

**Chapter-IV**  
**Governance and Management**



## Chapter-IV

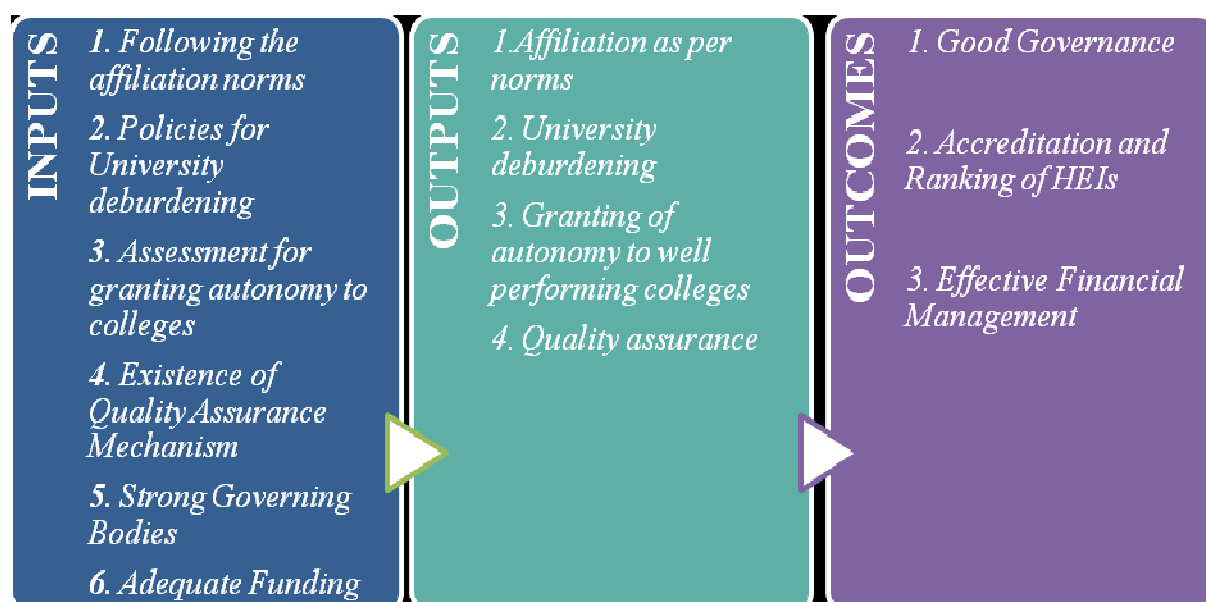
### Governance and Management

12<sup>th</sup> FYP states that governance reforms were critical to achieve the outcomes of expansion, equity and excellence in higher education, and to enable institutions to have the autonomy to develop distinctive strengths, while being held accountable for ensuring quality. It also states that autonomy in the areas of finance, organisational structure, operations and staffing is important, but should be consistent with internal systems of evaluation and accountability.

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

***Audit objective 3: Whether an effective system for Governance and Management of Higher Education System existed?***

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. The relationship between the aims of adequate and effective governance and management in HEIs and its factors, mechanism 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.

## **4.1 Governance**

Para 6.1 of NAAC Manual provides that effective leadership is key not only to achieve the vision, mission and goals of the institution but also in building the organisational culture. The formal and informal arrangements in the institution to co-ordinate the academic and administrative planning and implementation reflects the institutions efforts in achieving its vision. Audit findings related to State level as well as institutional level governance functioning are discussed in the following paragraphs

### **4.1.1 State level Governance**

Institutional mechanisms for governance at the State level include setting up of State Higher Education Council (SHEC) and State Level Quality Assurance Cell (SLQAC).

#### ***4.1.1.1 Non-functional State Higher Education Council***

Para 4.8.1 and 5.2.1 of RUSA guidelines (2013) provide that SHEC was to be formed through an executive order and it was to be converted into statutory body by Acts of the State legislature within two years. It was required to meet at least once in every quarter to plan, coordinate, establish principles for funding institutions, maintain a data bank on Higher Education and conduct research/evaluation studies for development of Higher Education.

The SHEC<sup>1</sup> was constituted (October 2013) in the State by an executive order initially and was required to be converted into a statutory body by October 2015. It was observed that the SHEC was converted (October 2018) into a statutory body with delay of three years.

Further, it was observed that no meeting was conducted by SHEC as nomination of 15 non-official members, required for effective functioning of the SHEC, was not finalised. Thus, the objective of creating SHEC to promote higher education and research in the State through planning and reforms remained largely unfulfilled.

The Department admitted (August 2021) the facts of delay in constitution and non-functioning of SHEC and assured that the process was underway and SHEC would be made functional as envisaged. The fact, however, is that SHEC has not been made fully functional even after lapse of five years of its formation.

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<sup>1</sup> Under the chairmanship of Chief Minister, Higher Education Minister as Vice Chairman and Principal Secretary, Higher Education as Chief Executive Officer.

#### **4.1.1.1(i) Non-maintenance of data bank**

As per para 5.2.1 of RUSA guidelines, SHEC was required to maintain a data bank in the State for development of Higher Education. Further, Para 2.2.1 of 12<sup>th</sup> FYP provides that States should make efforts to generate its own authenticated data for GER.

Audit observed that the State specific requisite data bank was not maintained by the Department. The Department was totally dependent on the data of the MHRD {now Ministry of Education (MoE)} which in turn is based on the data of annual web-based AISHE, where HEIs are required to upload/give their data voluntarily.

Further, it was noticed from the reports of AISHE that all universities and 90 *per cent* colleges of the state had uploaded their data on AISHE portal. Out of 38 selected colleges, two colleges<sup>2</sup> had not uploaded data on the AISHE portal prior to 2019-20. The Department used AISHE data for preparing plans and calculating GER. As data of all the colleges was not available with AISHE, the completeness of development plans of higher education and adequacy of GER could not be ascertained.

The Department admitted (August 2021) the facts of non-maintaining the data and its dependency upon the AISHE data and informed that data uploading by the colleges was only 87 *per cent*.

#### **4.1.1.2 State Level Quality Assurance Cell**

The 'Quality Assurance Activities of State Quality Assurance Cells' of NAAC and UGC guidelines provide that a SLQAC should be constituted with the objectives to work towards quality improvement of colleges, to draw up State level action plan in consultation with NAAC, to act as nodal agency between the respective state HEIs and NAAC and to advise the State Government to initiate suitable measures for ascertaining the maintenance of minimum standards in HEIs. Further, the SLQAC was also responsible for monitoring the functions of Internal Quality Assurance Cell (IQAC) in HEIs.

Audit observed that the SLQAC was established in March 2005 but no report of activities of the SLQAC was found on record. In absence of these reports, the activities/functions undertaken by the SLQAC to meet its objectives i.e. preparation of State level action plan, monitoring the functions of IQAC in the colleges, monitoring the standards to be maintained by HEIs for NAAC accreditation etc. could not be ascertained.

The Department stated (August 2021) that proper functioning of SLQAC would be ensured.

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<sup>2</sup> (i) Govind National College, Narangwal, Ludhiana (Established in 1966); and (ii) Rayat Bahra College of Law, Hoshiarpur (Established in 2016-17).

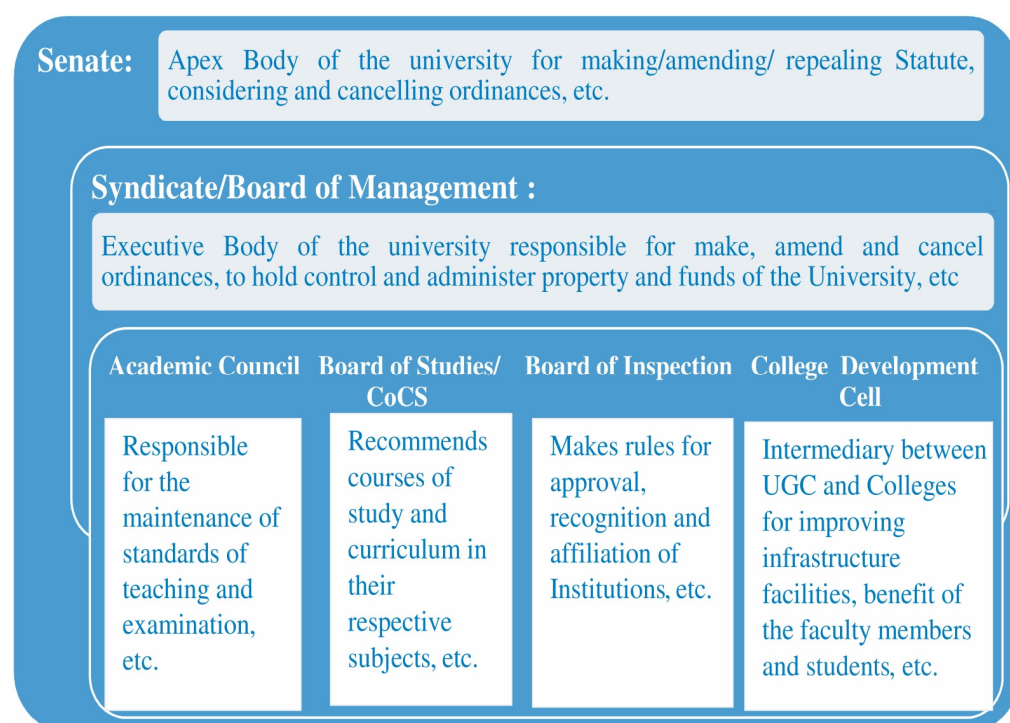
#### 4.1.2 Institutional level Governance

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

##### 4.1.2.1 Governing Bodies

Structure of Governing Bodies in test checked universities is depicted in **Chart 4.1** below:

*Chart 4.1: Structure of Governing Bodies*



Scrutiny of records related to functioning of governing bodies in each of the selected universities revealed that (details given in **Appendix 4.1**):

- In PU, Patiala, against the norms of at least one meeting of Senate in a year, no meeting was convened after June 2016. Thus, there was 100 *per cent* shortfall in conducting of meeting in this university.
- In RGNUL Patiala and GNDU, Amritsar the meetings were held with required frequency.
- Further, though the College Development Council (CDC) was functional in PU Patiala and GNDU, Amritsar<sup>3</sup>, it failed to perform its major functions viz. conducting survey of the affiliated colleges, updating of college profiles, preparation of perspective plan for development and

<sup>3</sup> College Development Council was not required to be constituted in RGNUL, Patiala.

opening of new colleges or action/activity on rationalisation of the affiliated colleges to remove regional imbalances and inviting proposals from its affiliated colleges for UGC grants for onward recommendation.

The PU Patiala stated (August 2021) that they would initiate the process to hold due meetings in future.

**Student survey result:** In response to student satisfaction survey's question "Are you satisfied with the institutional governance?" 15.64 per cent of the students expressed dissatisfaction/partial dissatisfaction with the system.

#### **4.1.2.2 Internal Quality Assurance Cell**

12<sup>th</sup> FYP<sup>4</sup> in its Report on 'Inclusive and Qualitative Expansion in Higher Education' states that in order to internalise quality inputs all universities, government colleges and government-aided colleges are to be strengthened with full-fledged IQAC as part of UGC-supported scheme. NAAC Manual<sup>5</sup> also suggests that every accredited institution should establish an IQAC as a post-accreditation quality sustenance measure. The IQAC should meet at least once in every quarter with two third quorum of its total members and shall submit an Annual Quality Assurance Report (AQAR) of the HEI in the prescribed format to NAAC.

Scrutiny of records of test checked universities and 38 colleges revealed the following:

- In PU, Patiala, though the IQAC submitted its AQAR to NAAC up to the year 2018-19 and the report for the year 2019-20 was under process, against the required 20 meetings only five meetings were held without following the provision of two-third quorum during 2015-2020. This adversely affected achievement of the NAAC benchmarks in respect of quality higher education as discussed in chapter III.
- In GNDU, Amritsar, the AQARs up to 2018-19 were submitted to NAAC and AQAR for the year 2019-20 was under preparation. However, against the required 20 meetings, only seven meetings were held during 2015-2020. Though, the University was accredited with A<sup>++</sup> score by NAAC, there was scope for improvement in some fields as discussed in Chapter III.
- In RGNUL, Patiala, the AQARs up to 2018-19 were submitted to NAAC and AQAR for the year 2019-20 was under preparation. However, against the required 20 meetings, only five meetings were held during 2015-2020.

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<sup>4</sup> Paragraph 2.2.3 (g).

<sup>5</sup> NAAC IQAC Manual.

The University was accredited with 'A' score by NAAC indicating that there was some scope of improvements as discussed in Chapter III.

- Out of 38 selected colleges, the IQAC was established only in 23 colleges. However, the requisite meetings were held only in 14 colleges along with submission of AQARs (*Appendix 4.2*). Hence, quality assurance activities were not undertaken by all the 15 colleges where an IQAC was not established.

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

The Department stated (August 2021) that efforts would be made to ensure formation of IQAC in each college and to ensure its proper functioning. PU, Patiala; GNDU, Amritsar; and RGNUL, Patiala assured (August 2021) to enhance/comply with norms for the number of IQAC meetings.

#### **4.1.2.3 College affiliation**

UGC (Affiliation of Colleges by University) Regulations, 2009, defines affiliation of a college as its recognition by, association with, and admission to, the privileges of the affiliating university. At the time of inspection by affiliating university, the concerned colleges either run by State Government or private body, shall satisfy pre-defined requirements in relation to college buildings and other set norms as prescribed in the Regulation.

In this regard audit observed the following:

##### **(i) Irregularity in college affiliation**

Audit observed, in respect of 11<sup>6</sup> randomly test checked colleges out of 42 colleges in which affiliation was granted by PU, Patiala during 2015-2020, that the university had granted temporary affiliation in spite of persistent deficiencies like conditional affiliation granted without ensuring compliance of recommendations of previous inspection committee, in anticipation of approval of academic council, non-posting of regular principal, no approval was found on records in some of the sessions of affiliated colleges, affiliation granted to Law College despite show cause notice issued by the Bar Council of India, inadequate regular faculties of relevant subjects and insufficient books in library and laboratory etc.

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<sup>6</sup> (i) Ganga Degree College, Dhabi Gujran (Patiala); (ii) Guru Gobind Singh College of Arts, Science & Commerce, Khokhar Kalan (Sangur); (iii) Punjab Degree college, Faridkot; (iv) Bibi Sharan Khalsa College, Ropar; (v) Vidya Rattan College for Women, Khokhar Kalan (Sangrur); (vi) Punjab College of Law, Chunrni Kalan; (vii) Universal Law College, Ballopur, Derabassi; (viii) Vishwakarma College for Girls, Dirba Mandi (Sangrur); (ix) Modern College, Bir Kalan, Distt. Sangrur; (x) Guru Gobind Singh Khalsa College, Bathinda; and (xi) Royal Group of Colleges, Borwal, Budhlada (Mansa).



The Inspection Committee had recommended for revisiting the colleges for follow up, however, the University did not maintain any records of such follow-up thereby indicating lack of monitoring mechanism for affiliating process. The PU Patiala stated (August 2021) that temporary affiliation was granted to the colleges situated in rural area or remote area colleges for girls which were very small in number. PU, Patiala, however, assured to examine the matter.

***(ii) Non-adhering the affiliation condition***

In GNDU, Amritsar, nine colleges were affiliated during 2015-2020. Out of which the record of one college<sup>7</sup> was test checked in audit. It was observed that the college trust was required to maintain a Corpus Fund permanently by way of irrevocable Govt. Securities of ₹ 15 lakh per programme.

The temporary affiliation to this college was granted (August 2018) for running five programmes (BBA, B.Com, B.Sc, BCA and BA), however, Corpus Fund of ₹ 75 lakh as required, was not maintained by the College.

The GNDU, Amritsar admitted (August 2021) the facts and assured to examine the matter.

***4.1.2.4 Shortfall in periodical inspection of affiliated colleges***

As per Universities Calendar, the universities were required to inspect its affiliated colleges ordinarily once in every three years and at other times when in the opinion of the Academic Council special reasons exist in the case of any college for such inspection. The inspection was to ascertain if the conditions of affiliation prescribed by or under the regulations were maintained and adequate measures<sup>8</sup> were taken to ensure efficiency of the respective colleges.

In PU, Patiala, 264 colleges<sup>9</sup> were affiliated for which 440 inspections<sup>10</sup> were required to be conducted during 2015-2020 by the University. Against it, only 62 inspections of 36 colleges were conducted which resulted in shortfall of 378 inspections of 228 colleges.

In GNDU, Amritsar, 149 colleges were affiliated for which 245 inspections<sup>11</sup> were required to be conducted by University. Against it, only 40 inspections of 39 colleges were conducted which resulted in shortfall of 205 inspections of 110 colleges during 2015-2020.

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<sup>7</sup> Lyallpur Khalsa College, Kapurthala.

<sup>8</sup> Accommodation, sanitary arrangements, provision for residence, supervision and instruction of students, library furniture, apparatus, registers and qualifications of and duties performed by members of the staff and other similar matters.

<sup>9</sup> Total colleges were 270 out of which six colleges were newly opened.

<sup>10</sup>  $264/3 \times 5 = 440$ .

<sup>11</sup>  $149/3 \times 5 = 245$ .

The PU, Patiala stated (August 2021) that inspection was carried out randomly after selecting colleges from each District as it was not possible to conduct the required number of inspections with the limited staff. GNDU, Amritsar stated (August 2021) that the matter would be looked into and assured to fulfill the mandate for well-being of colleges. The replies of the Universities were not acceptable as the mandatory inspections were not carried out as per norms, thereby indicating ineffectiveness of the affiliation process.

## **4.2 Autonomy of Higher Education Institutions**

As per RUSA 2.0 guidelines, an assistance of ₹ 55 crore per college was to be provided for creation of universities by upgrading of existing autonomous colleges. As per norms evolved by the UGC, quality promotion initiative among colleges is to upgrade the existing autonomous colleges with 10 years of performance as Autonomous Colleges, as "Degree-Awarding Colleges". The five year plans also provide that in order to improve equity and implement the schemes effectively, the institutions may be given more flexibility so that they can take need-based decisions.

It was observed that 361 general stream Government/aided/unaided colleges were running in Punjab. However, only five<sup>12</sup> private affiliated colleges were granted (up to February 2021) autonomous status. Due to non-availability of autonomous government colleges, no college was eligible to derive benefit of RUSA schemes *ibid* for autonomous colleges.

The Department recognised (August 2021) the importance of the autonomy of colleges and assured that colleges would be given autonomy. A committee was already constituted to identify the colleges for conversion into autonomous colleges. Thus, the Government should take effective steps to encourage the affiliated colleges for infrastructural and academic augmentation so that they can become eligible for the autonomous status.

## **4.3 De-burdening of Universities**

*Paragraph 7.1.15 (c) of Report on 'Inclusive and Qualitative Expansion in Higher Education'* recommended that 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 with the provision that no university should have more than 50 affiliated colleges with a total enrolment not exceeding 50,000 students. Further, RUSA also limits the number of colleges to be affiliated to any university to 100.

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<sup>12</sup> (i) General Shiv Dev Singh Diwan Gurbachan Singh Khalsa College, Patiala; (ii) Mata Gujri College, Fatehgarh Sahib; (iii) Kanya Mahavidyalaya, Vidyalaya Marg, Jalandhar; (iv) Khalsa College, Amritsar and (v) Shri Guru Tegh Bahadur Khalsa College, Sri Anandpur Sahib.

The details of selected universities offering all streams/programmes and number of colleges affiliated to them located in Punjab is given in **Table 4.1**:

**Table 4.1: Number of affiliated colleges with State universities during 2019-20**

| Sl. No. | Name of University                  | Year of establishment | No. of affiliated college with all streams | No. of affiliated college in Punjab with General streams |
|---------|-------------------------------------|-----------------------|--|--|
| 1.      | Punjabi University, Patiala         | 1,961                 | 270  | 159  |
| 2.      | Guru Nanak Dev University, Amritsar | 1,969                 | 149  | 97   |

*Source: Information provided by universities*

It can be seen from above table that the PU, Patiala and GNDU, Amritsar had 270 and 149 affiliated colleges, respectively, which was beyond the norms of RUSA. This has administratively over-burdened the universities and the institutions were unable to perform their affiliation functions efficiently and effectively as pointed out in preceding paragraphs.

The GNDU, Amritsar and PU, Patiala admitted (August 2021) the audit observation and stated that there should be policy of Government to de-burden the universities. The Department assured (August 2021) to take up the matter with the Government.

#### **4.4 Accreditation and ranking of Higher Educational Institutions**

The institutions of higher education had not been able to ensure quality in teaching and research due to rapid expansion in their number and intake capacity. Quality parameters cut across teaching and research need sustained attention and policy focus.

Section 4.1 of UGC (Mandatory Assessment and Accreditation Higher Educational Institute) Regulations, 2012 notified in January 2013, provides that it shall be mandatory for each HEI to get accredited by the accreditation agency after passing out of two batches or if the HEI has been in existence for six years.

Audit observed that there were four universities and 361 general stream colleges (Government: 46, Aided: 119 and Unaided: 196) in Punjab as of March 2020. The Department maintains the data regarding NAAC accreditation of Government colleges only. The data of private colleges was collected from NAAC website. Number of NAAC accredited HEIs in the State as on March 2020 are given in **Table 4.2**:

**Table 4.2: Number of NAAC accredited HEIs in Punjab**

| Sl. No.      | Type of institution | Total number of the HEIs |                        | Number of HEIs accredited by NAAC |            | Number of HEIs Graded with      |           |                                 |           |          |
|--------------|---------------------|--------------------------|------------------------|-----------------------------------|------------|---------------------------------|-----------|---------------------------------|-----------|----------|
|              |                     | Before 2013-14           | Increase after 2013-14 | Accredited                        | percentage | A <sup>++</sup> /A <sup>+</sup> | A         | B <sup>++</sup> /B <sup>+</sup> | B         | C        |
|              |                     |                          |                        |                                   |            |                                 |           |                                 |           |          |
| 1.           | State university    | 04                       | --                     | 04                                | 100        | 4                               | -         | -                               | -         | -        |
| 2.           | Government colleges | 44                       | 2                      | 24                                | 54         | -                               | 8         | 6                               | 9         | 1        |
| 3.           | Aided colleges      | 117                      | 2                      | 66                                | 56         | 2                               | 26        | 7                               | 26        | 5        |
| 4.           | Unaided colleges    | 179                      | 17                     | 10                                | 6          | -                               | 2         | 2                               | 6         | -        |
| <b>Total</b> |                     | <b>344</b>               | <b>21</b>              | <b>104</b>                        | <b>--</b>  | <b>6</b>                        | <b>36</b> | <b>15</b>                       | <b>41</b> | <b>6</b> |

Source: Information provided by Department, Universities and NAAC website

\*Four colleges were newly opened and not eligible for NAAC accreditation.

It can be seen that 344 HEIs functional in 2013-14 were eligible for NAAC accreditation during the year 2019-20 (completion of six years of existence). Out of which, only 104 (30.23 per cent) HEIs got accreditation from NAAC. Though, SLQAC was responsible to work towards quality improvement of colleges in the state, to draw up state-level action plan in consultation with NAAC and to act as nodal agency between the respective state HEIs and NAAC, the fact that only 30.23 per cent HEIs in the State were NAAC accredited points toward ineffective working of SLQAC. Further, only 54, 56 and 6 per cent general stream colleges (government, aided and un-aided) got accreditation from NAAC. It was further seen that 1.74 per cent HEIs got A<sup>++</sup>/A<sup>+</sup> grade. Out of 44 government colleges eligible for accreditation, only 18 per cent (eight) colleges got 'A' grade, 14 per cent (six) colleges got 'B<sup>++</sup>/B<sup>+</sup>' grade, 20 per cent (nine) colleges got 'B' grade and 2 per cent (one) got 'C' grade whereas 45 per cent (20) colleges did not get accreditation from NAAC.

The status of NAAC accreditation of selected colleges is given in **Table 4.3**:

**Table 4.3: Number of NAAC accredited selected 38 colleges**

| Sl. No.      | Type of institution | Total number of the selected HEIs |                        | Number of HEIs accredited by NAAC |            | Number of HEIs Graded with      |          |                                 |          |          |
|--------------|---------------------|-----------------------------------|------------------------|-----------------------------------|------------|---------------------------------|----------|---------------------------------|----------|----------|
|              |                     | Before 2013-14                    | Increase after 2013-14 | Accredited                        | percentage | A <sup>++</sup> /A <sup>+</sup> | A        | B <sup>++</sup> /B <sup>+</sup> | B        | C        |
|              |                     |                                   |                        |                                   |            |                                 |          |                                 |          |          |
| 1.           | Government colleges | 20                                | 2                      | 12                                | 60         | -                               | 6        | 2                               | 3        | 1        |
| 2.           | Aided colleges      | 8                                 | 2                      | 6                                 | 75         | -                               | 1        | -                               | 5        | -        |
| 3.           | Unaided colleges    | 6                                 | --                     | 0                                 | 0          | -                               | -        | -                               | -        | -        |
| <b>Total</b> |                     | <b>34</b>                         | <b>4</b>               | <b>18</b>                         |            | <b>-</b>                        | <b>7</b> | <b>2</b>                        | <b>8</b> | <b>1</b> |

Source: Departmental data

It can be seen that 60 and 75 per cent of Government and Aided colleges respectively were NAAC accredited. None of the unaided colleges were accredited with NAAC.

Non-accreditation by NAAC indicated in test checked HEIs such as job facilitating mechanisms were either dysfunctional or non-existent (para 3.3.2), availability of ICT facilities was poor, Student Teacher Ratio was much higher than the prescribed limit, and outcome of research activities was not

satisfactory as discussed in Chapter III (Paragraph Numbers., 3.1.2.2, 3.1.2.3 and 3.2.1).

The Department admitted (August 2021) the audit observation and stated that adequate regular staff was paramount condition for NAAC accreditation, hence, government and private aided colleges, where huge posts of teachers were vacant, were not eligible to get NAAC accreditation.

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

#### **4.4.1 Non-compliance with NAAC recommendations**

An inspection team of NAAC visited three selected colleges<sup>13</sup> in February 2016 for renewal of NAAC accreditation. Audit observed that recommendations of the team such as proactive guidance and counseling cells, improved infrastructural facilities, creation of research facilities, strengthening of library, providing suitable transport facilities, establishing indoor stadium, facilitation of student success in national level competitive examinations and introduction of new and innovative courses were not complied with.

The Department admitted (August 2021) the audit observation and assured that necessary instructions would be issued to the colleges to comply with the recommendations of NAAC team.

#### **4.5 Shortfall in non-teaching staff**

The Audit noticed that the non-teaching staff for smooth running and functioning of the organisation was not available as per sanctioned strength. The details of this deficiency were as under:

- (i) In PU, Patiala, 27.94 *per cent* posts (937 out of 3,354 sanctioned posts) of non-teaching staff were lying vacant during 2019-20.
- (ii) In GNDU, Amritsar, 52 *per cent* posts (1,014 out of 1,945 sanctioned posts) of non-teaching staff were lying vacant during 2019-20.
- (iii) In RGNUL, Patiala, 54.35 *per cent* posts (225 out of 414 sanctioned posts) of non-teaching staff were lying vacant during 2019-20.

<sup>13</sup> (i) SCD Government College, Ludhiana; (ii) Government College for Girls, Ludhiana; and (iii) GGNK College, Ludhiana.

(iv) In 46 government colleges of Punjab, 48 per cent posts (841 out of 1742 sanctioned posts) of non-teaching staff were lying vacant (**Appendix-4.3**). In selected 22 Government colleges 47 per cent posts (435 out of 933 sanctioned posts) of non-teaching staff were lying vacant.

*This had also been highlighted in CAG's Audit Report on Social, General and Economic Sectors (NPSUs) for the year ended 31 March 2015-Government of Punjab in the PA on "Working of GNDU". The PAC had directed (July 2020) the GNDU, Amritsar to provide details of vacant posts and efforts made to fill the same.*

All the three Universities admitted (August 2021) the audit observation and attributed the shortfall to financial crunch. The Department agreed (August 2021) that the Universities might send their fund requirement for the purpose for onward submission to the Government. As regard recruitment of non-teaching staff in colleges, the Department (August 2021) assured to send requisition to PPSC for recruitment of staff. Some<sup>14</sup> of the selected colleges replied that non-teaching work was being allocated to teaching faculty for smooth working of the college.

The replies of HEIs did not address the issue of adverse impact on core teaching function due to huge vacancy of non-teaching staff.

## **4.6 Financial Management**

Government of Punjab provides funds from State budget to State Universities as grant-in-aid for salary of teaching and non-teaching staff and to Government colleges for meeting their expenditure. Apart from State budget, State Universities and government colleges receive financial assistance from MHRD, UGC, RUSA and other agencies for infrastructure creation and research.

### **4.6.1 Funds under state budget**

Position of year-wise funds provided by GoP to state universities and government colleges during 2015-2020 from the State budget is shown in **Table 4.4**.

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<sup>14</sup> (i) GKSM Government College, Tanda Urmur; (ii) NJSA Government College, Kapurthala; and (iii) SBDSM Khalsa College, Domeli (Phagwara).

Table 4.4: Funds from State budget

(₹ in crore)

| Year         | Budget allocation | Funds released to  |                     |  | Lesser release of funds than allocation |
|--------------|-------------------|--------------------|---------------------|--|---|
|              |                   | State universities | Government colleges | Total funds released to higher education |   |
| 1            | 2                 | 3                  | 4                   | 5(3+4)                                   | 6 (2-5)                                 |
| 2015-16      | 365.47            | 163.71             | 191.53              | 355.24                                   | 10.23 (2.80)                            |
| 2016-17      | 357.87            | 163.63             | 190.81              | 354.44                                   | 3.43 (0.95)                             |
| 2017-18      | 363.61            | 170.63             | 192.94              | 363.57                                   | 0.04 (0)                                |
| 2018-19      | 409.63            | 238.51             | 169.81              | 408.32                                   | 1.31 (0.32)                             |
| 2019-20      | 419.42            | 246.98             | 167.21              | 414.19                                   | 5.23 (1.25)                             |
| <b>Total</b> | 1,916             | 983.46             | 912.3               | 1,895.76                                 | 20.24                                   |

Source: Budget documents/information provided by State Government

Note: Figures in parenthesis indicate percentage.

It can be seen from the above table that during 2015-2020, an amount of ₹ 1,916 crore was allocated against which an amount of ₹ 1,895.76 crore (98 per cent) was released to the State universities and Government colleges.

**Good Practice:** Government released 98 per cent of the allocated budget to the HEIs.

#### 4.6.2 Funds under RUSA

RUSA aims to improve the quality of state universities and colleges and enhance their existing capacities so that they become dynamic, demand-driven quality conscious, efficient and responsive to rapid economic and technological developments occurring at the Local, State, National and International levels. The scheme covers only the government HEIs. Centre-State funding for this scheme in case of Punjab is in the ratio of 60:40.

MHRD approved total outlay of ₹ 225.35 crore<sup>15</sup> for the period 2014-2020 under RUSA which was to be shared between Centre and State in the ratio of 60:40. Further, an outlay of ₹ 174 crore was approved under RUSA-2.0. The funds received and expenditure there against made by State Project Director (SPD), RUSA are shown in **Table 4.5**:

Table 4.5: Funds released under RUSA

(₹ in crore)

| Year         | Funds received by FD and released to SPD RUSA |               |              |               | Funds released |               |            |
|--------------|---|---------------|--------------|---------------|----------------|---------------|------------|
|              | OB (13)                                       | Central Share | State Share  | Total (2+3+4) | Universities   | Colleges      | CB (5-6-7) |
| 1            | 2   | 3             | 4            | 5             | 6              | 7             | 8          |
| 2014-15      | 0   | 13.70         | 15.38        | 29.08         | 5.00           | 24.08         | 0          |
| 2015-16      | 0   | 31.48         | 19.58        | 51.06         | 10.00          | 41.06         | 0          |
| 2016-17      | 0   | 16.82         | 1.53         | 18.35         | 0              | 11.52         | 6.83       |
| 2017-18      | 6.83  | 31.40         | 5.53         | 43.76         | 4.10           | 18.18         | 21.48      |
| 2018-19      | 21.48   | 3.60          | 15.95        | 41.03         | 10.90          | 25.38         | 4.75       |
| 2019-20      | 4.75  | 15.55         | 5.20         | 25.50         | 0              | 12.16         | 13.34      |
| <b>Total</b> |   | <b>112.55</b> | <b>63.17</b> |               | <b>30.00</b>   | <b>132.38</b> |            |

Source: Information provided by the Department

<sup>15</sup> ₹ 135.21: Central Share and ₹ 90.14 crore : State Share.

From the table it is evident that:

- Under RUSA an outlay of ₹ 225.35 crore was approved for the period 2014-2020, against which only ₹ 175.72 crore (₹ 112.55: Central Share and ₹ 63.17 crore: State Share) was released which resulted in short release of funds of ₹ 49.63 crore.
- An amount of ₹ 13.34 crore was lying unspent with SPD, RUSA, Punjab. RUSA replied (July 2021) that funds were not utilised due to various reasons like ongoing third party quality audit, negligible number of students in the college, etc.
- In one selected college,<sup>16</sup> an amount of ₹ 1.71 crore was released out of which ₹ 0.52 crore was not utilised by the college. In reply, the college stated (June 2021) that the grant was not utilised due to declining number of students and balance grant would be returned shortly.

Further, MHRD also approved an outlay of ₹ 174 crore<sup>17</sup> for the period 2018-2020 under RUSA-2.0 which was to be shared between Centre and State in the ratio of 60:40. The funds received and expenditure there against are shown in **Table 4.6:**

**Table 4.6: Funds released under RUSA 2.0**

| Year    | OB   | Funds received |             |       | Funds released to state Universities | Funds released to Government Colleges | CB    |
|---------|------|----------------|-------------|-------|--------------------------------------|---------------------------------------|-------|
|         |      | Central Share  | State Share | Total |                                      |                                       |       |
| 2018-19 | Nil  | 3.60           | 6.00        | 9.60  | Nil                                  | 6.00                                  | 3.60  |
| 2019-20 | 3.60 | 32.20          | 16.67       | 52.47 | 41.67                                | 0.25                                  | 10.55 |
|         |      | 35.80          | 22.67       |       | 41.67                                | 6.25                                  |       |

*Source: Departmental data*

From the above, it was envisaged that:

- Out of total approved outlay of ₹ 174 crore, only ₹ 58.47 crore (₹ 35.80 crore: Central share and ₹ 22.67 crore: State Share) was received as of March 2020 which resulted in non-implementation of components<sup>18</sup> of RUSA-2.0 in full spirit.

#### **4.6.3 Delay in release of funds by State Government**

As per RUSA guidelines, States contribute their share along with central share to dedicated RUSA saving bank account of the State Higher Education Council (here SPD, RUSA) within 15 days of the receipts of central share. Scrutiny of record of SPD, RUSA revealed that the GoP released the centre

<sup>16</sup> Lala Lajpat Rai Govt. College Dhudike Moga.

<sup>17</sup> ₹ 104.40 crore: Central Share and ₹ 69.60 crore : State Share.

<sup>18</sup> (i) Enhancing Quality and Excellence in GNDU, Amritsar and PU, Patiala; (ii) New Model Degree College, Moga; (iii) Faculty Improvement; and (iv) Infrastructure grant to Government College, Sunam.



and state share amounting to ₹ 112.55 crore and ₹ 63.17 crore respectively to SPD, RUSA with a delay ranging from 6 to 403 days. Similarly, under RUSA-2.0, the GoP released the centre and state share amounting to ₹ 32.20 crore and ₹ 21.47 crore respectively to SPD, RUSA with a delay ranging from 119 to 154 days beyond the prescribed 15 days of the receipts of the central share during 2015-2020 (*Appendix 4.4*).

The Department stated (July 2021) that delay in release in centre and state share was due to non-release of funds by Finance Department within the prescribed time. The reply is not tenable as RUSA guidelines have clearly stated that maximum 15 days would be allowed to comply all the procedures for release of central as well as state grants.

#### **4.7 Miscellaneous observations**

##### **4.7.1 Improper Maintenance of annual accounts:**

MHRD<sup>19</sup> introduced new system for accounting and financial reporting from financial year 2013-14 with the recommendations that all educational institutions should be mandated to apply accrual basis of accounting to ensure proper accountability financial discipline, end use of funds and to meet the needs of the stakeholders.

The selected two Universities<sup>20</sup> were maintaining accounts on cash basis and preparing only Income and Expenditure Accounts (based on actual receipts and payments through single entry system) in contravention of MHRD instructions. In the absence of Balance Sheet and proper Income and Expenditure Account, the accounts of the Universities neither exhibited true & fair view of its financial position (assets and liabilities) nor showed financial results (surplus or deficit) of their operations. However, the RGNUL, Patiala was following the accounting system introduced by MHRD.

*This had also been highlighted in CAG's Audit Report on Social, General and Economic Sectors (NPSUs) for the year ended 31 March 2015-Government of Punjab in the PA on "Working of GNDU". The PAC had desired (June 2020) that the double entry system should be adopted from 2020-21.*

Both the Universities (GNDU, Amritsar and PU, Patiala) admitted (August 2021) the facts and assured to start new system by gradually switching over from 'Single entry system' to 'Accrual Base Accounting'.

<sup>19</sup> MHRD letter No.21-16/2012-TS.II dated 21.2.2012 and No.29-4/2012-IFD dated 17.4.2015.

<sup>20</sup> (i) PU, Patiala; and (ii) GNDU, Amritsar.

#### **4.7.2 Preparation of Annual Report**

As per provisions contained in Section 20 of Punjabi University Act 1961, the annual report of the University shall be prepared under the direction of the Syndicate.

It was noticed that last Annual Report was prepared by the University for the year 2016 in the form of soft copy available at link [www.punjabiuniversity.ac.in](http://www.punjabiuniversity.ac.in) and thereafter no such report was prepared. Thus, non-preparation of Annual Report, was not only violation of the Act but also resulted in non-presentation of its actual performance and activities to the Senate.

The PU, Patiala admitted (August 2021) the audit observation and stated that the preparation of Annual Report for 2017-18 onwards was under process.

#### **4.7.3 Non-initiating action to overcome the deficit balance**

As the university is an autonomous body and supposed to be self-sustaining, it is imperative that the university analyse the reasons for excess of expenditure over income and take suitable measures to contain the deficit.

Scrutiny of annual statement of accounts of PU, Patiala for 2015-2020 revealed deficit balance that increased from ₹ 1.96 crore during 2015-16 to ₹ 122.69 crore during 2019-20 which resulted in liability of overdraft for ₹ 120.00 crore besides secured loan of ₹ 30.00 crore as on 31.03.2020 against Fixed Deposit Receipts with the bank. No concrete or appropriate proposal/action to overcome the deficit balance was found on records.

The PU, Patiala stated (August 2021) that overdraft and loan were due to non-availability of grant from State Government. It was added that some corrective measures had been initiated i.e. the university was going to raise 10 *per cent* of fee, framing filling up of vacant seat policy, framing lateral entry policy, starting of new courses for creation of new seats and multi-faculty programme etc.

#### **4.8 Conclusions**

- The SHEC was converted to Statutory body with a delay of three years and no meeting was conducted by SHEC as nomination of non-official members, required for effective functioning of the SHEC, was not finalised.
- SLQAC neither maintained data/record of its activities regarding number of colleges which had constituted IQAC nor developed a mechanism to monitor the standards to be maintained by HEIs for

NAAC accreditation. Quality assurance activities were not undertaken by 15 colleges out of 38 selected colleges since IQAC was not established in these colleges.

- There were shortfalls in conducting inspection of affiliated colleges by PU, Patiala (228 colleges) and GNDU, Amritsar (110 colleges). The universities were found overburdened in respect of affiliated colleges against the RUSA norms.
- The position of NAAC accredited HEIs in the State was dismal as only 30.23 *per cent* of eligible HEIs were NAAC accredited as of March 2020. Further, only 1.74 *per cent* HEIs were accredited with A<sup>++</sup>/A<sup>+</sup> grade which indicates poor quality of higher education being imparted in the State.
- Substantial number of non-teaching posts were vacant in test checked HEIs during 2019-20. In respect of selected universities it was ranging between 27.94 *per cent* and 54.35 *per cent*. In respect of government colleges, the shortfall in non-teaching staff was 48 *per cent*.

#### **4.9 Recommendations**

- (i) *In order to increase the number of NAAC accredited institutions, SLQAC should maintain report of the State level action plan and effectively monitor functioning of IQAC of colleges and HEIs should ensure constitution of IQAC in every College.*
- (ii) *The universities should strengthen their affiliation process and ensure that renewal of temporary affiliation should be granted to colleges only after rectification of shortcomings noticed during the Inspections.*
- (iii) *The Department and Universities should ensure the recruitment of non-teaching staff for vacant post for smooth functioning of HEIs.*

