

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1978-79)**

(SIXTH LOK SABHA)

TWENTY-FIRST REPORT

Presented on 18th May, 1979



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 1979/Vaisakha, 1901 (Saka)

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Corrigenda
to
Twenty-first Report of the Committee
on Papers Laid on the Table (1978-79)

(Presented on 18.5.1979)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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17	1.27 (Col.3)	5	in respect of the year 1975-76	in respect of these years, the Committee find that the accounts for the year 1975-76
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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	i

APPENDIX

Summary of recommendations/observations contained in the Report	16
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**COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON
THE TABLE**

(1978-79)

Shri Kanwar Lal Gupta—Chairman

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Shri K. K. Saxena—Chief Examiner of Bills and Resolutions.

Shri N. N. Mehra—Chief Examiner of Questions.

Shri P. C. Chaudhry—Senior Table Officer.

INTRODUCTION

1. the Chairman of the Committee on Papers Laid on the Table of the House, having been authorised by the Committee to present the Report on their behalf, present this their Twenty-first Report.

2. On examination of certain papers laid during the Third, Fifth and Seventh Sessions (Sixth Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying Annual Accounts and Audit Reports thereon of North-Eastern Hill University, Shillong.

3. On 21 June, 1978 the Committee took evidence of the representatives of the Ministry of Education and Social Welfare on the subject.

4. On 17 October, 1978, the Committee undertook an on-the-spot Study of the North-Eastern Hill University, Shillong, to find out the actual reasons for delay in completion of the accounts every year and their laying before Parliament.

5. The Committee wish to express their thanks to the Officers of the Ministry of Education and Social Welfare and representatives of the University Grants Commission and the North-Eastern Hill University, Shillong for furnishing information desired by the Committee.

6. The Committee considered and adopted this Report at their sitting held on 16th May, 1979.

7. A statement giving summary of recommendations/observations of the Committee is appended to the Report (Appendix).

KANWAR LAL GUPTA,

NEW DELHI;

Chairman,

May 16, 1979.

Vaisakha 26, 1901 (Saka). *Committee on Papers laid on the Table.*

REPORT

DELAY IN LAYING ANNUAL ACCOUNTS AND AUDIT REPORTS THEREON OF NORTH-EASTERN HILL UNIVERSITY, SHILLONG

The Annual Accounts (English and Hindi versions) for 1973-74 of the North-Eastern Hill University, Shillong together with the Audit Report thereon were laid before Lok Sabha on 14-11-1977 by the Minister of Education and Social Welfare. A statement explaining the reasons for delay in laying the Accounts and the Audit Report was also laid on the Table on 14-11-1977.

1.2. The reasons for delay in laying the Accounts for 1973-74 have been stated to be as follows:

"The English version of the Audit Report on the accounts of North-Eastern Hill University for the year 1973-74 was sent by the Accountant General, Assam and Nagaland, Shillong to the Ministry on 14th February, 1977 and the Hindi version of the Audit Report on 22nd March, 1977. The University, in turn forwarded to the Ministry the requisite number of copies of the Annual Accounts in English together with English and Hindi versions of the Audit Report in April, 1977. Hindi version of the Annual Accounts could not be provided by the University as facility of typing in Hindi does not exist there. The work was accordingly done in the Ministry and this took some time. As both the versions of the Annual Accounts were not ready during the course of the proceeding session of Parliament, the same could not be laid on the Table of the House during that Session."

1.3. The North-Eastern Hill University was established in 1973 in pursuance of the North-Eastern Hill University Act, 1973.

1.4. The North-Eastern Hill University Act, 1973 does not provide for laying of accounts and the Audit Report of the University before Parliament. However, Sections 28 and 29 of the said Act, dealing

with the Annual Report and Annual Accounts of the University, lay down as under:

"Annual Report 28.—(1) The Annual Report of the University shall be prepared under the direction of the Executive Council and shall be submitted to the Court on or after such date as may be prescribed by the Statutes and the Court shall consider the report in its annual meeting.

(2) The Court shall submit the annual report to the Visitor along with its comments if any.

Annual Accounts.—29(1) The annual accounts and balance-sheet of the University shall be prepared under the directions of the Executive Council and shall once at least every year and at interval of not more than fifteen months be audited by the Comptroller and Auditor-General of India.

(2) The annual accounts when audited shall be published in the Gazette of India and a copy of the accounts together with the report of the Comptroller and Auditor-General shall be submitted to the Court and the Visitor along with the observations of the Executive Council.

(3) Any observation made by the Visitor on the Annual accounts shall be brought to the notice of the Court and the observations of the Court, if any, shall, after being considered by the Executive Council, be submitted to the Visitor."

15. In paragraph 1.19 of their 27th Action Taken Report (1971-72) the Public Accounts Committee had recommended as under:

"1.19. The Committee are glad that Government have accepted their oft-repeated recommendation that the audited accounts and audit report of the Central Universities should be laid before Parliament. Since incorporation of necessary provision in the relevant Acts is likely to take some time the Committee would like Government to make it a convention to lay these accounts and audit reports before Parliament pending amendment of the Acts."

16. In paragraph 1.16 of their First Report (Fifth Lok Sabha) the Committee on Papers laid on the Table have *inter alia* recommended that:

"...after the close of the accounting year every autonomous organisation should complete its accounts within a period of three months and make them available for auditing. Auditing of the accounts and furnishing replies to audit

objections, if any, and also translation and printing of reports should be completed within the next six months so that the reports and audited accounts are laid before Parliament within nine months after the close of the accounting year unless otherwise stipulated in the relevant Act etc. under which the body has been set up. If for any reason the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period."

1.7. With a view to finding out the extent of responsibility of the University towards delay in finalisation and submission of accounts to the Audit and their laying on the Table of the House, the Ministry of Education and Social Welfare were requested on 7-12-1977 to furnish information on the following points:

- (i) when the accounts for 1973-74 were finalised by the University and sent to Audit for auditing;
- (ii) the dates on which the Audit asked for further clarifications, if any, and the dates on which information was sent by the University;
- (iii) whether, after the submission of the accounts to Audit any reminder was sent to them to expedite auditing of accounts; if so, the details thereof;
- (iv) the checks being exercised by the Ministry to see that the accounts of the University, duly audited, reach them in time so that the same are placed before the Parliament within a period of 9 months after the close of the accounting year as recommended by the Committee on Papers laid on the Table in para 1.16 of their First Report (Fifth Lok Sabha);
- (v) the action taken by the Ministry in the present case;
- (vi) the position as regards finalisation of accounts for the years 1974-75, 1975-76 and 1976-77; and
- (vii) the reasons for not laying the Annual Reports of the University before Parliament.

1.8. In their reply dated 3rd March, 1978 the Ministry of Education and Social Welfare explained the position (point-wise) as under:

- (i) The Accounts for 1973-74 were finalised by the University towards the end of June, 1976 and the same was checked by Audit during the period from 12-7-1976 to 30-8-1976.
- (ii) Further clarifications were sought for by Audit on 10-11-1976 and the same were furnished by the University on the same date.
- (iii) No such occasion arose.
- (iv) The time schedule prescribed by the Committee on Papers laid on the Table of the Lok Sabha has been brought to the notice of all the Vice-Chancellors of Central Universities. As soon as the Audit Report on the Accounts of a Central University is received in the Ministry from the office of the Accountant General concerned, the University is immediately requested to furnish the requisite number of copies of the Audited statement of Accounts for laying them before Parliament.
- (v) In this case the English version of the Audit Report was sent by the Accountant General, Assam and Nagaland, Shillong to the Ministry on 14th February, 1977 and the Hindi version of the Audit Report on 22nd March 1977. The University was immediately requested for requisite number of copies of the Audited Statement of Accounts for laying them before Parliament. The University forwarded the requisite number of copies of the Annual Accounts in English together with English and Hindi version of the Audit Report in April, 1977. Hindi version of the Annual Accounts could not be provided by the University as facility of typing does not exist there. The work was finally done in the Ministry after exchange of correspondence with the University, hence the delay.
- (vi) The Accounts of the University for the year 1974-75 have since been checked by Audit. Accounts for the year 1975-76 are expected to be finalised by the University soon and after completion, Audit will be requested to take up audit of the same.
- (vii) There is no statutory or other requirement or practice for the Annual Reports of the University to be laid before Parliament.

1.9. In paras 1.12 and 1.14 of their Second Report (Sixth Lok Sabha)—presented to Lok Sabha on 22-12-1977—the Committee on Papers laid on the Table further recommended as under:

“1.12. The Committee, therefore recommend that all Statutory/Autonomous Organisations, Public Undertakings, Corporations, Joint ventures, Societies etc., which are financed out of funds drawn from the Consolidated Fund of India, after being voted by the Parliament, in the form of shares, subsidies, grants-in-aid etc., either wholly or partly should lay their Annual Report/Audit Report (both English and Hindi versions) before both Houses of Parliament irrespective of the fact whether the Statutes, Rules or Regulations of such organisations, provide therefor or not and whether they are registered under the Companies Act, 1956 or not.

1.14. The Committee recommend that Government might consider the feasibility of amending, where necessary the relevant Statutes/Rules/Regulations of such organisations to make it obligatory on the part of the administrative Ministry concerned to lay the Annual Reports/Audit Reports of such organisations under their control before Parliament within nine months of the close of the accounting year so that Parliament is apprised of their activities.”

1.10. At their sitting held on 23-5-1978 the Committee on Papers laid on the Table considered the reasons adduced by the Ministry of Education and Social Welfare in their statement showing reasons for delay in laying before Parliament, Annual Accounts for the year 1973-74 of the North-Eastern Hill University, Shillong and decided that representatives of the Ministry of Education and Social Welfare might be called to appear before the Committee to place facts before them. Accordingly the representatives of the Ministry appeared before the Committee on 21-6-1978 to give oral evidence on the subject.

1.11. Explaining the position with respect to the finalisation of the accounts of the North-Eastern Hill University pertaining to various years, the representative of the Ministry of Education and Social Welfare informed the Committee that the accounts for 1975-76 were being audited. The accounts for 1976-77 and 1977-78 were being compiled and would be finalised by 30-9-1978 and 30-1-1979, respectively. The representative of the University Grants Commission however, informed the Committee that the University had been asked to prepare the accounts every month so that at the end of the year only the work regarding totalling of amounts was left. The

representative of the Ministry then stated that if this procedure of monthly compilation of accounts was followed by the Central Universities, no delay would recur. On being enquired whether this procedure would be followed by Universities, the witness stated that "It has been agreed to by them".

1.12. When asked about laying of Annual Report of the University as also the 'Review' on the Report before Parliament, the representative of the University Grants Commission stated:—

"In the last meeting of the Court they considered the annual report and will send it to the Visitor; after the approval of the Visitor it will be placed before the Parliament."

1.13. The Annual Accounts together with the Audit Report thereon for the year 1974-75 were laid on the Table of Lok Sabha on 14th August, 1978, i.e., 41 months after the close of the accounting year. In the statement laid along with the accounts, showing reasons for delay in laying the Accounts the Minister of Education and Social Welfare explained the position as under:—

"The Annual Accounts of the North-Eastern Hill University for 1974-75 were compiled by the University in April, 1977 and audited by the Accountant General from 29th April, 1977 to 16th July, 1977. The preliminary Audit Report was issued by the Accountant General in December, 1977. There was correspondence between the University and the Accountant General thereafter, and the English version of the final Audit Report was sent by the Accountant General to this Ministry in March, 1978, while the Hindi version was furnished on 2nd May, 1978.

The requisite number of copies of English version of the Annual Accounts together with the Audit Report were furnished by the University to this Ministry in April, 1978. The University could not provide the Hindi version of the document to this Ministry, as facility of typing in Hindi does not exist at Shillong. The work was accordingly done in this Ministry. The Visitor's approval to the submission of Accounts before Parliament has also to be obtained. All these processes took some time.

For the reasons stated in the preceding paragraphs, the Annual Accounts and Audit Report of the North-Eastern Hill University for 1974-75 could not be laid on the Table of the Lok Sabha in time."

1.14. From the Audit Report on the Accounts of the University for the year 1974-75 the Committee noticed the following observations made by Audit:—

"Realisation of Fees.

Rupees 4.93 lakhs realised as fees from the students were accounted for in the Receipt and Payments Accounts for the year 1974-75. The University did not, however, maintain a proper record indicating amount due, amount received from time to time, balance etc. Besides, it did not issue any printed receipt with a counterfoil with the result that it could not be ensured that all claims were preferred and all realisations were duly accounted.

However, from a register of realisation of fees maintained by the University, it was noticed that fees amounting to Rs. 55,625 realised during 1974-75 (dates of realisation were not available) were not entered in the Cash Book on the dates of realisation but were accounted for on 14th April, 1975 (Rs. 55,430) and on 5th May, 1976 (Rs. 195).

The University stated (January, 1978) that at the initial stage, due to administrative reasons various fees were collected by a skeleton staff having little experience and that as a result some irregularities might have been committed.

Stock Registers and Stock verification

The University incurred an expenditure of Rs. 4.22 lakhs and Rs. 8.77 lakhs on purchase of furniture and equipment during the year; however, the stock registers for furniture and equipment had entries for purchase worth Rs. 3.42 lakhs and Rs. 1.22 lakhs respectively only. Besides, no physical verification of furniture, equipment, etc. had been conducted so far (January, 1978). The University stated (January, 1978) that action was being taken to undertake stock taking of different assets purchased."

1.15. In order to find out the real difficulties being encountered by the North-Eastern Hill University, Shillong, in adhering to the time schedule laid down by the Committee for laying the Annual Ac-

counts before Parliament and also to get at the actual reasons for delay in completion of the Annual Accounts every year, the Committee on Papers laid on the Table undertook an on-the-spot study tour of the University on 17th October, 1978 and held discussions with the representatives of the Ministry of Education and Social Welfare and the North-Eastern Hill University, Shillong.

1.16. The Committee were informed that recurring expenditure of the University during 1973-74, 1974-75, 1975-76, 1976-77 and 1977-78 was Rs. 4.36 lakhs, Rs. 19.44 lakhs, Rs. 38.77 lakhs, Rs. 55.25 lakhs and Rs. 64.22 lakhs respectively. The amount of grants received during the said years was Rs. 10.5 lakhs, Rs. 50 lakhs, Rs. 70 lakhs, Rs. 70 lakhs and Rs. 110.6 lakhs respectively. The Committee noted that per student recurring expenditure on the University came to more than Rs. 13,400 during 1977-78. In a subsequent note the Committee were informed that:—

“The maintenance grant for the year 1977-78 is Rs. 85 lakhs. The balance amount represents Rs. 25 lakhs for Library Books and Rs. 0.60 lakhs for Study Centre.

Regarding recurring expenditure it is pointed out that recurring expenditure includes expenditure on Examination also, the expenditure on Examination for 1977-78 is Rs. 6,43,822. Out of this Rs. 2,68,128 represents pay of staff and the balance Rs. 3,75,694 represents remuneration, T.A. etc. of Examiners, invigilators and other examination expenses incurred for conducting various examinations of the University and affiliated colleges.”

1.17. On being enquired about the reasons for the inordinate delay in compilation of the accounts for the years 1973-74 and 1974-75, the Committee were informed that in the initial years, no Finance Officer had been posted in the University and for want of experienced staff the accounts could not be compiled.

1.18. Subsequently in a note furnished to the Committee on 20th February, 1979, the University stated that “In the initial years, although there was no officer designated as Finance Officer, but an I.A. & A.S. officer from Indian Audit Department designated as OSD (Finance) held the post of Finance Officer of this University upto 16th September, 1976 (A.N.). And from 19th September, 1976 (F.N.) onwards an Officer of the I.A.S. Department is holding the post as OSD (Finance) in addition to his duties as OSD (Campus)”.

1.19. On further enquiry about the position of Annual Accounts and Audit Reports thereon for the years 1975-76 and 1976-77, which were required to be laid on the Table by 31st December, 1976 and

31st December, 1977, respectively and were already delayed by 22 months and 10 months respectively, the Committee were informed by the University that the Accounts for 1975-76 were audited between 17th April, 1978 and 22nd July, 1978 and the draft audit report on accounts was received by University on 7th October, 1978 and the reply to draft audit report would be sent by 7th November, 1978. Hindi and English versions of the audit report and the annual accounts would be sent to the Ministry of Education as soon as the final report was received from the Accountant General, Assam and Nagaland etc. Regarding the annual accounts for the year 1976-77, it was stated that the accounts were completed by 30th September, 1978 and were being audited. The accounts for the year 1977-78 were being compiled and the compilation work was expected to be completed by 31st January, 1979. There was no assurance from the representative of the Ministry that the annual accounts for 1978-79 along with the audit report would be laid on due date as this depended upon timely preparation of accounts by the University, audit by the Accountant General and availability of copies of Annual Accounts and the Audit Report to the Ministry.

1.20. The attention of University was drawn to the audit observations contained in the Audit Report on the accounts of the University for the year 1974-75, regarding non-issue of receipts of fees received from students, lack of physical verification of stocks, non-maintenance of stock registers and non-claiming of sales tax exemption for purchase of certain office equipment and jeeps for the University. In this regard the representative of the University could not give any satisfactory reply. The representative of the Ministry of Education and Social Welfare then stated that certain confidential reports on the mal-administration of the finances of the University were also received by the Ministry and the Ministry had therefore asked the C.A.G. to conduct a special audit of the accounts.

1.21. As regards the above Audit observations contained in the Audit Report on the accounts of the University for the year 1974-75 the University have in a written note dated 20th February, 1979 stated the position as under:—

- “(i) Receipts are being issued from 1975-76.
- (ii) A committee is being formed to undertake physical verification of stock.
- (iii) Sales Tax exemption for purchase of Jeeps and Trailers was not claimed as the transaction did not involve “In-

ter-State" Transaction. So only Meghalaya Sales Tax was paid.

- (iv) A special Audit by Accountant General, Assam is being conducted with effect from 3rd October, 1978."

1.22. The Annual Report of the North-Eastern Hill University is not being laid on the Table at present. However, in a statement laid on the Table of Lok Sabha on 12-3-1979 explaining the reasons for delay in laying the Annual Reports together with Annual Accounts and Audit Report of Central Universities before Parliament the Ministry of Education and Social Welfare have *inter alia* stated as under:

"As regards Annual Reports, decision has been taken by Government to lay the same for 1977-78 before Parliament in respect of Aligarh Muslim University, Hyderabad University, North-Eastern Hill University and Viswa-Bharati, as the Acts of these Universities have provision for submission of Annual Report to the Visitor. As the decision was taken only recently, the Universities have not been able to follow the prescribed time-schedule in this case also. Copies of Annual Report have already been received from the Hyderabad University and the Viswa-Bharati and action is being taken to lay the same before Parliament. It is expected that copies of the Report will be received from the remaining two Universities, namely Aligarh Muslim University and North-Eastern Hill University, before long. The Annual Reports of the other three Universities, namely, Banaras Hindu University, Delhi University and Jawaharlal Nehru University will be laid on the Table only after a provision for the purpose is made in their Acts of incorporation."

- 1.23. In a written note furnished to the Committee on 20-2-1979 the University has also *inter alia* stated as under:

"...The annual report for 1977-78 in English version has already been sent to the Ministry vide letter No. F. 43-1/Admn/78-1837 dated 18-12-1978. Hindi version is awaiting translation."

- 1.24. The Annual Accounts and Audit Report for the years 1975-76, 1976-77 and 1977-78 which ought to have been laid before Parliament by 31-12-1976, 31-12-1977 and 31-12-1978, respectively, have not so far been laid.

1.25. The Committee are distressed to find that the Annual Accounts and Audit Reports of the North-Eastern Hill University, Shillong, for the years 1973-74 and 1974-75 were laid on the Table of the Lok Sabha as late as on 14-11-1977 and 14-8-1978, i.e. about 44 months and 41 months respectively after the close of the accounting year. It is regrettable that despite the clear guidelines laid down by the Committee on Papers laid on the Table for laying the Annual Accounts and Audit Reports of autonomous organisations before Parliament in their recommendation made in paragraph 1.16 of their First Report of Fifth Lok Sabha—presented to Lok Sabha on 8-3-1976—the Ministry of Education and Social Welfare have taken 20 months' and 29 months' time in laying the Annual Accounts and Audit Reports for the years 1973-74 and 1974-75 respectively, even if the delay is calculated from the date of presentation of the above Report of the Committee. The Committee take a serious view of these abnormal delays since no plausible and convincing explanation has been given either by the University or by the Ministry of Education and Social Welfare in support of their having delayed the laying of the Accounts and the Audit Reports.

1.26. From the facts mentioned by the Ministry in their statements showing reasons for delay in laying the accounts, the Committee find that University took a long time of 27 months and 25 months after the close of the accounting year in compiling the accounts for the years 1973-74 (compiled in June, 1976) and 1974-75 (compiled in April, 1977) which shows that the University were not very serious about this matter. Had the University taken prompt action to finalise the accounts there was no reason that the accounts would not have been finalised and placed before Parliament in time. This is nothing but a case of utter lethargy on the part of the North-Eastern Hill University in the compilation of accounts. The Committee need hardly stress that in future the North-Eastern Hill University should strictly observe the time schedule prescribed by the Committee for compilation of the accounts etc.

1.27. The Committee also find that the position regarding compilation of accounts for the years 1975-76, 1976-77 and 1977-78 is highly unsatisfactory. From the information supplied to the Committee in respect of these years, the Committee find that the accounts for the year 1975-76 were finalised and audited from 1-4-1978 to 22-7-1978, accounts for 1976-77 were completed on 30-9-1978 and accounts for 1977-78 were expected to be compiled by January, 1979. The abnormally long time taken by the University in compiling the accounts after the close of each accounting year depicts a horrible picture of

the accounts department of the University. From the above facts the Committee can draw only one conclusion that the maintenance of accounts in the University had been in a very bad shape for the last several years leading to considerable delays in finalisation of accounts from year to year. The Committee have impressed upon the Ministry of Education and Social Welfare time and again the imperative need to streamline the procedure of maintenance and finalisation of accounts in the Central Universities to avoid delays in future but no timely action seems to have been taken in that direction as is evident from the shape of maintenance of accounts of the North-Eastern Hill University for the past several years. It is distressing that the recommendations of the Committee on Papers laid on the Table in this regard had not been given any serious thought by the Ministry of Education and Social Welfare otherwise certainly things would not have reached such an intractable position.

1.28. During evidence the Committee were informed that the Central Universities had agreed to the proposal of the University Grants Commission and the Ministry of Education and Social Welfare for monthly compilation of accounts so that at the end of the year only the work regarding totalling of amounts was left. The Committee hope that this procedure will be uniformly observed by all the Central Universities in order to avoid accumulation of arrears and strict observance of this system will be watched both by the University Grants Commission and the Ministry of Education and Social Welfare to ensure that there are no bottlenecks at the end of the year. The Committee, therefore, recommend that urgent steps should be taken to set the matters right.

1.29. It is disquieting that the Annual Accounts and the Audit Reports for the years 1975-76, 1976-77 and 1977-78, which ought to have been laid on the Table by 31-12-1976, 31-12-1977 and 31-12-1978, in terms of the recommendation of the Committee have not so far been laid. The Committee strongly deprecate these persistent delays and urge upon the Ministry of Education and Social Welfare to taken up the matter at a higher level with the University urgently to get the arrears liquidated and to lay the accounts and the Audit Reports before Parliament without any further delay.

1.30. From the observations made by Audit in their Audit Report on the accounts of the North-Eastern Hill University for the year

1974-75 the Committee find some serious irregularities like the ones given below:

"Realisation of Fees

Rupees 4.93 lakhs realised as fees from the students were accounted for in the Receipt and Payments Accounts for the year 1974-75. The University did not, however, maintain a proper record indicating amount due, amount received from time to time, balance etc. Besides, it did not issue any printed receipt with a counterfoil with the result that it could not be ensured that all claims were preferred and all realisations were duly accounted.

However, from a register of realisation of fees maintained by the University, it was noticed that fees amounting to Rs. 55,625 realised during 1974-75 (dates of realisation were not available) were not entered in the Cash Book on the dates of realisation but were accounted for on 14th April, 1975 (Rs. 55,430) and on 5th May, 1976 (Rs. 195).

The University stated (January, 1978) that at the initial stage, due to administrative reasons, various fees were collected by a skeleton staff having little experience and that as a result some irregularities might have been committed.

Stock Registers and Stock verification.

The University incurred an expenditure of Rs. 4.22 lakhs and Rs. 8.77 lakhs on purchase of furniture and equipment during the year; however, the stock registers for furniture and equipment had entries for purchase worth Rs. 3.42 lakhs and Rs. 1.22 lakhs respectively only. Besides, no physical verification of furniture, equipment, etc. had been conducted so far (January, 1978). The University stated (January, 1978) that action was being taken to undertake stock taking of different assets purchased."

1.31. The Committee cannot help expressing their dissatisfaction over the manner in which the North-Eastern Hill University had been maintaining the accounts. If the accounts are not maintained properly, audit thereof is bound to take extra time and this will naturally lead to delay in laying the accounts on the Table of the House. It is surprising that even the rudimentary rules of the accounting system like the maintenance of proper record about the realisation of fees from the students and issue of printed receipts to the students for deposit of fees were not observed by the Univer-

sity. Moreover fees amounting to Rs. 55,625 realised during 1974-75 were not entered in the Cash Book on the dates of realisation, as was noticed by Audit from the register of realisation of fees maintained, by the University. Further no physical verification of stock like furniture, equipment etc. had been conducted till January, 1978, as has been mentioned in the Audit Report. Even on 20-2-1979 the Committee on Papers laid on the Table were informed that a Committee was being formed to undertake physical verification of stock. The Committee are of the view that these irregularities would definitely have come to the notice of the University had the accounts been properly maintained and checked by the Accounts Officer of the University in time. The Committee have no doubt that if the Audit Report for the year 1974-75 had been laid on the Table of the House in time, Parliament would have taken note of such serious observations and irregularities pointed out by Audit and Members would have taken an opportunity to discuss the matter at the time of voting on Demands for Grants of the Ministry of Education and Social Welfare for the following year and suggested some remedial measures to check such irregularities in future.

1.32. During their Study tour to the North-Eastern Hill University, Shillong, the Committee were informed that recurring expenditure of the University during 1973-74 1974-75, 1975-76, 1976-77 and 1977-78 was Rs. 4.36 lakhs, Rs. 19.44 lakhs, Rs. 38.77 lakhs Rs. 55.25 lakhs and Rs. 64.22 lakhs respectively. The Committee were also informed that the amount of grants received during the said years was Rs. 10.5 lakhs, Rs. 50 lakhs, Rs. 70 lakhs, Rs. 70 lakhs and Rs. 110.6 lakhs respectively. The Committee felt surprised to note that the per-student recurring expenditure in the University comes to about Rs. 13,400 during 1977-78. The Committee feel that had the annual accounts of the University together with its Annual Report been laid before Parliament in time from year to year this point would have come to the notice of the Members and it was not unlikely that this point would have been highlighted during discussion on Demands for Grants of the Ministry of Education and Social Welfare or any other discussion pertaining to University Education and the House could have taken a decision on allowing such a high cost ratio to continue.

1.33. The Committee are happy to note that Government have taken a decision to lay on the Table of the House Annual Report of the North-Eastern Hill University from 1977-78 onwards and that the Annual Report for 1977-78 has been received in the Ministry in December, 1978. The Committee hope that the Report will be laid before Parliament without further delay.

1.34. The Committee recommend that the Annual Accounts and Audit Reports of the University for the years, 1975-76, 1976-77 and 1977-78, which are in arrears, should be laid on the Table without any further delay, alongwith a statement explaining in detail the reasons for not laying them within the stipulated period so that the House may be able to assess the quantum of delay and identify the stages at which the delay has actually occurred.

1.35. The Committee trust that the Annual Report, Accounts and the Audit Report for the year 1978-79 and subsequent years will be laid on the Table together within the prescribed period.

1.36. The Committee also recommend that the Ministry of Education and Social Welfare should take early steps to amend the relevant Sections of the North-Eastern Hill University Act, 1973, suitably in the light of the re commendations of the Committee already made in paragraphs 1.12 and 1.14 of their Second Report (Sixth Lok Sabha).

KANWAR LAL GUPTA,

Chairman,

*Committee on Papers laid
on the Table*

NEW DELHI;

May 16, 1979

Vaisakha 26, 1901 (Saka)

APPENDIX

Summary of Recommendations/Observations contained in the Report

Sl. No.	Reference to Para No. of the Report	Summary of Recommendations/ Observations
(1)	(2)	(3)
1	1.25	The Committee are distressed to find that the Annual Accounts and Audit Reports of the North-Eastern Hill University, Shillong, for the years 1973-74 and 1974-75 were laid on the Table of the Lok Sabha as late as on 14-11-1977 and 14-8-1978, i.e. about 44 months and 41 months respectively after the close of the accounting year. It is regrettable that despite the clear guidelines laid down by the Committee on Papers laid on the Table for laying the Annual Accounts and Audit Reports of autonomous organisations before Parliament in their recommendation made in paragraph 1.16 of their First Report of Fifth Lok Sabha—presented to Lok Sabha on 8-3-1976—the Ministry of Education and Social Welfare have taken 20 months' and 29 months' time in laying the Annual Accounts and Audit Reports for the Years 1973-74 and 1974-75 respectively, even if the delay is calculated from the date of presentation of the above Report of the Committee. The Committee take a serious view of these abnormal delays since no plausible and convincing explanation has been given either by the University or by the Ministry of Education and Social Welfare in support of their having delayed the laying of the Accounts and the Audit Reports.
2	1.26/	From the facts mentioned by the Ministry in their statements showing reasons for delay in laying the accounts, the Committee find that the University took a long time of 27 months and 25

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(3)

months after the close of the accounting year in compiling the accounts for the years 1973-74 (compiled in June, 1976) and 1974-75 (compiled in April, 1977) which shows that the University were not very serious about this matter. Had the University taken prompt action to finalise the accounts there was no reason that the accounts would not have been finalised and placed before Parliament in time. This is nothing but a case of utter lethargy on the part of the North-Eastern Hill University in the compilation of accounts. The Committee need hardly stress that in future the North-Eastern Hill University should strictly observe the time schedule prescribed by the Committee for compilation of the accounts etc.

3

1.27

The Committee also find that the position regarding compilation of accounts for the years 1975-76, 1976-77 and 1977-78 is highly unsatisfactory. From the information supplied to the Committee in respect of the year 1975-76 were finalised and audited from 10-4-1978 to 22-7-1978, accounts for 1976-77 were completed on 30-9-1978 and accounts for 1977-78 were expected to be compiled by January, 1979. The abnormally long time taken by the University in compiling the accounts after each accounting year close of depicts a horrible picture of the accounts department of the University. From the above facts the Committee can draw only one conclusion that the maintenance of accounts in the University had been in a very bad shape for the last several years leading to considerable delays in finalisation of accounts from year to year. The Committee have impressed upon the Ministry of Education and Social Welfare time and again the imperative need to streamline the procedure of maintenance and finalisation of accounts in the Central Universities to avoid delays in future but no timely action seems to have been taken in that direction as is evident from the shape of

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(3)

maintenance of accounts of the North-Eastern Hill University for the past several years. It is distressing that the recommendations of the Committee on Papers laid on the Table in this regard had not been given any serious thought by the Ministry of Education and Social Welfare otherwise certainly things would not have reached such an intractable position.

4

1.28

During evidence the Committee were informed that the Central Universities had agreed to the proposal of the University Grants Commission and the Ministry of Education and Social Welfare for monthly compilation of accounts so that at the end of the year only the work regarding totalling of amounts was left. The Committee hope that this procedure will be uniformly observed by all the Central Universities in order to avoid accumulation of arrears and strict observance of this system will be watched both by the University Grants Commission and the Ministry of Education and Social Welfare to ensure that there are no bottlenecks at the end of the year. The Committee, therefore, recommend that urgent steps should be taken to set the matters right.

5

1.29

It is disquieting that the Annual Accounts and the Audit Reports for the years 1975-76, 1976-77 and 1977-78, which ought to have been laid on the Table by 31-12-1976, 31-12-1977 and 31-12-1978, in terms of the recommendation of the Committee have not so far been laid. The Committee strongly deprecate these persistent delays and urge upon the Ministry of Education and Social Welfare to take up the matter at higher level with the University urgently to get the arrears liquidated and to lay the accounts and the Audit Reports before Parliament without any further delay.

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1.30

From the observations made by Audit in their Audit Report on the accounts of the North-Eastern Hill University for the year 1974-75 the Committee find some serious irregularities like the ones given below:

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(3)

"Realisation of Fees"

Rupees 4.93 lakhs realised as fees from the students were accounted for in the Receipt and Payments Accounts for the year 1974-75. The University did not, however, maintain a proper record indicating amount due, amount received from time to time, balance etc. Besides, it did not issue any printed receipt with a counterfoil with the result that it could not be ensured that all claims were preferred and all realisations were duly accounted.

However, from a register of realisation of fees maintained by the University, it was noticed that fees amounting to Rs. 55,625 realised during 1974-75 (dates of realisation were not available) were not entered in the Cash Book on the dates of realisation but were accounted for on 14th April, 1975 (Rs. 55,430) and on 5th May, 1976 (Rs. 195).

The University stated (January, 1978) that at the initial stage, due to administrative reasons, various fees were collected by a skeleton staff having little experience and that as a result some irregularities might have been committed.

Stock Registers and Stock Verification

The University incurred an expenditure of Rs. 4.22 lakhs and Rs. 8.77 lakhs on purchase of furniture and equipment during the year; however, the stock registers for furniture and equipment had entries for purchase worth Rs. 3.42 lakhs and Rs. 1.22 lakhs respectively only. Besides, no physical verification of furniture, equipment, etc. had been conducted so far (January, 1978). The University stated (January, 1978) that action was being taken to undertake stock taking of different assets purchased."

(1)	(2)	(3)
7	1.31	<p>The Committee cannot help expressing their dissatisfaction over the manner in which the North-Eastern Hill University had been maintaining the accounts. If the accounts are not maintained properly, audit thereof is bound to take extra time and this will naturally lead to delay in laying the accounts on the Table of the House. It is surprising that even the rudimentary rules of the accounting system like the maintenance of proper record about the realisation of fees from the students and issue of printed receipts to the students for deposit of fees were not observed by the University. Moreover fees amounting to Rs. 55,625 realised during 1974-75 were not entered in the Cash Book on the dates of realisation, as was noticed by Audit from the register of realisation of fees maintained by the University. Further no physical verification of stock like furniture, equipment etc. had been conducted till January, 1978, as has been mentioned in the Audit Report. Even on 20-2-1979 the Committee on Papers laid on the Table were informed that a Committee was being formed to undertake physical verification of stock. The Committee are of the view that these irregularities would definitely have come to the notice of the University had the accounts been properly maintained and checked by the Accounts Officer of the University in time. The Committee have no doubt that if the Audit Report for the year 1974-75 had been laid on the Table of the House in time, Parliament would have taken note of such serious observations and irregularities pointed out by Audit and Members would have taken an opportunity to discuss the matter at the time of voting on Demands for Grants of the Ministry of Education and Social Welfare for the following year and suggested some remedial measures to check such irregularities in future.</p>
8	1.32	<p>During their Study tour to the North-Eastern Hill University, Shillong, the Committee were informed that recurring expenditure of the Uni-</p>

(1)	(2)	(3)
		<p>versity during 1973-74, 1974-75, 1975-76, 1976-77 and 1977-78 was Rs. 4.36 lakhs, Rs. 19.44 lakhs, Rs. 38.77 lakhs, Rs. 55.25 lakhs and Rs. 64.22 lakhs respectively. The Committee were also informed that the amount of grants received during the said years was Rs. 10.5 lakhs, Rs. 50 lakhs, Rs. 70 lakhs, Rs. 70 lakhs and Rs. 110.6 lakhs respectively. The Committee felt surprised to note that the per student recurring expenditure in the University comes to about Rs. 13,400 during 1977-78. The Committee feel that had the annual accounts of the University together with its Annual Report been laid before Parliament in time from year to year this point would have come to the notice of the Members and it was not unlikely that this point would have been highlighted during discussion on Demands for Grants of the Ministry of Education and Social Welfare or any other discussion pertaining to University Education and the House could have taken a decision on allowing such a high cost ratio to continue.</p>
9	1.33	<p>The Committee are happy to note that Government have taken a decision to lay on the Table of the House Annual Report of the North-Eastern Hill University from 1977-78 onwards and that the Annual Report for 1977-78 has been received in the Ministry in December, 1978. The Committee hope that the Report will be laid before Parliament without further delay.</p>
10	1.34	<p>The Committee recommend that the Annual Accounts and Audit Reports of the University for the years 1975-76, 1976-77 and 1977-78, which are in arrears, should be laid on the Table without any further delay, alongwith a statement explaining in detail the reasons for not laying them within the stipulated period so that the House may be able to assess the quantum of delay and identify the stages at which the delay has actually occurred.</p>
11	1.35	<p>The Committee trust that the Annual Report, Accounts and the Audit Report for the year 1978-79 and subsequent years will be laid on the Table together within the prescribed period.</p>

(1)	(2)	(3)
12	1.36	<p>The Committee also recommend that the Ministry of Education and Social Welfare should take early steps to amend the relevant Sections of the North-Eastern Hill University Act, 1973, suitably in the light of the recommendations of the Committee already made in paragraphs 1.12 and 1.14 of their Second Report (Sixth Lok Sabha).</p>