# Chapter 5
Governance and Management

Leadership and Governance deeply influence all aspects of Higher Educational Institutions (HEIs). Though good governance and management in themselves are not the outcomes that are to be achieved in higher education, they are crucial in determining the effectiveness of all the efforts aimed at achieving such outcomes. It is believed that quality education and research require intellectual ferment in a nurturing culture and the governance of higher educational institutions determines this culture.

In order to assess the status of governance and management in HEIs through various elements and mechanisms of HEI governance and the extent to which they have been effectively implemented in the selected HEIs, the following Audit Objective was framed.

Audit Objective: Whether Governance and Management of Higher Education system was adequate and effective?

Various factors contribute to ensure that governance and management of an HEI is envisioned and carried out in a manner that effectively oversees the efforts towards achievement of higher education outcomes. Affiliation of colleges, load of affiliation on universities, encouragement given towards autonomy, quality assurance and adequate funding acquire significance and become crucial for HEIs to progress towards its goals. The relationship between the aims of adequate and effective governance and management in HEI and its factors, mechanisms and systems contributing towards achieving these aims can be understood through the following representation:
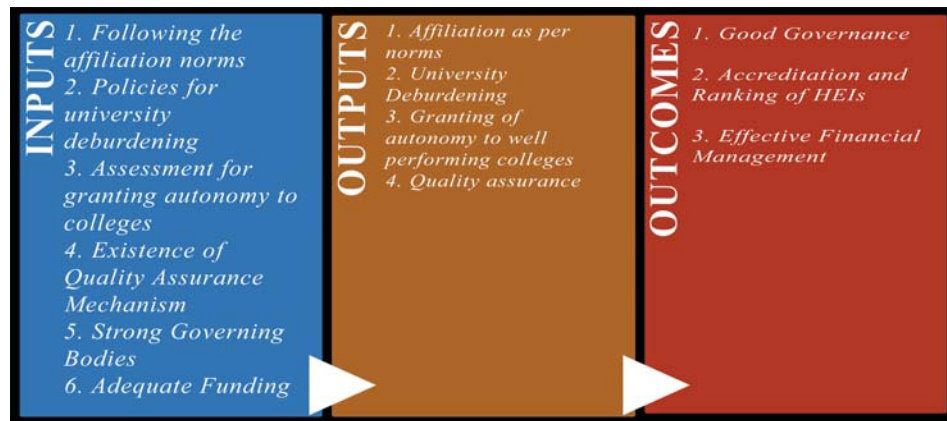
Effectiveness of governance and management structures of an HEI is reflected in the results of its evaluation through accreditation, ranking methodologies and in the prudence of financial management.

5.1   Governance

Effective governance structures and processes are essential to ensure accountability and transparency in an HEI. Sound systems and policies aid in efficient and effective working of institutions. The important aspects of

governance such as responsiveness to change and a forward-looking attitude help in matching the needs of the future with the goals of the institution.

The existence and functioning of governance structures at State level and at institutional level have been discussed in this section.

5.1.1 State level Governance

Institutional mechanisms for governance, at the State level include setting up of State Higher Education Council and State Level Quality Assurance Cell. Audit findings related to their functioning are discussed in the following paragraphs.

5.1.1.1 State Higher Education Council

Paragraph 21.308 of 12th Five Year Plan document states that it would be desirable for each State to set up a State Higher Education Council (SHEC) to lead the planned and coordinated development of higher education in the State. RUSA also requires formation of a SHEC for planned and coordinated development of higher education in the State.

Government of Odisha established the Odisha State Higher Education Council (OSHEC) vide resolution no 10494 dated 9 May 2014. The setting up of this body, was subsequently formalised with the passing of the OSHEC Act in October 2017. As stated in the OSHEC Act and 12[th]Five Year Plan/ RUSA guidelines, functions of the OSHEC *inter-alia* include preparation of State Higher Education Plans (Perspective Plan, Annual Plan and Budget Plan), coordination between apex bodies, regulatory institutions and the Government, evaluation of State institutions on the basis of norms and key performance indicators (KPI), framing principles for funding institutions, maintenance of databank on higher education, quality assurance, *etc*.

During 2018-19, five meetings were held to discuss issues like common UG syllabus for all universities, examination reforms, NAAC accreditation, common admission for PG, *etc.*

Audit observed that the OSHEC had not prepared any State Higher Education Plans like perspective plan, annual action plan, budget plan for development of higher education as envisaged in 12[th]Five Year Plan/ RUSA guidelines/ OSHEC Act 2017. Also, other activities like evaluation and monitoring of HEIs based on KPI, specifying norms and mechanism to measure productivity of research programs and for enhancing the quality of faculty, specifying norms of academic quality for accreditation and benchmarking of HEIs, *etc.*, were not undertaken.

Thus, the objective of creating OSHEC to promote higher education and research in the State in a competitive global environment through planning and reforms remained largely unfulfilled.

Government stated (September 2020) that OSHEC was at an infancy stage, and more and more policy matters would be dealt by it gradually. The fact, however, remains that OSHEC has not been made fully functional even after five years of its formation for development of higher education in the State.

5.1.1.2 Quality Assurance Cells

NAAC Manual recommends the constitution of a State Level Quality Assurance Cell (SLQAC) and an Internal Quality Assurance Cell (IQAC) at institutional level. The role of the IQAC is to develop a quality system for conscious, consistent and catalytic programmed action to improve the academic and administrative performance of HEIs and promote measures for institutional functioning towards quality enhancement through internalisation of quality culture. The SLQAC shall monitor the functioning of IQACs in HEIs and motivate them to undergo assessment and accreditation, based on a phase-wise plan prepared in consultation with NAAC. The SLQAC shall also act as a nodal agency between the HEIs and NAAC for accreditation process. In the accreditation process, NAAC gives importance to the existence and functioning of SLQACs.

In this context, Audit observed the following:

(i)   **State level Quality Assurance Cell:** The SLQAC was established in July 2002 and further strengthened in January 2015 to monitor NAAC accreditation activities in HEIs. The SLQAC had organised only three workshops/ seminars during 2015-17 for creating awareness and sensitising the HEIs about NAAC accreditation. The fact that adequate steps had not been taken by the SLQAC to create awareness about and encourage accreditation, is evident from the fact that only 181 (20.50*per cent*) out of 883 colleges of Odisha had NAAC accreditation (March 2019). Activities for quality enhancement of HEIs were undertaken sporadically and it was noticed that no such activities were undertaken during 2017-19. Poor functioning of IQACs in colleges (detailed in para below) also indicates that SLQAC had not monitored the HEIs for quality assessment and accreditation.

(ii)   **Internal Quality Assurance Cell:** The IQAC under Utkal University has been functioning since 2008. As per UGC guidelines, Annual Quality Assurance Reports (AQAR) are to be submitted by the IQAC to NAAC, to the SLQAC and the affiliating University for the purposes of quality assurance. It was seen that the University had not submitted the AQAR for 2018-19 to NAAC. AQARs up to 2016-17 were also not hosted on the website of the University.

A functional IQAC as well as timely submission of AQARs are the Minimum Institutional Requirements (MIRs), as per NAAC to volunteer for a second, third or subsequent cycle accreditation. Thus, the non-submission of annual AQARs impacts the subsequent accreditation processes of the University. It was noted that the IQAC of Utkal University did not keep track of any information relating to functioning of IQAC in its affiliated colleges.

Similarly, IQAC although formed in September 2009 in North Odisha University, was not functioning properly. It neither reviewed the University's teaching/learning process, structures, methodology of operations and learning outcomes nor did it take feedback from parents and other stakeholders on quality related institutional processes. The AQAR for 2018-19 was not submitted to NAAC and AQARs up to 2016-17 were not hosted on the University website. North Odisha University, as in case of Utkal University, did not interact with SLQAC in the pre and post accreditation quality assessment or maintain college related IQAC data.

In case of the 32 test checked colleges, only 19 colleges had IQACs in place. It was, however, noticed that the IQACs in these 19 colleges were not functioning properly. The IQACs quarterly meetings for planning, guiding and monitoring of quality enhancement activities in the colleges, were not held in seven colleges. Quality assurance activities like review of teaching and learning process, obtaining feedback from students/ parents, development of quality benchmark/ parameter for academic and administrate activities of the institutions, *etc.*, were not undertaken uniformly by all the 19 colleges where an IQAC existed.

Only nine of these 19 IQACs had submitted the AQARs to NAAC. Even the funds received from the UGC for the establishment and strengthening of IQACs were not fully spent. Out of ₹60 lakh received by 20 of 32 colleges, only ₹37.91 lakh was spent and the balance amount of ₹22.09 lakh was refunded to the UGC. Thus, quality assurance mechanism in these colleges was not satisfactory as only 12 (38 *per cent*) out of these 32 colleges had NAAC accreditation as of March 2019.

Thus, functioning of the SLQACs and IQACs in the State was not effective for improving the academic and administrative performance of HEIs towards quality enhancement through internalisation of quality culture.

Government stated (September 2020) that the work of SLQAC had been distributed among OSHEC[1], PTC[2] and PMU of OHEPEE[3] and therefore, its functioning had not declined, rather it was diversified and decentralised, and assured to issue necessary instructions for revitalisation of the IQACs of the Universities and HEIs. The reply is not tenable as SLQAC is the prime agency for monitoring of IQACs and accreditation of HEIs, which was still very low in the State. The OSHEC and OHEPEE, the agencies to which SLQAC functions are claimed to be distributed, have no role in monitoring the accreditation of HEIs. As a result, the number of institutions accredited in the State remains low over the years.

5.1.2 Institutional level Governance

Governance at the level of universities is carried out through an elaborate mechanism consisting of Governing Bodies (Senate, Syndicate, *etc.*), quality assurance mechanism, affiliation process, *etc.*

5.1.2.1 *Governing Bodies*

The Senate, Syndicate, Academic council, Board of Study and the College Development Council (CDC) are the different Governing Bodies for different activities of the universities. Provisions relating to constitution and functioning of these bodies are mentioned in Odisha University Act (OU Act) 1989 and Odisha University First Statue (OUFS) 1990.

Regarding functioning of the Senate and CDC in test checked universities, Audit observed the following:

(i)   Functioning of Senate: As per Section 9 (1) of the OU Act 1989 read with Statute 34 of OUFS 1990, the Senate is the Apex Body of the university

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[1]   Odisha State Higher Education Council
[2]   Performance Tracking Cell
[3]   Project Monitoring Unit of Odisha Higher Education Program for Excellence and Equity

for making/amending/ repealing the Statute, considering and cancelling ordinances, and considering and passing of the resolutions on the annual report, annual accounts and the other financial estimates, *etc.*

In Utkal University, it was noted that the Senate was defunct and not a single meeting of the body was held after 2008-09. Due to its non-functioning, the policies and programs of the University could not be reviewed.

In respect of North Odisha University, as seen from records, the Senate was existing and functioning.

(ii)   Functioning of College Development Council (CDC): The OUFS, 1990 (Proviso 253-1) envisages constitution of a CDC at the University, which is broadly a policy making body for proper planning and integrated development of the colleges including monitoring and assessment, advising the University regarding rationalisation, implementation of the University policy on affiliation of colleges and ensuring timely release of grant of UGC to the colleges and its proper utilisation. Statute 253 (2) further envisaged that the Committee shall meet at least twice in a year to implement various programs and activities.

Audit observed that CDCs at both the test checked Universities did not hold sufficient number of meetings. Against the requirement of 10 CDC meetings, only two meetings were held in Utkal University whereas five were held in North Odisha University during 2014-19. Further, the CDC was required to carry out periodic review of the activities of the colleges especially in case of colleges that had received funds from UGC in order to ensure timely utilisation of grants. It was found that CDCs at neither Utkal nor North Odisha University had carried out any such review of activities or given recommendations for improvements at the affiliated colleges.

5.1.2.2   College Affiliation

OUFS 1990 (Provisions 171, 172 & 173) laid down the provisions for affiliation of colleges. Under this statute, college should have proper infrastructure like adequate classrooms, well equipped laboratory, separate common rooms for staff and students, sports facilities, *etc.*, for granting of affiliation. UGC (Affiliation of Colleges by University) Regulation, 2009 defines affiliation of a college as its recognition by, association with, and admission to, the privileges of the affiliating university. Based on the guidelines, Universities grants affiliation on the basis of physical inspection by sending a team to the college before affiliation. At the time of inspection by affiliating university, the concerned college (seeking affiliation) either run by State Government or private body, shall satisfy pre-defined requirements in relation to college buildings, fully equipped laboratories, appropriate furniture, adequate civic facilities, *etc.*, as specified in the Regulation.

Out of the 32 test checked colleges, 30 colleges got their affiliation status prior to year 2000. As per the OUFS 1990 statute, Audit assessed, availability/ presence of some of the requisite infrastructures to obtain affiliation and for compliance to the affiliation norms in these test checked colleges, based on information provided by the selected universities. Joint physical inspections were done in 32 colleges and following deficiencies were noted:

• *Inadequate infrastructure in affiliated colleges*: The affiliated colleges should have required infrastructure as envisaged in OUFS 1990. Deficiencies in infrastructure facilities available in test checked colleges affiliated to both the selected universities are given in the table below:

Table 5.1: Number of colleges with affiliated status having deficient infrastructure

Sl. No.	Infrastructure	Number of colleges	
		Utkal University	North Odisha University
1.	Without boundary wall	5	2
2.	No drainage facility	8	3
3.	Inadequate furniture	3	-
4.	Without ramp facility	17	7
5.	Insufficient classrooms	9	1
6.	Without Auditorium/Seminar hall	9	3
7.	Inadequate sports facility	5	1
8.	Without toilets	1	-
9.	Drinking water without purifier	3	1
10	No college website	4	1

(Source: Information furnished by test checked colleges)

From the table above, it is seen that the colleges with affiliated status were deficient in basic infrastructures which are mandatorily required to obtain affiliation status. Further, the respective universities did not undertake any periodical action for verification of the availability of required infrastructure as per the guidelines for affiliation.

Case study

Kalinga College of Commerce is a test checked residential Non-Government college under Utkal University. The Registrar, Utkal University granted (August 2010) conditional affiliation to the college. The Regional Director (RD), Bhubaneswar, however, granted permanent recognition to the college from August 2016. It was found that the college was running in a rented building instead of its original campus based on which affiliation had been granted. Further, the college was functioning without other facilities like auditorium, playground, boundary wall and sufficient furniture. Instead of taking action against the college as per the Statute 198 of OUFS 1990, for non-compliance of the conditions within six months, the Regional Director, Bhubaneswar accorded permanent recognition to it without verifying its location, status of functioning and availability of

College functioning in a rented building

infrastructure. The college was running in the rented building as on the date of Audit (January 2020).

• **Non updation of college data in websites** - The two test checked Universities had not uploaded the details of their affiliated colleges, like number of courses, subjects, seats, *etc.*, on their websites. The Universities maintained the affiliation data manually and no database

was maintained to enable the user to know the real time status of any affiliated college. As such the students and other stakeholders were not aware of the affiliation status of the college before taking admission.

Government stated (September 2020) that it had hosted the information of affiliated colleges in SAMS. However, after verification, it was noted by Audit that no such data on college affiliation was available on SAMS database. The data related to colleges should be readily available on the University websites to give a bird's eye view of the HEIs. Government accepted the fact and assured that necessary instructions would be issued for updating information in "Know Your College" Portal.

5.2 Autonomy of Higher Educational Institutions

Providing State universities and affiliated colleges greater autonomy and operational flexibility through enhanced resource support, based on the commitment of the State Governments has been given priority during Twelfth Five Year Plan. Further, RUSA envisages greater autonomy of institutions in terms of decision making with full liberty to plan specific interventions depending on special needs and requirements.

According to UGC, the status of autonomy will be granted by it along with funding initially for a period of six years. The college should submit a proposal in the prescribed format duly forwarded by the University for extension, six months prior to the date of expiry. Besides it was targeted to confer autonomy to 10 *per cent* of colleges by delinking them from the existing affiliating structure.

As of March 2019, only 35 (3.96 *per cen*t) out of 883 colleges had been granted autonomous status in Odisha. The status of autonomous colleges under the two test checked universities is given in the table below:

Table 5.2: Status of Autonomy of the colleges under Utkal University and North Odisha University

Name of the University	Total number of affiliated colleges	Total number autonomous colleges (*per cent*)	Number of Autonomous colleges whose autonomy expired
Utkal University	304	17 (6)	11
North Odisha University	83	3 (4)	3
Total	**387**	**20 (5)**	**14**

(Source: AISHE and UGC website)

It could be seen from above that in two selected universities, only 20 (five *per cent*) out of 387 affiliated colleges had been granted autonomous status. Of these 20 colleges, 14 had already lost their status with the expiry of the autonomy period. Six colleges had lost their autonomous status prior to 2016-17. This was due to the fact that the State/ Universities had not taken remedial measures like renewal of autonomy before lapse of autonomous status, infrastructural and academic augmentation in affiliated colleges for conferring autonomy as per UGC guidelines.

Government stated (September 2020) that a lot of changes had occurred in the eligibility conditions for granting autonomous status to new colleges or renewal of autonomy to existing autonomous colleges between 2012-13 and

2018-19. It further added that as per the revised (2018) guidelines of the UGC, most of the colleges are not eligible to get the autonomous status. The fact, however, remains that the Government had not taken effective steps for renewal or grant of autonomy to the colleges even before enforcement of UGC guidelines (2018). Resultantly, only 3.96 *per cent* of the affiliated colleges had been granted autonomy against the requirement of 10 *per cent*.

Government should take effective action to renew the autonomous status of colleges where it has already lapsed. Infrastructural and academic augmentation should be encouraged in affiliated colleges so that they can become eligible for the autonomous status.

5.3   De-burdening of Universities

As per Para 7.1.15 (c) of Report on 'Inclusive and Qualitative Expansion in Higher Education', effective structural modernisation of the Central and the State Universities Acts need to be carried out to de-burden universities from the load of affiliating colleges. Efficient governance and effective autonomy with accountability should be facilitated among the HEIs through revision of the Acts. RUSA guidelines, prescribed that the number of affiliated colleges in a University should be limited to 100.

At present, 12 general Universities including three old Universities are functioning in Odisha. The number of affiliated colleges of these three old Universities and North Odisha University is given in the table below:

Table 5.3.: Number of Colleges affiliated under the universities

Sl. No	Name of the University	Year of Establishment	Number of affiliated colleges
1	Utkal University	1943	304
2	Berhampur University	1967	132
3	Sambalpur University	1967	217
4	North Odisha University	1998	83

(Source: SAMS Database and AISHE Report)

Of the above four Universities, three Universities were functioning with more than 100 affiliated colleges. Even after upgradation of four old colleges[4] to Universities during 2014-19, the burden of Universities had not reduced, as three out of the four new Universities are unitary universities without power to affiliate colleges. However, the number of affiliated colleges under the test checked North Odisha University was within the benchmark of 100 prescribed under RUSA guidelines.

The Government stated (September 2020) that unitary universities were created for giving impetus to research and innovation. The fact, however, remains that the burden of remaining universities is still much more than the prescribed norm which warrants further action by the Government in this regard.

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[4]   (i) Ravenshaw College, Cuttack; (ii) Rama Devi College, Bhubaneswar; (iii) Khallikote College, Berhampur; (iv) Gangadhar Meher College, Sambalpur

5.4   Accreditation and ranking of higher educational institutions

As per Paragraph 3.3.3 (a) of the Report on 'Inclusive and Qualitative Expansion in Higher Education', the rapid expansion in the number of institutions of higher education and their intake capacity has not been able to ensure simultaneous sustenance of quality. Quality parameters cutting across teaching, research and associated systems need sustained attention and policy focus.

The UGC has been urging the institutions of higher learning in the country for their periodical assessment, accreditation and linking the development grant contingent upon their being assessed and accredited. Further, HEIs, if they have a record of at least two batches of students graduating or being in existence for six years, whichever is earlier, are eligible to apply for the process of assessment and accreditation of NAAC.

Audit observed that five out of 12 State universities[5]were not accredited by NAAC till the date of Audit (November 2019). Similarly, 702 (80 *per cent*) out of 883 general stream colleges were not accredited by NAAC reflecting poor accreditation status of the HEIs as well as lacunae in the functioning of the SLQAC whose job was to encourage colleges to apply for accreditation. Due to non-monitoring by the DHE, 65 previously accredited colleges did not apply for the 2nd cycle of accreditation to NAAC, leading to expiration of their accreditation status.

The details of accreditation status of HEIs in the State are given in the table below:

Table 5.4: Number of NAAC accredited HEIs in the state

Sl. No.	Type of institution (for General streams only)	Number of HEIs (2018-19)	Number of HEIs accredited	Number of HEIs Graded with				
				A+	A	B++/ B+	B	C
1	State University	12	7	1	3	3/0	0	0
2	Central/ technical University	11	5	1	2	1/0	1	0
3	Private University	5	3	3	0	0	0	0
4	Government colleges (General)	49	23	0	6	4/7	5	1
5	Non-Government colleges (General)	834	158	0	2	12/21	94	29
	Total	**911**[6]	**196**	**5**	**13**	**20/28**	**100**	**30**

(Source: SAMS and NAAC website)

The affiliation and accreditation status in the two test checked Universities as of March 2019 are given in the table below:

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5   Rama Devi Womens' University, Gangadhar Meher University, Khallikote University, Utkal University of Culture, State Open University
6   911 number of HEIs includes 28 Universities and 883 Colleges

Table 5.5: Affiliation and Accreditation status of colleges under two test checked Universities

Name of the University	Number of affiliated colleges	Number of NAAC accredited colleges	Number of colleges whose accreditation lapsed
Utkal University	304	78	21
North Odisha University	83	19	7

(Source: NAAC & AISHE website)

Low level of accreditation in the State indicates the deficiencies of the HEIs in the areas of infrastructure, teaching and learning process, curriculum design, teaching and research staff, library books *etc.* As RUSA sanctions funds only to NAAC accredited HEIs, these non-accredited universities and colleges were deprived of grants from the RUSA scheme. Only 145 colleges (16.42 *per cent*) out of 883 colleges received RUSA funds during 2014-19. It was observed that awareness programs were not conducted by the Universities for continuance of accreditation status and for bringing new colleges into NAAC accreditation fold. Even 25 HEIs[7] of the two Universities, which had lost their accreditation status in 2012 could not get it restored as of March 2020.

Government stated (September 2020) that all possible steps are being taken to increase the accreditation percentage and has also linked NAAC Grade to some of its financial assistance to colleges. The reply was not convincing as only 20.50 *per cent* of the HEIs in the State had NAAC accreditation status.

The Government should take effective steps to get more and more colleges NAAC accredited, as assessment and accreditation are instruments to achieve total quality and the process involves identification of strengths and weaknesses of the HEIs. In the accreditation process, institutions are also helped to enhance the potential strength factors, rectify deficiencies through appropriate interventions.

5.4.1 National Institutional Ranking Framework (NIRF) Status

The National Institutional Ranking Framework (NIRF) was approved by the MHRD and launched on 29 September 2015. This framework outlines a methodology to rank institutions across the country. The methodology draws from the overall recommendations and broad understanding arrived at by a Core Committee set up by MHRD, to identify the broad parameters for ranking various universities and institutions. The parameters broadly cover "Teaching, Learning and Resources," "Research and Professional Practices," "Graduation Outcomes," "Outreach and Inclusivity," and "Perception".

From the NIRF ranking (started in 2016), it was observed that no State university in Odisha was ranked in the NIRF, within the first 100 during 2016-19. Utkal University was placed between ranks 101 and 150 in 2018 and between 151 and 200 ranks in 2019. On the other hand, North Odisha University was not even within top 200 universities during this period. However, two private universities of the State[8] were continuously placed

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[7]   Utkal University: 18 HEIs, North Odisha University: seven HEIs
[8]   Kalinga Institute of Industrial Technology (KIIT) and Siksha O Anusandhan (SOA)

within the first 100 ranks. Further, no college in the State had found a place in the NIRF ranking during 2016-19. The comparison of two test checked Universities with rankings of two State Private Universities are as under:

Table 5.6: Status of two test checked Universities along with two private Universities of the state in NIRF for the period 2016-2019

Name of the University	2016	2017	2018	2019
Utkal University	NR	NR	101-150	151-200
North Odisha University	NR	NR	NR	NR
KIIT BBSR	53	49	42	31
SOA BBSR	16A	20	24	24

(Source: NIRF website)

Since NIRF ranking reflects the position of the institution considering different quality parameters, non-placement of any of the State run institutions within 100 ranks shows the poor status of HEIs in the State in terms of performance of the institution. The HEIs of the State need to take effective steps for improving their status in NIRF ranking.

Government stated (September 2020) that during past years, Utkal University, Sambalpur University, Berhampur University and Fakir Mohan University were within ranks, but not within 100. In NIRF 2020 ranking, Utkal University has come within 100, *i.e.*, 96th rank. The fact, however, remains that Utkal University has to continue to maintain and/or work to move up in the ranking while North Odisha University has to substantially better its performance to improve its ranking.

5.5   Non-teaching staff

RUSA guidelines state that the ratio between the teaching and non-teaching staff should be 1:1.1 for undergraduate courses in the HEIs. The State has no specific policy for posting of non- teaching staff in Degree colleges.

Audit observed that Government of Odisha has assessed the vacancy position of non-teaching staff in all 49 Government degree colleges of the State. Against the sanctioned strength of 774 non-teaching posts, only 306 staff were in position and remaining 468 (60 *per cent*) posts were lying vacant as of March 2019. Government has not assessed the position of non-teaching staff in Non-Government aided colleges.

Out of 32 test checked colleges, 26 colleges provided information in respect of non-teaching staff. Of this 28 to 35 *per cent* of the sanctioned posts of non-teaching staff, were lying vacant in these colleges during 2014-19 as detailed in the table given below:

Table 5.7: Sanctioned strength & MIP of non-Teaching staff in 26 test checked colleges

Year	Sanctioned strength of non-teaching staff	Men in position	Vacancy (*per cent*)	MIP of Teaching staff	Teaching to non- teaching ratio
2014-15	607	441	166 (27)	558	1: 0.79
2015-16	607	434	173 (29)	538	1: 0.81
2016-17	620	430	190 (31)	563	1: 0.76
2017-18	620	418	203 (33)	605	1: 0.69
2018-19	620	401	219 (35)	580	1: 0.69

(Source: Data furnished by 26 test checked colleges)

The vacancy in non-teaching posts is increasing over the years with consequential decrease of the ratio of teaching and non-teaching staff. Shortage of non-teaching staff who perform crucial support function in office administration, as laboratory attendants, library attendants, *etc.* also affects the quality of education in HEIs.

The possibility of adverse impact on core teaching function of HEIs due to huge vacancy of non-teaching staff cannot be ruled out as some of the non-teaching works is being done by teaching staff, as was seen in test checked colleges.

5.6 Financial Management

Government of Odisha provides funds from state budget to State universities as grants-in-aid for salary of teaching and non-teaching staff and to Government colleges for meeting their expenditure. Apart from the State budget, State universities and Government Colleges receive assistance from MHRD and University Grants Commission (UGC).

5.6.1 Funds under State budget

As per the Odisha Budget Manual (OBM), the sum provided in an estimate of expenditure on an item must be that sum which can be expended in the year. A saving in an estimate, constitutes as much of a financial irregularity as an excess over it.

The position of year-wise funds provided to state universities and colleges during 2014-19 from the State budget is shown in the table below:

Table 5.8: Funds from State budget (amount Rupees in crore)

Year	Budget allocation for HEI	Funds sanctioned			Expenditure	Saving/ Excess (*per cent*)
		State Universities	Colleges	Total funds sanctioned		
2014-15	1,784.00	304.24	1,479.76	1,784.00	1,615.93	168.07 (9.42)
2015-16	1,788.85	326.08	1,462.77	1,788.85	1,670.64	118.21 (6.60)
2016-17	1,921.50	306.52	1,614.98	1,921.50	1,765.62	155.88 (8.11)
2017-18	1,799.40	359.05	1,440.35	1,799.40	1,557.84	241.56 (13.42)
2018-19	1,992.01	409.38	1,582.63	1,992.01	1,724.06	267.95 (13.45)
Total	9,285.76	1705.27	7,580.49	9,285.76	8,334.09	951.67 (10.25)

(Sources: Budget documents/information provided by State Government)

It was noticed that there were savings of ₹951.67 crore during 2014-19. The annual savings ranged from 6.60 *per cent* to 13.45 *per cent* of the allocated

funds during this period. The major savings amounts related to heads like modernisation of quality education, strengthening of higher education and salary of college staffs, *etc.*

Even, funds allocated for development of Higher education in the State were not utilised. For instance, the department made provisions of ₹74crore for modernisation of quality education in colleges during 2014-19. Out of this provision, only ₹27.60 crore (37 *per cent*) was expended resulting in savings of ₹46.40 crore. This shows apathy of the department for ensuring quality of higher education in the State by utilising the allocated funds despite the fact that 79.50 *per cent* of the colleges had not been accredited by NAAC.

Government stated (September 2020) that it is the prerogative of the department to keep the budgetary provision in respect of any scheme to an optimally higher value so that mid-year requirements/ emergency drawals may be facilitated. The reply was not tenable as persistent savings over the years violates the provisions of Odisha Budget Manual.

5.6.2 Funds under RUSA

The RUSA scheme, started in 2013 aims to improve the quality of universities and colleges and enhance their existing capacities so that they become dynamic, demand-driven, quality conscious, efficient and forward looking and responsive to rapid economic and technological developments occurring at the local, State, national and international levels. The scheme covers only the government and government-aided State HEIs excluding open universities and institutions offering Medical, Agriculture, Veterinary education, *etc.* Centre-State funding for this scheme in case of Odisha is in the ratio of 60:40.

MHRD approved a total outlay of ₹896 crore[9] for the period 2014-20 under RUSA for Odisha. State Government released a total of ₹523.16 crore (76.93 *per cent*) out of approved outlay of ₹680 crore during 2014-20 under RUSA-1. Similarly an amount of ₹99.6 crore (46.11 *per cent*) was released to the HEIs against the approved outlay of ₹216 crore during 2018-20 under RUSA-2.

5.6.2.1 Delay in release of RUSA funds by State Government

The financial assistance has to be disbursed to the institutions for speedy implementation of the projects. It was, however, noticed that the fund was released to the institutions with a delay ranging from 52 days to 329 days as detailed in *Appendix 4*.

In this context, the Model Degree College (MDC) project in six educationally backward districts[10] was analysed in detail. An amount of ₹21.60 crore was received by the DHE, from MHRD on 21 August 2018 as central contribution (first installment) for this project. However, this fund was released by the State Government along with its own contribution of ₹14.40 crore on 16 July 2019 *i.e.,* after a lapse of 329 days. As a result, the construction of the MDCs was not completed within the stipulated timeline of 31 March 2020 for RUSA 2.0.

Release of the second installment depends on the submission of Utilisation

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9   ₹680 crore for the period 2014-15 to 2017-18 under RUSA-1 and ₹216 crore for the period 2018-19 to 2019-20 under RUSA-2
10   Bolangir, Dhenkanal, Gajapati, Kalahandi, Kandhamal and Koraput

Certificate for the first installment. Construction work[11] had not been completed in any of the six colleges by September 2020. As such, the chance of availing second installment of RUSA funds was remote, as the implementation period had already expired by March 2020.

Government stated (September 2020) that all the transactions are made through Integrated Financial Management System (IFMS) and Public Finance Management System (PFMS) portal and delay in release of funds takes place if the portals do not function properly. It further added that due to land issues, the fund received from Ministry of Human Resources Development (MHRD) (₹21.60 crore) could not be released earlier. The reply was not tenable as land issues should have been addressed well before approval of the project and non-functioning of the IFMS and PFMS portal cannot be a reason for such long delay.

5.6.3 *Non-preparation of Annual Accounts by Utkal University*

Statute 165 of OUFS,1990 provided that the accounts of the University shall be prepared by the Comptroller of Finance and to be placed before the Finance Committee, Senate and Syndicate in accordance with the provisions contained in the Act and the Statue. Further, Rule 20 of the Universities Accounts Manual, 1987 requires that the annual statement of accounts shall comprise of the receipt and payment account, the income and expenditure account and the statement of assets and liabilities. Both the Annual accounts and receipt and payment statement are to be prepared at the end of each financial year.

Audit noticed that Utkal University had not prepared its consolidated annual accounts during 2014-19. Due to non-preparation of the annual accounts, the university was not in a position to show its balance sheet, receipt and expenditure statement, income and expenditure statement to audit for which a true and fair view of the accounts could not be ensured.

Summing up and Recommendations

The Senate was not functioning in Utkal University since 2008-09. Odisha State Higher Education Council (OSHEC), responsible for planning did not prepare Higher Education plans. The State Level Quality Assurance Cell (SLQAC) remained ineffective as only 181 out of 883 colleges (20.50 *per cent*) had obtained accreditation of NAAC as of March 2019. Further, only 4.42 *per cent* (8 out of 181) of accredited colleges obtained 'A' grade, indicating requirement of more effort for increasing the quality of education in HEIs of the State. Only 20 test checked colleges could avail funds from UGC for Internal Quality Assurance Cell (IQAC) and the utilisation was only 63 *per cent*. Besides, poor spending efficiency, these colleges had also failed to perform the functions assigned to them in this regard. None of the 14 colleges under the two test checked Universities, whose autonomous status had lapsed, had renewed the autonomous status. The goal of de-burdening of old universities was not achieved as Utkal University still had more than 100 affiliated colleges.

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[11] Status of construction work: Bolangir: Foundation work; Dhenkanal: 1st floor roof work completed and 2nd floor roof work going on; Gajapati: Ground floor roof level; Kandhamal: Plinth level; Koraput: Ground floor work in progress; Kalahandi: Ground floor roof cast going on

There were persistent savings of funds under the State Budget during 2014-19 and the annual savings ranged from 6.60 to 13.45 *per cent*. There were cases of delay in release of matching share against RUSA funds. In RUSA-I, the State Government released 77 *per cent* of the approved outlay, whereas in RUSA-2, the State Government had released only 46 *per cent* of the approved outlay.

Recommendation:

- In order to increase the number of NAAC accredited institutions, effective steps need to be taken by State Level Quality Assurance Cell to make the higher educational institutions aware of accreditation and its benefits.

- More emphasis needs to be given to colleges where accreditation has lapsed.

- Effective monitoring by State (through OSHEC) is required to improve quality of higher education by devising systems for monitoring of HEIs based on Key Performance Indicators, specifying norms of academic quality and benchmarking of higher educational Institutions.

Bhubaneswar
The 20 May 2021

(SMRITI)

Accountant General (Audit-I)
Odisha

Countersigned

New Delhi
The 3 Jun 2021

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India