

**MINUTES OF THE 91<sup>st</sup> MEETING OF THE FINANCE COMMITTEE HELD ON 22<sup>nd</sup> JUNE 2017 AT 11.00 A.M. IN THE BOARD ROOM, VICE CHANCELLOR'S BLOCK, IGNOU CAMPUS, MAIDAN GARHI, NEW DELHI-110 068**

The following were present:-

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|----------------------------|--|-----------|
| 1. Prof. Ravindra Kumar    | Vice-Chancellor (I/c)  | Chairman  |
| 2. Prof. K.N. Tripathi     | Member, BOM, IGNOU   | Member    |
| 3. Shri Vivek Mehrotra     | Secretary (Retd.)<br>M/o Minority Affairs,<br>Govt. of India | Member    |
| 4. Prof. P. Srinivas Kumar | Director, SOET   | Member    |
| 5. Prof. K. Ravi Sankar    | Finance Officer (I/c)  | Secretary |

Ms. Darshana M. Dabral, Joint Secretary & Financial Advisor, MHRD could not attend the meeting due to her preoccupation. However, she had sent her comments vide MHRD letter No. F.No. 10-2/2016-IFD dated 21<sup>st</sup> June, 2017 (**Annexure-1**). Dr. V. Venugopal Reddy, Director (Regional Services Division) attended as Special Invitee.

Ms. Vidya Sonal, Joint Registrar, Shri Mohan Veer Gautam, Shri K.S. Bhatia, Assistant Registrars and Shri Anil Kumar, Section Officer were present to assist the Committee.

The Chairman welcomed the members of the Finance Committee to the 91<sup>st</sup> Finance Committee meeting.

With the permission of the Chairman, Secretary presented the agenda items. The following business was transacted :

**FC 91.1 To confirm the Minutes of the 89<sup>th</sup> meeting of the Finance Committee held on 15<sup>th</sup> December, 2016.**

91.1.1 The Secretary informed that comments were received from FC Member Shri S P Goyal, Joint Secretary (NITs&DL), MHRD, vide letter dated 24/01/2017 (**Annexure-2**) on the Minutes of the 89<sup>th</sup> Meeting of the Finance Committee and clarified as per **Annexure - 3 (revised)**. The clarifications on the aforesaid comments were noted by the Finance Committee. It was also noted that the BoM in its 127<sup>th</sup> meeting approved the Minutes of the 89<sup>th</sup> meeting of the FC and



directed the Finance & Accounts Division to examine and place the comments of MHRD in the next meeting of the FC.

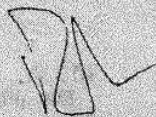
91.1.2 The Minutes of the 89<sup>th</sup> meeting of the Finance Committee were confirmed.

FC 91.2 **Action Taken Report in respect of the Items of the 89<sup>th</sup> Meeting of the Finance Committee held on 15.12.2016 as approved by the Board of Management in its 127<sup>th</sup> meeting held on 13.02.2016**

91.2.1 The Secretary presented the Action Taken Report with the following clarification:

**FC 89.0 – Notification on Ten - Point Charter of Reforms (Annexure- 4)**

- i) Adoption of Public Finance Management System (PFMS): The Secretary informed the Committee that not much progress was made on this and assured that efforts will be made by the University to adopt the PFMS by the end of December, 2017.
- ii) Rapid Switch-over to E-office Mechanism: The Chairman apprised the Committee about the various initiatives being taken by the University on the issue as under:
  - An MoU is being signed between IGNOU and the National e-Governance Division (NeGD) for Non-Financial Strategic Partnership.
  - From July 2017 session, admission & examination processes for various programmes of the University have been made online and the fee is being collected online. As a consequence the University has been able to collect a substantial amount of fee in the Central Account.
  - The Committee was further informed that all the study materials of the University are being digitized and the University is proposing to supply soft copies of the study materials to the enrolled students for their respective programmes. This will be in addition to the printed study material.
- iii) Regular and Strict compliance of internal audit procedures for all University components: The Secretary informed about the different steps



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that are being taken by the University for strengthening the Internal Audit System of the University by engaging the outside retired Audit Officers of CAG through Institute of Public Auditors and All India Council of Auditors & Accountants. In addition to this, the University is planning to conduct workshops for the officers above the rank of Section Officer to train them about the audit procedures. The Secretary also informed the Committee that efforts would be made to complete internal audit of all the Units of the University by March, 2018.

- iv) Investment of funds in conformity with the latest guidelines issued by the GoI: The Secretary informed that investment guidelines of the University are being revised as per GoI Guidelines. The Secretary further informed that in the meantime, the University had invested Rs.565.00 crore, mostly, from the PF & Pension Fund in Reserve Bank of India (RBI) Bonds at the rate of 8% per annum.
- v) The Secretary informed that the bank reconciliation of Fee Accounts (IDBI Bank & Indian Bank) of the University at Headquarters had been done up to 31<sup>st</sup> March 2017 by engaging the services of a Chartered Accountant.
- vi) The Secretary also informed that the University is in the process of taking up the necessary steps for reduction of multiple bank accounts.
- vii) It was further informed that a Committee had already been constituted for examining the issue of revision of programme fees of various programmes of the University and to submit recommendations in this regard.
- viii) On the issue of "utilization of accrued interest on Corpus Fund towards creating and strengthening University infrastructure through specific guidelines", the Finance Committee directed that the accrued interest on the investment from PF & Pension Fund should not be utilized by the University for its expenditure and that the interest on investment of such funds shall remain with PF & Pension Fund Account only.

However, the Committee suggested that interests accrued on Non-Plan savings and Earmarked Funds may be transferred to the Non-Plan Account



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as income of the University. This issue may be examined further by the Finance & Accounts Division.

ix) During the discussion Sh. Vivek Mehrotra specially advised that the University may avoid using net banking (except NEFT and RTGS) for the major revenue bank accounts of the University in order to minimize possibilities of fraud. This suggestion will be examined for necessary action.

x) FC noted the above information and recorded its satisfaction over the implementation of Ten Point Charter of Reforms on Financial Management System of the University. FC further advised that its implementation should be regularly monitored.

**FC 89.6 – Proposal for initiating the process of revision of Delegation of Financial Powers of the University**

The Secretary apprised the Committee about the comments of MHRD on this item vide their letter dated 24/01/2017 and clarified that the proposal vide agenda item No. 89.6 was only for seeking 'in principle' approval of the Finance Committee for constitution of a Committee to examine the existing Delegation of Financial Powers of the University and to make appropriate recommendations for revision, if any, which would be placed before the Finance Committee. The Vice-Chancellor will accordingly constitute a Committee for the purpose. The Finance Committee noted the clarification.

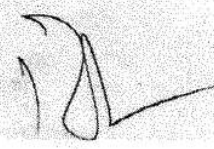
**FC 89.5 – Enhancement in stipend of Library Interns at L&DD, and**

**FC 89.7 – Revision of rates of translation**

Since no revised proposals in respect of both the above items, as per the directions of the 89<sup>th</sup> Finance Committee were received from Library & Documentation Division (L&DD) and Administration Division (Raj Bhasha Prakosth), respectively, the Committee decided to drop these items.

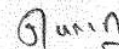
91.2.2 The Finance Committee noted the Action Taken Report with the above observations.

FC 91.3 To confirm the Minutes of the 90<sup>th</sup> meeting of the Finance Committee held on 17<sup>th</sup> March, 2017.



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- 91.3.1 The comments received from the FC member Sh. S. P. Goyal, Joint Secretary (NITs & DL), MHRD, vide letter No. F. No. 5-5/2017-DL dated 13/04/2017 (**Annexure- 5**) on the Minutes of the 90<sup>th</sup> Meeting of the Finance Committee were considered.
- 91.3.2 The Committee observed that while the decisions are to be taken by the FC/IGNOU, views of all the FC members, including ex officio members, have to be taken into account in respect of the agenda items and the minutes. The Committee noted that the comments received from Sh. S. P. Goyal, Joint Secretary (NITs & DL), MHRD, do not constitute approval of the payments proposed vide Item Nos. FC 90.1 and FC 90.2. Therefore, the Finance Committee did not confirm the Minutes in respect of these two items. The Committee further authorized the Vice-Chancellor to take up the matter with the appropriate authorities for clear directions on the matter.
- 91.3.3 Minutes of 90<sup>th</sup> meeting of the Finance Committee in respect of rest of the items i.e. 90.3 and 90.4 were confirmed.
- FC 91.4 To consider the Annual Accounts of the University for the Financial Year 2016-17 to be submitted to DGACE for audit.**
- 91.4.1 The Secretary presented the Annual Accounts of the University for the financial year 2016-17 and explained the trends in income and expenditure under various major heads.
- 91.4.2 The Committee deliberated upon various aspects of the Annual Accounts for the financial year 2016-17 and suggested the following:
- i) The Vice Chancellor may constitute a Committee to look into the issue of funds utilization in the Projects (EMF) and to suggest appropriate measures in this regard, and
  - ii) The Annual Accounts of the University may be presented in future before the Finance Committee along with explanatory notes for the sake of better understanding.
- 91.4.3 The Finance Committee appreciated the efforts made by Finance & Accounts Division of the University in compilation of the Annual Accounts for 2016-17 on time.
- 91.4.4 As the time schedule prescribed by the CAG for submission of Annual Accounts of the University for the Financial Year 2016-17 is 30<sup>th</sup> June, 2017 for their

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certification, the Finance Committee confirmed the Part Minutes of this item (Annual Accounts 2016-17) with the above observations and recommended for obtaining the approval of the Board of Management which is scheduled to be held on 30<sup>th</sup> June 2017 and for further transmission to DGACE.

**FC 91.5 To report the action taken on re-appropriation of funds with reasons during 2016-17.**

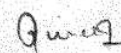
91.5.1 The Finance Committee noted the re-appropriation of funds made by the University during the financial year 2016-17.

**FC 91.6 To consider and approve the Revised Payment Norms for Content Development, Learning Support, Delivery of Electronic Contents and Examination related activities (Table Item)**

91.6.1 Dr. V. Venugopal Reddy, Director, RSD, requested the Chairman to permit him to present this item as a table item. The Chairman agreed to the request in view of the urgency involved in the matter. Dr. Reddy presented this agenda item to the Finance Committee.

91.6.2 Dr. Reddy informed that a Committee was constituted by the Vice-Chancellor for revision of payment norms for various activities as detailed in the Agenda Item. The Report of the Committee (**Annexure-6**) was discussed in the Finance Committee. Dr. Reddy informed the Committee that the payment norms for content development and delivery of electronic contents were last revised in the years 2007 & 1996, respectively. Since the University is finding it very difficult to find experts for the services at the existing rates, revision of payments norms has become inevitable. As the University is actively involved in the preparation of course materials as per the Choice Based Credit System (CBCS) as mandated by the University Grants Commission (UGC) and these courses are to be offered from the year 2018, there is an urgent need for revision of payment norms. The Chairman informed the Committee that some of the counseling would be undertaken by the internal faculty of the University through Gyan Vani & Gyan Darshan without much financial implications. Moreover, some enhanced expenditure will be reimbursed by AYUSH/ External agencies. This shall result in reducing the additional financial burden.

91.6.3 After detailed discussion and justification given by Dr. Reddy, the Finance Committee recommended the proposal for approval as follows:



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1. Payment norms for Content Development and related activities may be approved as proposed by the rate revision Committee.
  2. Payment norms for delivery of Electronic Content may be approved without the component of conveyance charges.
  3. Payment norms for examination related activities may not be considered since these were revised recently.
  4. Payment norms for learner support activities may be revised @10% of the existing rates.
  5. The Vice-Chancellor is authorized to approve the rates in respect of items/activities where there are no existing rates.
  6. All the above recommendations will come into effect only after the Programme fees for various academic programmes of the University is revised and implemented.

**FC 91.7**

**Any Other Item:**

91.7.1

Prof. K. N. Tripathi suggested that there is a need to create a Faculty Development Fund for supporting research activity by the faculty in the form of research grant to encourage the faculty for undertaking research. He also suggested that a Seed Grant upto Rs.2,00,000/- may be granted to the faculty who shall submit their proposals for undertaking research. The Faculty may approach outside agency for the expenditure beyond Rs.2,00,000/-, if necessary.

91.7.2

FC welcomed the proposal and suggested to the Vice-Chancellor to constitute a committee to work out a detailed Scheme in this regard.

91.7.3

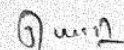
In response to the comments of MHRD on pending audit paras vide letter No. F.No.10-2/2016-IFD, dated 21<sup>st</sup> June 2017, the Secretary informed that the University had got settled 48 outstanding paras pertaining to the period from 1994-96 to 2014-15. The Secretary further informed the Committee that the University is continuously pursuing the matter with DGACE Office for settling of the remaining outstanding paras.

91.7.4

The Finance Committee appreciated the steps taken by the Finance and Accounts Division of the University in this regard.

91.7.5

The Chairman apprised the Committee about the efforts made by the University in conducting the June 2017 term-end-examinations by reducing the total number of days from earlier 26/27 days cycle to 17 days cycle and by using the services and



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buildings of Kendriya Vidyalayas. These steps have not only improved the credibility of the University examination system but also resulted in some cost saving.

91.7.6

The Finance Committee placed on record its appreciation of the efforts made by the officers of the University involved in the examination process, and the Students Evaluation Division (SED) in this regard.

The Meeting ended with thanks to the Chair.



(Ravindra Kumar)  
Chairman, Finance Committee



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