

**Annual Audit And Inspection Report on the Accounts of  
Himachal Pradesh University, Shimla-171005.**

**Period 01-04-2007 to 31-03-2008**

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## 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 ¼Act No. 17 of 1970½.
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 27.07.70 to 31.03.2007.
3. Part-II of the report deals with the financial position, Grants-in-Aid received from H.P. Govt and Govt of India and findings of pre and post audit of university accounts for the financial year 2007-08.
4. The latest position of all outstanding audit paras from 1970-71 to 2006-07 is given in Annexure-I-A of this report.

### **Executive Summary/Financial Management :-**

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

<b>Sr.No.</b>	<b>Designation</b>	<b>Name</b>	<b>Period</b>
1	Vice-Chancellor	(i) Dr. Anil Wilson	01-04-07 to 31-03-08
2	Registrar	(i) Dr V.D.Sharma	01-04-07 to 29-12-07
		(ii) Sh.A.N.Gupta	(A.N)
		(iii) Sh.R.S.Gupta	29-12-07 (A.N) to 21-01-08
			22-01-08 to 31-03-08
3	Finance Officer	(i) Sh. Manmohan Singh	01-04-07 to 31-03-08

During the period under report, the accounts of the University were maintained under the supervision and control of a Finance Officer who also performs the duties of Drawing & Disbursing Officer. The final accounts for the period 2007-08 were prepared on receipt and payment basis on tally solutions software by entrusting the outsourcing of the compilation work. Manual preparation of Cash Book and other supporting record was discontinued. The

source of funds of the University is domestic receipts and grants from the Government and other agencies and application of funds or expenditure out of total receipts were managed accordingly. The expenditure out of University exchequer was regulated under the provision of rules governed in the State Govt. and Statute 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 to irregular expenditure. Some instances of irregularities are exhibited as under :-

**(I) Non inclusion of various funds in the annual accounts of the University for the period from 4/2007 to 3/2008.**

While checking annual account for the period 2007-08, it was noticed that funds relating to pensionary benefits for the University employees were being audited along-with University main account, NRI funds and other funds regularly but the schedule of these funds incorporating opening balance, receipt, expenditure and closing balance was not being added in the annual accounts which does not exhibit the clear financial position of the affairs of H.P. University and omission of which clearly shown that highest authority of the H.P. University i.e. University Court, Executive Council and Government was not aware of the actual financial position of University accounts due to above facts viz a viz. This is violation of section 29 of the University statute which does not permit the omission of these funds on year to year basis. However, financial position of these funds which has been omitted from the annual accounts depicting position as on 31-03-08 is given as under :-

<b>Name of funds</b>	<b>Opening Balance</b>	<b>Receipt</b>	<b>Total</b>	<b>Expenditure</b>	<b>Closing Balance</b>
Pension Fund	22,12,44,204/-	9,17,11,343/-	31,29,55,547/-	7,48,89,262/-	23,80,66,285/-
Gratuity Fund	4,42,72,075/-	2,42,93,825/-	6,85,65,900/-	2,34,87,650/-	4,50,78,250/-

GPF	43,26,36,097/-	10,94,46,614/-	54,20,82,711/-	9,17,52,366/-	45,03,30,345/-
CPF	3,34,78,100/-	48,37,126/-	3,83,15,226/-	25,81,438/-	3,57,33,788/-
CPS	-	10,84,590/-	10,84,590/-	-	10,84,590/-
Fund					
Corpus	-	3,27,66,085	3,27,66,085/-	-	3,27,66,085/-
Fund					
<b>Total</b>	<b>73,16,30,476</b>	<b>26,41,39,583</b>	<b>99,57,70,059</b>	<b>19,27,10,716</b>	<b>80,30,59,343</b>
	/-	/-	/-	/-	/-

## **(II) Differences in figures of receipt and expenditure (Revenue Account-main).**

(i) As detailed below, figures of part-1 of the indirect expenditure as worked out of subsidiary record/monthly accounts did not match with those figures shown in the annual account. As per the monthly account, the total expenditure under part-1 has been shown to `53,40,25,872/- whereas in the annual account it has been shown as `53,56,45,770/- i.e. difference of `16,19,898/- is in excess. The variations of figures taken in the annual account were not reconciled before finalizing the annual accounts :

<b>Particulars</b>	<b>As per statement of accounts</b>	<b>As per annual accounts</b>	<b>Difference</b>
Fixed Assets	17,28,844/-	31,70,762/-	(+) 14,41,918/-
Decretal/Refunds amount-I	2,15,64,914/-	2,14,68,962/-	(-) 95,952/-
General Expenditure Administration	2,43,82,825/-	2,46,56,757/-	(+) 2,73,932/-
<b>Total</b>	<b>4,76,76,583/-</b>	<b>4,92,96,481/-</b>	<b>(+) 16,19,898/-</b>

(ii) Figures of part-II of the indirect expenditure also did not match from the subsidiary record to the annual account. As per Subsidiary record/monthly accounts the expenditure figures has been shown to ` 3,01,28,214/- whereas, as per the annual account it is taken to ` 2,86,86,296/- i.e. ` 14,41,918/- less which was also not reconciled before finalizing the annual account. Similarly figures of the abstract of receipts was not reconciled with the annual account figures as per detail given below :

<b>Particulars</b>	<b>Receipt as per abstract of annual account</b>	<b>Amount as per statement of receipt</b>	<b>Amount of receipt taken in final abstract</b>
Domestic receipt DR- Part-I	27,88,26,243/-	27,88,26,978/-	-
Domestic receipt DR- Part-IV	1,30,60,891/-	9,25,55,339/-	-
Grant-in-Aid	39,67,91,658/-	39,67,91,658/-	-
<b>Total</b>	<b>68,86,78,792/-</b>	<b>76,81,73,975/-</b>	<b>69,14,89,658/-</b>

**(iii) Difference in figures of ICDEOL-Revenue Account.**

As per the statement of Income and Expenditure for the year 2007-08 submitted by ICDEOL to audit for checking the total expenditure is shown amounting to ` 5,17,35,129/- whereas it has been shown to ` 5,16,15,109/- in the annual accounts, resulting short difference of ` 1,20,020/- as such figure in revenue account does not appears to be reconciled before finalizing the annual account.

Similarly as per statement of income and expenditure, the total income/receipt was shown to the tune of ` 5,14,91,932/- whereas in the annual account it was shown as ` 5,20,56,272/- i.e. difference of ` 5,64,340/- in excess moreover while checking the records of the ICDEOL it was observed that the income comes to ` 5,19,58,322/- as such it appears that variations were also not reconciled before finalization of annual account.

**iv½ Non accountal of interest on FDR's amounting to `8,19,745/- (ICDEOL)**

On the basis of record put to audit an amount of `4,24,80,823/- was shown as interest income for the year 2007-08 whereas it should have been `4,33,00,568/- as per entry of FDR register, due to the fact that difference of interest receipt on the maturity of following FDR's amounting to `8,19,745/- was not accounted for the account of ICDEOL as well as in the annual account as per detail given below :

<b>Sr.No.</b>	<b>Name of Bank</b>	<b>FDR.No.</b>	<b>Date of Maturity</b>	<b>Interest received as per FDR Register</b>
1	OBC	935724	20-02-07	1,83,274/-
2	OBC	935922	22-12-07	3,85,650/-
3	PNB Totu	-	30-06-07	37,394/-
4	PNB Chaily	371652	28-02-07	35,247/-
5	PNB Totu	023680	28-02-07	1,67,601/-
6	PNB Totu	866150	09-04-07	10,579/-
<b>Total</b>				<b>8,19,745/-</b>

**(v) Construction of study center at Noida Phase I & II through the national building Construction Corporation New Delhi.**

During the course of Audit, it has been Observed that study centre was constructed at Noida, Phase I & II out of student fund of the ICDEOL. Further checking of the record revealed that the construction of study center through National Building Construction Corporation was approved vide Executive Council Resolution No. 19, dated 10-06-2005 at the cost of `4.06 cores ¼approx½ Phase I & `4,41,39,500/- ¼approx½ Phase-II. The Checking of the annual accounts revealed that there is no expenditure shown towards payment made to the NBCC,

New Delhi against the above work during the year 2007-08. However the bank account No. 30057265492 operated by Executive Engineer Construction Division shown balance as on 31-03-2008 to `4,10,45,833/- in the annual account whereas there was a balance of `1,05,393/- as per bank pass book of the above account. Therefore variation of `4,09,40,440/- would change the closing balance as well as expenditure figure in the annual account which is very serious lapse. Beside this the authority under the statute and ordinance to incur expenditure out to student fund of ICDEOL for the purpose other than specified there in was required to be justified. The initial estimated cost as well as completion cost of the project as per terms and conditions specified by the Executive Council is also required to be pointed out along with its completion certificate.

**(VI) Irregular transfer of `2.00 Crore from ICDEOL Student Fund.**

While checking the receipt and payment of ICDEOL it was noticed that The Director ICDEOL vide letter No. 2-5/05/HPU/ICDEOL/Account, dated 07-03-2007 addressed to the Branch Manager State Bank Of India, Summer Hill with a copy endorsement to the Finance Officer of the University directed to transfer a sum of `2 .00 Crore from ICDEOL Student fund (Bank Account) to University main Account No. 10091435340 after encashing the Pre mature payments of FDR's. Checking of the record further revealed that the Finance Officer vide Letter No. 2-21/2006-HPU/Budget-454, dated 01-03-2007 addressed to The Director ICDEOL requested to transfer a sum of `2.00 Crore from student fund to the university main account with copy to special private secretary of the Vice-Chancellor. In order to meet out the deficit for defraying the expenses of salary and other committed liabilities up to 31-03-2007 because the State Govt has shown its inability to provide an additionality amounting to `2.29 Crore vide lettet No. Edu-A-KA(4)-7/98, dated 18-09-2006. Accordingly the then Vice-Chancellor passed the order on 06-03-2007 on the Letter itself and as well as on the noting with the remarks "as discussed this will be on a return-able basis".

As per University Ordinance Chapter-XLII-42.2 the student fund cannot be utilized for the purpose other than as specified therein and as such transfer of

money out of this fund to the university main account is irregular in the absence of specific provision. There is also not any provision to transfer the fund to the university main account even on loan basis meaning there by this irregularity is clear cut violation of University Ordinance/Statute/Rules etc. The record further illustrate that this amount has been transferred without pre audit in violation of Govt. Notification No. Fin(LA)H(2)©(15)XIV-106/87 Vol-IV, dated 31-07-2004, which is a very serious lapse and require justification, moreover had the FDR not en-cashed on prematurity, the student fund have earned interest minimum to 8.5% which comes to `68,14,167/- for four years and one month as the amount has not been recouped as yet as per conditional sanction of the Vice-Chancellor.

Therefore the matter is brought to the notice of highest authority of the University for Compliance along with comments and justification.

**(VII) Suspected loss due to investment out of accumulated Fund in CPS and Corpus Fund in the Mutual Fund with State Bank of India.**

While checking the CPS and Corpus Fund Accounts for the year 2007-08 it was observed that in March, 2008 a sum of `3,31,66,927/- ¼ `3,22,64,953/- from Corpus Fund and `9,01,974/- from CPS Fund) was invested on 03-03-2008 in State Bank of India, Mutual Fund Scheme called SBI Tax Advantage Fund-Series-I (Growth) for ten years. The above investment was made after prematurely en-cashing the existing FDR's amounting to `41,82,000/-, `2,27,01,000/-, `40,500/- & `50,00,000/- (FDR NOS. 372529, 372581, 372635 & 637724 respectively) of Corpus Fund and `70,000/-, `1,21,000/- & `4,54,000/- (FDR Nos. 525986, 372628 & 372634 respectively) of CPS Fund.

The receipt of above premature FDR's along-with interest accrued and received thereon till 03-03-2008 was reinvested in the Mutual Fund as Stated above. It is not understood why the totally secured FDR's were en-cashed prematurely and proceeds thereof were reinvested in riskier Mutual Funds, the return of interest on which is not guaranteed.



It was also observed that the net asset value (NAV) of the above mutual fund scheme as on 22-02-2010 was `11.32 meaning thereby the Mutual Fund earned `1.32 per unit of `10 for the period of two years since investment i.e. a return of roughly 6.6% per year. Had this substantial sum been stayed invested in the FDR's in the Bank it would have earned a return of minimum @ 8% in the shape of interest. Thus, due to above the University had incurred a loss of `9,28,700/- (approximately) till 22-02-2010 and total loss for 10 years would come to `46,43,500/- (approximately) to these fund. Hence, the decision to move the investment from totally secured investment to riskier investment and ultimately which incurred loss to the university exchequer was not understood. The circumstances and its rationale under which the investment was made in violation of rules of financial propriety may be made clear along-with the copy of decision, which was not made available.

**(VIII) Personal promotion Scheme of Field Asstt. (Field Man) of Cost of Cultivation Scheme-Settlement of Pay, Pension and other retrial benefits.**

Cost of cultivation scheme was implemented in the H.P. University in the year 1973 with the guide lines laid by the Directorate of Economics and Statistics, Department of Agricultural and Cooperation, Ministry of Agriculture, Govt. of India and entire expenditure of the Scheme is met by way of Grant-in-Aid by the Ministry after receipt of GUC (Grant Utilization Certificate) issued duly certified by the Audit (LAD) yearly.

Audit vide requisition No. 13, dated 20-05-1998 objected to the implementation of personal promotion scheme to the Field Asstt., Field Supervisor and computer etc. working in Cost of Cultivation Scheme, H.P. University, Shimla-5 due to non approval of the scheme by the Ministry as per terms and conditions of the scheme, but the salary bills of all category were admitted in audit on the basis of under taking by the individual as well as on the basis of assurance given by the Hon. Director AERC/CCS in the office of Registrar/Vice-Chancellor and get the above mentioned pay scale rectified from the Govt. of India. But in respect of

the Field Asstt. (Field Man) as per latest position, Govt. of India cleared the personal promotion scheme conditionally, if such scheme is admissible to the other university employee in H.P. University. But in university the assured career progression scheme were in existence. Further the Ministry has categorically vide letter No. 2-5-2002-C.S-ES, dated 14-07-2005 directed to prepare Recruitment and promotion rules of all the posts and submit it to them for approval. No action have been taken to frame and finalize the recruitment and promotion rules where as in Horticulture University Nauni, and Agriculture University Palampur have already framed the R&P Rules of such categories.

The pay fixation in the revised scales wef. 01-01-2006 and pension cases of some retired officials were admitted in audit provisionally subject to framing and approval of recruitment and promotion rules of Field Asstt. (Field Man) by the competent authority clearly spelling out essential qualification/age limit and other eligible conditions as per decision conveyed vide condition No. 3 of D.O. No. 2-5/2002-CS-ES, dated 14-07-2005 of economics and statistics division Govt of India, Ministry of Agriculture. New Delhi, but it is apprehended that no such rules have been notified so far. The G.U.C. for the year 2009-10 have been issued by clearly indicating the above lapse on the part of CCS, H.P. University, Shimla. The matter is brought to the notice of highest authority for compliance failing which recovery due to implementation of the irregular scheme to be worked out and ensured to be recovered.

## **Overview of serious Audit Para (s) of part-II of Annual Audit Report on the counts of Himachal Pradesh University, Shimla-5 for the period up to 31-03-2007.**

From the perusal of Old outstanding para (s) of previous audit report (s) it is observed that some efforts are made by the University authorities for the settlement old para (s) and the para (s) related to serious nature are remained outstanding since 1972.

Immediate action is required to be initiated for the settlement of following serious para (s) otherwise the audit observations shall never be complied and the very purpose of audit is defeated.

<b>Sr. No.</b>	<b>Para (No.s)</b>	<b>Nature of Audit Para</b>	<b>Audit Report year wise</b>
1	16	Excess payment made to contractor amounting to `54,562/- on account construction under ground water storage tank	1988-89
2	25	Non recovery amounting to `28,186/- on account of hostel rent etc.	1994-95
3	20	Non recovery amounting to `26,182 on account of hostel rent.	1995-96
4	31	Non reimbursement of `2.95 lac into the University Fund on account of expenditure incurred for SC/ST training out of university fund.	1995-96
5	8	Irregular payment of honorarium amounting to `0.54 lac by ICDEOL.	1996-97
6	24	Non recovery amounting to `0.30 lac on account of hostel rent.	1996-97
7	60	Irregular payment amounting to `0.23 lac on account of providing ISD facilities by violation Govt. instructions.	1996-97
8	21	Unfruitful expenditure amounting to `30,713/- on account of purchase of instrument for Health Centre.	1997-98

9	27	Irregular expenditure amounting to ` 8.28 lac on account of compensation.	1999-2000
10	11	Loss of ` 21.35 lac on account of excess consumption of petrol in University Vehicle.	2000-01
11	15	Emblazonment amounting to ` 8,984/- by showing excess consumption of petrol.	2000-01
12	11	Short realization of the fee funds amounting to ` 11-33 lac.	2004-05
13	16	Excess payment of ` 0.42 lac due to ignoring lowest tender rates.	2004-05
14	40	Payment of decretel amount of ` 50 lac out of university exchequer without initiating departmental enquiry for fixing the responsibility against the persons at faults	2004-05
15	13 & 14	Sort realization of late admission fee amounting to ` 12.64 lac and fee fund amounting to ` 12.6 lac	2005-06
16	18	Loss of interest of ` 4.16 lac due to investment for very short term period.	2005-06
17	20 & 21	Loss of interest due to keeping heavy amount of ` 93.77 and 70.53 lac in saving/current account.	2005-06
18	22	Loss of interest of ` 1.27 lac, due to clubbing of FDR ICDEOL matured on different dates.	2005-06
19	24 & 25 & 26	Loss of interest of ` 0.95 lac, ` 0.79 lac and ` 0.71 lac on FDR's	2005-06
20	Main (IV)	Non recovery of shop rent of ` 1,01,959/-	2006-07
21	2	Difference of ` 40.25 lac is still outstanding for reconciliation in the NRI self financial account of IMS Department.	2006-07
22	2(e)	Observation/comments on Annual Account Certification for the period 2006-07 (ii, iii, vi & vii) are not being still complied.	2006-07
23	6 & 7	Needs immediate appropriate action by authorities to minimize the loss on transport & Hostel facility	2006-07

24	16	Loss of interest of ` 1,13,637/-	2006_07
25	19	Recovery of ` 90,632/- on account of re-fixation of pay of Sh. Madan Gopal Sharma & Sh. Ashok Kumar Verma.	

## **Part-I**

### **Latest position of old audit para's :-**

There were 1593 number of old audit paras outstanding for settlement. No serious efforts were made by the auditee organization for the settlement. However, 200 number of paras were settled on the initiation of the audit which is annexed at annexure-I of this report. Immediate attention of the authorities is invited to the serious paras exhibited in overview with the report and 1393 number of paras remained outstanding for settlement upto 2006-07, the detail of which is annexed at annexure I-A.

## **Part-II**

### **Present Audit**

**Preliminary :-** The audit and inspection of accounts of H.P. University, Summer Hill, Shimla-5 for the period 2007-08 was conducted by the Resident Auditors headed by sh. R.B. Sood the then Joint Controller and Sh. Anil Sharma, the then Deputy Controller (Audit). The audit report has been prepared on the basis of information furnished and made available by the controlling officer of the institution. The Local Audit Department disclaims any responsibility for any misinformation or nor submission of information on the part of auditee. Responsibility of the audit is confined to the month selected for the detailed check in the post audit. The audit report is compiled and presented by Sh. Anil Sharma, Joint Controller (Audit), the results thereof are incorporated in the following paragraphs :-

**Para-2 Analysis of Financial Position :-** The comparative financial position of the accounts of H.P. University, Shimla-5 for the period 2006-07 and 2007-08 is as under with audit comments :

<b>Sr.No.</b>	<b>Particulars</b>	<b>2006-07 Amount in lac</b>	<b>2007-08 Amount in lac</b>
<b>1.</b>	<b>Opening Balance</b>		
(a)	Main Account	964.38	765.39
(b)	NRI Scheme	1123.13	1432.90
(c)	Others	5078.69	5650.96
	<b>Total</b>	<b>7166.20</b>	<b>7849.25</b>
<b>2.</b>	<b>Grants</b>		
(a)	From H.P. Govt.	2440.54	3147.01
(b)	From Centre Govt.	250.64	322.72
(c)	From UGC	389.35	446.04
(d)	Other Sources	6.27	52.15
	<b>Total</b>	<b>3086.80</b>	<b>3967.92</b>
<b>3.</b>	<b>Domestic Income</b>		
(a)	Income from fee	2070.26	2788.26
(b)	NRI/SFS	381.14	666.40
(c)	Others (Student Fund)	1054.41	987.66
(d)	DEBT, Deposit and Advances	63.59	130.61
	<b>Total</b>	<b>3569.40</b>	<b>4572.93</b>
<b>4.</b>	<b>Grand total of (1+2+3)</b>	<b>13822.40</b>	<b>16390.10</b>
<b>5.</b>	<b>Expenditure</b>		
(a)	Main Account	5419.64	6301.45
(b)	NRI Account	182.92	522.24
(c)	Other	483.88	762.86
	<b>Total</b>	<b>6086.44</b>	<b>7586.55</b>
<b>6.</b>	<b>Closing Balance (4-5)</b>		
(a)	Main Account	765.39	1350.73
(b)	NRI Account	1321.35	1577.06
(c)	Other	5649.22	5875.76

<b>Total</b>	<b>7735.96</b>	<b>8803.55</b>
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1. Figures of main account incorporated in the above financial position is subject of change in view of the audit observation No. 19 of the certification of the annual account.
2. Opening balance as on 01-04-2007 taken ` 7,849.25 lac instead of ` 7,735.96 lac as closing balance as on 31-03-2007 due to submission of new accounts School of Legal Studies Ava-lodge and Regional Centre, Dharamshalla from 2006-07, as pointed out in audit observation No. 7 of the certification of annual account.
3. Closing balance as on 31-03-2008 as per annual account is shown ` 8,831.66 lac but taken as above ` 8,803.55 lac, the difference of ` 28,10,866/- is due to incorrect opening balance of main account as on 01-04-2007 taken ` 7,93,50,060/- instead of certified closing balance of ` 7,65,39,194/- as on 31-03-2007 as pointed out vide audit observation no. 16 of the certification of the annual account.

### **Comments :-**

**(a) Income :-** It is evident from the perusal of comparative financial position of the H.P. University, Shimla-5 as stated in the above table, that the income for the year 2007-08 has registered increase of ` 1884.65 lac which is 28.31 percent over and above the previous year income. The income of the institute mainly comprises of Grant-in-Aid from H.P. Government, Central Government, UGC, income from various fee, NRI/SFS and student funds. During the year 2007-08 total grant of ` 3967.92 lac have been received by the institute from H.P./Center Govt, and from UGC etc. and ` 4572.92 lac were generated from domestic resources i.e. various fee from student, NRI/SFS from student funds and domestic income of the institute during the year under report has registered an increase of ` 1003.53 lac over the income of the previous year 2006-07. The increase in current year domestic income is due to more receipt of interest on FDRs and receipts of various fees, jump in the cost/sale of prospectus for the various



courses run by the University, introduction of new courses and increase in NRI/SFS receipts. The institute still remains dependent on Government grant-in-aid which registered as increase of `881.12 lac during the year under report over the previous year grant-in-aid. Income/receipt shown against the head of account debt, deposit and advances amounting to `130.61 lac can not be certified as correct due to the facts that the some adjustment entries are shown as income/receipt, therefore, surplus in domestic receipt can not be also certified as correct. The University authorities, needs to mobilize its resources to commensurate with its growing expenditure and increase the income sources to make the institute self dependent.

**(b) Expenditure :** During the year report, an expenditure of `7586.55 lac was incurred by the institution from main account, NRI account and from others account (Student fund) which is 24.65 percent over and above the expenditure of the previous year. The income and expenditure of the institute is under the purview of pre audit/post audit as per H.P. Govt. notification No. Fin(LA)H(2)C(15) XIV-106/87, dated 31-07-2004 and 11-08-04 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 Executive Council. Some decisions of the Executive Council were not found in accordance to the provisions of rules and acts framed by superior legislation/Govt. instructions. It would be in fitness of things that all issues while presented in the EC may be examined thoroughly by the administration keeping in view the government institutions relating to the issue. The economy instructions issued by the state government to curtail the wasteful expenditure 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 chares while on tour in 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 of domestic income.
- (2) Observance of economy instructions.
- (3) To Provide transport/hostel facilities on no profit no loss basis.
- (4) Judicious utilization of existing man power.
- (5) Out sourcing of the Construction work.

(c) **Surplus/Deficit of Funds** :- The position of surplus of funds during the period under report is as per the table given below :-

Sr.No.	Particulars	Income (`) in lac	Expenditure (`) in lac	Surplus/Deficit (`) in lac
1	Main Account	6886.79	6301.45	585.34
2	NRI/SFS	66.40	522.24	144.16
3	Other (Student Fund)	987.66	762.86	224.80
	<b>Total</b>	<b>8540.85</b>	<b>7586.55</b>	<b>954.30</b>

The institution has over all surplus of `954.30 lac during the year under report. The surplus of income over expenditure is mainly due to the accrual of interest on the FDR's made from the student fund of ICDEOL and from the main account of H.P. University. The surplus include unutilized grant-in-aid and likely to be adjusted in the next grant-in-aid. Therefore, surplus can not be certified as correct.

(d) **Irregularities in the accounts of various departments** :-

During the course of checking of annual accounts of H.P. University for the year 2007-08 in the post audit of income and expenditure of the accounts of various department, the following irregularities were pointed out which needs suitable explanation :-

(1) **Evening Studies Centre** :-

(i) As per cash book of the evening studies centre total expenditure of `2,58,083.00 was incurred in the financial year 2007-08 whereas as per the annual account the expenditure has been shown to the tune of `2,61,287.00 i.e. `3,204.00 in excess in the annual accounts. Explanation for taking excess expenditure in the annual accounts is required to be given. However, correct figure has been incorporated in the annual accounts statement of the centre.

(ii) As per annual account statement there was a closing balance of `85,30,009.00 whereas as per record submitted by the centre for audit there was closing balance of `75,39,360.00 i.e. `3,97,230.00 balance as per bank statement as on 31-03-08 and `71,42,130.00 in Shape of FDR's 1/2 difference of `9,90,649.00 taken excessively in the annual account is due to account of excess receipts which otherwise was not actually received by the Evening Studies Centre. As such figure were not reconciled before finalizing the annual account which is to be justified.

(iii) Evening Studies Center received a Sum of `5,68,862.00 by way of University fee, the proceeds of which were got deposited directly in the University A/c No. 01000100035 by the students after filling the challans. The above income was partially incorporated in the annual account by `5,26,621.00 i.e. less by 42,241.00 which needs to be justified and reconciled.

(iv) As books of Evening Studies Centre earned/received a income of `11,33,470.00 during the financial year 2007-08 whereas in the annual account the income of Centre was taken to the tune of `21,27,323.00 i.e. the difference of `9,93,853.00 in excess which needs to be reconciled and justified.

**(2) Construction Division :-**

Checking if income and expenditure account of the Construction Division for the financial year 2007-08 the work suspense account (purchase of stock) was shown (-) 12,37,949.00 which is not correct as the value of stock in hand can not be in minus which means stock and store

accounts were not maintained properly. In addition to this stock verification as on 31-03-2008 was not pointed out. As such factual position on account of value of stock shown in minus is required to be justified and explained. The matter may be inquired thoroughly and responsibility be fixed for these lapses.

**(3) Psychology Department :-**

While checking the income and expenditure account of the Psychology Department for the year 2007-08, it was noticed that during the year department earned/received an income to the tune of `1,86,224.00 as per cash book whereas in the annual account only a sum of `1,24,971.00 was shown accounted for as income i.e. `61,253.00 short accountal which is highly irregular and concealment of actual income, moreover it was noticed that the department had submitted the correct figures of the income and this irregularity was committed at the compilation stage. Due to this discrepancy accounts does not present correct and fair financial position of the psychology department.

**(4) Physics Department :-**

A FDR bearing No. 292402 amounting to `5.00 lac was made on 10-11-05 for three years and the same was en-cashed prematurely on 29-11-2007 after about two years, but interest due on this FDR was not given by the bank, only principle amount was credited in the S/B account of the department which is irregular and loss of income on account of interest. The loss of interest may either be recovered from the concerned bank or responsibility may be fixed against the person at fault for the recovery besides the authority allowing the pre-mature withdrawal be also pointed out.

**(5) Chemistry Department :-**

The Chemistry department is operating current account in the SBI Summer Hill (A/C No. 10091436172) for NRI funds. The transactions in the

current account do not earn any interest to the department deposits which was not desirable. Keeping in view the fair financial prudence and propriety the bank account should have been opened as S/B account so that it must have added some income to the university exchequer by earning the interest.

**(6) MTA Department :-**

While checking the income and expenditure of the MTA Deptt it was observed that opening balance as per cash book was `1,30,743.00 and opening balance as per pass book was `1,27,027.00 i.e. short difference of `3716.00 similarly closing balance as per cash book was `3,82,061.00 and closing balance as per pass book was `3,78,345.00 i.e. resulting in difference of `3716/-. The above differences were not reconciled. Needful may be done now.

**(7) School of Legal Studies Ava-Lodge, Shimla-4 :-**

(i) As per annual accounts put up in audit, opening balance for the year 2007-08 was shown as nil whereas on checking of the cash book & other supporting record it was found that the department had `56,44,827.00 as opening balance (`1,44,827.00 in S/B account No. 4380125116 and `55,00,000.00 in term deposit of previous year FDR's as on 31-03-2007).

(ii) Cash book has not been maintained properly as no opening and closing balance of the financial year 2007-08 was recorded and worked out so that it would have been matched with the bank and FDR's balances.

(iii) The adjustment account of the expenditure recorded/entered in the cash book on account of following advances aggregating to `7,76,456.00 during the financial year 2007-08 were not pointed out :-

<b>Date as per cash book</b>	<b>Amount ( ` )</b>	<b>Amount to whom advanced</b>	<b>Purpose</b>
09-05-	1,98,450.00	Executive Engineer	Against estimate

2007		(C) H.P.U. Shimla-5	of electrical fittings.
11-07-2007	67,300.00	Executive Engineer (C) H.P.U. Shimla-5	Conversation of boys hostel building into school of legal studies
24-08-2007	21,720.00	Asstt. Engineer Electrical Sub division. Boileauganj, Shimla	Deposit of security of electrical meters
11-10-2007	8,000.00	Director, H.P.U. SLS	To meet the expenses of youth festival.
19-11-2007	75,000.00	Secretary bar council of India	Inspection of H.P.U, SLS
03-01-2008	35,000.00	Sh. Prithi Chand Kanwar, Asstt. Librarian	To meet the expenses on educational tour to kerala
22-01-2008	3,158.00	Executive Engineer Const. H.P.U.	Internal electrical installation
28-01-2008	6,590.00	All India reporter Pvt/Ltd.	For expenses of all India reporter
29-01-2008	3,61,238.00	Executive Engineer, H.P.U. Shimla	Purchase of furniture for H.P.U, SLS.
<b>Total</b>		<b>7,76,456.00</b>	

**(8) Health Center :-**

(i) While checking the income of the Health Centre it was noticed that the receipts/income of the following dates in respect of Health Centre on account of ambulance fee and purchase fee aggregating to ` 15,318.00 was not entered in the annual account of the University whereas the account of the same was submitted by the Health centre to the Compilation section regularly:

**Ambulance Fee :-**

<b><u>Date</u></b>	<b><u>Amount (`)</u></b>
06-09-07	790.00
13-09-07	860.00
04-10-07	780.00
11-10-07	520.00
12-10-07	730.00
23-10-07	690.00
31-10-07	580.00
13-11-07	610.00
22-11-07	670.00
29-11-07	620.00
07-12-07	1545.00
17-12-07	1230.00
28-01-08	575.00
07-02-08	410.00
03-03-08	1075.00
17-03-08	655.00
28-03-08	1010.00

**Purchase Fee :-**

06-09-07	210.00
04-10-07	329.00
23-10-07	244.00
13-11-07	184.00
22-11-07	103.00
07-12-07	155.00
17-12-07	142.00
06-02-08	206.00
17-03-08	248.00
<u>28-03-08</u>	<u>147.00</u>
<b><u>Total</u></b>	<b><u>` 15,318.00</u></b>

**(9) ICDEOL (Student Fund) :-**

(i) The cash book was not submitted for checking but as informed by dealing hand that no cash book was maintained in respect of student fund (ICDEOL) due to which it becomes very difficult to reconcile all the receipts realized as well as payments made with the bank a/c. and no bank reconciliation was put up to audit. This shows lack-ness of functioning of ICEOL where no seriousness was shown even to maintain the basis record properly and in such a situation, possibility of leakage can not be ruled out.

**(ii) Loss of interest to the tune of ` 1,20,033.00 due to investment in FDR's at non competitive rates.**

While checking the FDR register for the year 2007-08, it has been observed that FDR's were made in bank at lower rate of interest than the rate of interest offered by other bank at higher rates during the same period due to which loss of revenue by way of interest on FDR amounting to



` 1,20,033.00 detailed below as worked out on test check which need to be justified failing which the amount be recovered from the appropriate source.

(a) On 01-05-06, FDR Nos 371474 and 371452 were prepared in PNB Chailly for ` 19,64,511.00 and ` 14,06,772.00 @ 6.5% and 6.25% for twelve months respectively. It is clear that on these FDR's there was variation of 0.25% in the rate of interest given by the same bank due to which the institution suffered loss of ` 3,688.00.

(b) On 28-11-06 FDR's No. 525133 was prepared in SBI Summer Hill for ` 1,86,59,773.00 @ 7.75 % for twelve months whereas on the same date FDR No. 110054 prepared in UCO Bank ARTRAC, Shimla for ` 1,02,21,481.00 for twelve months @ 8.25% which is higher by 0.5% thus had the above FDR being made in UCO Bank instead of SBI the ICDEOL Student Fund would have earned more interest to the tune of ` 99,017.00

(c) Similarly as per FDR register maintained during the period June 2004 to Nov. 2004 matured during the year 2007-08 FDR's were made @ 5.5% for 36 months in Union Bank of India whereas during the same period FDR No. 291069 dated 10-06-04 amounting to ` 20 lac was made @ 5.25% for 36 months in SBI Summer Hill which was less by 0.25% due to which the ICDEOL Student Fund suffered loss of ` 17,328.00 as interest.

**(iii)** While checking the FDR register it was observed that the register of FDR was not maintained properly as no details was given therein with regard to the further credit of amount received on encashment of crores of ` ---- of FDR's beside the source from where investment in FDR were made.

**(iv)** While checking the FDR register (Page No. 18) the actual amount due on account of interest on maturity in respect of FDR invested on 31-03-2007 with PNB Totu was given less by ` 6,156.00 as amount of ` 37,394.00 was given instead of ` 43,550.00 which may now be recovered from the appropriate source and deposited in the ICDEOL Student Fund.

**(v)** While checking income of ICDEOI for the month of March 2008 it was observed that as per entry of income register out of total income of `43,62,855.00 a sum of `21,56,620.00 was taken as income of Student Fund and a sum of `13,75,920.00 was taken as income of revenue account of ICDEOI and remaining amount of `8,30,315.00 was neither accounted for in the student fund nor in revenue account which was surprising and very serious lapse as both the accounts did not depict true and fair financial position of the ICDEOL to the extent. Irregularity be justified and reconciled.

**(vi)** As per income register put to audit, the ICDEOL earned a sum of `5,18,26,175.00 in year 2007-08 excluding interest income, whereas in the annual account submitted by the ICDEOL this income was shown to tune to `5,03,42,766.00 i.e. a sum of `14,83,409.00 has not been accounted for in the annual account and as such the annual account does not depict true and fair financial position of ICDEOL to that extent.

**(vii)** As per record there was credit/income without details amounting to `2,05,355.00 and debit/expenditure amounting to `66,868.00 without details. The details of the same with status of income and expenditure accounted for was not provided in absence of which the above unknown credit/income and debits/expenditure can not be certified as correct to this extent which need to be justified besides supplying the details.

**(viii)** On 31-03-2008 there was a closing balance of `1,59,05,824.00 in the current account operated by the ICDEOL. Keeping such a huge sum idle in the current account was not desirable at all from prudent of financial rules and propriety as university incurred a loss of interest running in lacs of rupees by not investing this huge sum in the TDR/FDR. Moreover, it was also not understood why a current account was being opened by the ICDEOL student fund which did not earned any interest instead of a saving bank account which could have earned some interest. Keeping in view huge collection and disbursement. Had there been a saving account operated by

the ICDEOL instead of current account the ICDEOL could have earned a substantial sum by way of interest which need to be justified.

**(xi)** As per record put up by the ICDEOL the total expenditure incurred during the year 2007-08 was `7,38,22,697.00 whereas in the annual account the total expenditure was shown as `7,37,94,490.00 i.e. variation of `28,207.00 less in the annual account. As such the figures in the annual account were not checked before finalizing the annual account which is a serious lapse and needs suitable comment of higher authorities.

**(e) Comments on Annual Accounts Certification :-**

**(1)** The provision of Sec. 29 of H.P. University act 1970 is still not adhered to in spite of observation made in the annual account for the year 2001-02 to 2007-08. The reasons as explained to amend Sec. 29(1) for omitting word of balance sheet can not be accepted until and unless it is amended. The needful may be done now.

**(2)** The annual accounts have been prepared on the basis of bank balances as per bank pass book/bank statements; whereas the accepted principle of accounting provides that the accounts should be based on bank balance as per cash book maintained by the institution therefore, necessary steps may be taken to prepare the annual accounts as per the accepted accounting principles.

**(3)** Bank reconciliation statements of the various bank accounts operated by the H.P. University and ICDEOL etc. have not been annexed to the annual account in spite of observation to this effect was made in the annual accounts of 2002-03, 2003-04, 2004-05, 2005,06 and 2006,07. Necessary bank reconciliation may be shown to audit. The reconciliation statement supplied with annual accounts does not depict the correct position of accounts as it simply statement of cash book, un-cashed cheques of only one account.

(4) Annual accounts for the year 2007-08 have been checked and verified on the basis of computerized record maintained without cash book and ledger account as such University authority are required to ensure that hard copy of computerized record is preserved for permanent record.

(5) Some modification and changes as a result of checking has been incorporated in order to exhibit real position in the annual accounts. However correctness of receipt & expenditure of main account could not be certified due to various omissions.

(6) Accounts of PG Centre including Law could not be checked due to non production of record in-spite of verbal as well as written request (Audit requisition No. 833 dated 11-03-2011). An amount of `65,66,804.00 have been shown as closing balance in the annual accounts, existence of which could not be verified and appears doubtful.

(7) Variation in opening balance in the NRI/Self financing account and other accounts is due to audit of school of legal studies, Dharamshala for the period 2006-07 and 2007-08 and addition of new department i.e. School of legal studies Avalodge.

(8) Account of NRI and other funds of regional Center, Dharamshala depicted below has not been exhibited in the annual account. Although the audit of the some portion of receipt and payments were audited in pre audit in respect of year 2006-07 and 2007-08.

**2006-07**

<b>Opening Balance</b>	<b>Income</b>	<b>Expenditure</b>	<b>Closing balance</b>
41,69,388/-	11,92,015/-	7,53,484/-	46,07,919/-

**2007-08**

46,07,919/-      7,09,621/-      5,31,002/-      47,86,538/-

**(9)** Income of Psychology deptt. is accounted short to the tune of `61,253/- in the annual account as per the deptt. books, it is `1,86,224/- whereas, in the annual account it is depicted as `1,24,971/-.

**(10)** Income of school of legal studies, ava lodge, Shimla does not show in true picture as it has been shown to the tune of `1,19,66,554/- whereas as per deptt books it includes closing balance of `50,14,286/- as on 31.03.07.

**(11)** Closing balance of school of legal studies Ava lodge, Shimla-4 shown `72,94,235/- as per annual account which does not appears to be true as closing balance as per bank balance and FDR comes to `86,19,556/- which needs to be reconciled.

**(12)** Income and closing balance of Evening Studies in the annual accounts is not correct with comparison to the books of the department. Income is accounted to `21,27,723/- instead of `11,33,470/-. Similarly actual closing balance comes to `75,39,360/- instead of `83,30,009/- taken in the annual account.

**(13)** Closing balance of construction division shown in the statement of books the closing balance does not appears correct as on test check of account. Closing balance is taken in the annual account is accounted for `65,83,546/- whereas, bank statement of construction department shown current account balance of `71,09,745/-. In addition account No. Noida 30057265492 shows the closing balance `4,10,45,833/- as depicted in the annual account whereas the pass book of the account shows closing balance of `1,05,393/- as on 31-03-08. The difference would change the final position of the annual account. The position of other closing balances could not be verified

as correct keeping in view the above instances the same may be reconciled.

**14 1/2** Income in the ICDEOL books as well as in the annual account is not correct as receipt of interest on FDR's account to `8,19,745/- income of the March amounting to `8,03,315/- and total income of the year less accounted amounting to `14,83,409/- total aggregates to `31,33,469/- has neither been accounted for in the books of the deptt nor in the annual accounts.

**(15)** Income/Receipt in the student fund account was taken excessively by `1,18,40,740/- whereas, as per books of ICDEOL it was `9,47,74,038/- difference is required to be reconciled and justified.

**(16)** Opening balance of the main account has not been taken correct as closing balance as on 31-03-07 was `7,65,39,194/- whereas, in the annual account opening balance in the annual account for the year 2007-08 has been taken `7,93,50,060/- and difference of `28,10,866/- shown as per bank reconciliation statement as correct in the absence of complete detail. Moreover, as per principle of accounting preparation of final account such difference is required to be corrected prospectively but not in closing balance of certified accounts.

**(17)** Closing balance of student fund (ICDEOL) can not be certified due to the fact that while checking the income of the student fund, it was observed that daily income has been deposited to the student fund arbitrarily which includes revenue income as well. Similarly revenue income also includes student fund income. Factual position is required to be reconciled.

**(18)** A sum of `1,20,090/- detailed below has been accounted for in the annual account twice, both in the shape of BD/FDR and cash.

<b>Sr.No</b>	<b>Date</b>	<b>Amount</b>
1	07-03-2008	` 1,15,575/-
2	13-03-2008	` 35/-
3	14-03-2008	` 2150/-
4	20-03-2008	` 2330/-

**(19)** The figures of receipt of main account submitted vide letter no. 103 dated 10-06-2010 is ` 68,86,78,792.00 and letter No. 369 dated 19.10.10 it was changed to ` 59,41,89,658.00 and in the consolidated receipt abstract it is ` 76,81,73,975.00 which are contrary and needs recertification with the supporting details. Similarly expenditure figures are also contradictory and needs similar action.

**(20)** Surplus balance as per annual accounts is not correct as per following position which requires justification and suitable explanation :-

<b>Name of account</b>	<b>As per annual account</b>	<b>Actual as per bank balance and FDR Statement</b>
Main account	137884099	152700124
Student Fund	561876941	574472311
ICDEOL		

**(21)** The valuation of fixed assets not done & taken into account, since inception.

- 3** **Audit Fee** :- The audit fee for the audit of H.P. University accounts has been exempted,  
therefore the audit fee is not chargeable.
- 4** **Management of Pension Corps Fund**:- During the period under report, no pension corps fund was maintained/administered in the University but the scheme

for management of pension corps fund was notified vide notification no. 3-2/98-HPU (pension) dated 16-07-2007 and approval accorded by the Executive Council vide resolution No. 19 of its meeting held on 20-06-2007, which was made applicable for the financial year 2008-09. However, the pension, scheme was introduced in the University from the financial 1995-96 and accounts were maintained separately. The income expenditure and closing balance of pension fund w.e.f. 2000-01 to 2007-08 were as under:-

<b>Sr.N o.</b>	<b>Financi al year</b>	<b>Opening balance</b>	<b>Receipts includin g interest</b>	<b>Total</b>	<b>Payme nt</b>	<b>Closing balance</b>
1	2001- 02	1352325 73	3462707 2	1698596 45	152349 97	1546246 48
2	2002- 03	1546246 48	2437712 9	1790017 77	135422 41	1654595 36
3	2003- 04	1654595 36	3443591 1	1998954 47	194944 40	1804010 07
4	2004- 05	1804010 07	4238787 4	2227888 81	205901 09	2021987 72
5	2005- 06	2021987 72	4407298 7	2462717 59	246725 91	2215991 68
6	2006- 07	2215991 68	5409888 4	2756980 52	544538 48	2212442 04
7	2007- 08	2212442 04	9171134 3	3129555 47	748892 62	2380662 85

The feasibility of pension corpus fund will be examined and analyzed with reference to the receipts & expenditure after the receipt of final data of the payment of pension and other retirement benefit in the revised pay scale & depicted in the next audit report.



**5 Temporary Advances :-** The position of un-adjusted temporary advances as on 31-03-2008 is as follow :-

<b>Sr.No</b>	<b>Particulars</b>	<b>Amount in lac</b>
1	C.O.E. wing	` 109.07/-
2	Construction division	` 86.25/-
3	Others	` 24.29/-
4	Total	` 219.61/-

The year wise detail of un-adjusted advances of ` 219.67 lac has stated above is given below :-

<b>Year</b>	<b>COE Wing (`) in lac</b>	<b>Construction Division (`) in lac</b>	<b>Other (`) in lac</b>	<b>Total</b>
Up to 31-03-78	Nil	2.16	0.06	2.22
1978-79	0.16*	0.01	0.07	0.24
1979-80	0.18	0.31	0.27	0.76
1980-81	0.87	0.51	0.01	1.39
1981-82	1.10	0.13	0.10	1.33
1982-83	1.56	(-) 0.02	Nil	1.54
1983-84	0.13	0.08	0.01	0.22
1984-85	0.10	0.01	Nil	0.11
1985-86	0.22	Nil	0.09	0.31
1986-87	0.05	Nil	0.01	0.06
1987-88	Nil	Nil	Nil	Nil
1988-89	0.08	Nil	1.40	1.48
1989-90	Nil	Nil	0.01	0.01
1990-91	0.02	Nil	Nil	0.02
1991-02	0.08	Nil	Nil	0.08

1992-93	0.04	Nil	Nil	0.04
1993-94	0.05	Nil	Nil	0.05
1994-95	0.19	Nil	Nil	0.19
1995-96	0.77	Nil	Nil	0.77
1996-97	5.42	Nil	2.69	8.11
1997-98	1.11	Nil	0.18	1.29
1998-99	4.57	Nil	0.63	5.20
1999-2000	6.24	0.90	4.25	11.39
2000-01	3.65	0.17	Nil	3.82
2001-02	10.40	Nil	0.15	10.55
2002-03	15.64	Nil	1.46	17.10
2003-04	47.31	Nil	0.81	48.12
2004-05	3.66	Nil	4.27	7.93
2005-06	2.22	0.42	0.29	2.93
2006-07	2.52	26.22	0.37	29.11
2007-08	0.73	55.35	07.16	63.24
<b>Total</b>	<b>109.07</b>	<b>86.25</b>	<b>24.29</b>	<b>219.61</b>

\*The difference based on the information supplied.

As perusal of above position it is apparent that the temporary advances issued from time to time to meet out emergent payment remained un-adjusted since 1978 which is a serious concern, hence require immediate attention of higher authorities of institution concerned for its timely adjustment. The study of year wise position of unadjusted temporary advances reveals that huge amount of advances for the year 1996-97, 1999-2000, 2001-02, 2002,03, 2003-04, 2006-07 and 2007-08 are pending for adjustment. The authority may take necessary steps to adjust/recover amount of unadjusted advances together with penal interest from the erring officials at the earliest so that the fair view of the accounts of the institution can be reflected.

**6 Transport Facility :-** The position of income and expenditure relating to transport wing in H.P. University, for the two years is given as under :-

<b>Sr.No.</b>	<b>Particular</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
1	Income	238693-00	277377.00	271878.00
	<b>Total</b>	<b>238693.00</b>	<b>277377.00</b>	<b>271878.00</b>
2	Expenditure			
(i)	Salary	3904771.00	3872156.00	4365637.00
(ii)	Other	3662928.00	4527654.00	4728973.00
	expenditure			
	<b>Total</b>	<b>7567699.00</b>	<b>8399810.00</b>	<b>9094610.00</b>

The transport wing of the H.P. University has a fleet of 7 buses which is providing transport services to the students and employees of the H.P. University from the various destinations of the Shimla City to H.P. University campus and vice-versa at the subsidized fare in the shape of monthly passes and daily passenger fare. The passenger fare monthly passes fare being charged from the daily passengers is much below the rates fixed by the H.R.T.C. It is evident from the above figures that the University is facing net loss of `8822732/- during the year 2007-08 i.e. 8.62% over and above of the previous year loss due to plying of fleet of 7 buses on nominal subsidized rates. But no serious efforts have ever been made by the University authorities over the years to bring parity in fare of the transport wing with bus fare being charged by the HRTC from the local public so as to minimize/compensate the losses.

At present, almost less than half of the bus fare as compared to HRTC bus fare is being charged by pool office for carrying its employees and students from different destinations.

From the perusal of above comparative position it is evident that the present year income from transport service provided by the University to its students & employees has been decreased by 1.98% on the one hand as compared to the previous year income and on the other hand expenditure on transportation services has been increased by 8.27% as compared to the previous year expenditure. Keeping in view of very low income being generated from the transport services rendered by the university management, the university

authorities are advised to take immediate steps to run the transport service at no profit no loss basis so as to make it financially viable unit of the University.

- 7 Hostel Facility :-** The figures of receipt & expenditure for the current and previous year on account of Hostel facilities like water, electricity and hostel rent are given below :-

<b>Sr.No.</b>	<b>Particular</b>	<b>2006-07</b>	<b>2007-08</b>
<b>1</b>	<b>Income</b>	<b>Amount in</b>	<b>Amount in</b>
		<b>( ` )</b>	<b>( ` )</b>
	Water & electricity	2757000.00	1504653.00
	Hostel admission fee & Hostel Rent ect.	1243296.00	716700.00
	<b>Total</b>	<b>4000296.00</b>	<b>2221353.00</b>
<b>2</b>	<b>Expenditure</b>		
<b>(i)</b>	Salary	9935068.00	10696282.00
<b>(a)</b>	Water & Electricity	6572938.00	6843400.00
<b>(b)</b>	Other Exp.	1339965.00	1530315.00
	<b>Total</b>	<b>17847971.00</b>	<b>19069997.00</b>

From the comparative study of income & expenditure for the two years in respect of Hostel Facilities it is evident that the income from water & electricity charges recovered from Hostlers has registered huge decrease of ` 1252347.00 ( ` 2757000 -1504653) over the previous year income which is 45.42% The expenditure against electricity and water charges has registered the hike of ` 270462.00 (6843400 minus 6572932) over the previous expenditure. The other expenditure has registered an increase of ` 190350.00 (1530315 minus 1339965). Similarly hostel admission fee and hostel rent etc. registered a steep decrease of 526596.00 (1243296 minus 716700) which is less 42.35% over the previous year income. The figure of the overall income during the year 2006-07 is required to be looked into specifically as there is overall decrease of ` 1787943.00 (4000296 minus 2221353) which 44.70% over and above the previous year income. Accordingly the university management is requested to look into the

matter afresh in regard to other expenditure of hostel facilities and take an appropriate policy decision to erase the water and electricity charges on no profit no loss basis with a view to avoid heavy recurring losses to the university exchequer and to bridge the un-ending gap between income & expenditure on this account.

From the over all comparison of income & expenditure in respect of hostel facilities it is quite clear that the University is incurring heavy expenditure of `190.70 lac against the meager income of `22.21 lac during the year 2007-08 resulting loss of `168.49 lac which has accelerated by 21.67% over and above the previous loss. The matter is brought to the notice of higher authorities of University to look into the matter and to take immediate necessary steps to minimize/compensate the losses increasing year to year basis.

**8 Examination Wing :-** The position of income and expenditure relating to the examination wing of the H.P. University can be perused from the following table for the last two years :-

<b>Sr. No.</b>	<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>Increase/decrease ( ` ) in lac</b>
1	Income	726.38	397.59	(-) 328.79
2	Expenditure	951.45	988.47	(+) 37.02
3	Difference/gap	(-) 225.07	(-) 590.88	(-) 291.77

From the perusal of comparative position stated above income and expenditure related to examination wing for the period 2006-07 and 2007-08 stated above it is evident that the income has been decreased by `328.79 lac during the year 2007-08 as compared to the income for the year 2006-07 but on the other hand the expenditure during the year 2007-08 has been increased by `37.02 lac. The income. Under the examination head during the year 2007-08 has been decreased by 45.26% which was very alarming position as there was no decrease in the examination fee etc. during the year 2007-08. The gap between the income and expenditure of the examination wing has registered a decrease of

`590.88 lac during the year 2007-08 therefore the Authority may take necessary steps to Bridge huge gap between the income and the expenditure besides suitable explanation for incurring loss in examination wing.

- 9 Construction Division :-** The comparative position of works executed by the Construction Division during last two years i.e. for 2006-07 & 2007-08 and establishment charges incurred for executing the works for the relevant years is given in the following table :-

<b>Sr.No.</b>	<b>Year</b>	<b>Value of work done in lacs</b>	<b>Establishment charges paid in lacs</b>
1	2006-07	223.92	232.11
2	2007-08	346.20	239.66

It would be evident from the above table that there is huge gap between the establishment charges of the construction division and total value of work done is negligible. Had these works executed by the agency other than construction division, it would have resulted into saving of establishment charges to the University exchequer during the year 2007-08. Therefore, the audit is of the view that University management should explore the possibility of switching over to the system of executing of works as deposit work rather than incurring huge expenditure on the establishment of construction division for executing lesser value of work done a period of time. If serious thought is given on the suggestion, this would surely help in curtailing the unproductive expenditure on the running cost of construction wing besides judicious utilization of surplus staff in other wings of the University.

- 10 Purchase of electrical goods worth of `49894/- in contravention of the provision of rules :-**

Electrical goods worth `49894/- were purchased from M/S Kalra Hardware Electrical, the Mall Road Shimla without observing codal formalities. As per

provision contained in the accounts manual, these material were required to be purchased from the Govt. approved sources. The matter was brought to the notice of university authorities vide requisition No. 186 dated 20-03-2002. In reply, University authorities vide Letter No. Construction 160/HPU/2002-1658-60, dated 05-07-2002 intimated that the material available. On the approved rate contract was unsatisfactory which was untenable. However, the above adjustment/payment was admitted in audit subject to the audit requisition to effect that payment was admitted in audit subject to the audit requisition to effect that payment made over and above the approved rate contract should be worked out and responsibility be fixed but no action seems to have been taken by the Executive Engineer Construction Division.

**Audit Requisition No. 44, dated 07-04-07 Executive Engineer, Construction Division, H.P. University, Shimla-5.**

**11 Excess payment of `35478/- on account of pay and allowance to Sh. I.D. Sharma (Asstt. Librarian) :-**

The pay fixation in respect of Sh. I.D. Sharma Asstt. Librarian was refixed vide office order No. 7-139/78-HPU-Estt, dated 16-05-06 in partial modification of office order No. 6-1-98-HPU (Estt.)Voll-II dated 22-10-2002 under FR-22 in accordance with the instructions issued by the Additional Secretary (Finance regulation) to the Govt. of H.P. vide office memorandum No. Fin-PRB(15)-1/2001, dated 11-07-2001 and subsequently adopted by the H.P. University vide notification no. 9-11-98-HPU(Genl.)-II dated 07-08-2001. Consequent upon his re-fixation of pay, there was excess payment of `35,478/- on account of pay and allowances for the period 28-08-2002 to 30-09-2006 which was required to be recovered from the incumbent but compliance is still awaited.

**Audit Requisition NO. 45, dated 09-05-07 The Director, ICDEOL, HPU, Shimla-5**

**12 Non recovery of excess payment of `1558/- on account of work bill c/o entrance gate near Vice-Chancellors office from Sh. Ravinder Chauhan contractor :-**

Agreement No. 22 of 2005-06

Estimated cost of work `80,838/-

Actual cost of work `55,051/-

Date of completion of work 02-07-05

Which pre auditing 1<sup>st</sup> and final bill of above mentioned work, it was noticed that rate of items no. 4, 5 and 6 of schedule of quantity as per agreement were accepted over and above 10% of Deptt. Justification w.r.t. para 20-10-01 of C.P.W.D manual. Beside, the work was started on 23-04-05 and was to be completed with in two months i.e. by 22-06-2005 as provided in the agreement but the work was completed on 02-07-2005 as per entry recorded vide M.B. No. 1270 at page 106. But authority under which extension of time, if allowed, was not supplied to audit. However, the bill was admitted in audit keeping in view the comments offered by the Executive Engineer Construction Division vide no. 47 of the case file and subject to the audit requisition. As such an amount of `1558/- have been paid over and above 10% of deptt. Justification which may be made good as per detailed given below, besides authority of extension of time.

<b>Item No.</b>	<b>Brief particulars of item</b>	<b>Quantity Executed</b>	<b>Rate accepted</b>	<b>Rate as per departmental justification</b>	<b>Rate required to be accepted under the provision of CPWD Manual</b>	<b>Difference as col no. (3) and (5)</b>	<b>Amount of over payment</b>
	1	2	3	4	5	6	7
4	Providing	1.494	2500.00	2179.85	2379.84	102.16	152.62



	laying						
	C.C. 1.2.4						
	(a)						
	foundation						
6	Square						
	rubble						
	masonry						
	¼a) Super	2.65 m <sup>2</sup>	2000.00	1238.75	1912.62	87.38	231.55
	Structure						
	(b) Square	2.106	2500.00	1766.05	1942.65	557.35	1173.77
	and	m <sup>2</sup>					
	rectangula						
	r						
						<b>Total</b>	<b>1557.94</b>

**Audit Requisition No. 46, dated 01-06-07 Executive Engineer, Construction Division, H.P. University, Shimla-5**

**13 Excess expenditure amounting to `32983/- on account of postal charges by the Controller of Examination wing :-**

While conducting the post audit of the postal charges by the Controller of Examination wing for the period 08-02-2005 to 06-04-2005 (General Postal register) and 05-11-2004 to 11-07-05 (Registered letters) it was noticed that postal charges had been shown excess amounting to `32983/- as per detail given below. The irregularity pointed out by the audit was not reconciled till date. The matter is brought to the notice of authorities of University for immediate recovery of the excess expenditure of `32983.

Sr. No.	Date	Sr. No. of the postal registe	No. of letters shown in the	Actual posted letters as per	Exces s poste d	Value of postag e	Exces s charg	Remarks
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		<b>r</b>	<b>registe r</b>	<b>record</b>	<b>letter s show n</b>	<b>charge s per letter (`)</b>	<b>e (`)</b>
1	01.03.0 5	2028	4	3	1	5	5
2	-	2035 (ii, iii)	3	2	1	5	5
3	02.03.0 5	2043	7	6	1	5	5
4	11.03.0 5	2222	260	255	5	5	25
5	17.03.0 5	2250	406	405	1	5	5
6	19.03.0 5	2268	31	30	1	5	5
7	23.03.0 5	2291	108	106	2	5	10
8	29.03.0 5	2314	179	173	6	5	30
9	31.03.0 5	2320 (ii)	359	357	2	5	10
10	31.03.0 5	2322 (iii)	1390	-	1390	5	6950
11	31.03.0	2325	2580	2564	16	5	80

	5	(i)						
12	03.03.05	-	540/-	535/-	-	-	5	Due to error in totaling of dispatch register
13	09.03.05	-	1740/-	1690/-	-	-	50	
14	28.03.05	-	14440/-	9430/-	-	-	5010	
15	05.03.05	2069/- 3888/-	- -	Nil 5	- -	3888	19440	Due to carry forward of previous balance 3888 number letters shown against Sr.No. 2069 dated 05.03.05 without any detailed particulars.
16	04.03.05	903	1	1 22	-	1	22	
17	15.03.05	471	1	1 22	- -	1	22	
18	Nil	876 to 886	14	11 (32x1=32)	3	-	72	Due to error in totaling of dispatch register

$$20 \times 2 = 40$$

19	29.03.05	-	-	-	-	-	1232	Receipt of new franking machine amounting to ` 1232/- is not made available to justify the expenditure dated 29.03.05.
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<b>Total</b>	<b>32983/-</b>
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**Requisition No. 47 dated 05-06-07 Finance Officer H.P.U**

**14 Post audit of the advances exceeding ` 25000/- adjusted by the internal audit during the year 2005-06 :-**

Advances exceeding ` 25000/- adjusted by the internal audit during the year 2005-06 were requisitioned for the purpose of post audit but the requisite record was not produced to the audit till date, as such matter is brought to the notice of the authorities for compliance.

**Audit Requisition No. 48 dated 07-06-07 Finance officer H.P.U**

**15 Excess expenditure amounting to ` 1335/- on account of night halt charges during the year 2003-04 in sports meet and journey performed by own car irregularly by P.N. Chauhan :-**

While checking the advance adjustment bill No. 1408 of 6/04 amounting to `10,000/- drawn for POL expenses incurred in the inter college sports meet during the 2003-04 the following irregularities were noticed which are brought to the notice of authorities for necessary compliance:

- (1) The night halt charges for vehicle was paid @ `250/- and `100/- per night against the approved rates of `85/- by the H.P. University which resulted in excess payment of `1335/- paid vide voucher No. 1, 4 and 10 to M/s Shimla airport taxi operators union by Sh. P.N. Chauhan.
- (2) Besides this the T.A. Bill of Sh. P.N. Chauhan was paid out of this advance for journey performed by own car from Shimla to Recog-peo and back on 28-09-03 and Shimla to Sarswati Nagar and back on 05-11-03 without submitting the documentary proof in support of his claim with T.A. bills, as such the T.A. bill of Shri P.N. Chauhan was required to be restricted as per T.A. rules and amount paid excess was required to be worked out and recovered at the level of finance wing accordingly and depositing in the University account.

**Audit Requisition No. 49 dated 16-07-07 Finance Officer H.P.U.**

**16 Pre audit of advance adjustment bill No. 3446 dated 11-10-03 amounting to `1,12,000/- :-**

While checking the advance adjustment bill No. 3446 dated 11-10-03 it was noticed that as per voucher No. 11 and 16, T.A Claims of Sh. Parveen Chaudla and Sh. M.Raheja were paid for return journey from Kullu to Shimla by H.P. Tourism Deluxe Bus with out submitting tickets which was required to be restricted with ordinary bus fare and excess amount was to be recovered and deposited in the relevant head of the account, as such the irregularity be accounted for.

**Audit Requisition No. 50 dated 01-06-07 Finance Officer H.P.U**

**17 Irregular payment of `500/- in cash on account of refreshment :-**

While checking the advance adjustment bill No. 1637 dated 07-08-2001 amounting to `8000/- drawn for B.Ed. entrance test held in May 2001 at

Dharamshala it was noticed that the refreshment charges @ ` 10/- had been paid in cash to 50 nos. officer/official against the provision of letter no. 10-27/96 HPU (Conduct) dated 05-06-99 as there was no provision to pay for refreshment in cash. Therefore, the payment made in cash amounting to ` 500/- in contravention of the instructions be recovered from the appropriate source.

**Audit Requisition no. 51 dated 01-08-07 Finance Officer H.P.U**

**18 Excess expenditure amounting to ` 3800/- on account of postal/franking machine charges pertaining to the ICDEOL :-**

While conducting the post audit, it has come to notice that postal/franking machine charges pertaining to the ICDEOL had been shown excess to the tune of ` 3800/- as per postage stamp register/franking machine during the period 23-12-06 to 01-06-07 as the detail description is shown in the table as below This irregularity was pointed out by the audit vide audit requisition no 54 dated 07-08-07 but the University authority has not taken serious efforts to settle the audit observation till now which is highly objectionable and matter is brought to the notice of higher authorities to justify the aforesaid expenditure or else the amount may be recovered and deposited in University funds from the official at fault.

<b>Sr .N o.</b>	<b>Date</b>	<b>Roll No/letters posted through ordinary postage charges shown on the bill</b>	<b>As per record actual Roll No/letters posted through ordinary postage charges</b>	<b>Excess Roll No. Letters shown</b>	<b>Rate per Roll No/letter</b>	<b>Excess Expenditure</b>
1	23.12.06	625	489	136	` 5/-	` 680/-
2	11.01.	118	116	2	` 5/-	` 10/-

	07					
3	02.03.	1045	1042	3	` 5/-	` 15/-
	07					
4	05.03.	185	155	30	` 5/-	` 150/-
	07					
5	14.03.	36	32	4	` 5/-	` 20/-
	07					
6	20.03.	25	21	4	` 5/-	` 20/-
	07					
7	07.04.	422	411	11	` 5/-	` 55/-
	07					
8	08.05.	319	312	7	` 5/-	` 35/-
	07					
9	14.05.	277	270	7	` 5/-	` 35/-
	07					
10	29.05.	1809	1568	241	` 5/-	` 1205/-
	07					
11	01.06.	1613	1365	250	(65@	` 1575/-
	07				` 10/-	
					and	
					185 @	
					` 5/-	
					<b>Total</b>	<b>` 3800/-</b>

**Audit Requisition no. 54 dated 07-08-07 Director, H.P.U**

**19 Release of Annual Increment in respect of Smt. Radha Sharma, Junior Assistant :-**

The official was appointed as Clerk-cum-Accountant in the pay scale of `400-600 vide letter No. HPU/BAEP/39/84/394, dated 04-01-1984. The official was granted senior scale of `1200-2100 w.e.f. 01.07.89 vide office order No. HPU (AEEP/PF-2/840437 dated 13-10-1992 and designated as senior Clerk. The official further granted the pay scale of `1500-2700 w.e.f. 01-07-1994 vide office order No. HPU/AEEP/38-2/92 dated 22-03-1997 and was designated Junior Assistant. In this way the official was granted senior scale after 5 years of service and Junior Assistant scale after 10 years service. From the perusal of letter No. F-2-26/78(AE) dated 24-11-1979 received from UGC, it has been noticed that there exist only one post of accountant-typist clerk in the sanctioned strength of the Adult Education and extension programme. In such situation the senior scale and the scale of Junior Assistant was to be granted after completion of 8 and 6 years of service as clarified by Finance Deptt. Vide its letter No. Fin(C)B(7)-31/88 dated 10-05-1993 from 01-07-1992 instead on 01-07-89 and thereafter the pay of official was to be regulated under the ACP's instructions. Hence the grant of senior scale of `1200-2100 may be regulated in accordance with clarification given by the Finance Deptt. Vide its letter dated 10-05-1993 as stated above.

The official was granted next higher scale of `5800-9200 w.e.f. 01-07-2002. Vide office order No. HPU/AEEP/PF-84/191, dated 05-04-2002 which was also not correct and the same may be rectified now in accordance with the instructions.

Compliance of aforesaid requisition was not adhered by the University authority and bill No. 3778 dated 21-11-2007 amounting to `12,83,912/- only on account of salary for the month of November 2007 paid in December 2007 put up for pre audit, from the perusal of the bill it was noticed that the salary of Smt. Radha Sharma as employee of adult education was drawn on the basic pay of `7440/- PM. It was observed and conveyed vide requisition No. 476-478, dated 08-01-2008 that the annual increment grant in favor of Smt. Radha Sharma may be re-examined in view of audit observation contained therein.



The benefit of annual increment was drawn and paid to her by not observing the audit observation and in this way, the pay and allowances amounting to `2330/- were paid excess in this bill to her. The audit observations reported in aforesaid requisition may be complied.

**Audit Requisition No. 310-312 & 476-478, dated 12-09-07 & 08-01-2008, Director, Adult Education.**

**20 Grant of stagnation increment to the category of Assistant Registrar in the UGC pay scales on annual basis instead of after completion of every two years on reaching the maximum of their pay scale :-**

Vide office order No. 9-3/05-HPU (ESTT.)Vol-XI, dated 23-11-2006 the stagnation increment has been allowed to be drawn in favour of certain officers of the University as per details given below, on annual basis instead of biennial basis as heretofore, in gross violation of the GOI decision no. 17 incorporated below F.R. 26 as well as letter No. F3-1/2002 (Ps) dated 28-11-2005 notwithstanding the fact that the non teaching categories does not fall in the ambit of UGC's decision. Moreover, the executive instructions on such matters cannot have overriding effect on the statutory provision made under certain Act/Rules enacted by the legislature unless suitable amendments there to are carried out by same authority and adopted by the state Govt. thereafter.

Needless to point out that the issuance of order regarding grant of stagnation increment without getting it vetted from the audit is not only intriguing but also aimed at circumventing the audit objection. Which is mandatory in wake of instructions notified by the H.P. Govt. vide notification No. Fin(LA)H(2)C(15)-106/87-Vol-IV-3305, dated 31-07-2004. As such this omission needs to be explained by University authority.

Besides above, the audit is of the view that before implementing the UGC decision dated 28-11-2005 even in the case of University and college teachers, the formal assent of the H.P. Govt. in the matter was required. It was again emphasized vide requisition No. 77, dated 07-12-07 that the implementation of

the office order ibid was required to be stopped forthwith. Moreover it was come to the notice of the audit that the UGC has not circulated any such decision vide letter No. F-3-1/2002(PS) dated 28-11-2005.

In view of the position explained above it is advised/suggested that the office order dated 23-11-2006 allowing undue benefit of stagnation increment before the completion of two years service needs to be re-examined/ withdrawn and excess payment may be calculated and recovered accordingly on the analogy of Sh. Bishan Dass Sharma, Assistant Registrar so as to avoid any controversy at later stage. Besides this the necessary approval of the State Govt. may be obtained before operationalization of the decision of the UGC since it would entail enormous amount of financial burden on the University exchequer. It is also pertinent to mention here that to the best of our knowledge and belief, the H.P. Govt. has not yet extended this additional benefit over and above the revised pay scale granted w.e.f . 01-01-96 to the college teachers administered by the Directorate of Colleges H.P.

<b>Sr. No.</b>	<b>Name of incumbent</b>	<b>Present pay (`)</b>	<b>Pay after increment (`)</b>	<b>Date from which increment not drawn/ allowed</b>	<b>Date from which stagnation increment is actually admissible</b>
1	Sh. Subhash Chand Thakur	13500/ -	13775 /-	28-11-05	Not at all admissible since he retired on 30-06-06
2	Sh. Virender Kumar Vohara	13500/ - 13775/ -	13775 /- 14050 /-	28-11-05 01-11-06	01-11-06 01-11-08

3	Sh. Kashmir Singh	13500/	13775	28-11-05	01-11-06
	Thakur	-	/-	01-11-06	01-11-08
		13775/	14050		
		-	/-		
4	Sh. Ram Pal Sharma	13500/	13775	28-11-05	01-11-06
		-	/-	01-11-06	01-11-08
		13775/	14050		
		-	/-		
5	Mrs. Shama Sharma	13500/	13775	28-11-05	01-11-06
		-	/-	01-11-06	01-11-08
		13775/	14050		
		-	/-		

**Audit Requisition No. 55, dated 22-08-07, Registrar HPU, shimla-5.**

**21 Fixing of responsibility for incurring expenditure of `71847/- on the execution of non schedule items without the sanction of competent authority :-**

While pre-auditing of the 1<sup>st</sup> and final bill C/o computer room at 1<sup>st</sup> floor of administrative Block for examination wing, it was observed that item No's 4,5,23 & 24 of the schedule of quantity are non schedule items and the rates of these items taken in the estimate has been approved by the executive Engineer while approving the estimate No. 91 of the year 2005-06 for `1,61,100/- which was not in his competency & payment of `71847/- was made for the execution of these items and the bill was admitted subject to the audit requisition. The authority under which executive engineer was competent to approve the rate of non schedule items for estimate purpose was not made available to audit. The reply submitted by the Executive Engineer (Const.) was also examined in audit and was not found satisfactory as conveyed vide audit requisition No. 62 dated 02-11-07. Therefore, the responsibility for incurring the expenditure of `71847/- on non schedule items without obtaining the sanction of competent authority be fixed and made good and compliance shown to audit.

**Audit Requisition No. 57 dated 30-08-07 Executive Engineer,  
Construction Division HPU Shimla-5.**

**22 Irregular Purchase of `75000/- on account of furniture and fixture articles etc. for study centre of ICDEOL at Panchkulla :-**

The adjustment A/c for `75000/- on account of purchase of furniture and fixture articles etc. for study centre panchkulla was admitted in audit subject to the audit requisition to the effect that instant purchase was made without the approval of Vice-Chancellor as proceeding of purchase committee was not got approved from the Vice-Chancellor and tender was also not advertised in the press, as per university accounts manual, all purchases value of `10000/- and above were required to be advertised. It was also observed that the sanction to open study centre at Panchkulla of Academic Council was not obtained. The irregularities are required to be accounted for.

**Audit Requisition No. 58, dated 19-09-07, Director, ICDEOL, HPU, Shimla-5.**

**23 Non recovery of excess payment of `27336/- on account of wrong fixation of pay :-**

While checking the due and drawn statement of revised pay fixation cases of following officials, a sum of `27436/- was paid in excess consequent up-on revised pay fixation at the instance of audit. The matter was brought to the notice of the authorities of H.P. University through requisitions for necessary recoveries of excess payment made to them. But the compliance was not pointed out. Necessary recovery is required to be made with out further delay.

<b>Sr.No.</b>	<b>Bill No. and date</b>	<b>Name of Incumbent</b>	<b>Amout paid over and above</b>
1	5992/16-02-06	Late Sh. Jagdish Chand	`380/-
2	5888/04-02-06	Sh. Narender Singh	`6673/-

3	3527/18-09-06	Sh. Dineshwar Tiwari	` 20383/-
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<b>Total</b>			<b>` 27436/-</b>
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**Audit Requisition No. 59 & 60 dated 21-09-07 & 05-10-07 Finance Officer, HPU, Shimla-5**

**24 Non recovery of ` 20462/- on account of final bill C/o students Hostel for D.C.C. in HPU, (SH: Building portion) from the officer/official at fault.**

The final bill of the above mentioned work was admitted in audit vide No. 85 of the concerned file for recovery of ` 38,615/- only. The arbitrator in the instant case/work, awarded ` (-) 18,153/- against the final bill due to the reasons that the rates allowed in the pre final bills were wrongly reduced by the HP University in the final bill and the University had failed to prove the pilferage of the material issued to the contractor for which penal rate/double rate recovery was effected in the final bill. The arbitrator in his award, in the agreement No. 26 of 1991-92 had amply proved the object failure on the part of University administration to comply with provisions of rules for reducing the rates at the final stage and, to prove the pilferage of the material. Hence the balance amount of the recovery in the final bill i.e. ` 20,462/- (38615-18153) was required to be made good from the officer/official at fault as awarded by arbitrator. The matter is brought to the notice of the higher authority for necessary recovery and compliance.

**Audit Requisition No. 61, dated 09-10-07 Executive Engineer, construction, HPU, Shimla-5.**

**25 Construction of Research Lab. At 2<sup>nd</sup> floor of Neta Ji subhash Chander Bhawan in H.P. University irregularities thereof.**

Name of contractor	Sh. Narayan Dev Thakur.
Estimated value of work	` 78952/-
Accepted amount	` 79225/-

Agreement No. and date	38 of 2004-05
Date of start of work	19-12-2004
Date of completion	18-02-2005
Period of completion	2 Months

I<sup>st</sup> and final bill of above mentioned work was admitted in audit with the observation to the effect that **"Extract of provision appearing the Punjab P.W.D. manual regarding sanction of non schedule item while approving estimate and reasonableness of rate tendered by the contractor for non schedule item may be supplied to audit"**. But same was not supplied in order to verify the genuineness of the payment towards non schedule items to the contractor. Compliance be pointed out.

**Audit Requisition No. 63, dated 03-10-07 Executive Engineer, Construction HPU, Shimla-5.**

**26 Irregularities in the 1<sup>st</sup> and final bill of repair of dining tables and benches in various boys and girls hostels :-**

The first and final bill of above mentioned work was admitted in audit subject to the audit observations as under which are required to be complied :-

- (i) The tender has been accepted by the V.C. on the recommendation of the executive Engineer. The advice of the E.E. is contrary to the provisions of para 20-10-01 of CPWD manual which interalia provides that in case of greater emergency, the variation up-to 10% in the market rates and the rates quoted by the contractor may be allowed, but in no case, rates higher than the market rates beyond 10% should be accepted. In the instant case item No. 2 of schedule of quantity has been awarded for `700/- which is 29-15% above the market rate which needs justification failing which responsibility for making irregular payment of `1340/- be fixed.
- (ii) 90% of the work executed relates to the non schedules items, the estimate of which was technically sanctioned by the E.E.(C) in contraventions of para 20-

01-17 of CPWD manual. The S.E. in response to observations raised in the similar case regarding sanction of non schedule items by the E.E(C) while technically sanctioning the estimates, replied that CPWD manual is not applicable, rather HPPWD manual is applicable in the University. In this context either the relevant provision of HPPWD manual under which the E.E. is competent to sanction the non-schedule items, while sanctioning Estimate may be made available failing which the responsibility for sanctioning non schedule items for `78,359/- may be fixed under intimation to audit.

**Audit Requisition No. 64 dated 03-10-07 Executive Engineer, Construction Division, HPU, Shimla-5.**

**27 Pre-audit of advance adjustment bill No. 2268 of 26-09-2000 amounting to `40000/-:-**

Advance adjustment bill No. 2268 dated 26-09-2000 amounting to `40000/- pertaining to conduct of post graduate examination held in December 1999 was admitted in audit subject to the audit observations to the effect that account of answer book added with the case file 22 numbers of answer books were shown missing as such discrepancies was required to be reconciled and compliance be pointed out.

**Audit Requisition No. 72 dated 19-11-07 Finance Officer, HPU.**

**28 Acceptance of the rates higher than the markets rates beyond 10% permissible limit, irregularity thereof.**

Provision of Para no. 20-10-01 and CPWD manual provides that in case of greater emergency, the variation upto 10% in the market rates and the rates quoted by the contractor may be allowed. But in no case rates higher than the rates beyond 10% should be accepted. As per detail given below rates of many items have been awarded/accepted beyond 10% above market rates which needs justification in the light of provisions ibid, failing which responsibility for making irregular payment of `13960/- may be fixed under intimation to audit.

<b>Name of work</b>	<b>Agreement No</b>	<b>Name of contractor</b>	<b>Brief particular of item</b>	<b>Quantity Executed</b>	<b>Rate accepted</b>	<b>Rate as per departmental justification</b>	<b>Rate to be accepted up to 10% of departmental justification</b>	<b>Diff. of col (6) and col No. (8)</b>	<b>Amount excess paid col No. 5 and col. No. 9</b>
1	2	3	4	5	6	7	8	9	10
Extension of departmental library in deptt of Law HPU campus basement II (Sh. Internal electrical installation)	W.O. 18 of 2005-06	M/s Sharma Brothers Main Bazar Summer Hill Shimla	Proving installing testing and commission of rewired fluorescent tube fitting complete with ballast starters and capacitors	5 no.	630/-	548.10	603/-	27/-	135/-
Addition and alteration to electrical installation and net working of I.T. lab of academic staff	Agr. No.33 of 2005-06	M/s Sharma Electric works Hira nagar Totu Shimla-11	Supplying & fixing following rating double pole 240 volts isolator in the existing MCBDB complete with connections, hosting and	8 nos	500/-	309.15	340/-	160/-	1280/-



college in HPU Shimla-5			commissioning etc. as required (a) 40 amps.							
Providing water storage tank in education deptt.	W.O. No. 2 2005-06	M/S Sanjay Builder	Brick work using common burnt clay in foundation & plinth in C.M. 1.6 1 <sup>st</sup> class brick.	1.104	2300/-	2028.35	2231.18	68.82	75.97	
Providing water storage tank in education deptt.	W.O. No. 2 2005-06	M/S Sanjay Builder	Cement plaster in single coat on rough side of concrete side of concrete /stone wall interior last paltering in C.M. 1.6	10.52	60/-	48.95	53.84	6.15	64.69	
Providing research lab at 2 <sup>nd</sup> floor of Netaji Subhash Chander Bose building (Hs. Minors repairs etc.)	Agreement NO. 16 of 2005-06	Sh. Narayan Dev Thakur	Providing readymade 12 MM pinup board with blaze cloth of size 1160x400 mm	2 no	1100/-	869.40	956.34	143.66	287.32	
Mateling & tarring of	35 of 2004-05	Sh. Sharda Prasad	Providing and applying evenly a	284.57	300/-	216.70	238.37	61.63	1753.80	

approach road leading to EF and tagor hostel			priming/track coat							
Mateling & tarring of approach road leading to EF and tagor hostel	35 of 2004-05	Sh. Sharda Prasad	2.5 cm. consolidated chick a single course premix carpet	284.57	1000/-	828.75	911.62	88.62	2514.88	
White washing & other repair work in main auditorium in HPU	4/of 2006- 07	Sh. Ramesh Kumar	P&F plywood lining 6mm thick	10.24	300/-	219.10	241.01	58.99	604.05	
White washing & other repair work in main auditorium in HPU	4/of 2006- 07	Sh. Ramesh Kumar	Polishing one coat with French polish on previously polished	440.51	30/-	25.25	27.77	2.23	982.33	
Providing additional water heater and exhaust fans in Renuka girls hostel	12 of 2006-07	Sh. Hament Kumar	P/F of stationary storage type electrical water heater	1	10500/ -	7459.50	8205.45	2294.5 5	2224.55	

Const. of women hostel at HPY under special scheme during Xplan (Sh. Site deve)	24 of 2006-07	Sh. N.D. Thakur	Cutting in earth work	117.38	11500/-	82.60	90.86	24.14	2833.55
Const. of women hostel at HPY under special scheme during Xplan (Sh. Site deve)	24 of 2006-07	Sh. N.D. Thakur	Excavation in earth work and filling in 15 cm. layer in foundation	11-82	125/-	58.654	64.51	60.49	715/-
Provided additional elect. Points for computers in computer lab. In ICDEOL	22 of 2007-08	Sh. Hemant Kumar	Wire for submain 2x10 sq mm.	28.40	140/-	113.85	125.24	14.76	419.18
								<b>Total</b>	<b>13960/-</b>
									-

**Audit Requisition no. 71 dated 19-11-07 Executive Engineer, Construction, Division, HPU, Shimla-5**

**29 Irregular expenditure amounting to `4,88,182/- on account of drawal of 100% advance for the purchase of new vehicle Ambassador GRND 1.8 ISZ BSE-III out of student funds of ICDEOL :-**

The adjustment bill for the purchase of new car as cited in the subject was admitted in the audit subject to the following audit observation which remained un-attended so far compliance may now be pointed out.

- (i) The purchase of motor vehicle/ambassador car from amalgamated fund (Student fund, ICDEOL) was not covered under the purpose for which the same could be utilized as per H.P. University ordinance No. 42.2, the sanction from the competent authority i.e. Hon'ble E.C. was required to be obtained in order to regularize the expenditure for which the A.A. & E.S was accorded by the Vice-Chancellor at No. 87 of the file No. 11. 11/95-HPU/ICDEOL (Admn)Vol-II.
- (ii) Reasons for non adhering the guidelines issued by the Govt. vide Finance department letter No. Fin-1(c)-14-1/92-Vol-II, dated 22-04-1999 for purchase of new vehicle by way of replacement.
- (iii) Reasons/explanation to purchase new vehicle form M/S V.K.Motors Sauli Khud Mandi H.P. Vide bill no. 587, dated 19-11-07 instead of nearest station i.e. Shimla.

**Audit Requisition No. 73, dated 30-11-07 Director ICDEOL, HPU, Shimla-5**

**30 Irregularity in the payment of contingent bill no. 6558 dated 16-11-07 amounting to `31952/- on account of security work of Boys Hostel :-**

The bill cited in the subject was admitted in audit keeping in view the reply submitted at N-13 of the concerned file subject to the

following audit observation. Which remained un-attended and compliance be pointed out :-

- (i) The tender for out-sourcing the security work of the 7 boys hostel located in summer hill were invited by the chief warden vide his letter nil dated nil to be opened on 22-08-07 at 3:00 P.M. Three tenderer quoted their rates for security services and the rates of M/S scan guard protection services, Punchkula were found lowest as per the proceeding of out-sourcing committee. As replied by the Chief Warden at N-13-1 the work of Security was awarded to M/S scan Guard Services, but on his refusal, the work was awarded to II<sup>nd</sup> lowest M/s Sampark services Mandi. From the perusal of photocopy of the letter of refusal submitted by M/s Scan guard vide their letter dated 29-08-07 it was observed that they regretted to undertake the work/assignment of running hostel messes only. In such eventuality, the awarding of work to II<sup>nd</sup> lowest may be justified, failing which the loss caused to HPU exchequer by way of awarding the work wrongly to II<sup>nd</sup> lowest firm/contractor amounting to ( $\text{`65386-52100} = 13286 \times 12 = \text{`159432/-}$ ) should be recovered from the official at fault.
- (ii) Condition No. 17 of the terms and condition of the security work attached to the tender documents it was noticed that if the successful contractors refuse to enter in to an agreement within ten days of the award latter, his earnest money will be forfeited. Hence in the instant case although the contractor did not refuse to carry out the works as per his letter dated 29-08-07 but the work was awarded to II<sup>nd</sup> lowest by the authority. Therefore the earnest money of  $\text{`5000/-}$  was required to be forfeited and deposited into Chief Warden account but the bank draft of security amount was found in the tender document (Bank draft

No. 108391 dated 19-08-07 of Indus land Bank Punchkula Branch). The deposit of earnest money on account of its forfeiture in bank account was not pointed out to audit.

- (iii) The security amount deposited by the II<sup>nd</sup> lowest contractor M/S Sampark Services Mandi Vide D.D. No. 4530, dated 15-10-07 payable on Punjab National Bank, The Mall Shimla had also not been deposited by the authority in their account.
- (iv) The agreement with the II<sup>nd</sup> party was executed on 06-10-07 whereas the security amount of `30000/- which was to be deposited before entering in to agreement was made on 10-10-07 and the bills for payment of monthly amount was claimed from 16-09-07, the discrepancies stated above was to be reconciled in the light of terms and condition of the agreement.

**Audit Requisition No. 74, dated 30-11-07, The Chief Warden, HPU, Shimla-5**

**31 Pre audit of contingent bill No. 6559, dated 16-11-2007 amounting to `21645/- on account of sanitary work of boys hostel :-**

The bill cited in the subject was admitted in audit keeping in view the reply submitted at N-13 of the concerned file subject to the following audit observation, which remained un-attended compliance may be pointed out :-

- (1) The tender for out sourcing the Sanitary work of the 7 boys Hostel located in Summer Hill were invited by the Chief Warden vide his letter nil, dated nil to be opened on 22-08-07 at 3:00 P.M. Three tenderer quoted their rates for sanitary services and the rates of M/S Scan Guard protection services, Punchkula were found lowest as per the proceeding of out sourcing committee. As replied

by the Chief warden at n-13-1 the work of sanitary work was awarded to M/s Scan Guard Services, but on his refusal the work was awarded to second lowest M/S Sampark Service Mandi. From the perusal of photocopy of the letter of refusal submitted by M/s Scan Guard vide his letter dated 29-08-07 it was observed that they regretted to undertake the work/assignment of running hostel messes only. Nevertheless the work was awarded to II<sup>nd</sup> lowest tenderer M/S Sampark Serivces Mandi, although there was no such condition in the notice invited for the tender (Sanitary work) for award of work to II<sup>nd</sup> lowest tenderer in case the lowest refuses to undertake the work. In such eventuality the awarding of work to II<sup>nd</sup> lowest tenderer was required to be justified. By awarding the work to the II<sup>nd</sup> lowest without the refusal of the lowest in contravention of the terms and condition of N.I.T had resulted into a loss to the tune of ` 153612/- to the university fund and the same was required to be made good from the official/officer at fault it otherwise not justified.

- (2) The Security amount deposited by the II<sup>nd</sup> lowest contractor M/S Sampark Service Mandi Vide D.D. No. 649426, dated 15-10-07 payable by Punjab National Bank the Mall shimla had also not been deposited in the University account. The delay in deposit of the same in the bank account resulted in the loss of the interst.
- (3) The agreement with the II<sup>nd</sup> party was executed on 06-10-07 whereas the security amount of ` 30000/- which was to be deposited before entering in to agreement was made on 10-10-07 and the bills for payment of monthly amount was claimed from 16-09-07 irregularly. The discrepancies stated above were to be reconciled in the light of terms and condition of the agreement.

**Audit Requisition No. 75, dated 05-12-07, The Chief Warden, HPU, Shimla-5**

**32 Release of provisional pension in favour of Dr. S.K. Sharma (Sr. lecturer) Political Science ICDEOL, Irregularities thereof :-**

The pension case of Dr. S.K. Sharma (Sr. Lecturer) was admitted provisionally in audit subject to the approval of H.P. Govt. for implementation of UGC Letter No. 3-1/2002 (PS), dated 22.11.05 vide which the stagnation increment to the teacher was allowed annually. But the sanction of the Govt. was not shown to audit till date. It was reliable learnt that the GIO has not taken any such decision regarding grant of stagnation increment to the teachers or non teaching employees who are governed under UGC scales. Accordingly the pension case was required to be revised without implementing the decision conveyed vide UGC Letter No. 3-1/2002 (PS), dated 28-11-2005. Compliance be pointed out.

**Audit Requisition No. 441 & 442, dated 04-12-07, The Registrar, HPU, Shimla-5**

**33 Encashment of unutilized earned leave of 106 days in favor of Dr. L.R. Verma Ex.V.C., irregularity thereof :-**

The bill No. 5760, dated 20-03-07 for `170925/- on account of payment of unutilized earned leave in favor of Dr. L.R. Verma Ex.Vice-Chancellor was admitted in audit on the basis of under taking given by him that he had not received any benefit of leave encashment in respect of unutilized leave earned by him during his foreign assignment. The factual position of the under taking so furnished by Dr. L.R. Verma Ex.V.C. was required to be ascertained/verified from his foreign employer. The compliance be pointed out.

**Audit Requisition No. 76, dated 07-12-07, The Registrar, HPU, Shimla-5**

**34 Irregular payment amounting to `4126/- on account of remuneration/additional to Dr. Sominder Paul Sharma Deputy Director Phy. Education :-**



Dr. Sominder P Sharma, Deputy Director, Phy. Education has been granted remuneration/additional pay @ ` 10% of the initial of the pay scale of ` 16400-22400 i.e. ` 1640/- P.M. under FR 49(iii) for holding additional charge of the post of the Director, Phy. Education.

Dr. Sominder P.Sharma, Dy Director was given the charge of the higher post in his own office and in the same line of promotion, in addition to his ordinary duties. As per provisions of FR 49(i) he will be allowed the pay admissible to him, if he is appointed to officiate in the higher post, but no additional pay will be admissible for performing the duties.

Provisions of FR. 49(iii) in this case are also not applicable because FR 49(iii) provides that if a govt. servant is appointed to hold full charge of another post or posts in a different office, or in a different line of promotion in a same office, he will be allowed the pay of the higher post or highest in addition to 10% of the presumptive pay of each additional post, if the additional charge is held for a period exceeding 45 days. And also no additional pay is admissible for holding current charge of the routine duties of a higher post irrespective of the duration of additional charge. Above referred office orders vide which Dr. Sharma has been granted 10% of additional pay/remuneration is not clearly indication whether he has been holding full charge or holding current charge of routine duties of the post of Director Phy. Education. If he was holding current charge of routine duties, nothing was payable to him and if he was holding full charge then this case may be regulated under FR 49(i).

Therefore, the case may be reexamined in the light of provisions of FR 49(i) and amount of remuneration/additional pay ` 4126/- (w.e.f. 26-10-2007 to 31-12-07 paid vide bill no. 3764, 3793, & 3962 dated 15-11-2007, 27-11-2007 & 26-12-2007 respectively) may be recovered/adjusted under intimation to audit.

**Audit Requisition No. 516-518 dated 29-01-08, The Registrar, HPU, Shimla-5**

**35 Maintenance of Cash Book of NRI Fund :-**

While verifying the position of NRI fund account relating to BBA/BCA Department in the annual accounts of HPU, it was observed that the cash book of the funds was not being maintained as per accepted principles of accounting, besides classified abstract of the expenditure out of the fund was also not being prepared. Compliance by pointed out.

**Audit Requisition No. 78, dated 30-01-08, The Director BBA/BCA, HPU, Shimla-5.**

**36 Pre audit of advance adjustment bill no. 6695 of 29-03-03 amounting to `550000/- on account of Inter University Tournament for the session 2001-2002 :-**

While checking the bill, it has been noticed that supporting vouchers in respect of the following expenditure are not found with advance adjustment account, the detail of which are as follow.

<u>Sr.No.</u>	<u>Particulars</u>	
<u>Amount</u>		
1	Cost of Sand	` 400/-
2	GI Pipe Carriage Charges	` 300/-
3	Bill of M/S Namdhari	` 480/-
4	Pigion charges	` 200/-
5	Cost of ballon	` 480/-
6	Labour charged	<u>` 1375/-</u>
	<b>Total</b>	<b><u>` 3235/-</u></b>

Therefore, advance adjustment bill no. 6695, dated 29-03-03 amounting to `550000/- admitted in audit provisionally subject to the condition that either supporting vouchers of above stated expenditure may be shown to audit or the amount of `3235/- may be recovered from the defaulter and be deposited to University account under intimation to audit.

**Audit Requisition No. 79, dated 13-02-08, The Finance Officer,  
HPU, Shimla-5.**

- 37 Retrenchment/Recoveries :-** During the pre-audit of pension/pay fixation cases, T.A. Bills and other contingent bill during the period under report total amount of ` 154482/- were retrenched/recovered.
- 38 Conclusion :-** Non compliance/settlement of old audit paras have not only defeated the very purpose of the audit but also failed to bring the accountability and transparency of the organization accounts. Besides suffering losses on account of non recoveries etc. There are 1393 numbers of audit paras outstanding for settlement and no serious efforts have been made for the settlement. Immediate attention of the authorities is invited to be serious paras exhibited in overview attached to the report.

Director-Cum-Examiner,  
Local Audit Department,  
Himachal Pradesh,  
Shimla0171009.