

MINUTES OF THE 89th MEETING OF THE FINANCE COMMITTEE HELD ON 15th DECEMBER, 2016 AT 10.00 A.M. IN THE BOARD ROOM, VICE CHANCELLOR OFFICE, IGNOU, MAIDAN GARHI, NEW DELHI.

The Eighty Ninth Meeting of the Finance Committee was held on 15th December 2016 at 10.00 a.m. in the Board Room of the Vice Chancellor Office, IGNOU, Maidan Garhi, New Delhi. The Meeting was attended by the following:

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|----|------------------------|-----------------------------|-------------|
| 1. | Prof. Ravindra Kumar | Vice-Chancellor (i/c) | - Chairman |
| 2. | Shri S.P Goyal | Joint Secretary (TEL), MHRD | - Member |
| 3. | Ms. Darshana M. Dabral | Joint Secretary & FA, MHRD | - Member |
| 4. | Prof. K.N. Tripathi | Member, BOM, IGNOU | - Member |
| 5. | Shri D.K. Issrani | Finance Officer (i/c) | - Secretary |

Prof. P. Srinivas Kumar, Member, FC did not attend the meeting.

Shri U.C. Bisht, Assistant Registrar (Budget), Shri Mohan Veer Gautam, Assistant Registrar (FC), and Shri Anil Kumar, Section Officer (FC) were present to assist the Committee.

At the outset the Committee placed on record its appreciation of the contribution made by Shri M.P. Gupta, the outgoing Member of the Finance Committee whose term had expired on 29.11.2016.

The Secretary welcomed the Chairman and Members of the Finance Committee and requested the Chairman to give his prefatory remarks.

The Chairman informed the Committee that strengthening of the financial management system of the University had been taken up urgently and that it was expected that necessary processes would be streamlined soon. Some of the important steps already initiated towards this end were listed: (a) steps taken by the University to make its admission system and collection of fee fully online from January 2017 academic session, (b) creation of MIS Cell, (c) revision of investment guidelines, (d) formation of Internal Audit Cell, and (e) steps to make University cashless and digital transaction compliant in the range of 95% and above with effect from December 2016. The Members appreciated the steps taken by the University and also noted that a vigorous and

robust financial management system needed several more structural and procedural initiatives to come in place and associated reforms to commence. The Committee suggested the following specific measures to begin urgently:

1. Adoption of Public Finance Management System (PFMS)
2. Rapid switch-over to E-Office mechanism
3. Establishment of a more stable and rigorous Internal Audit System
4. Regular and strict compliance of internal audit procedures for all University components
5. Investment of funds in conformity with the latest guidelines issued by the GoI
6. Formation of a Task Force to accomplish time-bound Bank reconciliation at HQ and at all the RCs, and speedy and urgent settlement of pending CAG Audit Paragraphs
7. Reduction of the multiple bank accounts and immediate adoption of Flexi-mode Bank Account
8. Utilization of accrued interest on Corpus Fund towards creating and strengthening University infrastructure through specific guidelines
9. Adoption of a system of monthly allocation and settlement of funds to Schools, Divisions and RCs
10. Periodic revision of University fee and its rationalization in the context of growing expenditure on services.

The Committee unanimously endorsed the above and desired that it be considered the Ten-Point Charter of Reform for the University Finance Division. Accordingly, the Committee adopted the following resolution:

FC 89.0 The Finance Committee decided to adopt the Ten-Point Charter of Reform as listed above and authorized the Vice Chancellor to initiate appropriate measures in conformity with the Charter to modify/reorganize the financial management system of the University. It was also decided that regular progress report/s on the accomplishment of Charter would be presented at the subsequent Meeting/s of the Finance Committee.

The Secretary, with the permission of the Chairman, presented the following agenda items, which were deliberated by the Committee:

FC 89.1 To confirm the Minutes of 88th meeting of the Finance Committee held on 20th June, 2016.

89.1.1 The Secretary informed that the observations received from MHRD vide letter dated 16.06.2016 and comments received vide their letter dated 22.07.2016 on the Minutes of the 88th Meeting of the Finance Committee held on 20th June, 2016 had been clarified/amended as detailed in the agenda note. Accordingly, the Minutes of the 88th Meeting of the Finance Committee may be confirmed.

89.1.2 The Finance Committee confirmed the Minutes of the 88th FC Meeting with the above clarifications/amendments.

FC 89.2 Action Taken Report in respect of 88th Meeting of the Finance Committee.

89.2.1 The Member Secretary presented the Action Taken Report as given against each item in Agenda note.

89.2.2 The Finance Committee made the following observations on the Action Taken Report of its 88th Meeting held on 20-06-2016:

88.2.2(a) : Noted the action taken by the University to create/ refurbish the Internal Audit Cell and issuance of a notification in this regard. The Committee expressed concern at the delay in issuing the notification and decided that the measures listed in the Charter would be implemented.

88.2.2(c) : While reviewing the guidelines on investment, it was stated that the Committee constituted for the purpose shall take cognizance of the guidelines issued by the Govt. of India in this regard.

88.2.2(d) : The Secretary informed that a notification had been issued for creation of MIS Cell. The Cell was operational now and this was to be an on-going activity. The concern noted at 88.2.2(a) was reiterated.

88.4 : While discussing the mechanism for implementation of direct benefit transfer scheme to SC and ST students under Scheduled

Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP), the Chairman informed the Committee that the University had presently taken a decision for 100% fee waiver to such students eligible under this scheme. The Finance Committee, however, pointed out that mechanism of this scheme should be in consonance with the guidelines issued by the Government of India/UGC and be implemented in the University accordingly. The Committee further desired that a mechanism so prepared in the matter be placed before the Committee at its next Meeting.

88.6.3 : The Finance Committee desired that a comprehensive enquiry concerning the working of CMD projects, other maintenance works and related matters may be set-up and completed in a time-bound manner and a report on this should be presented before the Board of Management as per decision by the BoM in its 125th meeting held on 23-07-2016 vide Resolution 125.3.3.

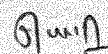
88.7 : The Secretary informed the Committee that the matter had been taken up with the DGACE for settling of old outstanding audit paras at the earliest and a team from DGACE is expected to visit soon to IGNOU for the purpose.

The Committee desired that prompt action vide Charter should be taken by the University particularly for settling of the audit paras and bank reconciliation of fee accounts.

89.2.3 The Finance Committee noted the Action Taken Report with the above observations.

FC 89.3 To consider the Audited Annual Accounts of the University for the Financial Year 2015-16.

89.3.1 The Committee was informed that as per Section 29 of IGNOU Act, a copy of the audited accounts and the audit report have to be submitted to the Visitor after



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obtaining the approval of the Board of Management. The same also needs to be submitted to the MHRD for laying it before both the Houses of Parliament, once approved by the Board of Management.

89.3.2 The Secretary apprised on the chronology of events regarding preparation of Annual Accounts, recommendations of the same by the Finance Committee in its 88th Meeting held on 20.06.2016 and approval of the Board of Management in its 124th Meeting (by circulation), audit of the Annual Accounts conducted by DGACE and submission of replies to the draft Separate Audit Report (SAR) to DGACE by the University. The Secretary further informed that the Audit Certificate was expected to be received from DGACE shortly.

89.3.3 The Committee recommended that the Audit Certificate should be apprised to members of the Committee separately. Accordingly, the Audited Annual Accounts of the University for the Financial Year 2015-16 shall be recommended for approval of the Board of Management.

89.3.4. The Finance Committee considered and approved the part Minutes on this agenda item.

FC 89.4 To consider and approve the Revised Estimates 2016-17 and the Budget Estimates 2017-18.

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

Accordingly, the University had prepared the Revised Estimates 2016-17 and Budget Estimates 2017-18 as per details given below:

Operational Fund (Revenue from Internal Resources 2017-18)

	Estimated Revenue	Estimated Budget
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	Realization	Provision
Revised Estimates 2016-17	800.55 Crore*	800.55 Crore
Budget Estimates 2017-18	920.31 Crore**	920.31 Crore

* Includes the carry forward balances of Rs. 32.75 Crore of the previous year and token grant of Rs. 267.80 crore from MHRD.

** Includes Rs. 370.00 Crore token grant from MHRD.

Development Fund (Revenue and Capital for Grant from MHRD 2017-18)

	Grant approved by MHRD	Estimated Budget Provision
Revised Estimates 2016-17	70.00 Crore*	316.86 Crore
Budget Estimates 2017-18	70.00 Crore**	237.25 Crore

* Under two heads viz. Rs. 63.00 Crore under Development Grant to IGNOU other than NER, Rs. 7.00 Crore under Development Grant to IGNOU in NER.

** Anticipated allocation by MHRD for 2017-18 is based on the actual approved allocation of Rs. 70.00 Crore for 2016-17.

A power point presentation on the above mentioned Revised Estimates 2016-17 and Budget Estimates 2017-18 was also made by Sh. U.C. Bisht, Asstt. Registrar (Budget), F&A Division.

- 89.4.2 After detailed deliberations, the Committee recommended the Revised Estimates 2016-17 and Budget Estimates 2017-18 for approval of the Board of Management with the provision that the contribution of MHRD shall be restricted to Rs. 100.00 crore for RE 2016-17 and Rs. 110.00 crore for BE 2017-18. Accordingly, the estimates were modified as under :

Revenue from Internal Resources 2017-18

Revised Estimates 2016-17 of Rs.704.06 Crore against the estimated revenue of Rs.704.06 Crore (including carry forwarded balance of Rs.32.75 Crore of the previous year and Rs.171.32 Crore token grant from MHRD).

Budget Estimates 2017-18 of Rs.790.66 Crore against the estimated revenue realization of Rs.790.06 Crore (including Rs.240.66 Crore token grant from MHRD).

Revenue and Capital for Grant from MHRD 2017-18

The Committee was of the view that the proposed estimates were on higher side in view of the past trend of expenditure. The Committee recommended to reduce the Revised Estimates 2016-17 and Budget Estimates 2017-18 as follows:

- Revised Estimates 2016-17 at Rs.237.15 Crore against the approved Budget allocation by MHRD for Rs.100 Crore. (The estimated difference of Rs.137.15 Crore will be met from internal resources of IGNOU on need based requirements and also take-up the matter with MHRD for release of additional grant).
- The Budget Estimates 2017-18 has been proposed at Rs.178.87 Crore.

In order to operationalize the Revised Estimates 2016-17 & Budget Estimates 2017-18, the Finance Committee confirmed the part Minutes of this item.

FC 89.5 To consider enhancement in stipend of interns at Library & Development Division, IGNOU

- 89.5.1 The University Librarian was invited and requested to explain the agenda to the Committee. After detailed deliberations, the Committee directed that the agenda may be re-examined in the light of the scheme of internship as per UGC norms & other Central Universities and a revised proposal with complete facts and justification be presented before the Finance Committee meeting.

FC 89.6 To consider the proposal for initiating the process of revision of Delegation of Financial Powers of the University to the Directors/Heads of Schools/ Divisions.

89.6.1 The Chairman informed the Committee that there was an urgent need for revision of delegation of financial powers of the University for the reasons mentioned in the agenda note.

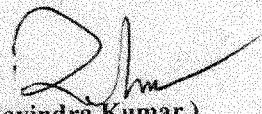
89.6.2 The Committee recommended the proposal for initiating the process for revision of delegation of financial powers in the University and authorized the Vice Chancellor to initiate appropriate measures for the purpose. The Vice Chancellor was further authorized to initiate measures for integrating ODL/accounting system with RCs and with PFMS (GOI) portal.

FC 89.7 To consider revision of rates for translation (Table Item)

89.7.1 The proposal for revision of rates for translation of various official documents viz. MoUs, MoCs, MoAs, Code, Manual, Training manual, etc. under Sec.3(3) of Official Language Act as recommended by the committee constituted for the purpose was placed as Table Item as submitted by Official Language Cell of the University.

89.7.2 After detailed deliberations, the Committee directed that the proposal be re-examined in accordance with the rates notified by the Government of India and other central universities and a revised proposal/item with complete facts & justification be placed in the next Finance Committee meeting.

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


(Ravindra Kumar)
Chairman, Finance Committee



