

CHAPTER III HIGHER EDUCATION DEPARTMENT

Functioning of Mahatma Gandhi University

Highlights

Mahatma Gandhi University (MGU) is an educational institution that strives to fulfil the higher educational needs of the people of Central Kerala. It imparts education in the conventional disciplines of Science, Social Science as well as in professional disciplines of Medicine, Nursing, Pharmacy, Engineering, etc. The Performance Audit focussed on the academic activities and the financial management of MGU.

MGU commenced a five year Integrated Interdisciplinary MS programme and Integrated Double Degree BA (Criminology)-LLB (Honours) which did not have the approval of University Grants Commission (UGC).

(Paragraphs 3.6.1.1 and 3.6.1.2)

The MGU failed to frame uniform syllabus as directed by UGC. The College Development Council envisaged by UGC was ineffective due to non-appointment of full time Director.

(Paragraphs 3.6.2 and 3.6.5.2)

There was a delay ranging from one to nine months in declaring examination and revaluation results. Fifty nine *per cent* of degree certificates were issued after six months from the date of application.

(Paragraphs 3.6.3.1 and 3.6.3.2)

One hundred ninety seven teachers identified as Research Guides by MGU did not possess the eligibility criteria as prescribed by UGC.

(Paragraph 3.6.4.1)

MGU failed to implement Syndicate decision, made dilution to contractual terms and failed to obtain UGC/Government of Kerala (GOK) assistance leading to loss of revenue of ₹3.98 crore.

(Paragraph 3.7.1)

The Syndicate of the MGU irregularly created 10 non-plan posts of Section Officers without the approval of GOK.

(Paragraph 3.7.1.4)

Irregular payment of House Rent Allowance against GOK directives resulted in undue benefit of ₹2.20 crore to the staff of MGU.

(Paragraph 3.7.2.1)

Payment of inadmissible remuneration of ₹13.97 crore to regular teachers towards valuation of answer scripts was observed.

(Paragraph 3.7.2.2)

Promotions made against the abolished posts in violation of orders of GOK resulted in excess payment of ₹13.36 lakh.

(Paragraph 3.7.2.3)

Failure of MGU to enrol employees into EPF Scheme from the date of entry into service resulted in avoidable expenditure of ₹2.20 crore and potential liability of ₹3.78 crore towards interest and damages.

(Paragraph 3.7.4.1)

There was no internal audit wing in the MGU which resulted in lack of internal control mechanism.

(Paragraph 3.7.4.2)

3.1 Introduction

Mahatma Gandhi University (MGU), Kottayam, was established in October 1983 to provide higher education to the students belonging to the districts of Kottayam, Ernakulam, Idukki and parts of Pathanamthitta and Alappuzha. The MGU conducts Under Graduate (UG), Post Graduate (PG), M.Phil and Doctoral level courses through 17 University departments, seven Inter-University Centres, 10 Inter-School Centres, eight Self Financing Institutions and 250 affiliated colleges (10 Government colleges, 63 aided colleges and 177 unaided colleges). It imparts education in the conventional disciplines of Science, Social Science as well as in professional disciplines of Medicine, Nursing, Pharmacy, Engineering, etc. MGU is accredited by National Assessment and Accreditation Council²⁸ at 'B' level.

3.2 Organisational setup

The Governor of Kerala is the Chancellor and Head of the University. The Vice Chancellor (VC) of the MGU is the principal academic and executive officer and all officers of the University are under his administrative control. The following personnel held the post of VC as detailed below:

Table 3.1: Persons holding the post of Vice Chancellor

Sl. No.	Name of the VC	Period
1.	Dr. Rajan Gurukkal	November 2008 to October 2012
2.	Dr. K M Abraham	November 2012 to December 2012
3.	Dr. A V George	January 2013 to April 2014
4.	Dr. Sheena Shukkur	May 2014 to August 2014
5.	Dr. Babu Sebastian	September 2014 to till date

The VC is assisted by a Pro-Vice Chancellor, Registrar, Controller of Examinations and Finance Officer²⁹.

²⁸ National Assessment and Accreditation Council (NAAC) is an autonomous body established by the University Grants Commission (UGC) of India to assess and accredit institutions of higher education in the country. Institutions are graded for each key aspect under four categories viz. A, B, C and D denoting very good, good, satisfactory and unsatisfactory levels, respectively

²⁹ Abraham J Puthumana – October 2000 to till date

3.3 Audit Objectives

The Performance Audit was conducted to assess whether

- the academic activities were planned and executed efficiently and effectively; and
- the financial management of the University was efficient and effective.

3.4 Audit Criteria

Audit criteria was derived from the following sources:

- University Act and Statutes, University Grants Commission Regulations, Examination Manual and Orders issued by Government of Kerala (GOK) and various regulatory authorities³⁰
- Kerala Financial Code and Kerala Service Rules
- Kerala Stores Purchase Manual
- Special Rules for Self Financing Institutions

3.5 Scope and Methodology of Audit

The Performance Audit of the ‘Functioning of Mahatma Gandhi University’ covering the period from 2011-12 to 2015-16 was conducted from March to October 2016 focussing on the academic and financial activities including management of Self Financing Institutions.

We commenced the audit with an Entry Conference held on 17 March 2016 with the Additional Chief Secretary (Finance and Higher Education), Principal Secretary (Finance-Expenditure and Higher Education), VC and Registrar of MGU wherein the audit objectives, audit criteria and audit methodology were discussed. The audit methodology included the scrutiny of documents and verification of records related to core academic activities, role of academic bodies in the pursuit of excellence, extent of application and adherence to University Grants Commission/Career Advancement Scheme norms, prudence in financial management, etc. An Exit Conference was conducted on 05 December 2016 with the Principal Secretary, Higher Education Department and Finance Officer, MGU, during which the audit findings were discussed in detail.

³⁰ All India Council of Technical Education (AICTE), National Council of Teacher Education (NCTE) and Bar Council of India (BCI)

Audit findings

3.6 Academic activities

3.6.1 Courses offered without fulfilling the norms laid down by Statutory Authorities

3.6.1.1 Commencement of courses not approved by University Grants Commission

As per Section 22(3) of the University Grants Commission (UGC) Act 1956, 'degree' means any such degree as specified on this behalf by the UGC by notification in the official Gazette. There were 163 degrees notified by UGC in the official Gazette as on 23 May 2009. UGC had informed VCs of all Universities in November 2009, to ensure that the nomenclature of the degrees offered should be as specified by the UGC.

The VC accorded approval (October 2009) to the MS programme, which commenced during 2009-10 with an intake of 10 students, by exercising the powers of the Syndicate as per Section 10 (17) of the MGU Act. The Syndicate of the MGU decided (February 2010) to launch the five year Integrated Interdisciplinary Master of Science programme through Institute for Integrated programmes and Research in Basic Science (IIRBS) and declared the programme as MS. The decision of the VC was subsequently ratified by the Academic Council in January 2015.

Since the degrees notified by the UGC identified MS as Master of Surgery and the five year Integrated Interdisciplinary MS programme of the MGU was not in the approved list of UGC, the first batch of 10 students who had completed the course in 2014 were awarded M.Sc Degree. We also noticed that, nine students were awarded M.Sc Degree in Chemistry while one student was awarded M.Sc Degree in Physics.

Subsequently, the Sub-Committee constituted by the Syndicate of MGU proposed (March 2015) that, specialisation in M.Sc. would be based on the project work/subjects studied from VII to X semesters (Master level semesters) and suggested that, IIRBS may propose the syllabus for specialisation in Physics. Accordingly, the VC issued orders (May 2015) for retrospective modification of course and curriculum for the 2009 and 2011 batches and re-designed the programme as Interdisciplinary Master of Science programme, declared as M.Sc.

It is evident from above details that, Physics was not a part of the syllabus of 2009 batch and giving retrospective effect of change of programme for the students who had already passed out in 2014 was not in order.

On being asked, the VC, MGU replied (December 2016) that, in all regulations, the degree was shown as MS/M.Sc. and that different degrees including degree in Physics were awarded on the basis of curriculum structure approved by MGU in 2009.

The reply was not tenable as it was found that, in all University Orders and Regulations issued upto 2015 except initial University Order issued in 2009, the name of the programme was shown as MS and there was no separate curriculum/specialisation envisaged for awarding different degrees. It was

only after the recommendation of the Sub-Committee after March 2015, that a separate syllabus for Physics in VII to X semesters was introduced in 2015, after the first batch had passed out.

3.6.1.2 Commencement of course in Law violating UGC guidelines/Bar Council of India norms

As per UGC instructions (November 2009), the VCs of all Universities are required to ensure that the nomenclature of the degrees should be as specified by the UGC. The MGU commenced a five year Integrated Double Degree BA (Criminology)-LLB (Honours) course with effect from the academic year 2011-12. Five Colleges³¹ together admitted 970 students to the course during the years 2011-12 to 2015-16. While the Government Law College, Ernakulam and SN Law College, Poothotta made admissions to the course from 2011-12 and 2012-13 onwards respectively, the other three colleges commenced the course only with effect from 2013-14.

We observed that, the five year Integrated Double Degree BA (Criminology)-LLB (Honours) course offered by the MGU was not part of the list of courses notified by the UGC. Therefore, it was not a recognised course.

Even though the Regulations issued by the MGU specified that the course was in compliance to the Bar Council of India Rules of Legal Education 2008, it was silent on the fact that the course did not possess approval of the UGC which was essential for its recognition. Since the Advocates Act, 1961 also stipulated that, the State Bar Council shall enrol as Advocates only such candidates who have passed law from a University/approved affiliated Centre of Legal Education/Departments of the MGU as recognised by Bar Council of India (BCI), we observed that, all the 970 students who were enrolled in the five year Integrated Double Degree BA (Criminology)-LLB (Honours) course are ineligible to practice Law. The BCI also confirmed (February 2016) that, as the UGC has not recognised degree in BA (Criminology)-LLB (Honours) course, persons possessing the degree are not entitled to be enrolled as Advocates. Thus, the action of MGU in admitting students to the Integrated Double Degree BA (Criminology)-LLB (Honours) course without UGC approval violated Bar Council of India regulations also and this action has put the legal career of these students as Advocates at risk.

The Joint Registrar of MGU stated during the Exit Conference (December 2016) that, the MGU has discontinued the course from 2016-17 and BCI has agreed to regularise the course as a one-time measure for students already admitted, on payment of a fine of ₹10 lakh (Rupees two lakh per year for five years). We observed that the reply of the MGU was silent on the University offering such courses to the students, which were not recognised by the UGC.

In the circumstances, we recommend that, responsibility needs to be fixed for the lapse on the part of MGU in offering a course which did not have UGC's and BCI's approval and for getting retrospective ratification by making payment of fine of ₹10 lakh, which is not a healthy precedence in the field of education.

³¹ Government Law College, Ernakulam, SN Law College Poothotta, Al Azhar Law College, Thodupuzha, Bharata Mata School of Legal Studies, Angamaly and CSI College for Legal Studies, Kanakkary

Recommendation 1: The VC should ensure that only courses recognised by the UGC are offered by MGU.

3.6.1.3 Master of Business Administration courses through off-campus centres

The All India Council of Technical Education (AICTE) is the statutory authority for ensuring coordinated and integrated development of technical and management education and maintenance of standards. With the approval of AICTE (July 1994), the School of Management and Business Studies of MGU offered two year full time Master of Business Administration (MBA) course with 30 seats with effect from 1994. MGU accorded approval to five aided Arts and Science Colleges to conduct MBA programme after obtaining assurance that these colleges had obtained AICTE's approval. The School of Distance Education (SDE) of MGU also conducted a similar MBA programme through 72 off-campus centres³² from 2001-02 to 2014-15 for which the approval of AICTE was not obtained. Based on High Court judgement (February 2015), these off-campus centres were closed with effect from 2015-16 as the MGU did not have powers to conduct off-campus centres outside its jurisdiction.

We observed that, out of 6303 MBA degrees³³ awarded by MGU during 2011-12 to 2015-16, 4735 MBA degrees (75 per cent) were awarded to the students who had undertaken the course through off-campus centres. MGU awarded same degree certificates to the students who attended off-campus centres and the students who studied the course in University department and affiliated colleges concealing the fact that degrees obtained through off-campus centres were not recognised by AICTE.

On being asked, MGU replied that, the University started the course as per its Syndicate resolution, since, as per the judgement of Supreme Court of India dated 24 September 2001 (Bharathidasan University case), Universities could start any new department/course/programme in technical education without obtaining approval of AICTE.

The reply was not tenable as the said judgement pertains to the courses directly run by the University. It is also significant to note that despite the Hon'ble Supreme Court of India clarifying (May 2014) that prior approval of the AICTE was compulsory and mandatory for conduct of a technical course including MBA/Management course for the academic year 2014-15, MGU permitted the off-campus centres under its jurisdiction to admit students to MBA courses in 2014-15 also without obtaining approval of AICTE.

During the Exit Conference (December 2016) the Principal Secretary observed that, this was a serious lapse on the part of MGU and amounted to contempt of the Supreme Court of India. As such we recommend that, appropriate action may be taken for the lapses against the defaulting authorities/persons.

³² Off-campus centres are private educational entities run by institutions/individuals/trusts within or outside the territorial jurisdiction of the University

³³ Include degrees offered by five aided colleges affiliated to MGU having AICTE approval

3.6.2 Failure to revise syllabus and comply with UGC guidelines

As part of the measures to enhance efficiency and excellence in the higher education system and to ensure seamless mobility of students across the higher educational institutions in the country and abroad, the UGC directed (November 2014) that, the Choice Based Credit System (CBCS)³⁴ proposed by it should be adopted by all the Universities from 2015-16. The UGC also issued guidelines to Universities to frame uniform syllabi. As the MGU was following a Choice Based Course Credit and Semester System, it was resolved (August 2015) to implement the guidelines for the adoption of uniform CBCS from the Academic Year 2016-17 onwards. Accordingly, Regulations for implementation of Revised Scheme and Syllabi for UG courses with effect from academic year 2016-17 were approved by MGU (February 2016) and the revised scheme and syllabi of 108 UG programmes were drafted and subsequently approved by MGU in May 2016.

We observed that, even though MGU approved the Regulations, Revised Scheme and Syllabi for UG courses with effect from academic year 2016-17, the newly constituted Syndicate, citing delay in ratification by the earlier Syndicate and complaints received from stakeholders, did not implement the Regulations. The syllabi for the UG courses were yet to be revised (September 2016) which resulted in disadvantage to the students of MGU compared to students from other Universities which adopted the new syllabi.

The VC, MGU stated (December 2016) that, new syllabi would be implemented with effect from the academic year 2017-18 after detailed discussions with experts and other stakeholders. The reply was not acceptable as the MGU has failed to comply with the UGC Regulations to frame uniform syllabi which hampered seamless migration of students across Universities within the country and abroad.

3.6.3 Conduct of examinations and publication of results

3.6.3.1 Delay in publication of results and consequent hardships to students

MGU publishes examination calendar for every academic year which includes dates of examination and dates of publication of results of Under Graduate (UG) and Post Graduate (PG) courses. We observed delay of one to three months in publishing of results of final semester of UG/PG courses and delay between one to nine months in the case of other semesters. Failure of MGU to publish results on time leads to course lagging and deprivation of timely admission of students to other institutions.

As per the Examination Manual of the MGU, candidates who have taken examinations conducted by MGU can apply to the Controller of Examinations for revaluation of their answer book. The results of revaluation are to be published within 60 days from the last date for receipt of applications. We noticed delay in publishing results of revaluation conducted by MGU. During 2012-13 to 2015-16, the results of revaluation could be declared within the stipulated time of 60 days in 20 per cent of cases only. In 49 per cent cases,

³⁴ Choice Based Credit System provides choice for students to select from the prescribed courses (core, elective or minor or soft skill courses)

results were declared after the last date of submitting application for the next examination and in another 10 *per cent* cases, results were announced after the completion of next examination causing hardship to the students. The delayed publishing of revaluation results forced students to reappear for the next examination without knowing their previous result.

The VC, MGU, while accepting the audit observation (December 2016) attributed the delay in publishing results to the numerous diverse courses offered by MGU and shortage of teachers for valuation. The reply was not tenable as it was the duty of MGU to ensure timely action in the interest of the students' educational needs. Besides, it was MGU's own decision to run so many courses.

3.6.3.2 Delay in issuing degree certificates

As per Examination Manual of MGU, degree certificates would be issued within 10 days (later raised to 20 days (September 2013)) if applied along with additional fee of ₹900 (fast track). However, we noticed that, 37 *per cent* of degree certificates were issued after the stipulated time of 20 days.

MGU has also not prescribed any time limit for the issue of degree certificates in the normal course. We noticed that, 59 *per cent* of certificates during the audit period were issued after six months from the date of application.

The VC, MGU stated (December 2016) that, consequent to the audit observation, a proposal for fixing a timeframe for issue of certificates in normal course was under its consideration.

3.6.3.3 Lack of action for improper valuation

As per the provisions in the Examination Manual of the MGU, if the revalued marks vary from the original marks by 25 *per cent* or above, the fact shall be reported to the Standing Committee of Examinations. The examiner, if found guilty of improper valuation, shall be debarred from the examinership of MGU for a minimum period of three years. A fine of ₹500 shall also be imposed on the examiner. However, we observed that, MGU was not invoking the provisions of the Manual against teachers guilty of improper valuation. Of the 433 cases under UG courses where marks on revaluation were found to be in excess of 25 *per cent* of the original marks, action was initiated only in seven cases by seeking explanation. Reasons for not initiating action in remaining 426 cases were sought for (October 2016) from the MGU. But MGU did not give any reply (January 2017).

As per the Examination Manual, a fine of ₹500 shall be imposed upon teachers found guilty of improper valuation/revaluation which was enhanced (February 2014) upto a maximum of ₹10,000. During February 2014, all the 95 students who appeared for the Indian English Literature paper in MA I semester examination in six³⁵ affiliated colleges were given fail marks by the examiners. Based on the media report on the mass failure, an enquiry commission was formed (March 2015) and the subsequent revaluation revealed that, out of the 95 students, 82 students were declared as passed.

³⁵ Illahia College, Maharajas College, St. Dominic College, St. Alosius College, Al Azhar College and St. Berchmans College

Considering the enquiry report, the MGU debarred two examiners responsible for this failure from future examination duties and reported (October 2015) the same to the Director of Collegiate Education for further action.

Though the enquiry commission had found two examiners guilty, action was yet to be initiated by the Director of Collegiate Education against them (December 2016). Thus, MGU failed to impose penalty upon the delinquent examiners, to avoid such instances in future.

The VC, MGU stated (December 2016) that, based on audit observation, directions have been issued to authorities concerned for imposing fine on the errant examiners.

Recommendation 2: MGU may ensure that examiners proved guilty of improper valuation are penalised to guard against such lapses in future.

3.6.4 Research and Development Activities

3.6.4.1 Research Supervisors without qualification as per UGC norms

The Revised Regulations for PhD Registration and Award of Degree of Doctor of Philosophy, 2010 (PhD Regulations) of the MGU requires a research student to work under a recognised supervising teacher (Research Guide) who should invariably be permanently employed in the colleges/institutions to which the Research Centre is attached. While teachers of the University Department/schools of teaching and research in MGU do not require any formal recognition as Research Guides in order to supervise research, teachers working in Government and aided colleges affiliated to MGU and scientists in reputed research organisations run by Government need to possess a minimum of two years post doctoral research experience. Besides, these teachers must have at least three post doctoral publications in their subjects published in the referred journals of national/international standing.

We observed that, 197 teachers working in Government and aided colleges affiliated to MGU were identified as Research Guides by the Syndicate despite their not fulfilling the eligibility criteria as prescribed in the Regulations viz., two years post doctoral research experience evidenced by research output of three post doctoral publications in their subject published in the referred journals of national/international standing. It was observed that, 49 of the 197 ineligible Research Guides were supervising 211 Research Scholars as on date (September 2016). It was also noticed that, a teacher in the School of Gandhian Studies with a PhD in Social Science was a Research Guide to a student pursuing PhD in Homoeopathy who was subsequently awarded the degree. The supervision of research scholars by Research Guides with nil/inadequate post doctoral publications would seriously impact the quality of research output and credibility of MGU.

The UGC had also clarified (September 2015) and reiterated in July 2016 that only regular faculty of the host University can be appointed as Supervisors and that circumventing the provisions of the UGC (Minimum Standards and Procedure for Award of M.Phil/PhD) Regulations 2009 would not be permitted. Thus, the appointment of unqualified faculty as Research Supervisors was a serious lapse on the part of the MGU as it adversely impacts the quality of research.

The VC, MGU replied (December 2016) that, it was due to dearth of qualified research supervisors that teachers of aided colleges with PhD qualification were appointed as Research Supervisors and steps were being taken to close down Research Centre in aided colleges on the basis of audit observation. The reasons offered by the VC do not justify violation of UGC Regulations and resultant dilution of research processes and output which calls for fixing of responsibility by GOK for blatant violations of the instructions of UGC and playing with the career of students.

Recommendation 3: MGU must ensure that only qualified teachers are appointed as Research Guides.

3.6.5 Status of statutory bodies

Statutory bodies under the MGU like the Academic Council and the College Development Council were rendered superfluous as brought out below.

3.6.5.1 Functioning of Academic Council

The Mahatma Gandhi University Act, 1985 defines the Academic Council as the academic body of MGU which, subject to the provisions of the Act and Statutes, controls, regulates and is responsible for the maintenance of standards of instructions, education and examinations within MGU and shall exercise such other powers and perform such other duties as may be conferred or imposed upon it by the Statutes. The Academic Council, comprising 143 members including VC, Registrar, Pro-Vice Chancellor, Deans, Members of Board of Studies, Syndicate Members, etc., was to ordinarily meet twice a year on dates fixed by the VC, as and when the occasion demanded and was required by the VC. Section 10 (17) of the MGU Act, 1985 also stipulated that, if at any time, except when the Syndicate or the Academic Council was in session, if the VC was satisfied that, an emergency has arisen requiring him to take immediate action involving the exercise of any power vested in the Syndicate or the Academic Council by or under this Act, he may take such action as he deems fit and shall, at the next session of the Syndicate or the Academic Council, as the case may be, report the action taken by him to that authority for such action as it may consider necessary.

We observed that, only two meetings of the Academic Council were conducted during 2011-12 to 2012-13 against four meetings to be held during the period. No meetings were conducted during 2013-14. We further observed that, of the 1179 decisions taken by the Academic Council during 2011-12 to 2015-16, 799 decisions (68 per cent) were in fact taken unilaterally by the VC by invoking provisions under Section 10 (17) of the MGU Act which were submitted before Academic Council for ratification. Thus, major decisions like Course and Curriculum structure of five year Integrated Interdisciplinary MS Programme and M.Phil (Physics) course-curriculum and syllabus for affiliated colleges among others were taken by the VC unilaterally, by invoking the provisions of Section 10 (17) of the MGU Act. In the instances cited, it was observed that, even though the decisions of the VC were taken in February 2013 and September 2013, they were later accepted by the Academic Council, only in its meeting held in January 2015. We observed that, while the five year Integrated Interdisciplinary MS programme was approved by the VC on 02 March 2013 and implemented from the Academic Year 2013-14, the

decision of the VC was ratified by the Academic Council only on 17 January 2015. Similarly, though M.Phil (Physics) course-curriculum and syllabus for affiliated colleges was approved by the VC on 04 January 2013 and implemented with effect from the academic year 2013-14, the decision of the VC was ratified by the Academic Council only on 17 January 2015. The above unilateral decisions taken by the VC, treating them as of emergent nature were not justified.

The Academic Council was thus rendered ineffective since the orders of the VC leading to commencement of courses, revision of syllabus, etc., were submitted to them for ratification long after commencement of the courses. Failure of the VC to convene the Academic Council enabled him to bypass the consultative mechanism and take unilateral decisions by invoking the provisions of Rule 10 (17) of the MGU Act.

The VC, MGU replied (December 2016) that, out of the five meetings scheduled during 2011-12 to 2013-14, only two could be held, two were dissolved due to lack of quorum and one was postponed. It was also stated that, all the decisions taken under Section 10 (17) were ratified by the Academic Council. The reply was not acceptable in view of the fact that, the MGU Act had provided that the VC was to ordinarily convene the Academic Council twice a year on dates to be fixed by the VC and as and when occasion demanded. There was thus no bar on the VC to convene additional sessions of the Academic Council to discuss and pass orders on significant academic matters. It is pertinent to mention that the decisions taken by the VC under Section 10 (17) were ratified by the Academic Council long after they were implemented, indicating that there was no collective thought behind the decisions taken by the VC.

Recommendation 4: The practice of the VC taking major decisions without holding consultations with the Academic Council should be avoided.

3.6.5.2 College Development Council

The UGC envisaged setting up of College Development Council (CDC) as an appropriate body at the University Headquarters for ensuring proper planning and integrated development of affiliated colleges and to provide the colleges with necessary help and guidance. The CDC in the MGU comprises Syndicate Members, Principals of certain Government and Aided colleges and Teachers of University Departments, Government and Aided colleges, besides Ex-Officio members like the VC, Secretary to Government, Director of Collegiate Education, etc. The Director would be selected by a committee consisting of the VC, a nominee of the UGC and a nominee of the Syndicate of the University and the salary would be reimbursed by UGC. It was envisaged that, the CDC shall meet at regular intervals at least twice in an academic year to review the implementation of various programmes and activities. The Director was expected to visit the colleges at least twice a year and to hold meetings of Principals of Colleges to apprise them of the ways in which CDC could function effectively for the development of colleges.

We observed that, CDC met only once (October 2011) during 2011-12 to 2015-16. The Director had not visited any of the 250 colleges during this period. On being asked, it was replied (October 2016) that, there was no full

time Director appointed for CDC and a Professor, School of Computer Science was temporarily entrusted with the charge of the Director.

Thus, it is evident from the reply that the part time appointment of the Director failed to serve as an interface (bridge) between the University departments and teachers in the affiliated colleges for the effective development of colleges. The failure of the MGU to appoint a full time Director to the CDC was inexplicable in view of the fact that the entire salary and allowances payable to the Director would have been reimbursed to the MGU by the UGC.

The VC, MGU replied (December 2016) that the matter had been taken up with Kerala Public Service Commission for filling up the vacancy of Director, CDC. The reply fails to explain why action has not been taken as per UGC guidelines on CDC according to which appointment of the Director can be done by a selection committee consisting of the VC, a nominee of the UGC and a nominee of the Syndicate of the University.

3.7 Financial management

MGU is financed mainly by grants from GOK and the UGC. It also receives funds for sponsored research projects and for fellowship to students from various funding agencies. Besides, it generates its own receipts by way of fee from students, interest on investments, etc. Details of financial assistance received by MGU and utilisation thereof are given in the table shown below.

Table 3.2: Receipt and utilisation of financial assistance

(₹ in crore)

Year	GOK Grant (NP)	GOK Grant (P)	Other Grant from GOK (P)	Plan Grant from UGC	Examination Fees, General Receipts	Fees from Self Financing Institutions	Total Receipts	Expenditure - Non-Plan	Expenditure -Plan	Total Expenditure
2011-12	37.18	10.00	2.44	6.28	44.14	40.83	140.87	129.57	25.56	155.13
2012-13	45.28	14.00	5.00	2.17	49.99	40.26	156.70	151.78	25.76	177.54
2013-14	39.90	16.00	2.50	3.53	66.46	42.09	170.48	164.90	19.84	184.74
2014-15	74.77	21.50	1.00	0.00	71.92	42.19	211.38	180.56	29.94	210.50
2015-16	86.18	22.00	1.00	0.00	69.45	36.02	214.65	198.19	28.31	226.50

(Source: Figures provided by MGU)

As evident from the table, the expenditure incurred by the MGU exceeded the grants received and internal revenue generated. MGU needs to manage its finances efficiently by increasing the internal receipts and reducing expenditure to the extent possible. Instances of MGU failing to tap potential resources and irregular expenditure noticed during the course of the review are brought out below.

3.7.1 Failure to tap resources

3.7.1.1 Failure to levy fee for extension of provisional affiliation of courses

Consequent on the transfer of affiliation of all the Medical and Allied Colleges to the Kerala University of Health Sciences and the substantial loss of revenue incurred by MGU, the Syndicate of the MGU decided (October 2012) to collect fee for the extension of provisional affiliation of courses at the rate of ₹2000 per course. We noticed that, the decision of the Syndicate to collect the fee was not complied with while extending the provisional affiliation of 1965 courses resulting in loss of revenue of ₹39.30 lakh during 2013-14 to 2015-16.

The Joint Registrar admitted (July 2016) that, the lapse was noticed only when it was pointed out during audit and that notices would be issued to the colleges demanding payment of the fees.

The VC, MGU replied (December 2016) that, an amount of ₹22.70 lakh has since been collected (December 2016) and all efforts were being made to recover the balance amount. The failure of the Registrar, MGU in implementing the decision of the Syndicate is indicative of a systemic deficiency which needs to be corrected to avoid similar instances in future, and also calls for fixing of responsibility.

3.7.1.2 Dilution of contractual terms by MGU and resultant loss

The School of Distance Education was a statutory department³⁶ of MGU which offered courses through off-campus centres within and outside the jurisdiction³⁷ of MGU. There were 72 off-campus centres including seven overseas centres under the School of Distance Education of MGU. As per the terms of agreement (October 2001) MGU had with the respective centres, the centres should remit 50 *per cent* of the fee collected for each course every year by means of Demand Draft (DD) in favour of the Finance Officer of MGU.

We observed that, MGU, on orders (May 2011) from the Joint Registrar, accepted a cheque for ₹25 lakh in lieu of a DD from M/s. Universal Empire Institute of Technology, Dubai³⁸ (UEIT, Dubai), which was contrary to the conditions stipulated in the contract entered into between the two parties. Though the cheque was dishonoured (May 2011) by the Bank due to insufficient balance in the account, no action was initiated by MGU to recover its dues.

The VC, MGU stated (December 2016) that, the mark lists/certificates/ Transfer Certificates of the students who studied in UEIT, Dubai would be released only after collecting the requisite fees from the students. We observed that, the MGU, while not proceeding legally against UEIT, Dubai has instead resorted to impose unjustified penalty on students who had already paid the fees to UEIT, Dubai. Further, responsibility needs to be fixed for accepting cheque instead of DD and not taking legal action in time.

3.7.1.3 UGC/GOK assistance foregone by MGU

Failure to avail Special Jubilee Grant of the UGC

The UGC guidelines provided for release of a Special Jubilee Grant of ₹25 lakh, ₹50 lakh, ₹60 lakh, ₹75 lakh and ₹100 lakh to Universities which completed 25, 50, 60, 75 and 100 years respectively during the XIth plan period (2007-08 to 2011-12), which was further extended upto March 2015. We observed that, the MGU which had completed 25 years of service during 2010 forwarded a proposal to the UGC (September 2015) only after the expiry of the XIth Plan. Failure of the MGU to submit the proposal in time resulted in MGU foregoing the eligible Silver Jubilee Grant of ₹25 lakh from the UGC.

³⁶ Departments mentioned in Chapter 42 of the MG University statutes are known as Statutory Departments

³⁷ Jurisdiction is the geographical area within which the University can operate

³⁸ An off-campus centre of the University

The VC, MGU stated (December 2016) that, a special request (September 2015) had been made to the UGC to condone the delay and release the funds. We observed that, since the XIth plan period expired in March 2015 and as the UGC Guidelines clearly stipulated that no grants would be given retrospectively, the possibility of the University obtaining the Special Jubilee Grant was remote.

Failure to avail UGC assistance of ₹3.09 crore during XIth plan

Based on the proposal of MGU, the UGC allotted an amount of ₹8.68 crore under General Development Assistance (GDA) and ₹5.19 crore for Merged Schemes³⁹ during the XIth plan. The time limit for completing the projects under XIth plan was up to March 2012, which was further extended by UGC upto March 2015. Each instalment was released on the condition that further assistance would be released on furnishing Utilisation Certificate (UC) for the assistance already received.

We observed that, while in the case of GDA, the MGU utilised ₹6.94 crore against the UGC allotment of ₹8.68 crore, in the case of Merged Schemes, the utilisation was ₹3.83 crore against the UGC allotment of ₹5.19 crore. However, the MGU failed to submit the UCs on time and consequently could not avail UGC assistance of ₹1.73 crore under GDA and ₹1.36 crore under Merged Schemes.

The VC, MGU replied (December 2016) that, a special request has been made to the UGC to release this grant condoning the lapse on the part of the MGU. The reply was not tenable as the extended plan period to which the grant pertains had expired in March 2015 and hence the possibility of MGU getting the grant is remote.

3.7.1.4 Irregular creation of non-plan posts

The non-plan expenditure (establishment expenditure) of the MGU was met mainly from non-plan grant of GOK, released on monthly basis. Section 23(ix) of Mahatma Gandhi University Act, 1985 empowers the Syndicate to create administrative, ministerial and other necessary posts provided that no post shall be created by the Syndicate without the approval of the Government, if the creation of such post involves expenditure in excess of budgetary provision. Contrary to the stipulation, MGU Syndicate in its meeting (August 2013) created 56 posts under various categories without GOK's approval. As its directions to cancel the irregular posts were not complied with, GOK withheld monthly non-plan assistance of ₹4.99 crore for four months from December 2013 to March 2014, amounting to ₹19.95 crore.

We further observed that, 10 posts of Section Officers were created during the period 2002-03 to 2011-12 resulting in the MGU operating 263 posts of Section Officers against the sanctioned strength of 253.

In the Exit Conference (December 2016), Principal Secretary, Higher Education Department stated that, the MGU was not given assistance of ₹4.99 crore as they failed to adhere to the extant rules and regulations.

³⁹ Merged Schemes under UGC assistance include various schemes like Faculty Improvement Programme (FIP) assistance, purchase of books, financial assistance to SC/ST students, various scholarships, travel grant, etc.

Thus, the MGU created the above posts without the approval of GOK by exceeding its authority and put unavoidable burden on the MGU's resources for which responsibility may be fixed by GOK.

3.7.2 Lapses in incurring expenditure

3.7.2.1 Irregular payment of House Rent Allowance to staff against GOK directives

The GOK had revised scales of pay and allowances of employees and teachers of the State from 01 July 2004. The benefit of this revision was extended to employees of the Universities of the State in June 2006. Employees of Calicut, Kannur and MG Universities which are situated in unclassified places were paid House Rent Allowance (HRA) ranging from ₹250 to ₹1200 (applicable to those employees working in B/C class cities) against the admissible rate of ₹150. When this was pointed out in earlier audit, GOK directed (January 2008) the Universities to pay HRA strictly as per Government rules and to recover HRA, if any, paid in excess. While the Calicut and Kannur Universities stopped payment of HRA at higher rate, the MGU failed to adhere to the directions of GOK.

Irregular payment of HRA to the employees of three universities during the period March 2006 to March 2010 amounting to ₹2.70 crore including ₹1.45 crore paid in MGU was commented upon in the Report of C&AG for the year ended 31 March 2011. The Public Accounts Committee (PAC) in its 43rd report while concluding that HRA permitted at higher rate was not tenable under any circumstances had recommended (August 2012) to the Higher Education Department that the amount paid in excess towards HRA to the employees of Calicut, Kannur and Mahatma Gandhi Universities should be ratified at the earliest, since the majority of employees who enjoyed the benefit had either retired from service or were deceased.

We observed that, despite recommendations of the PAC to issue ratification orders at the earliest, the Higher Education Department issued orders only in January 2015. In spite of orders from Higher Education Department, the employees of the MGU continued to draw HRA at higher rates until the implementation of the Xth Pay Commission in February 2016. Thus, the delayed issue of Government Order and further delay on the part of the MGU to adhere to the Government Order resulted in employees of the University obtaining undue benefit of ₹2.20 crore during April 2013 to February 2016.

Recommendation 5: We recommend the MGU to recover the excess HRA paid to its staff.

3.7.2.2 Unintended benefits given to teaching staff

While issuing orders for the implementation of UGC Scheme⁴⁰ in December 1999, GOK stipulated that, the examination work be reckoned as part of official duty. GOK also ordered (January 2001) that, in accordance with the recommendations of the UGC scheme, teachers shall value answer scripts of regular students as part of their duty and no separate remuneration shall be

⁴⁰ The revision of pay scales, minimum qualification for appointment of teachers of Universities, colleges and other measures for maintenance of standards in higher education

paid for the same. However, remuneration could be paid to serving as well as retired teachers in respect of valuation of answer sheets of private candidates. We observed that, during 2011-12 to 2014-15⁴¹, percentage of regular students in the MGU ranged from 27.74 per cent in 2011-12 to 43.14 per cent in 2014-15. The MGU failed to segregate answer scripts of 516353 regular candidates during 2011-12 to 2014-15 for which no payment was admissible for valuation, resulting in inadmissible payment of remuneration of ₹13.97 crore to regular teachers for four years from 2011-12 to 2014-15, which calls for fixing of responsibility.

While the VC, MGU stated (December 2016) that, decision has been taken to stop payment of remuneration to teachers for valuation of answer scripts, the Principal Secretary, Higher Education Department stated during the Exit Conference (December 2016) that, the amount paid would be recovered from the fourth instalment of UGC pay revision arrears due to teachers.

Recommendation 6: We recommend the MGU to implement the decision to stop payment of remuneration in respect of valuation of answer scripts of regular students and ensure recovery of over payment.

3.7.2.3 Promotion against the abolished posts

While accepting the Report of the Pay Revision Commission, GOK ordered (February 2011) abolition of posts of Pool Officer, Section Officer (FC&D) Higher Grade, Section Officer (FC&D), Conductor Higher Grade and Assistant Librarian Grade I (non-UGC) of the MGU with effect from 26 February 2011. It was also specified in the order that, only those existing incumbents holding the posts then could continue to hold the posts after implementation of pay revision order. However, it was observed that, even though the existing incumbents had retired, 29 promotions (**Appendix 3.1**) were made subsequently in violation of the order which were invalid. This resulted in excess payment of ₹13.36 lakh upto March 2016 which calls for fixing of responsibility against approving authority for granting unwarranted promotions.

The VC, MGU stated (December 2016) that, the promotions were made against these posts on the basis of interim Court orders and Syndicate decision. The reply of the VC was factually incorrect as the Court orders referred to by the VC actually relates to the Kerala University and was not applicable to MGU.

3.7.3 Non-compliance to UGC/Career Advancement Scheme norms for appointment and promotion

3.7.3.1 Irregular Promotion to the post of Director, Physical Education

The UGC issued (2010) regulations on minimum qualification for appointment of teachers and other academic staff in universities/colleges which required that the post of Director, School of Physical Education shall be filled through direct recruitment. Accordingly, MGU issued orders in September 2011 for the implementation of the regulation in MGU as recommended by the Academic Council. MGU also issued notification for

⁴¹ 2015-16 not furnished

recruitment of Director stipulating qualifications as per UGC norms and prepared Ranked List for the selection. Consequent to a stay in respect of the above notification obtained by an Assistant Director⁴², Physical Education of the MGU (January 2013) from the High Court of Kerala, MGU appointed the Assistant Director as Director, School of Physical Education with effect from 06 December 2014.

We observed that, while appointing the incumbent as Director, drawing remuneration in the pay scale notified by UGC, the MGU had diluted the minimum qualifications stipulated by the UGC for the post of Director of Physical Education and Sports. It was noticed that, the incumbent was appointed as Director, even though he did not possess minimum 10 years experience as Deputy Director of Physical Education or 15 years experience as Assistant Director of Physical Education which were stipulated as necessary qualifications for appointment by UGC. The appointment of the official as Director and payment of salary and allowances based on UGC scales was irregular.

The VC, MGU replied (December 2016) that on the basis of audit observation, the matter was re-examined by the Syndicate and enquiry commission was constituted. Based on the enquiry report it was decided to issue show cause notice to the incumbent Director.

3.7.3.2 Allowing promotion by counting inadmissible previous service

The UGC Regulation, 2010 stipulated that, previous regular service, whether national or international, as Assistant Professor, Associate Professor or Professor or equivalent in a University, College, National Laboratories or other scientific/professional organisations such as the CSIR, ICAR, DRDO, UGC, ICSSR, ICHR, ICMR, DBT, etc., should be counted for promotion under Career Advancement Scheme (CAS). A scrutiny of service records of teaching staff, given in **Table 3.3**, revealed that, promotions were given by counting inadmissible previous private service in four cases in violation of CAS.

⁴² Shri. Binu George Varghese

Table 3.3: List of officials who were given CAS promotion in violation of UGC norms

Name of the teacher	Stage to which promotion was given	Period and nature of ineligible service	Excess payment made up to March 2016
Dr. G Anilkumar Assistant Professor, School of Chemical Science	Associate Professor	Eight years 10 months of Post Doctoral Fellow in private firms	₹12.34 lakh + DA
Dr. Harikumar Nair, Assistant Professor, School of Bio Science	Assistant Professor Stage II	Contract service in School of Bio Science for a period of two years and six months	₹1.06 lakh + DA
Smt. Rincymol Mathew, Assistant Professor, School of Behavioral Science	Associate Professor	12 years three months at School of Medical Education, Kottayam.	Pay not fixed
Dr. S Antony Assistant Professor, School of Pure and Applied Physics	Assistant Professor Stage III	Two years seven months at Sherubtse College, Kanglung, Bhutan (Contract) Nine months at Lourdes Matha College of Science and Technology, Thiruvananthapuram One year 11 months at PSG College of Technology, Coimbatore	Pay not fixed

(Source: Details collected from promotion files of respective individuals)

The irregular promotions made by MGU resulted in excess payment of basic pay of at least ₹13.40 lakh in two cases while in the other two instances, the revised pay was yet to be fixed.

The VC, MGU replied (December 2016) that, in respect of Dr. G. Anil Kumar, as per clause 10 (g) of UGC Regulation, 2010, no distinction should be made with reference to the nature of the management of the institution where previous service rendered (private/local body/Government) was considered for counting past service.

The reply was not tenable as the said clause is applicable only to the regular prior service and since clarified by GOK (May 2016) that prior service rendered in unaided/self financing colleges cannot be reckoned as Qualifying Service for placement under CAS.

We were also informed that, while clarification has been sought for from the UGC on the grant of promotion to Dr. Harikumar Nair, in the case of Smt. Rincymol Mathew, no fixation of pay/hike in pay has been effected till date. Regarding Dr. S Antony, it was informed that, the issuance of order for promotion to the post of Reader has been kept in abeyance.

3.7.3.3 Irregular grant of advance increment

Dr. Sibi Zacharias was a faculty in School of Management and Business Studies (SMBS) which functions under AICTE regulations and his promotions were to be regulated under AICTE Regulations. Dr. Sibi Zacharias was appointed as Lecturer in SMBS with effect from 05 August 2008. Considering his past service in St. Berchmans College, he was promoted as Lecturer Senior Scale with effect from 11 July 2003 and Lecturer Selection Grade with effect from 11 July 2008. Under CAS, he was promoted as Associate Professor with effect from 11 July 2011 in the pay band ₹37400-67000 with Academic Grade Pay (AGP) of ₹9000. He was granted three compounded advance increments for acquiring PhD while in service i.e. on 29 November 2011 in the scale of ₹37400-67000.

AICTE issued a clarification in January 2016 according to which three non-compounded increments for those who acquired PhD degree shall be granted only in Pay Band-3 (₹15600-39100) and no advance increment could be allowed in Pay Band-4 (₹37400-67000). We noticed that, GOK had also issued orders (May 2016) to recover the irregular payments made on this account. The irregular grant of advance increments resulted in excess payment of ₹2.32 lakh + DA which was yet to be recovered from him.

The VC, MGU stated (December 2016) that, the matter would be placed before the Syndicate for a decision.

Reply was not tenable as the MGU has to revise the pay and recover the excess payment made to Dr. Sibi Zacharias. GOK may ensure re-fixation of pay and recovery of excess payment.

Recommendation 7: MGU must ensure that UGC rules/regulations regarding promotion/grant of additional increment are strictly adhered to.

3.7.3.4 Provisional advances pending adjustment

GOK ordered (July 2000) that failure to adjust temporary advances within time would entail recovery in lump sum along with penal interest at current bank rates. GOK, subsequently prescribed (October 2011) a period of three months for presentation of final bills and the penal interest was fixed at 18 *per cent* per annum on the unutilised portion of advance. We noticed that, 414 numbers of provisional advances amounting to ₹6.10 crore given by MGU to staff of various Departments during April 2001 to March 2016 were yet to be adjusted (October 2016).

We observed that, consequent to the failure of the Finance wing to ensure prompt settlement, the possibility of the temporary advances being partially utilised/non-utilised and consequent retention of funds outside the University accounts cannot be ruled out.

The VC, MGU replied (December 2016) that, the Deputy Registrars have been authorised to issue notices to employees who have not regularised the provisional advances within the prescribed time limit, failing which their salary would be withheld.

Recommendation 8: The outstanding advances should be recovered/adjusted and Finance Officer, MGU must ensure action as per relevant rules against officials who do not settle the advances availed.

3.7.3.5 Improper contract management

Article 51 of the Kerala Financial Code (KFC) Vol. I requires that, contracts for the supply of stores or execution of work should be made only after inviting and receiving tenders from all who wish to tender. The terms of the contract should also be definite and there should be no room for ambiguity or misconstruction of any of its provisions. Terms of contract once entered into should not be materially varied without the previous consent of Government or the authority competent to enter into the contract.

The MGU invited (July 2008) quotations for printing and supplying customised text books for Bachelor of Computer Applications (BCA) and

Master of Computer Applications (MCA). A contract was entered into (August 2008) between the Registrar of MGU and M/s. Vikas Publishing House Private Ltd. (printer) for printing and supplying customised text books for BCA and MCA, which was valid for three years from the date of first print order with provision to extend the validity based on mutual consent. The contract provided for the printer to print and deliver books at the following rates.

Table 3.4: Rates for printing and delivery of books

Print Run	Rate per page
500	39 paise/page
1000	34 paise/page
1500	33 paise/page

(Source: Agreement between MGU and M/s. Vikas Publishing House Pvt. Ltd)

The contract also stipulated that, in case the print run exceeded 1500 copies, there would be a marginal decrease in the quoted price.

We noticed that, MGU, after initially awarding the work to the printer in 2008, continued (2016) to award fresh printing jobs to the same printer without resorting to fresh tenders as required in KFC. It was seen that, a renewed agreement with the printer (August 2011) stipulated printing charges of 37 paise, 31 paise and 30 paise for 500 pages, 1000 pages and 1500 pages respectively. On the expiry of the period of the agreement, the firm demanded an enhancement of rates by 10 paise per page. The Syndicate of MGU accepted the revised rates demanded by the printer and executed a fresh agreement (April 2015) and paid enhanced rate as shown in **Table 3.5**.

Table 3.5: Amount paid in excess due to revision of rates

Minimum Print Copies	Original rate	Revised rate	Amount as per original rate (in ₹)	Amount paid as per revised rate (in ₹)	Excess amount paid (in ₹)
500	37 paise per page	47 paise per page	27,13,728	34,47,168	7,33,440
1500	30 paise per page	40 paise per page	47,44,080	63,25,440	15,81,360
TOTAL				97,72,608	23,14,800

(Source: Payment invoices of MGU)

We observed that, the MGU, instead of resorting to open tender and seeking competitive rates, acceded to the demand of the printer for enhancement of cost which had resulted in excess payment of ₹23.15 lakh.

Thus, the MGU's action to increase the rates without calling for fresh tender was irregular, which calls for fixing of responsibility.

The VC, MGU stated (December 2016) that, the agreement for printing was renewed without fresh tender due to the urgency of printing new study materials. The reply was not acceptable as MGU was aware of the period of agreement and should have invited fresh tenders before the period of earlier agreement expired.

3.7.3.6 Extra expenditure due to printing of bar coded answer books

In order to avoid false numbering in the valuation where answer scripts are evaluated, the MGU introduced bar coded answer books from the academic year 2009-10. However, false numbering system was re-introduced in Choice Based Credit and Semester System (CBCSS) UG examinations with effect from October/November 2015 due to problems relating to scanning of bar code, transmission of marks from the centralised valuation camps, network connectivity, difficulty in retrieval of answer books, threat to the secrecy of bar code due to the availability of mobile application to read bar code, etc.

As MGU had withdrawn the bar coded answer books, we noticed that, these answer books which were already printed were being used as ordinary answer books with manual false numbering being done, except in the case of supplementary examination of UG students admitted prior to 2013. However, even after finding the futility of bar coded system and switching over to the manual false numbering system, orders were again placed (December 2015 and July 2016) for printing 40 lakh bar coded answer books at the rate of ₹5.35 per book. We observed that, the action of MGU to print bar coded answer books which were not required, resulted in avoidable excess expenditure of ₹55 lakh, which calls for fixing of responsibility.

The VC, MGU stated (December 2016) that, M/s. Kerala Books and Publishing Society, a GOK enterprise erroneously printed decoded value in the four lakh number of answer books supplied against supply order dated 16 December 2015 and it was to utilise this quantity, that urgent decision was taken for reintroducing manual false numbering. The reply was not tenable as decision to reintroduce false numbering was taken in October 2015 for speedy declaration of results.

3.7.4 Functioning of Self Financing Institutions

3.7.4.1 Failure to comply with statutory provisions on time and resultant extra expenditure

The Syndicate of the MGU, accepting (October 2011) the recommendations of an Expert Committee resolved to enrol all eligible employees of Self Financing Institutions (SFI) to Employees Provident Fund (EPF) Scheme with effect from 01 January 2012. However, consequent to the directions of the Assistant Provident Fund Commissioner, EPF that the employees were to be enrolled under the Scheme from the date of entry in service, the Syndicate resolved (21 July 2012) to admit eligible employees of four⁴³ SFIs to the EPF from the date of entry in service. However, the Regional Provident Fund Commissioner (February 2013) directed MGU to remit arrears of both employer and employee contribution from the date of joining of each employee. Accordingly, arrears amounting to ₹4.35 crore (₹2.15 crore as Employers contribution and ₹2.20 crore as Employees contribution) payable in respect of the employees of SFIs from the date of inception was paid to EPF during the period April 2013 to October 2013.

⁴³ School of Medical Education, Kottayam, University College of Engineering, Thodupuzha, School of Technology and Applied Science, Kottayam and School of Pedagogical Science, Kottayam

We observed that, as per paragraph 32 of the EPF Scheme, no deduction can be made from any wages other than that which was paid in respect of the period or part of the period in respect of which the contribution was payable. As such, MGU cannot recover the arrear amount paid by it in respect of the employee share.

The failure of the MGU to enrol the employees under EPF from the date of their entry into service, forced MGU to pay the employee share also, resulting in an avoidable expenditure of ₹2.20 crore. Besides, MGU was also liable to pay interest and damages demanded by the EPF under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 amounting to ₹3.78 crore.

The VC, MGU while concurring with the audit observations, stated (December 2016) that, the employees contribution was to be recovered from the existing employees of the institutions. The reply was not acceptable as MGU has not recovered the amount from its employees even after a lapse of three years. Further, MGU needs to fix responsibility for the failure to enrol the employees to EPF Scheme on time.

3.7.4.2 Deficiencies in the internal control mechanism

Internal control provides reasonable assurance to the Management about compliance of applicable rules and regulations. It was noticed that, the internal control in MGU was inadequate in view of the following:

- There was no internal audit wing in MGU.
- Demand Collection Balance statements were not being prepared and recovery of dues not watched effectively.
- There was no cross checking of claims relating to the payment of remuneration for valuation of answer scripts with reference to the data available in the examination wing.
- MGU had not maintained any Asset Register. Physical verification of assets has not been conducted during the period of review.
- MGU had no independent Manual of Office Procedure and was adopting Secretariat Office Manual which was not suitable in a University set up.

The VC, MGU while accepting the audit observations stated (December 2016) that, necessary action would be taken to strengthen the internal control mechanism.

3.8 Conclusion

The performance of the MGU, academically and financially, was far from satisfactory. MGU offered courses which were not recognised by the UGC. It offered MBA courses through its off-campus centres which were not recognised by the AICTE. However, the degree certificates offered by MGU were similar to those awarded to students who were pursuing regular, full time MBA courses approved by the AICTE. A five year Integrated Double Degree BA (Criminology)-LLB (Honours) course offered by MGU was neither

recognised by the UGC nor complied with the norms laid down by the BCI. The career of 970 students who had enrolled for the course is at risk since the BCI has made it clear that they would not be eligible to enrol as Advocates and practice Law as a profession.

The directions of the UGC to frame uniform syllabus to ensure seamless mobility of students across the higher educational institutions in the country and abroad is yet to be complied with by MGU. There was delay in publishing of results of the UG/PG courses offered by MGU. Results of revaluation of answer books were released very late and in some instances, after the completion of the next examination, thus causing hardship to the students.

We noticed that, 197 of the 314 Research Guides appointed by MGU were ineligible to hold the post.

Instances of MGU failing to tap potential revenue streams and incurring irregular expenditure were seen. MGU had to forego UGC/GOK assistance due to its failure to comply with stipulated guidelines. The staff of MGU continues to be paid HRA at ineligible higher rates despite directives from GOK to the contrary. Excess payment on this account was ₹2.20 crore during 2011-12 to 2015-16. Even though examination work was part of official duty, the teachers were irregularly paid remuneration of ₹13.97 crore during 2011-12 to 2014-15. Failure of MGU to enrol employees into EPF Scheme from the date of entry into service resulted in avoidable expenditure of ₹2.20 crore and potential liability of ₹3.78 crore towards interest and damages.

Irregular promotions, grant of advance increments, defective contract management, avoidable expenditure, etc., were noticed. Besides, irregularities were noticed in the functioning of SFIs leading to loss to MGU.

Major decisions were taken by the VC without holding consultations with the Academic Council. This resulted in the MGU taking wrong decisions in various instances, which could have been avoided, had the Statutory Bodies like the Academic Council and CDC been truly functional. The CDC, tasked with the responsibility to review the implementation of various programmes and activities, met only once during 2011-12 to 2015-16. These statutory bodies were thus rendered defunct.

There was no internal audit wing in the MGU which resulted in lack of internal control mechanism.