Administrative Approval' for which was accorded by the Hon'ble Vice Chancellor for Rs. 20,00,000/ as conveyed by the Comptroller vide letter No.Bud.5-111/2011-11501-02, dated 06/02/2012. The work was 'Technically Sanctioned' for Rs. 17,14,000/- by the Estate Officer. The total value of work done on completion was Rs. 15, 73,442/- and the contractor was allowed 6 months to complete the above work i.e. up to 26/12/2012.

The said work was, however, completed on 31/08/2013, i.e. after a delay of over 8 months and was, therefore, a fit case for imposition of penalty/compensation under Clause 2 of agreement but still no penalty was imposed by the university. On being objected by audit, it was stated that the above work could not be completed in time due to non-completion of water supply and sanitary installation, electrical installation and removal of defects. But the perusal of contents of letter No.UHF/Const./Agr.No.32 of 2012-13-1609-11, dated 01/08/2013 states that the work done by contractor itself was of poor quality, and, thus, calls for penal action. Hence, non- imposition of penalty as provided in the agreement in the instant case needs proper justification with cogent reasons.

(AR-2 dated 23/04/2014)

18 Award of work of “Construction of Boundary Wall at RH&FRS, Bhota, Neri” without ascertaining the clear cut title of ownership of land

While checking 1st Running Bill related to the above work (the tendered amount of which was Rs. 43,69,689/- as per the Agreement No. 32 of 2013-14), it was observed that, an extra time of 67 days was granted to Shri Amreesh Kumar, Contractor for the execution/ completion of above work. The reasons of extension of time were stated to be the dispute with the private landowners in the neighborhood of the university property. Audit is of the view that clear cut title of the land should have been ascertained beforehand but it appears that no such exercise was undertaken. Therefore, the compelling reasons to award the work without clear title of the land needs to be clarified.

AR-7 dated 2/7/2014

19 Wrong drawl of Rs. 1,60,380/- on account of Sweeping Charges from Revolving Fund HPL-038-39 (Publication unit)

It was observed that a sum of Rs. 1,60,380/- was drawn w.e.f. 5/2014 to 01/2015 from the Revolving Fund HPL-038-39 (Publication Unit) on account of Outsourcing of Sweeping Work of Communication Building and Farmers Hostel, the sanction of which was accorded by the Hon'ble Vice- Chancellor and conveyed by the Deputy Comptroller (Budget) vide letter No. UHF/Bud./2-90/-Vol.-V/2008/-1136, dated 15/05/2014. This expenditure does not appear to be a fit charge on the above revolving fund and instead could have been met from the revolving fund pertaining to the Maintenance of Farmers Hostel. Therefore, proper justification of the expenditure out of above fund may be given or the matching replenishment/ transfer may be done under intimation to audit.

(AR 43 dated 20/02/2015)

20 Payment of remuneration to officers and staff entrusted the routine task of preparation, finalisation and compilation of Budget estimates

As per sanction of Hon'ble Vice Chancellor as conveyed by Comptroller vide letter No.UHF/Bud./1-55/89/-5692-97, dated 20.10.2014, a sum of Rs. 12,700/- was paid as remuneration to the officers and staff entrusted the task of preparation, finalisation and compilation of Budget estimates for the year 2014-15 which also included payment of Rs. 1100/- each to the Comptroller and Assistant Registrar.

On being objected by audit, it was conveyed that the above token amounts/ payment is being made w.e.f. 01.04.1988 on the basis of the approval accorded by the Board of Management in its 34th meeting held on 23.09.1988 vide item No. 8 (16) to accomplish this time bound assignment. Audit of the view that payment on this account for a routine job does not appear to be justified

particularly in higher ranks i.e. above the rank of Section Officer. Hence , it is advised that the decision of the Board of Management now needs to be reviewed in the present circumstances keeping in view the poor financial health of the university.

(AR-29 dated 24/12/14 & AR-38 dated 9/2/15)

21 Approval of Funding Agency for incurring expenditure over and above the allocated funds by Dean, College of Horticulture and Forestry, Neri, Hamirpur

The Dean, College of Horticulture and Forestry, Neri purchased Fisher Range Temperature and Humidity Data Logger for Rs. 1,82,000/- vide contingent bill no. 519 dated 31/03/2015 against an allocation of Rs. 1,59,677/- for this purpose under the scheme HGI-165-62. Hence, over and above expenditure of Rs. 22,323/- (1,82,000-1,59,677) of the allocated funds is irregular and needs to be regularised by obtaining the specific approval of funding agency in this regard.

AR-75 dated 31/03/2015

22 Replacement of furniture without following the prescribed procedures as per University Accounts Manual

Director, Extension Education purchased 4 No.s of Godrej Chairs from M/s. Indu Furniture, Solan for Rs. 27,186/- on rate contract basis. But before effecting the said purchase, chairs already in use were not got declared unserviceable from the Departmental Committee as per provisions contained in Para 28.39 of Chapter 28 of University Accounts Manual. Instead, the certificate of irreparability was taken from the dealer itself which was neither ethically & proper nor financially justified. The compliance as per rules may be ensured at the earliest under intimation to audit.

(AR-40 dated 16/02/2015)

23 Non-Production of participation certificate in respect of attending National Symposium

The payments to the tune of Rs. 5,500/- on account of registration fee vide references quoted below in respect of two university scientists to attend National Symposium w.e.f. 21-23 April, 2015 was admitted in audit subject to the condition that the Participation Certificates issued by the convener of the symposium shall be shown to audit on conclusion of the Symposium but no compliance has been made in this regard as yet. In the absence of such certificate, it cannot be construed that they have participated in the symposium. It is, therefore, advised to take the necessary action in the matter under intimation to audit.

Sr. No	Bill No. and Date	Name of the Department	Name of the Scientist Concerned	Amount of Registration Fees (Rs.)
1	801of 3/15	Entomology	Dr. Devender Gupta, Principal Scientist	3000/-
2	225 of 3/15	Environment Science	Dr. Meena Thakur, Assistant Professor	2500/-

(AR-64 dated 31/03/2015 & AR-69 dated 31/03/2015)

24

The deposit work advances to the tune of Rs. 1,81,04,000/-/- as per detail given hereunder were admitted by audit subject to production of Technical Sanctions but the compliance in this regard is yet to be reported to audit which may be ensured at the earliest.

Name of the Department	Bill No	Dated	Amount (Rs.)	Audit Requisition No. Dated	
Professor &Head Fruit Science	282	19/03/2015	3,66,000/-	56	24/03/2015
Professor &Head STPC	169	01/2015	30,00,000/-	59	30/03/2015
Dean COH	346	03/2015	3,68,000/-	60	30/03/2015
SNS Library	279	03/2015	3,00,000/-	62	31/03/2015
Professor &Head Vegetable	389	31/03/2015	15,00,000/-	67	31/03/2015
Professor &Head STPC	242	31/03/2015	18,00,000/-	70	31/03/2015
Professor &Head Floriculture	363	31/03/2015	10,00,000/-	72	31/03/2015
	364	31/03/2015	3,00,000/-		
Dean COH	373	31/03/2015	9,95,000/-	71	31/03/2015
	374	31/03/2015	3,00,000/-		
	375	31/03/2015	9,95,000/-		
	376	31/03/2015	9,97,000/-		
	377	31/03/2015	3,00,000/-		
	378	31/03/2015	6,00,000/-		
	379	31/03/2015	10,00,000/-		
	380	31/03/2015	3,00,000/-		
	381	31/03/2015	9,95,000/-		
	382	31/03/2015	9,98,000/-		
Dean, COF	381	31/03/2015	19,90,000/-	73	31.03.2015
		Total	1,81,04,000/-		

25

As per Comptroller's Notification No. Bud/FC/68th meeting/2008-3699-749 dated 18/07/2008 press tenders are required be invited for all purchases exceeding Rs.1,00,000/-. But it has been noticed that these instructions are not being adhered to by university departments. For instance Director, Extension Education purchased PS plates for Rs. 1,54,871/- vide contingent bill No.151 of 8/14 without inviting press tenders. As press tenders is a costly affair, it is advised that university may reconsider the above monetary ceiling so that the advantage of competition intended to be achieved through this method of purchase does not get nullified in view of the cost involved in calling press tenders.

(AR-17 dated 15/09/2014 & AR-33 dated 24/01/2015)

26

Payments of HRA to Ms. Sheetal Bansal, Deputy District Attorney who was appointed as Law Officer of the university on secondment basis at District Headquarter rate of

Rs.1000/-p.m could have been avoided being the secondment staff. She could have been paid HRA @ Rs. 600/- p.m. admissible for block level resulting in saving to the university.

(AR-30 dated 03/01/2015 & 37 dated 09/02/15)

- 27** The maximum ceiling of Gratuity was revised by the university from Rs. 3,50,000 to 10,00,000/- w.e.f. 01.01.2006 vide office order No. UHF.GAD/ CWP/-10049/2013(2014)-10115-59 dated 06/08/2014 without the prior approval of Finance Committee and Board of Management which was required to be shown to audit in due course. Audit has admitted all the enhanced payments on this account expecting an early compliance but the same is still awaited.

(AR-14 dated 29/08/2014)

PARAS RELATED TO POST AUDITS CONDUCTED DURING THE YEAR 2014-15

- 28 Under recovery of Rs. 7,97,000/- on account of electricity charges from students residing in university hostels**

Against the demand/target of Rs. 41,00,000/- (for two years i.e. Rs. 20,00,000 for 2012-13 and Rs. 21,00,000/-for 2013-14) which was required to be collected from students residing in university hostels on account of Electricity Charges the actual realisation was only Rs. 33,03,000/- (i.e. 15,55,000 for 2012-13 and 17,48,000/- for 2013-14). Thus, there was under recovery of Rs. 7,97,000/- against the demand. The audit was not apprised of any reasons for this shortfall, which needs to be apprised.

(SWO: AR-55 dated-23/03/2015)

- 29 Non- realisation of sum of Rs. 1,40,000/- from Association of Indian Universities Delhi**

Student Welfare Office incurred an expenditure of Rs. 1,40,000/-for organizing various matches/activities as per detail given hereunder in anticipation of grant from Association of Indian Universities, Delhi.

Sr. No	Bill No	Date	Amount	Name of championship/activity
1.	-----	11-12-2007	25,000	Organising north Zone Intervarsity Kabbadi
2.	-----	24-12-2007	25,000	-----Do-----
3.	198	14-12-2013	25,000	Organising north Zone Kabbadi(W)

4.	202	23-11-2014	25,000	Organising All India Kabbadi Championship
5.	219	16-12-2013	40,000	Org. North Zone intervarsity Volleyball(M)
	Total		1,40,000	

But, these amounts are still pending for recoupment/reimbursement from the said organisation for the last several years for which no serious effort seems to have been made by the concerned department. This attitude of the department concerned reveals that they are least bothered in realizing the university's legitimate dues from the Association of Indian Universities Delhi. It is, therefore, stressed upon that immediate efforts be made to recover these long due outstanding amounts from the quarter concerned and compliance reported to audit.

(SWO: AR-55 dated-23/03/2015)

30 Non – transfer of stock/ store of terminated projects worth Rs. 1,04,648/- to the Centre Stock of University Departments

During the post audit of the under mentioned university departments, it was found that articles valuing Rs. **1,04,738/-** as per project wise / department wise detail given hereunder were in Stock/ Store on the date of termination of the projects as the same were not transferred to the Central Store of the concerned department which may be done now under intimation to Audit.

Sr. No.	Name of Department	Scheme Code of Project	Amount of articles (Rs.)	Audit Requisition No./ Date
1.	Floriculture	HMM-054-08	60423.33	35 dated 05-02-2015
2.	----do---	HMM051-08	38390.00	----do-----
3.	Entomology	HMM-058-07	1098.00	26 dated 30-11-2014
4.	----do---	NRT-00107	4827.00	----do-----
Total			104648.33	

Similar action is expected in respect of articles as were in stock in other terminated projects of the above named departments as per project-cum-article-wise detail given in the above mentioned requisitions.

31 Wasteful Expenditure of Rs. 65,000 on Printing of Booklets by Department of Entomology

During post audit, it was found that a sum of Rs. 65,000 was incurred to print 1000 booklets titled “**Maun Palan, Rozgar, Gramin Vikas Evam Fasal Utpadkata Barhane Hetu Uchit Vikalp**” from M/s. Green Valley Printers, M.C. Complex, Solan vide Bill No. 5327 dated 06/12/2012. As per record, not even a single copy of the said booklet was issued or sold till the conclusion of audit which resulted into unnecessary blockage of funds without any reason. It shows that these booklets were not required in the department. Therefore, the cogent reasons may be intimated to audit as to why these booklets were got printed when these were not required at all. Otherwise, the responsibility of the concerned may be fixed for this wasteful expenditure.

(AR-26 dated 30/11/2014-Para-11)

32 Purchase of articles worth Rs. 54,885/- from student fund which are not a fit charge on the said fund

Air Conditioner worth Rs. 33,500/- was purchased vide Bill No. 48 of 6/2013 for the office of Registrar while a sum of Rs. 21,385 was spent vide Bill No. 347 dated 31/03/2014 to purchase tyres & tubes for bus No. HP-14-3510 of the Directorate of Extension Education. Since, these expenses are to be meted by the respective departments out of the budget allocated to them by the university, hence, the expenditure in question is not directly related to the welfare of the students. Therefore, it is not a fit charge on Student Fund and as such incurring of such expenditure from the Fund also needs to be justified with cogent reasons and the matching amount needs to be transferred to the Student Fund by seeking the reimbursement from the quarters concerned.

(SWO: AR-55 dated-23/03/2015)

33 Purchase of chemicals worth Rs. 35,843/- which remain unused for period ranging from 3 years to 5 years

During the post audit of under mentioned university departments, it was found that chemicals valuing Rs. 35,843/- remained unutilized for periods ranging from three to five years:-

Sr. No.	Name of Department	Value of Chemicals	Not used for	Audit Requisition No./Date
1.	Floriculture	17910.00	3 to 5 years	35dated 05-02-2015
2.	Entomology	17933.00	-----do-----	26 dated 30-11-2014
	Total	35843.00		

The reasons to purchase the chemicals much in advance when these are not required to be used immediately needs to be explained, because the non-use of the chemicals for so long reveals that the expenditure was incurred much in advance of the actual requirement. It seems that these have gone as wasteful expenditure now in view of the fact that the chemicals have limited useful life. As such the blockage/ wastage of funds needs to be justified otherwise recovery may be effected from the officials at fault if the chemicals in question are of no use keeping in view its expiry date etc.

34 **Doubtful payment amounting to Rs. 21458/- on account of repair of vehicle HP-64-4835**

During the post audit of the Department of Floriculture & Landscaping it was found that the expenditure to the tune of Rs. 21458/- was incurred on repair of jeep No. HP-64-4835 by the department as per detail given below. But while checking the log book of the said vehicle, it has been noticed that there was no movement of vehicle to the service station / workshop on the date of repair as mentioned in the bill issued by the firm. According to the nature of repairs these could not be carried out without taking vehicle to service station. This matter may be investigated into and audit be apprised of the results / factual position with supporting record.

Sr. No.	Date of Repair	Particulars	Amount (Rs.)
1.	17/9/13	M/s snow view automobile	6468-00
2.	19/10/12	-do- Bill No.3800285 dated 11.10.12	4422-00
3.	21/2/14	-do- 1411000246	10568-00
Total			21458-00

(AR - 35 dated 05/02/2015)

35 **Overpayment of Rs. 22,228.91 by various university departments on account of Medical Reimbursement**

During post audit, it was found that a sum of Rs. 22,228.91 was paid in excess on account of medical re-imbursement to various university employees posted in the under mentioned university departments. The reasons of the excess payment has been explained in the audit requisitions given hereunder.

Sr. No.	Name of Departments	Amount paid in excess	Audit Requisition No./Date
1.	Vegetable Crops	5523.92	16 dated 10-09-2014
2.	Entomology and Apiculture	3606.99	26 dated 30-11-2014
3.	Floriculture and Land Scaping	11,285.00	35 dated 05-02-2015
4.	Student Welfare Office	435.00	55 dated 23-03-2015
5.	Mycology and Plant pathology	1378.00	65 dated 31-03-2015
	Total	22,228.91	

Since the Resident Audit Scheme is not empowered to pre-audit the medical re-imburement bills below Rs. 10,000, therefore, these claims were passed by Internal Inspection Cell of the university. The excess payment detected by Resident Audit Scheme reveals the poor quality of scrutiny on the part of the Internal Inspection Cell of the university as far as the above bills are concerned

Therefore, steps may be taken to effect the recovery from the officers/ officials concerned and compliance be shown to audit. Simultaneously, the Internal Inspection Cell of the University may also be asked to remain vigilant in this regard.

36 Non realisation of service tax of Rs. 12360/- by the department of Vegetable Crops

During the post audit of the Department of Vegetable Crops, it was found that a sum of Rs. 12,360/- was short realised on 19/09/13 from M/s. BOSEBEL Construction Pvt. Ltd, 808, 8th Floor Vijay Building Barakhambha Road, New Delhi -110001 on account of Service Tax which was due @ 12.36% on the testing fees of Rs. 1,00,000 for testing of FLORA-S on tomato. The reasons of non-realisation of the above statutory tax may be intimated. Simultaneously, the recovery be effected and deposited in the appropriate Head of account under intimation to audit.

(AR -16 dated 10/09/2014-Para-2)

AUDIT FINDINGS AND COMMENTS ON ANNUAL ACCOUNTS OF THE UNIVERSITY FOR THE YEAR 2014-15

37 BUDGET

(A) Excess Expenditure amounting to Rs. 802.86 lacs under major head “Horticulture (Plan)” and Rs. 506.87 lacs under SCSP

As per information / records made available to audit, the following is the sector-wise position with regard to approved budget, Grant-in-aid received and actual expenditure incurred there against by the university during the year 2014-15:

Sr. No.	Major Head/Sector	Approved Budget estimates {Rs. -in lacs}	Actual expenditure {Rs.- in lacs}	GIA received {Rs.- in lacs}
(A)	Horticulture			
(a)	Plan	6658.44	5910.86	5108.00
(b)	Non-Plan	0.01	0.00	0.01

(c)	TSP	179.00	160.70	432.00
	Total (A)	6837.45	6071.56	5540.01
(B)	Forestry			
	Plan	0.00	0.00	0.00
	Non-Plan	0.00	0.00	0.00
	TSP	24.64	26.65	35.00
	Total (B)	24.64	26.65	35.00
	SCSP	1958.20	1716.87	1210.00
	Total(C)	1958.20	1716.87	1210.00
	Grand Total (A+B+C)	8820.29	7815.08	6785.01

A perusal of the above data reveals that a sum of **Rs. 5108.00 lacs** and **Rs. 1210.00 lacs** were received by the University as Grant-in-aid under the heads Horticulture (Plan) and under **SCSP** but the expenditure incurred there against amounts to Rs. 5910.86 lacs and Rs. 1716.87 lacs were incurred which are in excess by **Rs. 802.86 lacs & Rs. 506.87 lacs** respectively. The excess expenditure over and above the grants-in-aid received may be justified.

(B) Excess expenditure of Rs. 24.97 Crore in anticipation of receipt

Annual Accounts revealed that the Closing Balances in case of the following heads/projects are on the **Negative side (minus balances)** which amount in aggregate to Rs. 24,96,83,760.25. This indicates that expenditure has been incurred by the university more than the actual funds /grants received from the funding agencies concerned. It is also added that some of these amounts are pending for recoupment since long and it seems that no serious efforts have been made by university administration in this direction which needs to be explained/justified. Simultaneously, immediate steps are required to be taken to recoup these amounts from the funding agencies concerned.

Sr. No.	Name of Sector-Sub Sector	Closing balances as on 31-03-15
1	ICAR Coordinated Projects	(-)5234527.79
2	ICAR Coordinated project KVKs	(-)20418662.60
3	ICAR Coordinated project Mini Mission	(-)2507084.65
4	Govt of India, Construction of Gymnasium	(-)991811.15
5	ICFRE Central Assistance	(-)23022.70
6	ICIMOD	(-)790441.42
7	Amount due from HPKV	(-)132476.24
8	Miscellaneous receipt	(-)127258833.70
9	Foundation Fund	(-)92326900.00
	Total	(-) 249683760.25

- (C) While checking the Bank Reconciliation Statements of the university bank accounts, it has been noticed that the Closing Balances as per Bank Ledger of the University in respect of the following bank accounts were on the **Negative side** meaning thereby that the cheques in excess of actual balances in the said accounts have been issued. This indicates that the Bank Ledgers are not being updated on transaction basis and needs to be looked into seriously by the university authorities as this may lead to serious legal complications for the university in case of bouncing of cheques.

Sr. No.	Name of Bank	Account Number	Balances as on 31.03.15 (Rs.)
1	UCO Bank, UHF, Nauni	03960	(-)11,84,160.99
2	Indian Bank, Mashobra	53532	(-) 4,302.45

- (D) **Loss of Interest to Rs. 354212/-/-due to less credit on the maturity of FDRs**

Various Departments/ Research Stations of the University have made investments in the term deposit scheme i.e. in FDRs in the State Bank of Patiala/ UCO Bank, Nauni situated in the Campus of the University and in other banks at the outstations of the University. During checking of the FDR accounts, it has been observed that the University has to bear a loss of Rs. **354212/-** due to non payment of interest on quarterly compounding basis by the banks or due to non-credit of amount of maturity proceeds of FDRs on their actual date of maturity (for detail may refer to **Annexure “D”** annexed with this report). The matter may be taken up with the concerned bank and amount less credited may be made good to the university exchequer under intimation to audit.

- (E) **Deduction of Rs. 2,04,122.45 on account of miscellaneous charges by the Banks**

- (i) **Rs. 2,02,522.45 charges outstanding for reversal in r/o bank accounts being maintained by the Comptroller office**

While checking the following bank accounts maintained by the Comptroller office of the University, it has been found that a sum of Rs. 27,043.55 as per detail given hereunder have been deducted by Banks on account of various charges from the bank accounts during the year 2014-15 which has taken the overall figure pending / outstanding on this account to Rs. 2,02,522.45 after taking into account reversal of Rs. 2650 allowed by bank in r/o Bank Account at Sr. No.4 of the following Table. Huge outstanding amount on this account indicate lack of initiation of serious efforts by university in this regard. It is, therefore, reiterated that strenuous efforts be made to get these charges reversed from concerned banks since university has been keeping huge funds with banks on regular basis and

imposition of such charges by them is not proper in any manner keeping in view the good relations with the concerned banks.

Sr. No.	Name of the Bank	Bank A/C No.	Balance of wrong debits as on 01/04/14 (Rs.)	Debits reversed during the year	Amount debited during the year 2014-15 by banks		Balance of these debits as on 31/03/2015
					Date of debit	Amount (Rs.)	(Rs.)
1	SBOP, Nauni	33472	438.00	-----	-----	-----	438.00
2	Uco Bank, Nauni	03960	739.75*	-----	26/08/14 03/09/14 11/12/14	29.00 6.00 29.00	
						64.00	803.75
3	Uco Bank, Nauni	01676	3745.45	-	17/04/14 23/04/14 28/04/14 10/05/14 15/05/14 27/05/14 02/07/14 12/07/14 30/07/14 26/08/14 23/09/14 23/09/14 23/09/14 16/10/14 17/10/14 17/10/14 30/10/14 14/11/14 28/11/14	6.00 6.00 6.00 6.00 6.00 29.00 6.00 29.00 6.00 6.00 6.00 29.00 6.00 6.00 106.80 13.20 29.00 6.00 6.00	
						312.00	4059.45

4	SBOP, Nauni	50725	147372.00	2650	06/05/14	400.00	
					08/05/14	100.00	
					20/05/14	150.00	
					26/05/14	150.00	
					26/05/14	150.00	
					26/05/14	8.00	
					29/05/14	150.00	
					29/05/14	150.00	
					02/06/14	150.00	
					04/06/14	150.00	
					10/06/14	200.00	
					13/06/14	150.00	
					29/10/14	200.00	
					07/11/14	400.00	
					11/12/14	400.00	
					30/01/15	112.00	
					12/03/15	50.00	
					18/03/15	200.00	
					27/03/15	150.00	
					27/03/15	28.00	
						3448.00	148170
5	SBI, Solan	13041	301.00	-	-	-	301.00
6	SBOP, Nauni	50599	2992.00		13/08/14	200.00	
						200.00	3192.00
7	SBOP, Nagrota Bagwan	06251	423.00	-			423.00
8	UCO Bank, Rohru	10628	1661.00		20/05/14	106.00	
					31/07/14	53.40	
					31/07/14	6.60	
					19/03/15	87.00	
						253.00	1914.00
9	SBI, Tabo	98132	125.00		29/05/14	25.00	

						25.00	150.00
10	SBOP Bhota, (HamirPur)	75680	1237.00		21/07/14	20.00	
						20.00	1257.00
11	SBOP, Kandaghat	42923	849.00		29/10/14	100.00	
						100.00	949.00
12	SBOP, Nauni	50941	4229.00		15/05/14	200.00	
					23/07/14	37.00	
					30/09/14	199.00	
					05/11/14	200.00	
					04/02/15	200.00	
					10/02/15	18140.00	
					10/02/15	675.00	
					10/02/15	600.00	
					10/02/15	31.00	
					10/02/15	50.00	
						20332.00	24561
13	SBOP, Jachh	58891	1078.00		23/09/14	50.00	
						50.00	1128.00
14	SBI, Kotkhai	20881	335.00		14/10/14	1359.00	
						1359.00	1659.00
15	SBI, Dhaulakuan	69501	450.00				450.00
16	SBI, Bajaura	25036	200.00		30/06/14	5.00	
					20/12/14	200.00	
					06/01/15	50.00	
					21/03/15	50.00	
						305.00	505.00
17	SBOP, chamba	46227	656.00				656
18	PNB, Kinnaur	05268	5033.70	-	16/07/14	16.85	
					28/10/14	16.85	
					19/01/15	16.85	

						50.55	5084.25
19	SBOP, Nauni	43425	100.00				100.00
20	PNB Reckong peo/Sharbo	88211	3800.00	-	-		3800.00
21	SBOP, Nauni	50849	188.00				188.00
22	SBOP, Nauni	73126	225.00				225.00
23	UBI, Solan	77220	379.00		13/11/14 02/03/15	52.00 51.00	
						103.00	482.00
24	Indian Bank, Mashobra	53532	1110.00		18/07/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 25/08/14 21/10/14	30.00 10.00 30.00 10.00 30.00 10.00 30.00 10.00 30.00 10.00 30.00 10.00 30.00 10.00 30.00 10.00 30.00 150.00	
						420.00	1530.00
25	SBOP (Neri), Hamirpur	48967	462.00	-	-		462.00
	Grand Total		1,78,128.90	2650		27,043.55	2,02,522.45

Notes:

1. The amount of wrong credit of Rs. 64,322 was inadvertently indicated as wrong debit in the Audit Report of 2013-14 against SB A/c No. 03960 in Uco Bank, Nauni (Sr. No. 2 above) while actual amount of wrong debit was only Rs. 739.75.
2. The wrong debits in r/o accounts indicated at Sr. No. 19 to 25 existed in previous year 2013-14 but were inadvertently omitted to be reported by audit.

(ii) Deduction on account of Bank Charges etc. amounting in total to Rs. 1600/- from the Revolving Fund Accounts of the university

A sum of Rs. 1600/- as per detail given hereunder has been deducted by Banks on account of various charges from the bank accounts maintained by university for various revolving funds. These charges may also be got reversed from banks for reasons already indicated in the above Para.

Sr. No.	Name of the Department / Outstation	Date of deduction	Amount (Rs.)	Detail of deductions
1	RHRS, Sharbo A/C No. 2904000100121901	28/10/14 9/01/15	16.85 16.85	SMS Charges
2	Food Science & Technology, A/C No. 9690110023938	13/8/14 10/11/14 11/2/15	7.08 5.76 5.76	SMS. Charges
3	MPP (Spawn) A/C No. 09690100004106	8/7/14	6.00	Txn Charges
4	RHRS, Mashbora A/C No. 042501000008589	23/04/14 2/2/15 20/3/15	59.00 33.00 28.00	RTGS. Charges
5	HRS, Kandaghat, A/C No. 03910100007934	29/4/14 29/4/14 12/5/14	6.00 6.00 26.00	TXN Charges --do-- Clearing Charges
6	KVK, Kandaghat A/C No. 03910100009083	29/4/14 3/5/14 12/7/14	29.00 6.00 56.00	TXN Charges --do-- Clearing Charges
7	KVK, Chamba A/C No. 11505740394	7/4/14 31/7/14	225.00 56.00	Clearing Charges
8	RHRS, Bajaura A/C No. 65232278005	8/5/14 12/5/14 30/6/14 25/2/15 4/3/15 4/3/15	60.00 70.00 100.00 56.00 56.00 5.00 200.00 100.00 100.00	Transfer Charges --do-- --do-- --do-- --do-- --do-- MCC Charges --do-- --do--
9	LMRS, Nagrota Bagwan A/C No. 55101444762	2/6/14	100.00	MCC Charges

10	KVK, Rohru A/C No. 03580100012868	29/4/14 24/7/14 6/9/14 19/1/15	06.00 6.00 56.00 97.00	TXN Charges
		Total	1600.30	

(F) HBA Fund

- (i) The financial position of HBA Fund as on 31.03.2015 indicates assets of **Rs. 1,46,35,752** as per detail given hereunder but these have not been included in the University Fund despite being insisted by audit time and again that it is a major asset of the university and, therefore, should not be so left out. Resultantly, the university annual accounts do not reflect true picture of university assets/ finances.

<u>Particulars</u>	<u>Amount (Rs.)</u>
Amount recoverable from employees on account of loans advanced to them as on 31.03.2015	18364561
Balance in Saving Bank A/C No. 55002750861 as on 31.03.2015	171191
Balance in FDRs made from investment of surplus amounts of the HBA Fund as on 31.03.2015	1100000
Total assets of the HBA Fund	19635752
Less: Amount payable/ transferrable to CPF being loan from the said fund	5000000
Net assets of the HBA Fund	14635752

- (ii) Similarly earnings of **Rs. 1694607** on account of interest by the university from investments & advances from the HBA Fund detailed as under are required to be accounted for under proper heads in the Annual Accounts of the university to reflect true picture of income position of the university but the same is not being adhered to despite being pointed out time and again by audit.

Sr. No.	Earnings from HBA Fund on account of	Amount (Rs.)
1	Interest received from employees on account of loans advanced to them	1573103
2	Interest on Saving Bank Balances of SB a/c No. 55002750861 maintained in this regard	25664
3	Interest earned on FDRs made from investment of surplus amounts of the HBA Fund	95840
	Total earnings from the HBA Fund	1694607

- (iii) As per recordings at **Page-23 of HBA Register Vol- III** a sum of Rs. 8,750/- on account of HBA Interest was pending for recovery from Late Shri Padam Singh, Carpenter at the time of his death on 22.12.2013. As per record shown to audit this amount has not been recovered from his terminal dues/ benefits paid to his legal heirs. Therefore, the recoverable amount may be made good from the quarter concerned.

(G) General Provident Fund Account

(i) Unauthorised withholding of monthly GPF subscription collected by way of deduction from salaries for periods ranging upto 10 months

While checking GPF Account maintained by university alongwith related Bank Accounts i.e. SB A/c No. 1319 in UCO Bank, Nauni & SB A/c No. 65035627937 in SBOP, Nauni, it has been observed that GPF subscription collected by way of deduction from the salaries of the university employees are being deposited in the GPF Bank Accounts sometimes **after a period of 2 to 10 months which is against the set expressed rule made by the government besides breach of trust of university employees to whom this money belongs.** This practice is going for the past several years and no action has been taken despite being objected to by audit. It is, therefore, once again stressed upon that the present practice be discontinued immediately in order to save the huge loss on account of interest income to the GP Fund as a result of which GP Fund does not reflect its true picture.

Some instances of late deposits during the year 2014-15 are as under:

Sr. No.	Month of Collection of subscription by way of deduction from salaries	Amount of Subscription (Rs.)	Month in which the amount was actually credited (Rs.)
1.	4/2014	11192925	01/2015
2.	5/2014	11279325	12/2014
3.	6/2014	11165099	02/2015
4.	7/2014	11094099	02/2015
5.	8/2014	11072349	02/2015
6.	9/2014	11210665	02/2015
7.	10/2014	12758979	02/2015
8.	11/2014	11444474	02/2015
9.	12/2014	10791458	02/2015
10.	01/2015	10623558	02/2015

(ii) Overstatement of assets of General Provident Fund by Rs. 1,43,95,277 and poor viability of the fund in the long run in view of investments in FDRs at interest rates ranging between 8% to 9.5% vis-a-vis pay out @ 8.7%

- a) As per Assets & Liability Statement of General Provident Fund Account depicting the position as on 31.03.2015, which was presented to audit and reproduced hereunder, a sum of Rs. 5,86,94,385.51 was indicated as excess of assets over liabilities instead of Rs. 4,42,99,108.51. The said figure was, thus, found to be inflated by **Rs. 1,43,95,277** since Interest Accrued on FDRs had been wrongly worked out on the higher side by the above amount. This has been got corrected as under but adequate care be taken in this regard in future.

Assets and Liabilities statement of GPF account as on 31.03.2015

LIABILITIES			ASSETS		
	As presented to audit	The corrected figures		As presented to audit	The corrected figures
PARTICULARS	AMOUNT (Rs.)	AMOUNT (Rs.)	PARTICULARS	AMOUNT (Rs.)	AMOUNT (Rs.)
Subscription (alongwith interest)	695543356.00	695543356.00	Fixed Deposits	665993666.00	665993666.00
Excess Assets	58694385.51	44299108.51	Interest accrued on FDRs	0	
			a)SBOP Nauni	41347160.00	33654892.00
			b)UCO Bank Nauni	43153243.00	36449774.00
			c)JCC Bank Nauni	1098791.00	1099251.00
			Closing Balance of saving accounts as on 31.03.2015	2644881.51	2644881.51
Grand Total	754237741.51	739842464.51	Grand Total	754237741.51	739842464.51

b) Viability of the GP Fund in view of poor investment strategy

As per GPF Assets Statement Rs. 66 crore of the fund have been invested in FDRs with various banks. On scrutiny of the FDRs statements, it was found that majority of these FDRs have been made at normal rate of interest at the time of investments, ranging between 8% to 9.5% . **It seems that no efforts have been made to obtain corporate rates which are on much higher side and are offered by the nationalised banks to procure bulk deposits.** As a result of this and in view of the declining trend in normal rates of interest being offered by banks i.e. around 8.7% the interest due to be paid to employees on their GPF deposits, then this fund is most likely to become financially unviable very shortly unless the surplus funds are wisely invested after taking into account the anticipated annual outflows due to retirement and otherwise.

(H) Contributory Provident Fund Account

(i) Regarding regularisation of transfer of Rs. 50 Lacs made from CPF Account to HBA Account

As per Assets & Liability Statement of Contributory Provident Fund Account depicting the position as on 31.03.2015, which is reproduced hereunder, this fund has assets of Rs.1,53,13,803.46 against the liability of Rs.1,29,53,587.00 and thus, have the net assets of Rs.23,60,216.46. This amount, however, does not include interest accrued over the years on Rs. 50 lacs has also been transferred from this fund to HBA Fund as seed money despite being pointed out by audit.

Assets and Liabilities statement of CPF account as on 31.03.2015

LIABILITIES		ASSETS	
PARTICULARS	AMOUNT (Rs.)	PARTICULARS	AMOUNT(Rs.)
Subscription:		Fixed Deposits:	
Subscription	7307675.00	FDRs with Bank	8166000.00
University contribution	5645912.00	Amount with HBA	5000000.00
Excess Assets	2360216.46	Interest accrued on FDRs	1766338.00
		Closing balance SB A/C	381465.46
Grand Total	15313803.46	Grand Total	15313803.46

(ii) Poor financial management of Contributory Provident Fund

It has been found that huge amounts ranging from Rs. 20 to 25 Lacs have been kept in Saving Bank of CPF i.e. A/c No. 55002750623 in SBOP Bank, Nauni during the year particularly between 04/2014 to 08/2014, which has resulted in loss of interest income to this fund. This may strictly be avoided and efforts be made to invest surplus funds in short term FDRs.

(I) Pension Corpus Fund

(i) Poor financial health of Fund

The financial position of Pension Corpus Fund of the university for the last few years has been as under:

(Rupees In Crores)							
Year	Opening balance	Pension contribution	Interest income	Amount from Govt.GIA	Total Amount	Payment of Pensions	Closing Balance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2010-11	24.05	4.02	4.33	-	32.40	7.92	24.48

2011-12	24.48	6.60	2.41	-	33.49	13.52	19.97
2012-13	19.97	1.95	1.73	-	23.65	13.45	10.20
2013-14	10.20	7.08	0.67	1.71	19.66	15.83	3.83
2014-15	3.83	6.86	0.06	7.26	18.01	17.85	0.16

A cursory look at the above Table reveals that poor management coupled with increase in number of retirees over the years has made this fund absolutely unviable to the extent that university is not in position to release full retirement / terminal benefits to the employees retiring from university services for the last few years which is against the position of rules and in almost all the cases grants received from the Govt. are being used to meet the liability on this account, further for instance lump sum payment on account of Commutation of Pension has been refused since November, 2014. This may invite serious legal complications for the university and therefore, it is advised that the strategy for management of this fund be revisited and fund be replenished to meet the liabilities on this account.

(ii) Transfers from Comptroller's Main Account to Pension Corpus Fund undershown by Rs. 10 Lacs.

On checking Pension corpus Fund Account of the university, it was noticed that transfers of Rs. 7,26,41,054 from Comptroller's Main Account to this fund was recorded as Rs. 7,16,41,054, thus, undershowning the same by Rs. 10 Lacs. The same was corrected at the instance of audit, therefore, extra vigilance on this account may be exercised, in future.

(J) Construction Division

Under showing of closing balance of bank column of cash book by Rs. 1,71,00,000/- by excluding amount of Deposit Work Advances received from various departments on 31.03.2015

During security of annual accounts of Construction Division of the University, it was noticed that the following amounts deposited by various departments of university with the Construction Division as on 31.03.2015 were not included in closing balance of Cash Book and instead were indicated as **"Deposited In Bank Credit Yet To Be Given"** separately which is not proper.

Sr. No	Name of the department	Name of work	Amount of Advance	Vr. No/Bill No.
1	Professor & Head Seed Science Technology	Threshing Shed	30,00,000/-	3916/50
2	---do---	Thershing &Drying shed at Khaltoo	18,00,000/-	3916/51

3	Dean COH	Different work	74,80,000/-	3916/52
4	DDo-FLS	Hi - Tech Polyhouses	13,00,000/-	3916/53
5	Proff. & Head, Vegetable	--do--	15,00,000/-	3916/54
6	DDO, Const, Division	Iron Gate at Guest House	30,000/-	3916/55
7	DDO-COF	Upgradation of 2No. PG Labs	19,90,000/-	3916/56
		Total amount	1,71,00,000	

The closing balance of Cash Book may, therefore, be corrected and this aspect of non- credit by the bank may be recorded in the Bank Reconciliation Statement as per prescribed accounting procedure and practices.

(K) Revolving Funds Accounts

(i) Poor maintenance of accounts by office of Directorate of Extension Education

During checking of revolving funds accounts of Directorate of Extension Education established for the purpose of 'Maintenance of Trainees Hostel and Farmers Hostel', and another for 'Publication Unit and Sales Centre', it was found that no reference of source of receipt and detail of receipt is being quoted/recorded in the said Revolving Funds Accounts as a result of which it could not be verified whether income received belonging to the said funds only have been indicated therein. This practice needs to be stopped forthwith besides concrete steps be taken to improve the maintenance of record.

(ii) Poor Financial Management of keeping huge Funds in Saving Bank Accounts

While checking Revolving Funds Accounts, it was noticed that huge amounts are being retained in Saving Bank Accounts instead of investing the surplus sums in the shape of FDR's/ as is evident from some of the instances quoted in the following table:

Name of Department Research Station/ R/F Account No.	During the month	Average minimum amount kept in Saving Bank account (Rs.)
RHRS Bajaura A/C 33662239189	8/14	415718
	9/14	654447
	10/14	703665
	11/14	778256
	12/14	861984
	1/15	857695
	2/15	498712
	3/15	352728
RHRS Bajaura A/C 11038754817	4/14	1242261
	5/14	747258

	6/14	900191
	7/14	464703
	8/14	458853
	1/15	702467
	2/15	456608
	3/15	358187
---do---A/c 4454000100012373	8/14	223638
	9/14	227638
	10/14	255584
	11/14	256834
	12/14	256834
	1/15	258923
LMRS Nagrota Bagwan A/c 55101444762	7/14	205234
	8/14	282474
	9/14	300000
	10/14	336554
	11/14	348400
	12/14	317323

As a result the opportunity of earning extra income for university by way of interest is being squandered. **It is, therefore, advised that monthly ceiling of amount to be retained in Saving Bank accounts or some other mechanism after taking into account the fund flow data of the past few years be devised so that there is optimum use of university funds.**

(iii) Irregular debit of Rs. 9,508/- by bank to Saving bank account No. 11293421319 maintained by THFRS Kotkhai

While checking the Revolving Fund Accounts it was noticed that Rs. 9508/- { i.e. Rs. 4754/- on 14/11/14 and Rs. 4754/- on 16/12/14 } have been deducted by the bank as “*Ineligible Account Charges*” which were not got reversed / credited from the bank till the close of year 31/03/15. The matter regarding reversal of this amount may be initiated with the bank and audit may be apprised accordingly.

(iv) Revolving accounts No. 55002750963 of Directorate of Extension Education (Farmers Hostel): Less realisation of Rs 499/- as interest on the maturity of FDR

FDR NO. 128837 dated 1/11/14 amounting to Rs.101995/- with maturity date of 28/2/15 (after 119 days) @ 8% was on maturity realised for Rs 104156/- instead of for the due amount of Rs 1,04,655/- i.e. Rs. 499/- less, which needs to be made good the fund.

(v) Accounts No. 11500110007365 of Director IBSE Neri- late deposit of receipt of income in the saving bank accounts

While checking the account, it has been observed that the receipts of income are kept in hand by the dealing hand /cashier instead of immediately

depositing in the saving bank account, which shows an unhealthy practice against the relevant rules regarding handling of official cash which needs to be corrected as per prescribed procedure and strict adherence of same be ensured in future. Details of some of such instance are as below:-

Sr. No.	Date of receipt with cashier/dealing hand	Amount of Receipt	Date of deposit in SB account	Receipt on account
1	22/7/14	7200/-	Rs. 33,144/- On 28/7/14	On account of sale of horticulture plants
2	23/7/14	720/-		
3	23/7/14	4225/-		
4	24/7/14	7434/-		
5	25/7/14	4565/-		
6	26/7/14	9000/-		
7	9/7/14	415/-	Rs.16,900/- On 17/7/14	On account of sale of forestry Plants
8	10/7/14	340/-		
9	15/7/14	10090/-		
10	16/7/14	3940/-		
11	17/7/14	2115/-		
12	6/5/14	1680/-	Rs. 9,615/- On 5/6/14	On account of sale of different Plants
13	9/5/14	1140/-		
14	16/5/14	1130/-		
15	22/5/14	3555/-		
16	28/5/14	400/-		
17	2/6/14	170/-		
18	4/6/14	1540/-		

(vi) Non Operation of Revolving Fund Accounts

Revolving fund accounts No. 55104358813 opened on 9/8/2000 with the sanctioned amount of Rs. 21,150/- in SBOP, Jachh for “Strengthening Production Potential of Bees” is lying in-operative since 6/2009. Therefore, the continuation of this fund either be justified or it may be closed now.

(vii) Revolving Fund account No. 29040001000121901 of RHRS Sharbo:- Less realisation of Rs 4245/- as interest income on maturity of FDR

On the maturity of FDR No. 725789 amounting to Rs. 5,00,000/-, a sum of Rs.4,245/- was realised less on account of interest thereon as per details as below:-

<u>Amount of Investment</u>	<u>Date of Investment</u>	<u>Date of Maturity</u>	<u>Period of Investment</u>	<u>Rate of Interest</u>	<u>Interest given on maturity</u>	<u>Interest to be given</u>	<u>Interest less given</u>
500000/-	13/14	14/4/14	91days	7%	6479/-	8726/-	2247/-
506479/-	14/4/14	14/7/14	91days	7%	6841/-	8839/-	1998/-
513320/-	14/7/14	14/10/14	91days	7%	8958/-	8958/-	-
Total							4245/-

Matter regarding less credit of interest on the above FDR may be taken up with the bank and same may be made good to the fund under intimation to audit.

Conclusion:

The observations as pointed out above require immediate attention of the authorities. Further, non-adjustment of advances for the last many years needs urgent attention while outstanding audit paras containing serious irregularities also require immediate remedial measures for their settlement.

Sd/-
Deputy Controller (Audit)
Dr. Y. S. Parmar University of
Horticulture and Forestry, Nauni- Solan.

Sd/-
Director,
Local Audit Department,
Himachal Pradesh Shimla-9.