

MINUTES OF THE 105th MEETING OF THE FINANCE COMMITTEE OF IGNOU HELD ON 20th SEPTEMBER 2023 AT 11.00 A.M.

The following were present:-

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| 1. | Prof. Nageshwar Rao | Vice-Chancellor, IGNOU | - Chairman |
| 2. | Prof. Satyakam | Pro Vice-Chancellor, IGNOU | - Member |
| | Prof. Ashok Sharma | Former VC, VMOU, Kota & Member, BOM, IGNOU | - Member |
| 3. | Sh. Mrutyunjay Behera | Economic Advisor/JS, MoE | - Member |
| 4. | Prof. Shachi Shah | Director, SOITS, IGNOU | - Member |
| 5. | Shri S.C. Prusty | Registrar, Indian Law Institute | - Member |
| 6. | Sh. Mukesh Kumar | Dy. Secretary (IFD), MoE | - Member |
| | | Representative of JS & FA, MoE | |
| 7. | Dr. J.D. Gangwar | Finance Officer, IGNOU | - Secretary |

Ms. Rajni A. Jeet, Dy. Registrar, was present to assist the Committee.

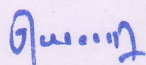
The Secretary, Finance Committee welcomed the Chairman and Hon'ble Members of the Committee. The Secretary also welcomed Sh. Mukesh Kumar, Dy. Secretary (IFD), MoE and Prof. Shachi Shah, Director, SOITS, IGNOU, as new Member in the Committee.


The Chairman welcomed all the Members specially Sh. Mukesh Kumar, Dy. Secretary (IFD), and Prof. Shachi Shah, Director, SOITS, IGNOU. The Chairman also appreciated the contribution of Prof. R.P. Pandey, the outgoing FC member, in the Finance Committee.

With the permission of the Chairman, the Secretary, Finance Committee, presented the agenda items. The following agenda items were presented and deliberated upon:

FC 105.1 Action Taken Report on the minutes of 104th Meeting of the Finance Committee.

- 105.1.1 The Secretary, Finance Committee informed that the Minutes of the 104th meeting of the Finance Committee were circulated to the Hon'ble Members. These minutes were confirmed by the Members in the 104th Meeting of the Finance Committee in order to ensure timely submission of Annual Accounts of the University to MoE.
- 105.1.2 The Secretary presented the Action Taken Report on the Minutes of the 104th Finance Committee.
- 105.1.3 The Committee noted the Action Taken Report on the minutes of the 104th Meeting of the Finance Committee.





FC 105.2 To consider and approve unaudited Annual Accounts of the University for the Financial Year 2022-23 to be submitted to DGA(HE&SD) for Audit.

105.2.1 The Secretary presented the unaudited Annual Accounts of the University for the financial year 2022-23 and explained the trends in income and expenditure under various major heads.

105.2.2 The Secretary apprised the Members about the steps taken by the University for resource generation and mentioned that Rs.46.55 Crores surplus of the revenue over the expenditure is the result of cost cutting and fee rationalization measures initiated by the University. The surplus so generated shall strengthen the capital fund of the University. Further, the Committee was apprised that in furtherance to the decision taken by the Finance Committee in its 104th meeting (FC 104.1.3) held on 01.11.2022, the University had started collecting University Development Fund (UDF) @Rs.200/- per student from every new enrolled student. A UDF of Rs.3,25,68,800/- has been generated in the FY 2022-23 which is shown in the Schedule 1A of the Balance Sheet.

105.2.3 Sh. Mukesh Kumar, Dy. Secretary , IFD, MoE suggested that a review be undertaken to ensure that balance sheet schedules are in accordance with the Notification No.29-4/2012-IFD dated 17.04.2015 of the Ministry of Education. The Secretary clarified that the Annual Accounts being presented are in lines with the previous years' practice of the University which are in compliance with the referred notification of the MoE.

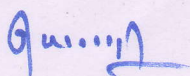
105.2.4 The Chairman mentioned that IGNOU is the first central university which has completely adopted *SAMARTH* module for accounting and finance. Since, the Accounting & Finance Module of the *SAMARTH* was under development, this has caused some delay in the preparation of the annual accounts.

105.2.5 The Finance Committee appreciated the efforts made by Finance & Accounts Division, IGNOU in compilation of the Annual Accounts for 2022-23 through Samarth Portal. The Finance Committee accorded its approval on the unaudited Annual Accounts for 2022-23 and recommended for consideration of Board of Management before its submission to DGA (HE&SE) for audit certification.

FC 105.3 To consider the Revised Estimates 2023-2024 and Budget Estimates 2024-25.

105.3.1 The Secretary informed that in accordance with Statute 11(6) of the Statutes of the University, the Financial Estimates are to be placed before the Finance Committee for consideration and thereafter to be submitted to the Board of Management for approval.

105.3.2 The Secretary explained the Finance Committee that the expenditure of the University is being met from two sources i.e. Revenue from Internal



Resources and the Grant from MoE. Accordingly, the Budget Estimates (Revised Estimates 2023-24 and the Budget Estimates 2024-25) of the University have been summarized and presented in the table below:

| (Rs. in crore) | | | | | |
|----------------|---|-----------------|---------------------------|--------------------------|---|
| S. No. | Object Head (OH) | Actuals 2022-23 | Revised Estimates 2023-24 | Budget Estimates 2024-25 | Fund Source |
| 1. | OH-31 General Expenditure (other than Capital & Salary) | 724.45 | 803.64 | 837.50 | Grant from MoE / Internal Resource Generation |
| 2. | OH-35 Creation of Capital Assets | 10.05 | 74.66 | 82.50 | Internal Resource Generation |
| 3. | OH-36 Salaries(OH-36) (including other components) | 305.37 | 461.70 | 490.00 | Internal Resource Generation |
| | Sub Total | 1039.87 | 1340.00 | 1410.00 | |
| 4. | HEFA Loan | 59.18 | 36.82 | 50.00 | Sanctioned from MoE as HEFA grant |
| | GRAND TOTAL | 1099.05 | 1376.82 | 1460.00 | |

The projected funds/revenue are given in the table below:

| (Rs. in crore) | | | |
|----------------|------------------------------|----------------|----------------|
| S.No. | Fund Source | RE 2023-24 | BE 2024-25 |
| 1. | Internal Resource Generation | 1250.00 | 1310.00 |
| 2. | Grant from MoE* | 90.00 | 100.00 |
| 3. | HEFA Loan | 36.82 | 50.00 |
| | Grand Total | 1376.82 | 1460.00 |

* Expected grant

105.3.3 After deliberations the Finance Committee accorded its approval on the Revised Estimates 2023-24 for Rs.1376.82 Crores and Budget Estimates 2024-25 for Rs.1460.00 Crore. The Finance Committee recommended that the same be placed before the Board of Management for its consideration and approval.

FC 105.4 To consider the details of select audit paras.

105.4.1 The Secretary apprised the Committee that there are three audit observations relating to earmarked funds and fund management which requires approval of the Finance Committee for settlement of these audit paras. The Secretary presented the gist of the following three audit paras in this respect:

- (1) 10 Projects involving an amount of Rs.32.31 Crore were closed on the recommendations of the respective Project-Coordinators as the projects were completed. Out of these 10 Projects, the 03 Projects were involving academic programmes run by IGNOU in collaboration with the external agencies wherein no external funding was involved. As these three projects were involving academic collaboration with the other academic bodies, an arrangement was made for fee sharing between IGNOU and the collaborating academic body. After closure of the academic program, the share of the IGNOU amounting to

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Rs.31,90,64,415/- was transferred to the IGNOU Account. Details of this is presented in the Table-A below:

Table-A

| Project | Name of Project | Collaborating Agency | Closing balance transferred from the project account to IGNOU operation account |
|---------|---------------------------------------|--|---|
| S103 | IGNOU DGS-SOET (Started in 2004-05) | DG Shipping | 14,10,81,171.00 |
| S108 | IGNOU-BHM-SOTHSM (Started in 2004-05) | National Council for Hotel Mgmt. & Catering Technology | 12,75,15,290.00 |
| S148 | IGNOU-FDDI-SOET (Started in 2008-09) | FDDI | 5,04,67,954.00 |
| | | Total | 31,90,64,415.00 |

The remaining amount of Rs.40,53,375/- pertain to the funding by the external agencies. As the projects under-reference were completed and there was no claim/demand raised by any of the sponsoring agencies for refund of the balance amount, the amount of Rs.40,53,375/-, therefore, has been transferred from the respective projects to IGNOU account on the recommendations of the concerned project Coordinators and after the due approval of the Vice-Chancellor for closing of the inoperative projects. The facts were presented before the Audit. However, the Audit suggested that the approval of the Finance Committee may be obtained on the same. The detail of these projects was presented before the Finance Committee in the Table-B below:

Table-B

| Project | Name of Project | Collaborating Agency | Closing balance transferred from the project account to IGNOU operation account |
|---------|---|--|---|
| S065 | ANM-GNM-SOHS (Started in 1998-99) | Ministry of Health and Family Welfare | 1,68,045.00 |
| S073 | IRR-Prof.Madhubala & Prof. G.Pradhan (Started in 2006-07) | -- | 25,61,024.00 |
| S137 | Multinational Consumption Culture (Started in 2007-08) | University Grants Commission | 17,246.00 |
| S142 | ICSSR-Prof.Debal Singh Roy (Started in 2008-09) | Indian Council of Social Science Research (ICSSR) | 3,43,916.00 |
| S168 | Rajiv Gandhi Fellowship (Started in 1994-95) | -- | 9,56,814.00 |
| S193 | Stipend of 67 (CCR-SOJNMS) (Started in 2011-12) | Department of SC/ST/OBC/ Minorities | 6,000.00 |
| S203 | Diaspora & Development (Started in 2011-12) | Indian Council of Overseas Employment (ICOE), ICSSR, ICCR, RBI, Oxford & IGNOU | 330.00 |
| | | Total | 40,53,375.00 |

The Committee noted the explanation provided on the above and approved the transfer of Rs.32.31 Crore from EMF fund to University fund with the direction that the funds mentioned in the Table-B may be refunded to the respective funding agency as and when a demand is received.

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(2) Regarding the overspent amount of Rs.3.04 lakh in the two projects viz. Rs.1,06,911/- in the project (No.S058) of Department of Electronics and Rs.1,97,408/- in the project (No.S082) of NVS regarding Teachers training, the DGA audit suggested to obtain necessary approval of the appropriate authority on the action taken by the University for transferring of Rs.3.04 lakh from the EMF interest to the project fund.

The Audit had been apprised of the fact that these two projects were very old dating back to the 1994-95 and 2002-03 and the project coordinators had retired. Therefore, the recovery of the overspent amount at this stage was not practicable and the amount was transferred from EMF interest to project accounts for facilitating the closure of the projects.

The Finance Committee, taking cognizance of the facts explained, accorded its approval on the action taken by the University and directed that project management should be streamlined in such a way that this kind of situation does not arise in future.

(3) As regards the audit observation on the presumptive loss of Rs. 135.85 lakh due to the investment of the fund in the bank with a lower interest rate, the Committee was apprised of the investment policy of the IGNOU approved by the BoM wherein maximum investment in one bank in the form of FDs can be Rs.210 Crore and maximum Rs.50 Crore can be deposited at one time. This policy was made to ensure mitigation of risk to the University funds in the eventuality of any financial crisis in any particular bank.

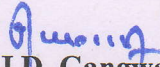
The Finance Committee after due deliberations, decided that the existing policy of capping the maximum investment in one bank and maximum transfer of fund in one go does not merit any relaxation keeping in view the safety of the IGNOU funds. Hence, the investment be made in accordance with the existing policy.

105.4.2

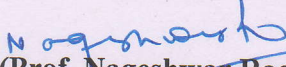
considering the facts presented at (1), (2) & (3) above, the Finance Committee approved the action taken by the University and directed to take up the matter for settlement of audit paras.

The Committee confirmed the minutes and recommended the same be placed before the Board of Management at the earliest so that the Annual Accounts can be sent to the DGA for audit.

The Meeting ended with a vote of thanks to the Chair.


(Dr. J.D. Gangwar)
Finance Officer/Secretary, FC

Minutes approved.


(Prof. Nageshwar Rao) 20/9/23
Chairman, Finance Committee